European defence technogical and industrial base

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The Committee on Foreign Affairs adopted the report by Michael GAHLER (EPP, DE) on the European Defence Technological and Industrial Base, in response to the Commission communication entitled

‘Towards a more competitive and efficient defence and security sector’.

The Committee on Industry, Research and Energy, in exercising its prerogatives as an associated committee in accordance with Article 50 of Parliament’s Rules of Procedure, was also consulted for an opinion on this report.

Members recalled that an operational Common Security and Defence Policy needs a **strong European defence technological and industrial base** (EDTIB). They welcomed the European Council's decision to put the strengthening of Europe's defence on the agenda for its December summit and called on the European Council to provide the necessary fresh and ambitious impetus in this area.

While some third countries such as China, India, Brazil and Russia are increasing their defence spending, EU defence budgets are being cut back.

Concerned about the reductions in defence investment, the report urged the Member States to **reinforce European industrial cooperation** with a view to ensuring, as far as possible, **strategic autonomy** by developing and producing efficient military and security capabilities using the most advanced **technologies** .

Harmonisation of requirements and consolidation of demand: the report called on the European Council to launch a European defence review process and **make the coordination of national defence planning processes at EU level a reality**. Member States are invited to further explore the possibility of synchronising and jointly planning the life-cycle management of their defence capabilities in cooperation with the European Defence Agency (EDA).

Industrial policy: according to Members, a European industrial defence policy should have the aim of **optimising Member States’ capabilities** by coordinating the development, deployment and maintenance of a range of capabilities, installations, equipment and services. It should also promote research and technology cooperation and by developing equipment cooperation programmes.

The report stated that it is time to promote a **voluntary approach in acting on the fragmentation of the European industrial defence market**, furthering its consolidation (and initiating harmonisation) as regards supply and demand, rules and standards.

Member States are invited to:

- develop their defence industrial and technological bases and centres of excellence around **key technologies**, and provide them with effective corporate governance mechanisms within the European Union;
- encourage **cooperation between major defence companies and universities**;
- minimise **unnecessary regulatory obstacles**, to improve dialogue between defence undertakings and to promote the **rationalisation**;
- develop ways and means of consolidating **small and medium-sized enterprises** in a sustainable manner and of facilitating their access to defence procurement.

Common approach to standardisation and certification: Members reiterated the fundamental importance of standardisation of defence equipment for the establishment of a competitive single European defence market, as well as for ensuring interoperability and facilitating cooperation on armaments programmes.

Member States are encouraged to:

- explore the possibilities offered by the European Defence Agency (EDA) in terms of drafting **European standards for military products and applications**, for example for the construction of hospital ships or in the field of remote-controlled aerial systems;
- **streamline European certification procedures**, with the mutual recognition of certificates and the development of common civilian and military European certification procedures.

Ensuring security of supply: Member States, the EDA and the Commission are invited to rapidly develop a **comprehensive and ambitious EU-wide security-of-supply regime**, and to submit a joint non-dependency strategy on critical technologies, in particular as regards unlimited access to and availability of civilian and military (dual-use) emerging and key enabling technologies, such as cutting-edge micro-/nano-electronics, artificial intelligence and photonics.

Giving a new impetus to armaments cooperation: the report recommended developing key enablers with civil-military applications, which are sorely lacking in the majority of the Member States, such as some remotely piloted aircraft systems (RPAS), fostering the development of high technologies and helping sustain key competencies within Europe.

It encouraged EU participation in joint projects through leasing and/or acquisition of dual-use capabilities and the possible procurement of prototypes.

The European Council is urged, against the background of the existing administrative arrangement between the EDA and the Organisation for Joint Armament Cooperation (OCCAR).

The report also highlighted the need:

- **to support CSDP missions through European research and development**: **Members** emphasised the importance of research and innovation in the security and defence sector and of the Horizon 2020 research programme and invited the Member States to establish an appropriate platform for **bringing defence research to the civilian sphere**, with a focus on cutting-edge technological applications;
- to maintain the excellence of this technologically innovative and efficient industry in order to ensure the technological independence of the European Union;
- for greater cooperation and exchange of know-how among Member States, on the one hand, and between the European Union and its key partners, on the other; for the safety and security of infrastructure and technology;
- to develop European ICT and cyber-security standards and integrating them with international standards.

Strengthening the internal market in defence equipment: Members recalled that Member States urgently need to **improve the transparency and increase the openness of their defence markets**, while stressing the specific nature of defence procurement. The Commission is urged to step up efforts to build a level playing field in the defence market, limiting the use of market-distorting practices to the strict minimum of duly justified derogations.