Q & A Paneldiscussie EuroDefense op 10-10-14

-What do you/does your company see as the biggest threat in the discussions about European defence?

*That while initiatives are taken to strengthen the internal market and the competitiveness of the <u>European</u> defence industry, the specific characteristics of the defence equipment market <u>world-wide</u> are not taken into account. Examples in this context are: the fact that the US market is not open for non-American companies, that emerging countries (for example India and the UAE) have very strict offset regulations, and that deals are made via gov-to-gov channels, and not via an open and transparent procurement process.

-What do you/does your company see as the biggest opportunity in the upcoming Council meeting (summit)?

*That a hold is put on the fragmentation of the European market (which leads to duplication of capabilities, organizations, and expenditures).

*The strengthening of the European Defence Technological and Industrial Base via e.g. standardization and certification.

-What are your experiences since the introduction of Procurement Directive 81?

- *The bigger EU-Member States tend to interpret Directive 81 less strictly than the smaller Member States, and therefore tend to evoke Article 346 more often.
- *The Commission finds it easier to confront the smaller EU Member States with the possible abuse of Article 346 than the larger Member States.
- *Non-EU companies (for example US companies) are no longer confronted with offset obligations in European countries, while their countries remain imposing offset obligations on European companies on their markets.

-Do you see any future in turning back from a European Defence approach to a national defence approach?

*No. There is a general recognition that providing adequate security and defence can only be tackled in a comprehensive way. It is unlikely that even the bigger EU-Member States can bear this burden in isolation. Europe has to assume greater responsibilities for its security at home and abroad and needs to develop a credible Common Security and Defence Policy.

-What are your feelings about offset?

*It goes without saying that offset as such is not coherent with an open market. Offset has, however, been important in the proces of obtaining technological knowlegde, especially for SME's.

-What would you like Heads of State/Government to decide with regard to your company/organization?

*The European Council should make progress regarding the development of a Common Security and Defence Policy. Such a Common Policy will lead to the definition of EU capability needs. Only by doing so, the issue of market fragmentation can be seriously addressed. The aim should be that key enabling military and civil technologies are developed in common programs.