Basic information

1997/2295(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Defence-related industries: implementation of Union's strategy **Subject** 3.40.09 Defence and arms industry	

Key players

European Parliament	**Committee responsible**	**Rapporteur**	**Appointed**
	AFET Foreign Affairs, Security and Defense Policy	TITLEY Gary (PSE)	22/01/1998
	Committee for opinion	**Rapporteur for opinion**	**Appointed**
	ECON Economic and Monetary Affairs, Industrial Policy	CARS Hadar (ELDR)	16/04/1998
Council of the European Union			

Key events

Date	Event	Reference	Summary
04/12/1997	Non-legislative basic document published	COM(1997)0583	Summary
29/04/1998	Committee referral announced in Parliament		
01/12/1998	Vote in committee		Summary
01/12/1998	Committee report tabled for plenary	A4-0482/1998	
27/01/1999	Debate in Parliament		
28/01/1999	End of procedure in Parliament		
07/05/1999	Final act published in Official Journal		

Technical information

Procedure reference	1997/2295(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148

Stage reached in procedure	Procedure completed
Committee dossier	AFET/4/09587

Documentation gateway				
European Parliament				
Document type	**Committee**	**Reference**	**Date**	**Summary**
Committee report tabled for plenary, single reading		A4-0482/1998 OJ C 104 14.04.1999, p. 0004	01/12/1998	
Text adopted by Parliament, single reading		T4-0057/1999 OJ C 128 07.05.1999, p. 0015-0086	28/01/1999	Summary
European Commission				
Document type		**Reference**	**Date**	**Summary**
Non-legislative basic document		COM(1997)0583	04/12/1997	Summary
Other institutions and bodies				
Institution/body	**Document type**	**Reference**	**Date**	**Summary**
EESC	Economic and Social Committee: opinion, report	CES0978/1998 OJ C 284 14.09.1998, p. 0115	02/07/1998	

Defence-related industries: implementation of Union's strategy

1997/2295(COS) - 04/12/1997 - Non-legislative basic document

OBJECTIVE: this communication from the European Commission proposes the implementation of a European Union strategy on defence-related industries. CONTENT: the Commission considers that the need for a European Union strategy to support the major changes in the European defence-related industries increases in urgency with every passing day. The European defence industry has undergone a restructuring process over recent years resulting, inter alia, in job cuts (-13% between 1993 and 1995) and reductions in productive capacity (in 1996 it took eight companies to achieve sales of 60 billion dollars, while the three largest American companies achieved turnover of 90 billion). The industry can no longer be properly restructured on a national basis. A European approach must now be taken if suitable solutions are to be found. A large market for defence products needs to be put in place by making combined use of the range of legislative and non-legislative Community instruments and the Union's common foreign and security policy. The Commission recommends a global approach in order to implement this strategy: 1) a draft common position on a new European armaments policy: the Commission calls on the Council to adopt its CFSP common position so that a debate can be launched on the main aspects of such a policy and Member States can be encouraged to undertake to implement it. Intracommunity transfers, public procurement and the customs system are the fields specifically referred to in the proposal; 2) an action plan for the defence-related industries which seeks to establish the conditions needed to: - boost the competitiveness of the European defence-related industry; - preserve the defence technological and industrial base; - promote the integration of the defence technological and industrial base in the economy as a whole in order to avoid duplication in the civil and military sectors; - establish a European security and defence profile. The Commission proposes a schedule for short- and medium-term actions in the following fields: - simplification of intracommunity transfers: the Commission will propose a simplified licensing scheme; - creation of a European Company Statute in order to facilitate the restructuring of the sector; - public procurement: a new set of purchasing principles, rules and mechanisms is needed for the defence sector; - technological research and development: complementarity needs to be established between national and European research programmes; - standardization: a programme of work to identify a uniform system of standards for defence equipment programmes; - customs duties: proposals to harmonize provisions governing customs duties; adoption of the 1998 proposal on the temporary suspension of import duty; - innovation, transfers of technology and SMEs: support for initiatives such as Interprise and Ibex; - competition policy: account needs to be taken of the specificities of the defence industry when assessing the competitive situation; - exports (dual purpose equipment and technologies and conventional armaments): new White Paper; proposal for a code of conduct; - structural funds: proposal for a general reform of cohesion policy in accordance with Agenda 2000; - direct and indirect taxation: continuing debate in the Council and a proposal for a directive on interest and royalties; - principles of market access: question to be addressed within the framework of the Transatlantic trade dialogue or the new Transatlantic agenda; - performance rating; - enlargement (assessment of industrial impact).

Defence-related industries: implementation of Union's strategy

1997/2295(COS) - 28/01/1999 - Text adopted by Parliament, single reading

The report by Gary Titley (UK, PSE) on the Communication from the Commission on implementing European Union strategy on defence-related industries was adopted by the Parliament. The report welcomes the Commission's proposed action plan as a coherent set of measures aimed at extending the single market to defence equipment and calls on the Commission to adhere rigorously to the plan's timetable for major actions. The Parliament considers that the introduction of a defence technological and industrial base depends on close cooperation between the EU and the WEU and hopes for better coordination among arms cooperation initiatives launched by the states of Europe. It hopes to see OCCAR merged with the WEAO to form the European Armaments Agency referred to in the Treaty on European Union and in this respect, welcomes the WEAG's Master Plan. The report notes the need for closer cooperation between Member States in the aerospace sector (which is promising) and the sphere of land and naval equipment (which is still in need of restructuring). With regard to the latter sphere, the Parliament regrets the conclusion of the KONVER programme in 1999 and would like to see it extended, particularly in view of enlargement. To reinforce competition policy, it calls for progress on the European Company Statute. The report welcomes the code of conduct on arms exports, but only views it as an initial step towards the adoption of legally binding rules at a European level. With a view to the gradual introduction of a unified Community arms market, the report proposes the drafting of an internal code of conduct limiting the opportunities for invoking Article 223 of the EC Treaty. It calls upon all EU Member States to ratify and implement the Ottawa Treaty on Anti-Personnel Landmines as soon as possible. The Parliament welcomes the joint action of the Council of 17th December 1998 on small arms and views its implementation as a matter of priority. It takes the view that the harmonisation of the presidencies of the EU and the WEU as of 1st January 1999 must provide an opportunity for bringing together the Foreign and Defence Ministers of the Union's Member States, as well as the associated members and associated partners of the WEU, to debate conditions for a common arms policy. The Parliament considers the inclusion of the CEECs in the move to restructure defence-related industries to be essential. It is anxious that the CEECs should, as a minimum standard, adopt and implement strict controls on their arms exports. The report maintains that the development of a European technological and industrial defence base is not incompatible with the establishment of cooperation links with countries such as the United States, Russia and Ukraine and would in fact enhance opportunities to cooperate with such countries with a viw to protecting against threats linked to the proliferation of weapons of mass destruction. The report finally proposes a number of amendments to the Commission's draft common position. These relate, in particular, to ensuring there are no distortions of competition on the single market, promotion of a European arms policy and the development of a common defence policy, a common CFSP and a European security and defence identity andthe continuation of efforts to set up a European Armaments Agency.