



EUROPEAN DEFENCE AGENCY

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PRESS RELEASE

EDA STEERING BOARD TAKES FURTHER STEP TOWARDS INJECTING COMPETITION INTO DEFENCE PROCUREMENT (BRUSSELS, 23 SEPTEMBER 2005)

European Union governments took a further step towards injecting more competition into the European Defence Equipment Market today, agreeing that a voluntary, non-binding Code of Conduct would be fastest way to make progress.

The Steering Board of the European Defence Agency, meeting at the level of National Armaments Directors of the 24 participating Member States, examined a set of principles drawn up by the Agency and instructed it to turn the ideas into a draft Code of Conduct for possible approval by defence ministers in November.

“The Agency’s work to date suggests that the introduction of the proposed intergovernmental regime would be a major step forward, bringing a real European Defence Equipment Market into being,” said Eero Lavonen of the Finnish Defence Ministry, who chaired the meeting on behalf of Javier Solana, the Head of the Agency.

The Steering Board considered the results of an EDA fact-finding study into the use by participating Member States of Article 296 of the EU Treaty to exempt purchases of defence equipment from the normal internal market rules requiring cross-border competition, and agreed that it underlined the need to inject more competition into this area.

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The Steering Board stressed that any Code of Conduct would have to contain provisions covering the security of supply for one Member State purchasing vital equipment from a company based in another member state, the protection of classified information, and opportunities for small-and medium-sized enterprises with specialist capabilities.

“The essence of the Code of Conduct would be transparency and mutual accountability,” said Nick Witney, the EDA’s Chief Executive. “More opportunities for companies to do business across EU borders would be a major boost for Europe’s Defence Technological and Industrial Base.” – he added.

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- Background information -

The European Defence Agency (EDA) was established by the Council on 12 July 2004. It is designed "to support the Member States in their effort to improve European defence capabilities in the field of crisis management and to sustain the ESDP as it stands now and develops in the future". More specifically, the Agency is ascribed four functions, relating to:

- a) defence capabilities development;
- b) armaments cooperation;
- c) the European defence technological and industrial base and defence equipment market;
- d) research and technology.

These functions all relate to improving Europe's defence performance, by promoting coherence in place of fragmentation.

The Agency's tasks are:

- to work for a more comprehensive and systematic approach to defining and meeting the capability needs of ESDP (supporting, for example, the "Headline Goal 2010" initiative);
- to promote equipment collaborations, both to contribute to defence capabilities and as catalysts for further restructuring of the European defence industry.
- to promote European defence-relevant R&T, as vital both to a healthy defence technological and industrial base and to defining and satisfying future capability requirements. This will involve pursuing collaborative use of national defence R&T funds, in the context of a European policy which identifies priorities.

The EDA is an Agency of the European Union. All EU Member States, except Denmark, participate. High Representative Javier Solana is Head of the Agency and chairman of the Steering Board, which acts under the Council's authority and within the framework of guidelines issued by the Council.