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Regional Seminar on Arms Export Control

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Practical case applied to re-export of defense products

Re-export of combat aircraft to BETTA and DELTTA

Exporter: BRAVIA DEFENSE LTD., a company registered in country ALFFA and is a leader in the country with regard to the trade in weapons and dual-use goods located in ALFFA

Importer: ROLANDO AIR LTD., a registered defence trader and broker located in country BETTA

End-users: National Air Force of BETTA and DELTTA

Products: 18 surplus fighter aircraft model FIT-19G belonging to ALFFA Air Force

Aviation industry in ALFFA: MILPROAIR INC. The government has a 51% share

Designer and manufacturer of FIT-19: CROMWELL AVIATION located in GAMMA

Scenario:

1. Under the reorganisation and reform taking place in the ALFFA air force, some flight squadrons are being downsized and others completely decommissioned. Therefore, 18 surplus FIT-19G fighter aircraft in good condition are available for export.
2. BETTA and DELTTA are two countries interested in buying the 18 aircraft; 8 for BETTA and 10 for DELTTA.
3. ROLANDO AIR LTD is a registered trading company in BETTA.
4. The ALFFA FIT-19G is a multirole combat aircraft. It was manufactured in ALFFA by MILPROAIR under industrial licence from CROMWELL AVIATION located in GAMMA. MILAPROAIR imported the following systems, subsystems and parts for integration:
 - a. Engines and avionics from LIMMA
 - b. Due to operational reasons, electro optics are imported from ADOBELAND instead of GAMM, where the optics were originally manufactured.
5. ALFFA, BETTA, GAMMA and LIMMA have been stable democracies for a long time, with reliable licensing and export control legislation in place.
6. DELTTA is a democratic country undergoing a severe economic crisis with an unemployment rate above 25% and a weak licensing and export control system.

Situation

7. BRAVIA DEFENCE LTD submitted an export application to the licensing authority of ALFFA for the export of 8 FIT-19G to BETTA and 10 FIT-19G to DELTTA. The end-user in both cases is the Air Force. Both states cite national self-defence as the reason for acquisition.

8. BETTA already operates the first version of the FIT-19. DELTTA has never operated this type of aircraft.
9. The total value of the contract is 400,000,000 Euros: 220,000,000 Euros for the deal with DELTTA and 180,000,000 Euros for the deal with BETTA.