

Jean-Claude JUNCKER
President of the European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels

Brussels, 12th June 2015

Open letter to the Presidents of the European institutions and the Heads of State and Government of the European Union

Dear President Juncker,

“Defence matters” - this bold statement opened the December 2013 Conclusions of the European Council, which launched numerous initiatives to strengthen the Common Security and Defence Policy (CSDP). At the end of this month, Heads of State and Government will review progress on these initiatives.

A few weeks ahead of the Summit, it is clear that European defence budgets remain severely constrained, and that Member States’ armed forces are struggling to retain effectiveness and coherence. This has serious consequences for Europe’s military capabilities and the long-term future of the industrial and technological basis which underpins CSDP. At a time when the security environment in our neighbourhood is deteriorating, Europe is losing important elements of its capacity to defend its interests and its citizens.

Since progress has been so modest, political guidance for the future becomes even more important. In June, Heads of State and Government should raise the level of ambition and give to EU institutions and Member States concrete tasks for the way ahead.

From the perspective of industry, the following areas should become priorities:

Europe must ensure an appropriate level of strategic autonomy, rather than accepting ever greater dependence on off-shore allies. Therefore, it is vital to reach a common understanding of the technological capabilities which should be maintained collectively. ***The European Council should task Member States to prepare together a defence industrial strategy which identifies technology gaps and priorities and how to address them. The EU should support and complement this strategy through related policies and instruments.***

After years of decline, a rapid and substantial increase in investment in defence research is needed, given its pivotal role in maintaining the technological edge that ensures military advantage. ***The European Council should set minimum targets for investment in national and collaborative R&T projects. Moreover, it should support the plan for an EU defence research programme substantial enough to make a difference.***

To generate new capabilities and strengthen European industry, investments in R&T must lead to concrete procurement projects. *The European Council should call upon Member States to develop European solutions for those critical capabilities which underpin Europe's strategic autonomy.*

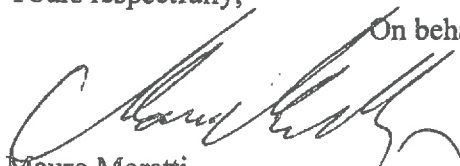
Since no Member State can afford to sustain a full range of defence industrial capabilities on a purely national basis, it is essential that more new equipment development programmes are set up in cooperation. To achieve this, *the European Council should task Member States to harmonise their requirements, align their procurement plans, strive for standardisation and mutual recognition of certification. At the EU-level, financial incentives should be set to foster collaborative programmes.*

Security of Supply is vital for both our armed forces and the functioning of the internal market for defence. *The European Council should decide to establish an EU-wide system of free circulation of defence equipment for the end-use by Member States' armed forces.* Once the sale of an equipment to another Member State is authorised, the selling Member State should commit itself not to block follow-on deliveries for in-service support for that equipment.

Also small and medium-sized enterprises (SMEs) need to have a fair chance to benefit from the internal market for defence. Having the opportunity to compete on a level playing field is necessary for all companies in all Member States to thrive and retain the competencies needed to support Member States' essential security interests. *The European Council should therefore task the European Commission and Member States to prepare concrete actions that help to facilitate cross-border access for European SMEs to European defence supply chains.*

Some of these proposals may seem ambitious, but we believe that none of them is unrealistic. All of them would take some time to produce tangible results, but this should not hinder Heads of State and Government from kick-starting them now and establishing concrete timelines and milestones to measure progress. This would ensure that the European Council of June raises the ambition on European defence to the level which is needed to make a difference.

Yours respectfully,



Mauro Moretti
ASD President
CEO Finmeccanica

On behalf of ASD Board Members,



Jan Pic
ASD Secretary General

Copy to: Federica Mogherini, Elzbieta Bienkowska, Michel Barnier

The same letter will be sent to the Presidents of the European Council and the European Parliament. National Associations will distribute it to their respective Heads of State and Government.



AeroSpace and Defence Industries Association of Europe

ASD represents the Aeronautics, Space, Security and Defence industries in Europe. Based in Brussels, the organisation's membership today comprises 15 major European aerospace and defence companies and 27 member associations in 20 countries (Austria, Belgium, Bulgaria, the Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, Turkey and the UK). These industries reach a turnover of 197.3 billion euros, invest 20 billion euros in R&D, employ more than 778,000 people and count over 3,000 companies, 80,000 suppliers, many of which are SMEs.

ASD Board Members:

