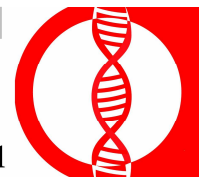


Introducing the concept of trade monitoring for biological dual use items

Workshop: Amending the WCO's Harmonized
System to Strengthen Non-Proliferation Efforts for
Bioweapons

Brussels, 17 and 18 April 2008

Research Group for
Biological Arms Control



Relevant Provisions from the Biological Weapons Convention (BWC)

Article I

Each State Party to this Convention undertakes **never in any circumstances to develop, produce, stockpile or otherwise acquire or retain:**

- (1) **Microbial or other biological agents, or toxins** whatever their origin or method of production, **of types and in quantities that have no justification for prophylactic, protective or other peaceful purposes;**
- (2) Weapons, equipment or means of delivery designed to use such agents or toxins for hostile purposes or in armed conflict.

Article III

Each State Party to this Convention undertakes **not to transfer to any recipient whatsoever, directly or indirectly, and not in any way to assist, encourage, or induce any State, group of States or international organizations to manufacture or otherwise acquire** any of the agents, toxins, weapons, equipment or means of delivery specified in article I of this Convention.



5th Review Conference 2001

- Member States to the BTWC could not agree on the establishment of the OPBW.
- No verification or monitoring procedures implemented for the global BW prohibition norm.



Problem remains existing while:

- **Global Biotechnology (and Pharma) Markets rapidly growing:**
 - Increasing diversity and complexity of technology.
 - Increasing number of products.
 - Increasing number of market participants
- **Losing overview:**
 - Unclear market size.
 - Many dual-use products.
 - Limited market transparency.
 - New technologies: Synthesizing, etc.



Dual-use in the BW area

- Difficult to distinguish legitimate transfers from purchases that are done with hostile intentions.
- Also hostile projects consist of unsuspecting component parts.
- **Only an exact and coordinated market/trade analysis can help coming to further conclusions.**



Monitoring the Global Trade

- The WCO's Harmonized System as an appropriate tool?
 - Potentially Overview on time, volume and value of (re-) exports and imports.
 - Open source data (no IO for a notifications system).
- But most items of concern are not individually identified in the HS nomenclature.



What items are of concern?

- Items list compiled by using existing lists of
 - UNSCOM/UNMOVIC
 - Australia Group
 - Ad Hoc Group



The proposed list of items...

...contains approx. 40 positions with biotechnology equipment for

- Production
- Downstream processing
- Biosafety and sterilization
- Research and genetic engineering
- Dissemination
- Other.



No clear identification of these items in the HS

The HS Secretariat identified approx. 30 HS Codes for these items

- Most of them “basket numbers” including a broader range of items.
- Some items can be linked to more than just one code.



84

NUCLEAR REACTORS, BOILERS, MACHINERY & MECHANICAL APPLIANCES, COMPUTERS

8419

Machinery, plant or laboratory equipment whether or not electrically heated for the treatment of materials by a process involving a change of temperature such as heating, cooking, roasting

841911 Instantaneous Gas Water Heaters, Non-electric

841919 Other Instantaneous or Storage Water Heaters, Non-electric

841920 Medical, Surgical or Laboratory Sterilizers

841931 Dryers for Agricultural Products

841932 Dryers for Wood, Paper Pulp, Paper or Paperboard

841939 Other Dryers Other than Household Machinery

841940 Distilling or Rectifying Plant

841950 Heat Exchange Units

841960 Machinery for Liquefying Air or Other Gas

841981 Making Hot Drinks or for Cooking or Heating Food Machinery & Equipment

841989 Other Apparatus for Treatment of Materials By Temperature

841990 Parts of Apparatus for Treatment of Materials By Temperature



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Entering the policy process

- Proposal for the creation of new sub-headings produced with support from the HS Secretariat.
- 26 November 2007: HS Secretariat in the HS Review Subcommittee instructed by the MS to do further work on the proposal
- 17 March 2008: HS Committee.
- May 2008: HS Review Subcommittee.
- March 2009: Deadline for amendments to be implemented in 2012.



Identification of the items of concern

- Today hardly identifiable by customs officers.
- Creation of new sub-headings for biological dual-use items desirable.
- Further distinctions by:
 - Size.
 - Applicability.



Fermenters



Describing the items

- Size matters.
- There are identifiable design features.
- These have to be translated into the language of the *Harmonized System*.



Benefits of an amendment

- Clearer identification of biological dual-use items by exporters and importers, customs authorities border officers in countries of origin and destination.
- Increased co-ordination of export controls.
- Improved implementation of UNSC Res. 1540 (2004).



Benefits for commercial actors

- Better data for market analysis
- Easier classification of products for trade declarations.



Benefits for bioweapons non-proliferation efforts

- Generation of transparency around transfer of equipment relevant for bioweapons programmes
- Identification of possible efforts for biological weapons development.



Aims of the Amendment of the HS nomenclature

- Facilitate the identification of biological dual-use items by:
 - Exporters,
 - Importers,
 - Customs authorities,
 - Border services,in order to strengthen export controls and the implementation of UN Security Council Resolution 1540 (2004).
- Enable a (public) trademonitoring and the identification of suspicious accumulations of BW relevant items in a given state.



Thank you!

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