Challenges facing the European defence-related industries: a contribution for action at European level

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The Committee, in adopting the report by Gary TITLEY (PES, UK) on the challenges facing the European defence-related industry (32 votes for, 11 against, 4 abstentions), hopes to bolster a European defence identity by calling on the Member States to devise a common armaments policy within the framework of the CFSP. The report, which deals with the industrial aspects of defence policy, points out that since the end of the Cold War military expenditure in Europe has fallen sharply. This 'peace dividend' has led to a decline in orders for military equipment and hence an economic and employment crisis in the industry. The result has been intensified rivalry between Europe's arms manufacturers in a saturated world market where competition is fierce, especially with the USA. Europe's arms industries must be able to respond to this new situation, both at international level and within the single market. Mr TITLEY points out that existing forms of cooperation, whether bilateral or multilateral, within the WEU or NATO, have proved ineffective. He therefore proposes that the General Staffs of the WEU member states should decide on the equipment required to attain the objectives of the CFSP. In this connection, he endorses the idea of setting up a Western European Armaments Organization and extending the Franco-German initiative to include other countries. All this would ultimately require a review of Article 223 (under which the Member States can invoke security interests as a reason for not cooperating), in order to integrate the production of, trade in and monitoring of armaments. In the meantime, Member States are asked to refrain from using this article to prevent restructuring of the industry: indeed, greater intra-Community trade would enable European companies to cut costs. In this hi-tech industry, research at Union level should also be encouraged, so as to avoid duplication of effort. The report asks the Commission to draw up a White Paper which would not only pinpoint the instruments the Union needs if there is to be greater transparency in the arms trade but also prompt the Council to introduce a joint action on arms exports, entailing a legally enforceable code of conduct based on a restrictive interpretation of the criteria adopted by the Luxembourg European Council of 28-29 June 1991 and the Lisbon European Council of 26-27 June 1992. Lastly, the report calls on the IGC to ensure that a decisive boost is given to the development of a common armaments policy and that arms export policies are monitored and harmonized.