

The European Defence Action Plan

Stronger transatlantic defence cooperation for a stronger EU

A resilient and determined EU policy in security and defence is instrumental for maintaining transatlantic cooperation and achieving global security. The American Chamber of Commerce to the EU (AmCham EU) welcomes the momentum gained in the Global Strategy for the EU's Foreign and Security Policy and codified by the European Defence Action Plan (EDAP). This will not only strengthen Europe but also reinforce NATO, the cornerstone of transatlantic collective defence.

European Defence Fund

Given the resurgence of populist and protectionist rhetoric on both sides of the Atlantic, openness and accessibility of global markets are necessary to develop sustainable and mutually reinforcing defence industrial bases.

AmCham EU welcomes the European Commission's flagship proposal to establish a European Defence Fund (EDF) aimed at incentivising collaborative defence research and capability development between EU Member States. The objective is to foster interoperability, reduce duplication costs and minimise fragmentation of the industry. The Commission's recommitment to strengthening the EU's Defence Single Market and boosting investments in Small and Medium-sized Enterprises (SMEs) is also a step in the right direction.

The EDF is the first of its kind to offer grants for collaborative research in defence technologies and incentivise joint development of capabilities at EU level. Moreover, it allows the Commission to give practical support to Member States who decide to jointly develop or acquire capabilities.

Who are the beneficiaries?

The EDF will bring positive progress by promoting defence cooperation in the EU and strengthening transatlantic cooperation one to achieve an increased level of global security.

Yet, as it currently stands, there is a risk that key industry players (including SMEs located in both EU and NATO countries) will be disqualified from participation. SMEs with long-standing industrial partnerships and significant local footprints and supply chains in the EU would equally be left out.

Their absence could substantially harm ongoing and future transatlantic defence cooperation and ultimately generate tensions in the realm of security and defence.

Recommendations

- The EU's strategic autonomy needs to be both capability and technology driven, not nationally-driven. The best strategic value-for-money option should prevail.
- Reciprocity should be ensured when granting public funding to companies, whether headquartered in an EU or NATO country. This is paramount for competitive and sustainable transatlantic defence cooperation.
- A contribution-based approach to the European Defence Technological and Industrial Base is preferred to a restrictive ownership and control eligibility criterion. This is due to the very specific nature of the sector and its global supply chains spanning across continents.

Examples of transatlantic of cooperation

- Saab President and CEO Hakan Bushke (Sweden) confirms that cooperation with the Boeing Company on the US Air Force's Feature T-X trainer programme is going tremendously well.¹
- The multinational F-35 joint strike fighter programme² is designed specifically to have industrial participation from many EU Member States, putting an inherently transatlantic supply chain at the heart of the largest acquisition programme of the US Department of Defence.

¹ http://saab.com/region/india/about-saab/saab-in-media/saab-media/2015/saab-and-boeing-on-t_x-programme/

² <https://www.f35.com/global>