



EU actions for a joint European industrial base

IndustriAll

220712

Christina Wilén

DG DEFIS

EC Actions

- Defence Procurement Directive 2009/81/EC – Limit use of art 296/346
- Intra Community Transfer Directive 2009/43/EC
- European Defence Action Plan (2016), incl proposals on European Defence Fund
- Directive on Foreign Direct Investment (FDI) 2019.
- Defence Package 220215
 - Commission's contribution to European Defence
 - Defence technology Roadmap
- Tasking by EUCO 220311 :
 - Joint Communication on Defence Investment Gap 220518

Defence Package 220315

**Encourage
Investments
and
joint-
procurement**

1. Step up investments in strategic defence capabilities

- Better align spending

2. Incentivise joint-procurement

- VAT waiver

3. Exports controls

- Towards the streamlining and convergence of Member States arms export control practices

**Reinforce
EU's overall
resilience**

4. Space, cyber, hybrid threats, climate change, military mobility

- Towards the Space strategy for security and defence
- Cyber Resilience Act
- Assess and address gaps in sectoral resilience baselines
- Use EU programs to support green transition of defence
- Potential update of the action plan on military mobility

Technological Roadmap 20215

Boost innovation and mitigate dependencies on critical technologies

1. Identify critical technologies

- expert group within the OCT (JRC) to facilitate exchanges with Member States

2. EU at the heart of defence innovation

- EU-wide strategic coordinated approach
- EU Defence Innovation Scheme

3. Reduce dependencies in critical technologies and value chains

- Defence work strands in major EU industrial and technology initiatives

4. Cooperate with partners

- Cooperation like minded partners (including US and NATO)

Joint Communication 220518: The ‘Versailles tasking’ and its context

EUCO, 11/3/22:

Commission,
in coordination with
**European Defence
Agency:**

*“put forward an analysis of
the **defence investment
gaps** by mid-May and
(...) propose **any further
initiative necessary** to
strengthen the European
defence industrial and
technological base”.*

**Implications of unprovoked
Russian aggression of Ukraine:**

- **Reassessment** of security environment and equipment needs
- **Increased defence spending** in the EU
- If no coordination, **risks further increasing fragmentation** of EU defence market

Invest:

- **Together** – ensuring solidarity
- **Better** – on the right priorities
- **European** – strengthening European Defence Industrial base

JC 220518: Defence Industrial gap

EDTIB **overall competitive** but **gaps** exists:

- **Fragmented demand:** lack of cooperative investment
- **Fragmented supply:** industry structured along national borders.
- **Dependencies** on key defence equipments and raw materials
- In 2007-2016, over **60%** of European defence procurement budget spent on **non-EU military imports**
- Return of high-intensity warfare scenario requires **production ramp-up** by European industry

JC 220518: An enhanced Cooperation Framework

Immediate establishment of a **Defence Joint Procurement Task Force**

- To de-conflict orders, ensure solidarity, avoid price spiralling, **coordinate demand and procurement**

Short Term EU Instrument

- EUR 500 million over 2 years (2023-24) to support **joint procurement to address urgent needs**

European Defence Investment Programme (EDIP)

Medium to Long Term

- Establishing **consortia, to jointly develop and procure Defence systems**, benefitting from VAT exemption and possible **associated Union intervention** for the reinforcement of the EDTIB.

In the **longer term**, the Communication envisages a **joint EU defence programming and procurement function**.

Action plan: strengthen EU defence industrial capacity

Commission to support EDTIB to **invest, modernise** and **ramp up**

- In-depth **mapping** of EU industrial manufacturing capabilities.
- Initiative on **Critical Raw Materials** to facilitate, inter alia, defence industry access to CRMs
- Ensure availability of **defence specific skills**
- Consider possible amendments to the framework for **dual-use research and innovation**
- Consider **strengthening budgets** of the European Defence Fund, and Military mobility (mid term MFF review)
- Speed up establishment of the **CASSINI for defence** to support **defence innovation**.
- Enhanced support by **EIB** to the European defence industry and joint procurement

Skills

- ASD: 500.000 need up- and reskilling (2020)
- European Defence Skills Strategy (eudsp.eu)
- Defence Investment Gap Communication. “Measures will be considered as regards defence specific skills”
- EU funding opportunities for stakeholders, e.g. ERASMUS+ (Blueprint projects), Digital Europe
- Pact for Skills. Involvement of all types of stakeholders in the Pact.

Thank you



© European Union 2020

Unless otherwise noted the reuse of this presentation is authorised under the [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/) license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.

Slide xx: **element concerned**, source: [e.g. Fotolia.com](https://www.fotolia.com/); Slide xx: **element concerned**, source: [e.g. iStock.com](https://www.istock.com/)

