

## Markets & Countries

# WHEN GOOD INTENTIONS COUNT FOR MORE THAN REALITY



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**The European export control is the wrong tool to fight terrorists and promote human rights: Klaus Friedrich from the Mechanical Engineering Industry Association VDMA explains his thoughts.**

By Klaus Friedrich and Eike Radszuhn

No democrat in Europe wants military equipment, let alone weapons of mass destruction, to land in the hands of dictators and hostile regimes. To prevent this from happening, the EU member states control and occasionally veto the export of so-called dual-use goods, meaning technology that is designed to benefit civilian interest but

could potentially be misused for military purposes.

This control process is by no means limited to a few selected items. Indeed, it affects the export of all kinds of investment goods. Laptops, forklifts, industrial furnaces or measuring instruments are all dual-use goods since they could potentially be used for military purposes. Basically, almost all products from the mechanical engineering industry are potential dual-use goods, and over 70 percent of all items audited by the authorities come from this sector.

European lawmakers are now set to expand export control. From the perspective of VDMA, this comes down to purely political desires, regardless of the applicability in the real world. The international trade committee of the European Parliament will vote on the new regulations for the control of dual-use goods in October. The proposal sets two additional goals: the export of a product shall not only be denied if this item could subsequently be used for military purposes, but also if it could potentially be misused for terrorism or to violate human rights.

### New bureaucracy, few benefits

As honorable as these aims may be, it is doubtful as to whether these measures will produce the desired results. VDMA warns that European trade policy in general and export control in particular are not suitable tools to promote human rights or fight terrorists, as justified as the intentions may be. While judging whether a product may be used for military aims is already difficult, it will overburden companies and authorities to assess, if a specific good poses a threat to human rights or could benefit terrorists.

It already poses a big challenge to companies, that European export control does not just apply to goods which are listed explicitly as being dual-use. According to the catch-all clause, companies have the responsibility to assess non-listed products on whether they are used for military purposes and to ask for an export permission. It is then up to national authorities to give a permission on a case-by-case basis.

According to the current proposal, an identical mechanism is to be used to identify additional goals on human rights and terrorism. Companies will be liable for the evaluation of whether a product could be used to endanger humans lives elsewhere. Exports may be stopped whenever national authorities feel the product could potentially support terrorism or lead to human rights violations. In reality, it is doubtful as to whether this judgement can be made consistently.

The crux of the matter is that the decision on whether a product could be used to violate human rights is not technical, but purely political. The proposal by the Commission does not include a definition of human rights

and refers to an all-inclusive definition of terrorism. No medium-sized company will have the capability to foresee if an export deal could cause a violation of these rules.

### **A fundamental mistake**

In the end, exporting SMEs would be held liable for a political assessment they can neither predict nor understand. Given the vast range of potential dual-use products, this will lead to massive uncertainty in all kinds of investment good exports to specific regions.

In view of this, VDMA has repeatedly urged the European Parliament to challenge the Commission's proposal for an expansion of export control. Since the basic ideas of the proposal are fundamentally heading in the wrong direction, it is worth considering whether a whole new approach may ultimately lead to a better outcome, instead of simply improving the current approach for the worse. Political decision, in the end, should be the result of a transparent political discussion. It is a purely political exercise to detect threats to human rights and civil security and to address them. This should not become the subject of day-to-day decisions by administrators. Accordingly, the European Union should continue to use its power to impose sanctions when needed for the global protection of people. It should not overstretch the mechanism of export control. ■

### **Further Information**

[VDMAimpulse](#) | [VDMA European Office](#) | [VDMA Foreign Trade](#) | [VDMA position on export control](#) | [EU-proposal for the control of exports, transfer, brokering and transit of dual-use items](#)

### **Contact**

Klaus Friedrich, VDMA Foreign Trade, E-Mail: [klaus.friedrich@vdma.org](mailto:klaus.friedrich@vdma.org)

Eike Radszuhn, VDMA European Office, E-Mail: [eike.radszuhn@vdma.org](mailto:eike.radszuhn@vdma.org)

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[VDMAimpulse@vdma.org](mailto:VDMAimpulse@vdma.org)