



EUROPEAN DEFENCE AGENCY

Brussels, 7 December 2006

PRESS RELEASE

EDA WELCOMES EUROPEAN COMMISSION CLARIFICATION ON EU DEFENCE PROCUREMENT

(BRUSSELS, 7 DECEMBER 2006)

The European Defence Agency welcomes the new European Commission guidelines on defence contracts published today as complementary to the Agency's own agenda for creating a more effective defence equipment market in Europe.

Article 296 of the EC Treaty allows Member States to derogate from internal market rules if that is necessary for the protection of their essential security interests. Since July, our voluntary Code of Conduct, to which 22 European Union Member States subscribe, has covered such contracts and has for the first time brought competition into this "Article 296 area", which in practice accounts for the bulk of European defence procurement.

The Commission's Interpretative Communication seeks to clarify the borderline between Article 296 and the internal market. The Agency is sure that its participating Member States will find the Communication helpful in that context.

"Every initiative that contributes to the breaking down of protectionist barriers in European defence procurement is to be welcomed. Getting a better market going is vital for the preservation of an internationally competitive defence technological and industrial base" said Nick Witney, Chief Executive of the European Defence Agency.

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The Code of Conduct on Defence Procurement requires Ministries of Defence to advertise their procurements on the EDA website and welcome bids from across Europe, treating bidders from all subscribing Member States equally. Today, some 85 contract opportunities with a value approaching 5 billion Euros are posted on the electronic bulletin board at <http://www.eda.europa.eu/ebbweb/>

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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 Council and 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 EDA is an Agency of the European Union. High Representative Solana is Head of the Agency, chairman of the Steering Board, which acts under the Council's authority and within the framework of guidelines issued by the Council.