Defence equipment: European policy, industry and market

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PURPOSE : to present the Commission's analysis of enhanced EU participation in a harmonised industrial defence strategy. CONTENT : in 1996 and 1997 the European Commission prepared two Communications to encourage greater efficiency in the European defence industry. With national defence policy close to the soul of national sovereignty, however, many Member States were not prepared to consider opening their defence market to closer EU integration. With the onset of the European Security and Defence Policy (ESDP) the European Parliament invited the Commission to prepare a new Communication taking into account the changes, which have taken place since 1997. The Commission is of the view that greater EU harmonisation, standardisation and competition in the defence industry will translate into improved efficiency. The Commission therefore proposes EU action in the following fields: - Standardisation. The Commission is already working on this issue with CEN and is facilitating co-operation between Ministries of Defence and industry to develop, by the end of 2004, a handbook cataloguing standards commonly used for defence procurement. - Monitoring of defence related industries in order to create a clearer picture of the industrial defence market in Europe. - Intra-Community transfers - in the form of a simplified European licence system. The Commission proposes an impact assessment study in 2003. Depending on the results of the study the Commission may begin to elaborate on legal instruments by 2004. - Competition. The Commission is considering introducing the application of EU competition rules in the defence sector. - Procurement rules and the introduction of a single set of rules for procuring defence equipment in Europe. - Export control of dual use goods. The Commission is seeking to adopt a more unified approach for the export of dual use goods. This, the Commission proposes doing, through raising the issue in appropriate Council meetings. - Research. The Commission hopes that industry and Member States will be able to identify common needs in the field of research. Pilot projects are proposed.