

Explanatory Meeting

Croatia Turkey

28 March 2006

European Defence Industries



Defence industries represent the defence activities of companies involved in: shipbuilding, aeronautics, electronics, engines, trucks, space ...

They are in various proportions active in both civil and defence markets



US and European Defence Industries Turnover and Workforce



European Defence industries

- Turnover
- Workforce (including M.O.D. employees)



**Their activities have remained outside of the
remit of the internal market.**

**Willing to maintain national controls,
Member States have widely invoked Art 296
(former 223) of the Treaties to derogate from EC
rules.**



CONSEQUENCES

Fragmentation of markets

Fragmentation of industries

Loss of competitiveness



Communication on European Defence Industrial and Market issues

COM(2003) 113 on 11 March 2003



Build a European Defence Equipment Policy

**Competitive Defence Industrial
and Technological Base**

**European Defence Equipment
Market**



Building a European Dimension

1 - Defence Equipment Demand

2 - Defence Equipment Supply



Building a European Dimension

**3 - Regulating EU defence equipment
market**

4 - Research



Commission Actions towards a European defence equipment market

European Defence Standardisation Handbook

Mapping the European Defence Industrial Base



Commission Actions towards a European defence equipment market

Facilitating intra-community transfers of
defence goods

Develop “defence specific” Procurement rules



Towards a more coherent European advanced security research effort

Preparatory Action on Security Research

paving the way for a large scale security research program within FP7



European Defence Agency

This agency subject to the Council's authority and open to participation by all Member States was created on 12 July 2004.

The Commission is a member of the Steering Board without voting rights and is fully associated with the work of the Agency



European Defence Agency

Four functions:

- **Defence capabilities development**
- **Armaments co-operation**
- **European defence technological and industrial base (DTIB) and defence equipment market (EDEM)**
- **Research and technology**



ROLE of ENTR / H

**Commission representative at Ministerial meetings of the European Defence Agency:
Vice-President Verheugen**

Co-operation “EDA - Commission” is coordinated by ENTR / H



NEXT STEPS

- **New Communication in 2006**
- **High Level Industry Roundtable**

