Derogations to Internal Market rules for defence procurement

2007/2572(RSP) - 19/06/2007

The House held a debate on Oral Question **O-0022/2007** to the Commission on derogations to internal market rules for defence procurement on the basis of Art. 296 TEC, by the Committee on the Internal Market and Consumer Protection:

Subject: Derogations to internal market rules for defence procurement on the basis of Art. 296 TEC

"As defence procurement is still being awarded within mostly fragmented national markets, the IMCO Committee takes note of the European Commission's interpretative communication on the application of Art. 296 of the Treaty in the field of defence procurement (COM(2006)0779 final), adopted on 7 December 2006. This communication helped clarify the existing legal framework and specified under which conditions the derogations are allowed to apply.

The IMCO Committee further notes efforts by the Commission to propose new legislation which should substantially contribute to creating a more competitive environment for the European defence industry and its suppliers. It highlights in particular the important role of defence procurement for the European economy.

The IMCO Committee asks the European Commission the following questions.

What is the progress on the directive on the 'procurement of defence equipment not subject to the derogations of Art. 296 TEC' which is being drafted? What are the subsequent steps planned by the Commission?

How does the Commission evaluate, from the perspective of a fair and efficient working of the internal market, the situation within the European defence industry, where - in different Member States - a significant number of highly skilled jobs appear to be at risk? What impact does it expect the directive to have on the sector?

What is the Commission's strategy to induce Member States to cooperate more closely on defence procurement issues and to improve transparency and gradually open up their national defence procurement markets, in order to establish a productive and competitive environment for this sensitive sector?

What conclusions can be drawn from the Code of Conduct that was established in 2006? How does the Commission understand the future relationship between a directive and the Code of Conduct?"

The debate was not followed by the adoption of a resolution.