



EUROPEAN PARLIAMENT

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Committee on the Internal Market and Consumer Protection

2013/2125(INI)

1.10.2013

OPINION

of the Committee on the Internal Market and Consumer Protection

for the Committee on Foreign Affairs

on the European Defence Technological and Industrial Base
(2013/2125(INI))

Rapporteur: Ildikó Gáll-Pelcz

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SUGGESTIONS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Foreign Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Points out that the recent economic downturn has led to a number of reductions in the defence budgets of many Member States; considers that the current crisis can be used as an opportunity for the development of an integrated Union defence policy, as it can provide the impetus for implementing ambitious and major reforms and for better benefiting from synergies; urges the Member States, therefore, to practise greater transparency with regard to state aid and procurement practices in the defence sector, towards both European authorities and agencies and the general public;
2. Recalls the tradition of the Union as a civilian power in global affairs; reiterates, therefore, that the European defence industry should first and foremost focus on demand from the internal market; deplores, in this context, the increase in trade in arms and defence equipment emanating from the Union with autocratic regimes in unstable world regions; considers that these trade practices might not be conducive either to the security of citizens in regions receiving arms and defence equipment from the Union or to European and global security interests; urges the Member States to act in international forums in favour of greater transparency in international defence procurement markets, in order to increase the controllability of global trade flows in armaments;
3. Recalls that Member States urgently need to improve the transparency and increase the openness of their defence markets; stresses that the common security and defence policy has to be further enhanced; calls, therefore, on the Member States to correctly implement Directive 2009/81/EC dealing with defence and sensitive security procurement, in order to strengthen the single market by reducing the complexity of procurement rules in the defence sector where appropriate, while taking into consideration the increasing complexity of defence procurement in relation to international missions, resulting in optimised specifications;
4. Stresses that greater use of innovative procurement techniques – especially e-procurement and pre-commercial procurement, as well as incentives setting for R&D – should be encouraged in defence procurement, as they may be particularly suited to this field and can play a major role in reducing the administrative burden and costs related to procurement procedures; believes that at the same time the protection of intellectual property rights and know-how needs to be ensured; urges the Member States to make strategic use of defence procurement and to implement innovative awarding principles based on the concept of the Most Economically Advantageous Tender;
5. Considers that contracting authorities and entities in the fields of defence and security should have access to a specific procurement procedure in respect of contracts where there is a need for the development of an innovative product or service or innovative works and the subsequent purchase of the resulting supplies, services or works which cannot be met by solutions already available on the market; considers furthermore that such a procedure would improve the functioning of the internal market and the development of a European defence equipment market and a European defence technological and industrial base and

would drive growth for innovative SMEs; stresses that such a procedure has already been agreed in the revised Classic and Utilities Procurement Directives, allowing contracting authorities to establish a long-term innovation partnership for the development and subsequent purchase of new, innovative products, services or works, providing the necessary ‘market pull’ and incentivising the development of an innovative solution without foreclosing the market; calls, therefore, on the Commission to take these developments into account in its implementation report to the European Parliament and the Council on the Defence Procurement Directive (Directive 2009/81/EC), which is due by 21 August 2016, and to accompany this report with a legislative proposal amending Directive 2009/81/EC, introducing the innovation partnerships procedure for the contracts concerned;

6. Urges the Member States also to take steps to eliminate duplication and excess capacity in the sector by boosting cooperation in the internal market; highlights the potential benefits of joint procurement in terms of economies of scale and interoperability; points out that shared projects will reduce costs and enable long-term investment;
7. Recalls that the contracts awarded in the field of defence and security are often technically complex; stresses that in order to facilitate cross-border tendering there is a need to review - where appropriate - unnecessary, incompatible or disproportionate technical requirements so as to minimise and, where possible, eliminate barriers to the internal market;
8. Stresses that promoting the European defence technological and industrial base is a further element in the completion of the single market and can create sustainable jobs for citizens employed in the defence industries;
9. Calls on the European Defence Agency and the Commission to work together in order to foster the integration of smaller Member States’ industries into the European defence industrial and technological base by other means than offsets;
10. Notes that the fragmentation of the European defence market is an obstacle to the ability of SMEs to market their products; emphasises the importance of opportunities for SMEs to contribute to the creation of defence equipment sector products, i.e. both of military equipment and of intangibles such as software and technology; notes that the use of common defence standards focusing on areas where national standards do not yet exist would enhance cooperation and interoperability;
11. Urges the Member States to encourage cooperation between major defence companies and universities; emphasises that the knowledge base of universities can be widened through such cooperation;
12. Calls on the Member States and the Commission to facilitate efforts of exploiting technologies and innovation emanating from the defence industry for non-military purposes and the production of civilian products and applications, in order to strengthen high-technology industries within the internal market;
13. Stresses the need for greater funding for R&D in Member States in order to compete successfully with third-country manufacturers in the defence sector; notes that innovation and technological developments can lead to improvements in other areas of life;

14. Calls on the Commission and the Member States to cooperate to ensure cybersecurity, as one of the major pillars of the defence and security strategy; recalls at the same time that, given the global dimension of the internet, the digital internal market faces growing security risks, and that a strong and coordinated approach could contribute to combating threats such as those to the security of transactions, which can seriously undermine consumers' confidence in the digital internal market.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	30.9.2013
Result of final vote	+: 19 -: 11 0: 2
Members present for the final vote	Preslav Borissov, Jorgo Chatzimarkakis, Sergio Gaetano Cofferati, Birgit Collin-Langen, Anna Maria Corazza Bildt, Christian Engström, Vicente Miguel Garcés Ramón, Evelyne Gebhardt, Małgorzata Handzlik, Sandra Kalniete, Edvard Kožušník, Hans-Peter Mayer, Sirpa Pietikäinen, Mitro Repo, Heide Rühle, Christel Schaldemose, Andreas Schwab, Catherine Stihler, Róza Gräfin von Thun und Hohenstein, Bernadette Vergnaud, Barbara Weiler
Substitute(s) present for the final vote	Susy De Martini, Tamás Deutsch, Kinga Gál, Ildikó Gáll-Pelcz, María Irigoyen Pérez, Ádám Kósa, Morten Løkkegaard, Roberta Metsola, Marc Tarabella, Wim van de Camp, Patricia van der Kammen