

# Export Controls Annual Report 2022





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# Foreword from the Secretary of Foreign Affairs and Trade



This report is the first annual report by the Ministry of Foreign Affairs and Trade (MFAT) covering the Export Controls regime for which it has the implementation responsibility. It covers the work of the Export Controls team, across the 2022 calendar year, in assessing and issuing permits for the export of strategic goods and the export and import of chemicals controlled by the Customs and Excise Act 2018 and the Chemical Weapons (Prohibition) Act 1996 respectively.

2022 was a busy year with a significant number of permit applications processed, and the restart of both in-person exporter engagement and in-person attendance at international meetings (post-Covid restrictions).

A number of operational improvements were made in the reporting year in response to a 2021 independent review of export controls, including increasing the size of the export controls team. Work, including a public consultation, has been undertaken to develop a purpose statement, transparency approach and revised assessment criteria. Additionally, there has been a significant refresh of the export controls website, and the development of a series of animated awareness and training videos for internal, exporter and public use. These operational improvements came into force in May 2023.

We have endeavoured to provide as much information as possible in this first annual report and will be assessing whether it can be developed further in future years.

You may also be interested in detail on the export of conventional weapons - this can be found in New Zealand's Arms Trade Treaty reports, available at:  
<https://www.mfat.govt.nz/en/trade/export-controls/transparency/reporting>

A handwritten signature in black ink, appearing to be 'C. F. J.', located at the bottom left of the page.

## The purpose of Export Controls

The purpose of Aotearoa New Zealand's Export Controls regime is to regulate the export of goods which may be intended for use that could, directly or indirectly, be to the detriment of Aotearoa New Zealand's security or national interests, or contribute to human rights abuse or the contravention of international humanitarian law. These comprise strategic goods; and also certain other goods intended for export to military and police end-users.

In achieving this purpose, the Export Controls regime fulfils Aotearoa New Zealand's domestic and international obligations, commitments and policies in relation to controlling the export of these goods, as well as giving effect to our commitment to being a responsible exporter of such goods.

## What is controlled?

The export and import of all controlled chemicals, the export of strategic goods, and exports that are covered by catch-all provisions, are all prohibited under the Customs and Excise Act 2018, unless a permit has been obtained from the Secretary of Foreign Affairs and Trade.



### Controlled chemicals:

Chemicals that could be used as weapons or weapons precursors, and chemicals related to other military purposes.



### Strategic goods:

Goods listed on the New Zealand Strategic Goods List (NZSGL). These include firearms, military goods and technologies, organisms, dual-use goods and technologies, and goods and technologies that can be used in the production, development, or delivery of nuclear, chemical or biological weapons and their means of delivery.



### Catch-all provisions:

These were introduced in 2020, bringing all exports of goods and technology not listed on the NZSGL to any armed force, paramilitary force, police force or militia under New Zealand's Export Controls regime. Some countries are exempt from catch-all provisions.

# Overview of application processing

871 permit applications were processed in 2022, with the majority relating to the export of strategic goods, requiring only a short assessment, and resulting in an approval decision and a permit being issued.

A permit application undergoes a full assessment when the goods or technology being exported, the destination country, or the end-user of the export could pose some risk. A full assessment involves the Export Controls team seeking information from a range of sources including open source reporting, relevant MFAT regional divisions and posts, and sometimes international partners. For each full assessment a legal assessment will be performed. Of the 20 full assessments completed in 2022, 16 were approved and 4 were declined.

Permits can be withdrawn by applicants for a number of reasons, most commonly where the timing for the export falls outside the permit time period and the permit is not planned to be used. At the end of the 2022 calendar year 10 permits originally approved in 2022 had been withdrawn. These 10 permits are not counted in the 'Approve' total in the table below.

Permits can be revoked by the Secretary of Foreign Affairs and Trade where conditions have changed or new information has come to light since the permit was issued which mean the permit is no longer appropriate. No permits were revoked in 2022

**Table 1: Overview of application processing**

Permit Decision	Category of export/import	Short Assessments	Full Assessments	Total
<b>Approve</b>	Goods Export	748	16	764
	Chemicals Export	4	-	4
	Chemicals Import	89	-	89
		841	16	857
<b>Decline</b>	Goods Export	-	4	4
	Chemicals Export	-	-	-
	Chemicals Import	-	-	-
		4	4	4
<b>Withdraw</b>	Goods Export	7	-	7
	Chemicals Export	-	-	-
	Chemicals Import	3	-	3
		10		10
		<b>851</b>	<b>20</b>	<b>871</b>

Source: Permit Control Database

# Types of permits issued

There are five different types of export permits issued under the Export Controls regime:



## Single Permit

Single export permits are issued for the permanent export of a fixed quantity of specified items in a single shipment. The permit is valid for a three-month window from the date it is issued.



## Multiple Permit

Multiple export permits are issued for the export of a fixed quantity of controlled items that will be exported in several shipments over an extended period up to 18 months in duration.

Exporters may be required, as a condition of their permit, to provide information to MFAT on the amounts of goods exported under the multiple permit, according to a set six-monthly reporting timetable.



## Single Temporary Permit

Temporary export permits are issued for a fixed quantity of specified items temporarily leaving New Zealand with the intention of return to the owner e.g. for a trade exhibition.

Generally, the export item will be in the care of the owner (sales representative, firearm owner etc), although items may be exported temporarily to a third party e.g. for the purposes of trial or repair by a third party.

The permit is valid for a three-month window from the date it is issued.

A condition of a temporary permit is that MFAT Export Controls is notified when the goods have been returned to New Zealand.



## Single Transit Permit

Single transit permits are issued for goods which enter New Zealand, are not offloaded, and continue onward to their destination.



## General Consent

An exporter may apply for a general consent to export specific listed items to a country or countries. This gives approval to the exporter to export any volume of the specified products to any end-user in the approved countries over a period of up to 24 months.




Applications are usually approved for exporters with a business case that justifies the use of a general consent i.e. a sufficient volume of goods.

Normally general consents are only granted for other export control member countries but applications are considered for other countries. In these cases, each end user must be specified.



Most permits issued in 2022 were single permits for the export of strategic goods and catch-all exports.

**Table 2: Permits issued by permit type**

	Number of permits issued					
	Single	Single Temporary	Single Transit	Multiple	General Consent	Grand Total
<b>Strategic Goods &amp; Catch-all Exports</b> 	606	28	4	68	58	<b>764</b>
<b>Chemicals Export</b> 	4	N/A	N/A	N/A	N/A	<b>4</b>
<b>Chemicals Import</b> 	89	N/A	N/A	N/A	N/A	<b>89</b>
<b>Grand Total</b>	699	28	4	68	58	<b>857</b>

Source: Permit Control Database

# Timeliness

The Export Controls team aims to process applications which require only short assessments within ten working days. In 2022, short assessments took on average 1.2 calendar days for strategic goods and catch-all exports, 2.3 calendar days for chemical exports and one calendar day for chemical imports.

The full assessment process necessarily takes longer, as the process is more involved (see the 'Overview of application processing' section in this report for information on what occurs). Full assessments for approved multiple export permits took the longest to approve, at an average of 122.8 calendar days to process. The fastest approval of a multiple export permit took **91 calendar days**, and the **longest took 195 days**. While acknowledging competing priorities within MFAT, the high figures for full assessments show there is a need to focus on reducing these processing times through better deadline management. This should be assisted by the introduction of the revised assessment criteria and training material.

For short assessments the 'average days to process' figures below exclude delays where further information needs to be sought from the exporter. The time taken for post-permit amendments are also excluded: 105 permits had amendments made post permit issuance and have been excluded from the timeliness calculations below.

**Table 3: Time taken to process short assessments**

Permit applied for	Number of permits (all approved)	Average days to process*
<b>Strategic Goods &amp; Catch-all Exports</b>		
Single	537	1.2
Single Temporary	27	1.0
Single Transit	4	1.5
Multiple	45	1.3
General Consent	47	1.4
All strategic goods & catch-all exports	660	1.2
<b>Chemical exports</b>		
Single	4	1.0
All chemical exports	4	1.0
<b>Chemical imports</b>		
Single	78	2.3
All chemical imports	78	2.3

**Source:** Permit Control Database

\*Average days to process' is calculated in elapsed calendar time, including public holidays and weekends as well as working days.

**Table 4: Time taken to process full assessments**

	Approvals		Denials	
Permit applied for	Number of approved permits	Average days to process*	Number of declined permits	Average days to process*
<b>Strategic Goods &amp; Catch-all Exports</b>				
Single	2	38.5	-	N/A
Single Temporary	-	N/A	-	N/A
Single Transit	-	N/A	-	N/A
Multiple	8	122.8	4	67.8
General Consent	-	N/A	-	N/A
All strategic goods & catch-all exports	10	105.9	4	67.8
<b>Chemical exports</b>				
Single	-	N/A	-	N/A
All chemical exports	-	N/A	-	N/A
<b>Chemical imports</b>				
Single	-	N/A	-	N/A
All chemical imports	-	N/A	-	N/A

**Source:** Permit Control Database

\*Average days to process' is calculated in elapsed calendar time, including public holidays and weekends as well as working days.

# Application approvals by region

When reading this section and comparing it to totals elsewhere in this report please note that some permits (general consents) can cover multiple countries, and hence these permits are counted for more than one country in this section.

## Africa

For the Africa region in 2022, there were **21 applications for permits** for the export of strategic goods and catch-all exports approved. There were no decisions made for controlled chemical exports to Africa in 2022.

**Figure 1: Application approvals for the export of strategic goods and catch-all exports to Africa in 2022**



Source: Permit Control Database

## Americas

For the Americas region in 2022, there were **147 applications for permits** for the export of strategic goods and catch-all exports approved. There were no decisions made for controlled chemical exports to the Americas in 2022.

**Figure 2: Application approvals for the export of strategic goods and catch-all exports to the Americas in 2022**



Source: Permit Control Database

## Asia

For the Asia region in 2022, there were **190 applications for permits** for the export of strategic goods and catch-all exports approved. There were no decisions made for controlled chemical exports to Asia in 2022.

**Figure 3: Application approvals for the export of strategic goods and catch-all exports to Asia in 2022**



Source: Permit Control Database

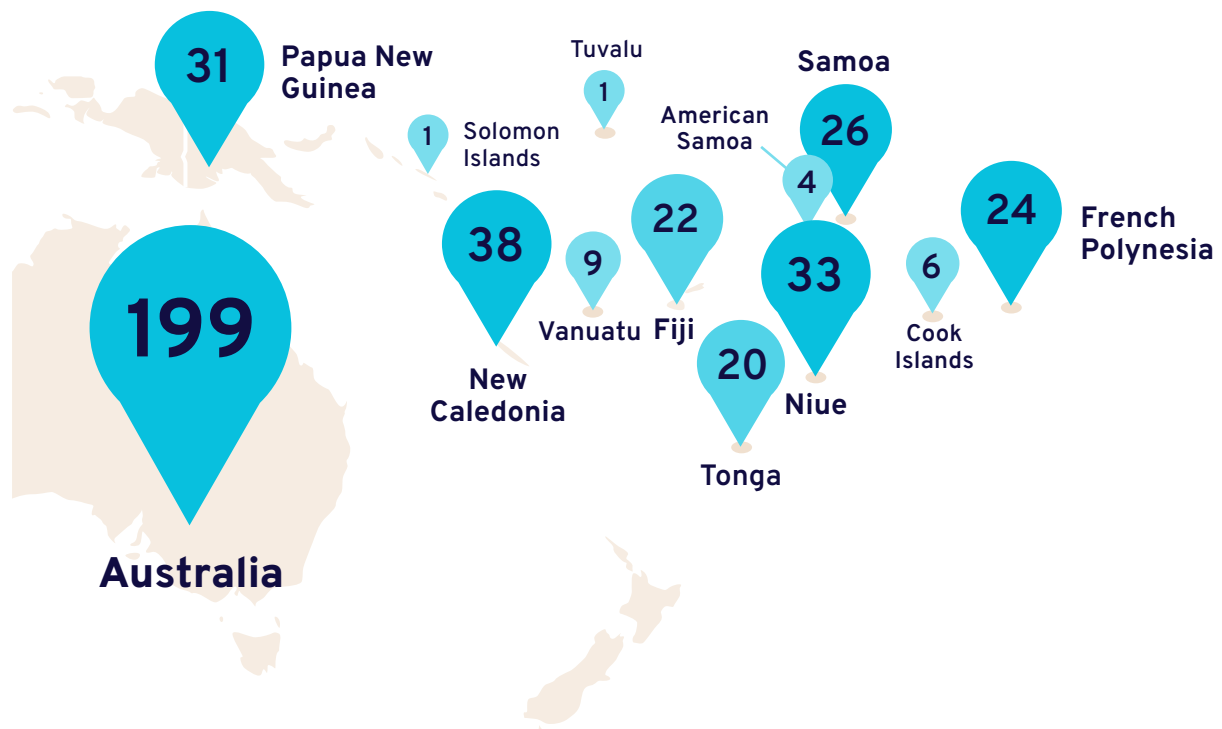
## Australia and Pacific

For the Australia and Pacific region in 2022, there were **410 applications for permits** for the export of strategic goods and catch-all exports approved.

There were **4 applications** for permits for the export of controlled chemicals approved, to this region in 2022.

There were **89 applications** for the import of controlled chemicals into New Zealand approved in 2022.

**Figure 4: Application approvals for the export of strategic goods and catch-all exports to the Australia and Pacific region in 2022**



Source: Permit Control Database



## Europe

For Europe in 2022, there were **243 applications for permits** for the export of strategic goods and catch-all exports approved. There were no decisions made for controlled chemical exports to Europe in 2022.

**Figure 5: Application approvals for the export of strategic goods and catch-all exports to Europe in 2022**



Source: Permit Control Database

## Middle East

For the Middle East in 2022, there were **28 applications for permits** for the export of strategic goods and catch-all exports approved. There were no decisions made for controlled chemical exports to the Middle East in 2022.

**Figure 6: Application approvals for the export of strategic goods and catch-all exports to the Middle East in 2022**



Source: Permit Control Database

## International Waters

There were **2 applications for permits** for the export of strategic goods and catch-all exports into international waters approved in 2022. These relate to rockets from New Zealand which were launched and landed in international waters. There were no new 2022 permit applications for exports from New Zealand which were launched into space. Launches which took place in 2022 were covered by pre-existing permits.

# Submissions to Ministers and Cabinet

MFAT made the following submissions to Ministers and Cabinet in relation to Export Controls across the 2022 calendar year. These submissions cover the full scope of the Export Controls team's work, including processing diplomatic clearances for state / military aircraft and vehicles. The names of two very sensitive submissions have been fully redacted.

**Table 5: Submissions to Ministers and Cabinet**

Date Submitted	Submitted to	Title of Submission
17/02/2022	Minister of Foreign Affairs	Prohibition on Military use Goods to Russia: Gazette Notice Consultation
7/03/2022	Minister of Foreign Affairs	Prohibition on Military Use Goods to Belarus: Gazette Notice Consultation
31/03/2022	Minister of Foreign Affairs	Export Controls Review: Implementation Update
6/04/2022	Minister of Foreign Affairs	Title redacted under Section 6, (a) of the OIA act - prejudice the security or defence of New Zealand or the international relations of the Government of New Zealand
18/05/2022	Minister of Foreign Affairs / Prime Minister	Nuclear Free Zone Act: Approval for Visit by French Navy Vessel - D'ENTRECASTEAUX
25/05/2022	Minister of Foreign Affairs	Update to the Schedule of Chemicals in the Chemical Weapons (Prohibition) Act 1996
26/05/2022	Minister of Foreign Affairs / Prime Minister	Nuclear Free Zone Act: Approval for Qatar Air Force Transport Aircraft to Land in New Zealand
22/06/2022	Minister of Foreign Affairs / Prime Minister	Nuclear Free Zone Act: Approval for Visit by French Navy Vessel – VENDEMIAIRE
29/06/2022	Minister of Foreign Affairs	Proposed enhancements to the Export Controls regime: Cabinet approval to release consultation document

Date Submitted	Submitted to	Title of Submission
22/08/2022	Minister of Foreign Affairs	Title redacted under Section 6, (a) of the OIA act - prejudice the security or defence of New Zealand or the international relations of the Government of New Zealand
12/10/2022	Minister of Foreign Affairs	Chemical Weapons (Prohibition) Act 1996 Schedule 1 Annex on Chemicals Update
12/10/2022	Legislative Cabinet Committee	Chemical Weapons (Prohibition) Act 1996 Schedule 1 Annex on Chemicals Update
18/10/2022	Minister of Foreign Affairs / Prime Minister	Nuclear Free Zone Act: Approval for Visit by ROK Naval Vessels – HANSANDO and DAECHONG
19/10/2022	Minister of Foreign Affairs	Proposed enhancements to the Export Controls regime: Timing of Cabinet consideration
2/11/2022	Minister of Foreign Affairs / Prime Minister	Nuclear Free Zone Act: Approval for Visit by Australian Naval Vessel – HMAS CANBERRA
10/11/2022	Minister of Foreign Affairs / Prime Minister	Nuclear Free Zone Act: Approval for Visit by French Navy Vessel - D'ENTRECASTEAUX
16/11/2022	Minister of Foreign Affairs	Proposed enhancements to the Export Controls regime
21/11/2022	Minister of Foreign Affairs	Foreign Military Aircraft Annual Clearance for 2023
14/12/2022	Minister of Foreign Affairs / Prime Minister	Nuclear Free Zone Act: Approval for Visit by French Navy Vessel - VENDEMIAIRE

# Other activities undertaken by Export Controls team

## Outreach

Members of the Export Controls team made 14 outreach visits to exporters, and held 2 virtual outreach meetings.

## Informal Advice

The Export Controls team provides informal advice to exporters (including businesses and individuals). Currently metrics are not kept on the work performed providing informal advice.

## Exemptions for private individuals to export certain firearms

MFAT was notified of 128 exports by private individuals of exempted firearms in 2022. This does not include firearms which were exported in 2023 where MFAT was notified in 2022. Exports of firearms are required to be notified to MFAT to enable MFAT's Arms Trade Treaty reporting obligations. Source: Exempted Firearm Export Figures Spreadsheet.

Find New Zealand's Arms Trade Treaty reports at:

<https://www.mfat.govt.nz/en/trade/export-controls/transparency/reporting>

## Official Information Act requests

The Export Controls team were involved in responding to 9 Official Information Act requests made to MFAT.

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# MFAT

MINISTRY OF FOREIGN AFFAIRS AND TRADE  
MANATŪ AORERE



**Te Kāwanatanga o Aotearoa**  
New Zealand Government