

Defence procurement. Green Paper

2005/2030(INI) - 05/10/2005

The committee adopted the report drawn up by Joachim WUERMEILING (EPP-ED , DE) in response to the Commission Green Paper on defence procurement. The committee pointed out that the fragmented nature of the armaments market in Europe was "one of the causes of weakness in terms of Europe 's military capabilities". It had resulted in a lack of standardisation and hence in a lack of interoperability between systems in Europe , making cooperation in international operations more difficult. The report called for the EU to push for further overall harmonisation and standardisation in the field and emphasised that increased efficiency of the arms industry should serve to protect European soldiers in action and benefit European citizens.

The committee agreed with the Commission that pressure should be placed on national defence procurement agencies to alter the practice of general derogation under Article 296 of the EC Treaty (on grounds of national security) in the area of arms production. Defence procurement should be covered to a larger extent by EC legislation rather than by national legislation. MEPs called on the Commission to adopt "an Interpretative Communication reflecting its determination to stop the misuse of Article 296" and to start to develop a new directive on defence procurement.

The report echoed the Commission's view that current policies of "juste retour" and off-setting in the field of military procurement were hindering efficiency and leading to "large-scale distortions of competition and artificial divisions of labour between industrial partners". It concluded that the inevitable concentration of the armaments industry should be subject to greater monitoring and control by the Commission with regard to competition law.

MEPs urged Member States to cooperate actively with the Commission on the new directive and to instruct the European Defence Agency to devise an Article 296 code of conduct for defence procurement, in order to introduce more competition and greater transparency and fairness in the awarding of contracts. The Commission was also urged to tackle a host of other obstacles to enhanced competition within the arms industry, such as the restrictions on cross-border trade in armaments within the EU, the exertion of political influence on award decisions and the lack of research cooperation.