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To us, the following situation and factors should be taken into account when formulating specific inspection procedures and determining frequency of inspection of the facilities producing and using key precursors.

Firstly, key targets should be identified so as to avoid an overspread of resources to no avail. Verification should focus on those facilities that pose a greater threat to the objective of the convention because non-production verification covers many aspects as well as numerous facilities. In this way, we could enhance the efficiency of the inspection and improve its cost-effectiveness. To that end, negotiations should be conducted to agree on a "threshold value", taking into account the different chemicals. Data-reporting will be sufficient for the facilities which are below the "threshold value", as they only pose a negligible threat to the objective of the convention, and therefore, could be excluded from the scope of routine on-site inspection.

Secondly, the frequency and intensity of on-site inspection should be determined according to the relevant chemicals produced by the facilities as well as the characteristics of the facilities themselves. As for the chemicals produced by those facilities, their risk to the objective of the convention increases in direct proportion with the level of toxicity of the end products evolved and the closeness of being able to produce compounds prohibited by the convention, i.e. chemical warfare agents. As for the characterization of a facility, it comprises various factors. In order to facilitate the determination of frequency and intensity of inspections, the factors should be classified according to their respective importance, taking the principal one as the basis and the others as points of reference. Among the factors relating to the characteristics of those facilities which produce key precursors, the production capacity is the most crucial element, while for the facilities using key precursors, the consumption quantity is the key factor. Thus, we are of the view that in determining the frequency and intensity of inspections, the level of toxicity of end-products, the production capacity of the facilities and the quantity of consumption constitute the main elements.

Thirdly, due regard should be given to the legitimate interests of enterprises, and steps should be taken to protect commercial and technical confidentiality. This question involves several factors, including both the human factor (inspectors) and the technical factor. In carrying out inspections, efforts should concentrate on setting an appropriate scope, which would cover primarily those parts which are likely to be diverted for the purpose of weapon production rather than going into the technical details of the related enterprises. For enterprises producing key precursors, the scope of verification should be limited to the process which starts with immediately direct raw materials and ends with the output of the compounds concerned; as for enterprises using key precursors, the scope should only cover the sections involving the use of key precursors up to the formation of compounds unrelated to the convention, not the whole process of forming end-products.

With regard to facilities producing chemicals which are used extensively for civilian purposes and which at the same time could be used for weapons purposes, in view of their great number and the large quantity of chemical