


# Procedure file

Basic information			
INI - Own-initiative procedure	2003/2096(INI)	Procedure completed	
Defence equipment: European policy, industry and market			
Subject 3.40.09 Defence and arms industry 6.10.02 Common security and defence policy (CSDP); WEU, NATO			
Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>AFET</b> Foreign Affairs, Human Rights, Common Security, Defense	UEN <a href="#">QUEIRÓ Luís</a>	04/11/2003
	Former committee responsible		
	<b>AFET</b> Foreign Affairs, Human Rights, Common Security, Defense	UEN <a href="#">QUEIRÓ Luís</a>	25/03/2003
	Former committee for opinion		
	<b>ITRE</b> Industry, External Trade, Research, Energy (Associated committee)	ELDR <a href="#">NEWTON DUNN Bill</a>	22/05/2003
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">General Affairs</a>	<a href="#">2518</a>	16/06/2003
	<a href="#">Competitiveness (Internal Market, Industry, Research and Space)</a>	<a href="#">2505</a>	13/05/2003
European Commission	Commission DG	Commissioner	
	External Relations		

Key events			
11/03/2003	Non-legislative basic document published	<a href="#">COM(2003)0113</a>	Summary
13/05/2003	Resolution/conclusions adopted by Council		
15/05/2003	Committee referral announced in Parliament		
16/06/2003	Resolution/conclusions adopted by Council		
01/10/2003	Vote in committee		Summary
20/10/2003	Decision by Parliament	<a href="#">A5-0342/2003</a>	
20/10/2003	Report referred back to committee		

04/11/2003	Vote in committee		Summary
04/11/2003	Committee report tabled for plenary	<a href="#">A5-0370/2003</a>	
19/11/2003	Debate in Parliament		
20/11/2003	Decision by Parliament	<a href="#">T5-0522/2003</a>	Summary
20/11/2003	End of procedure in Parliament		

### Technical information

Procedure reference	2003/2096(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54; Rules of Procedure EP 57
Stage reached in procedure	Procedure completed
Committee dossier	AFET/5/19522; AFET/5/20271

### Documentation gateway

Non-legislative basic document	<a href="#">COM(2003)0113</a>	11/03/2003	EC	Summary
Economic and Social Committee: opinion, report	<a href="#">CES1160/2003</a> <a href="#">OJ C 010 14.01.2004, p. 0001-0005</a>	24/09/2003	ESC	
Committee report tabled for plenary, single reading	<a href="#">A5-0342/2003</a>	01/10/2003	EP	
Committee report tabled for plenary, single reading	<a href="#">A5-0370/2003</a>	04/11/2003	EP	
Text adopted by Parliament, single reading	<a href="#">T5-0522/2003</a> OJ C 087 07.04.2004, p. 0411-0518 E	20/11/2003	EP	Summary

## Defence equipment: European policy, industry and market

**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.?

## Defence equipment: European policy, industry and market

The committee adopted the own-initiative report drawn up by Luis QUEIRO (UEN, P) in response to a Commission paper on an EU defence equipment policy. Arguing that the EU needed to develop its own military capabilities if it wanted to ensure the credibility of its foreign and

defence policy objectives, the committee called for the strengthening and rationalisation of the European arms industry. The EU Member States should therefore make a commitment to military expenditure over a period corresponding to their long-term defence obligations. MEPs called for the development of a European defence equipment industry which is competitive and viable and for a research and development programme to improve the EU's defence capabilities. They said that public defence spending by the Member States should be used more effectively and should avoid overlapping. Intra-European cooperation and the principle of Community preference were equally important. However, this did not mean ruling out cooperation with third countries or the buying of defence equipment outside Europe where supply proposals were more attractive economically than those available within the EU and where such purchases were complementary to the realisation of a European project. The report called for the progressive establishment of a European armaments market and for common rules on this issue. Controls on intra-Community transfers of defence equipment should be reduced, administrative procedures should be simplified and national licence systems should be approximated. At the same time the export controls at the EU's external borders should be strengthened further. ?

## Defence equipment: European policy, industry and market

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The committee adopted the second report drawn up by Luis QUEIRO (UEN, P) in response to a Commission paper on an EU defence equipment policy, after the first report was referred back to committee at the sitting of 22 October 2003. The second report is broadly similar to the first (see summary dated 01/10/2003) but omits any references to the creation of an internal EU market for defence equipment and the need for a future RTD programme devoted to defence-oriented research. ?

## Defence equipment: European policy, industry and market

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The European Parliament adopted a resolution based on the own-initiative drafted by Luis QUEIRO (UEN, P) on defence equipment. Parliament emphasised that the EU should endow itself with military capabilities, in order to ensure the credibility of its foreign and defence policy objectives. If this project is to be successful, Member States must make a commitment to military expenditure over a period of time corresponding to their long-term defence obligations. NATO remains not only a fundamental guarantee for the stability and security of the Euro-Atlantic area, but also an essential framework for developing joint operations. It is therefore in the common interest to increase the interoperability of intra-European and transatlantic defence equipment. Favourable conditions to be established for the development of a European defence equipment industry which is competitive and viable. Parliament asked Member States to restructure the defence equipment industries sector and subscribe to the principle of industrial and technological interdependence in this sector, so as to ensure that public defence spending is used more effectively and overlapping is avoided. Competitiveness and to the principle of Community preference must be supported without excluding cooperation with third countries or the acquisition by Member States of defence equipment outside Europe, where supply proposals are more economically attractive than those available within the EU and where these purchases operate in a form that is complementary to the realisation of a European project. Parliament called for the progressive establishment of a European armaments market and asked the Commission to propose transparent procedures and simplification measures. The internal opening-up of military markets should be accompanied by a further strengthening of export controls at the external borders of the EU. The EU and its Member States should fully implement all of Parliament's recommendations on the implementation of the EU Code of Conduct on Arms Exports. A Community support programme should be set up devoted exclusively to the development of equipment for the protection of the EU's external frontiers, with the objective of meeting the requirements of the fight against international terrorism and organised crime, illegal immigration, trafficking in arms, narcotics and human beings, and maritime crime. Parliament went on to recall the European Council's decision to create an intergovernmental agency in the field of defence capabilities development, research, acquisition and armaments. It considered that the Agency should deal, firstly, with the equipment and armament of the European crisis intervention force, especially in relation to its compatibility. The Agency should also develop a long-term approach towards capability needs. It should also have a budget which should concentrate on the research and development of new technologies.?