



European Commission - Speech [Check Against Delivery]



Third European Defence & Security Conference - Opening speech by Commission Thierry Breton

Brussels, 10 October 2023

Dear HRVP, cher Josep,

Dear Minister, chère Ludivine.

Dear representatives of Member States and defence industries.

This 3rd European Defence & Security Conference comes at a specific moment when we see increasing geopolitical tensions in the world, in Israel, in Armenia and of course with the war of aggression of Russia in Ukraine which is changing the security paradigm in Europe.

With the return of high-intensity conflict on the European continent, we have **no other choice** than urgently drawing the **full consequences of this paradigm change**.

With a single priority: to increase our **“defence readiness” as a strong guarantee of our collective security**.

This is why we must come forward – together – with a new and clear **“European Defence Industry Strategy”**.

And that must be a game changer. Not only with **rapid effects, but to boost our resilience structurally, for the long run**.

Indeed, a fundamentally changed geopolitical environment **requires Europeans to become more assertive, more responsive and more agile. And less dependent** from our allies as the President of Czechia recently put it.

But to be credible in this endeavour, we need to adapt our European Defence industrial base to these new realities.

On the one hand, the defence industrial ecosystem must make a real conversion in which security of supply and the ability to ramp up production have become essential. We must deliver more and faster, without depending on others.

On the other hand, we must continue investing to compensate the structural under-spending. And we must do it effectively, avoiding the pitfall of fragmentation: Injecting more money in a dispersed and uncoordinated way would only exacerbate our inefficiencies!

I wish to focus my attention today on these two points.

On European defence industry

Since 2016, the Commission has adopted an ambitious agenda on defence cooperation. It has proposed – and implemented – several initiatives to encourage cooperation and investment in the field of defence.

Our intentions are clear:

- **Invest better** on the priority issues and capacities identified with the Member States;
- **Invest together**, by Europeanising demand, purchasing jointly, and promoting the Europeanisation of value chains;
- **and invest European**, by strengthening the European defence industry and ensuring that new dependencies are not created.

In this perspective, the European Defence Fund is already a success. By stimulating cooperation and integration, it enables the development of genuine European supply chains. With the projects planned for 2023, more than €3 billion in investments in the European Defence Industrial Base will have been injected.

We already finance nearly 100 projects involving 700 companies. Of these, around 40% are SMEs, and they will make a significant difference in terms of capabilities and operations: the Eurodrone, the hypersonic missile interceptor - the multi-role corvette, the space anti-missile early warning system - to name just a few.

But beyond the R&D phase, we have also recently introduced new instruments related to the Ukraine crisis that contribute to strengthening cooperation in the field of defence.

First, a **demand consolidation instrument, with EDIRPA**, which provides €300m to support joint acquisition. It will give greater visibility, but also security, with regards to the acquisition of defence capabilities by Member States.

Second, a **€500m Instrument for Direct Support to Industrial Ammunition Production Capacity – ASAP**, Pillar 3 of the Ammunitions Plan for Ukraine. This program will invest to support the ramp-up of ammunition and missile production capabilities. Agreed in 2 months – record breaking time – it is now being implemented. Our objective is to launch the first calls in the coming two weeks.

Both instruments are working **in synergy with the European Peace Facility**, which has already proven its decisive role in supporting the transfer of weapons to Ukraine.

But beyond these achievements, we must now think **about the next steps in supporting the defence industry**.

The first priority will be to strengthen the ambition of the European Defence Fund in the next EU budget. It is indeed essential to invest in R&D.

But we will also have to make the European Defence Fund work better. To avoid a risk of scattering and dispersion, it is necessary to introduce coherence, continuity and medium-term programming: in short introduce a strategic steering of the Fund, with a programming and planning function. This evolution is critical. It is possible. Proof of this is what we are doing for the multi-role corvette.

The second priority is to work on **delivering EU defence readiness**.

Time has come to turn the experience gained into a more structural approach to supporting defence industry.

Not only because this could form part – when time comes - **of the security commitments for Ukraine**, but also because as Europeans, we must strengthen our role as security provider for our own continent.

However, **even a war at our doorstep has not led us yet to significantly break with the past** and understand that we must more systematically act together to obtain results.

Act **together upstream**, for the early identification of the capability needs. But also **downstream**, to **jointly industrialise, acquire, and even operate** the capabilities developed.

We must **produce more and faster**, and not depend on others. But above all, we need to work on the concept of **availability** of defence equipment.

We must also work on the **industrial environment**: boost access to finance, make the sector more attractive to the brightest and the best. We need more hands and more skills.

A culture of readiness must infuse.

To this end, we are working on a comprehensive **European Defence Industrial Strategy** and as part of it, I believe we must present an **ambitious European Defence Investment Programme (EDIP)**

Our objective is clear: we must sustain and broaden the ASAP and EDIRPA approaches. We must avoid a **“defence shut down”** in 2025 and build a bridge towards the next EU budget.

We have upstream the European Defence Fund, we need to complement it with a downstream programme to consolidate and expand support for European industry.

EDIP would also establish **a regulatory framework to support the security of supply and production** of defence equipment - a sort of **European-style Defence Production Act**.

For all these reasons, we need a programme crystallising this ambition, to be the precursor of a genuine industrial programme for defence in the next MFF. This is actually a pre-requisite for our **European Defence Readiness**.

This brings me to the second issue of my intervention:

The protection of our contested areas.

We are speeding up the implementation of the Strategic Compass. We presented no less than 4 initiatives in recent months on cyber defence, space & defence, maritime and military mobility. These initiatives form for the first time a **European defence doctrine**.

With a common objective. To guarantee the Union's free access and freedom of action in all strategic areas and contested areas: **cyber, space, maritime or air**.

We must do more to develop, together with Member States, the European infrastructures necessary to protect each of these contested areas. These infrastructure projects should be developed as **European defence projects of common interest**. Because the challenges ahead in these areas are European by nature.

Even with significantly increased defence spending no single Member States can protect them alone.

First, in **cyber**. We need to **establish a cyber shield**: a European infrastructure for the advanced detection of cyber attacks. We presented an embryo of it in the Cyber Solidarity Act, around an infrastructure of SOCs (*security operation centres*) and a cyber reserve allowing greater solidarity between Member States. These proposals need to be agreed upon, and then developed and expanded to the military needs.

Then **space**. In the face of the growing risks of conflict, we must have the means to **defend our strategic interests and protect our space infrastructures**: Galileo, Copernicus and of course, the new constellation on secured connectivity: IRIS2 which are all potential dual infrastructure.

It is now time to consolidate a European threat detection and identification capability – a true **European Space Domain Awareness (SDA) System**.

On **maritime**. The EU having the largest exclusive maritime zone in the world, we must strengthen our capacity to monitor this contested space, particularly with regard to the **protection of the seabed and the critical infrastructures (such as cables)** that make it up. And to develop, following the model of the European Multirole Corvette, our strategic European enablers at sea.

In the medium to long term, it will be unavoidable to ask ourselves the question of a European aircraft carrier.

Finally, on **air**: European capabilities to protect our air space exist and are very efficient, as they have demonstrated it in Ukraine. The European Defence Fund is investing heavily in the technological development of two hypersonic interceptor solutions.

These are all bricks that could constitute, when the time comes, the bases of a real **European air and missile defence shield – a Eurodome**.

[Conclusion]

Ladies and gentlemen,

Now is no time to rest on our laurels. We must continue to anticipate and strengthen our defence readiness.

When touring the industrial sites producing ammunition, I saw the dedication of our defence industrial base to actually do the job. I also saw the contribution of each Member State – big or small – to the common ambition.

Europe is able to do and produce everything for its defence. It has nothing to envy in terms of technology, industrial base, skills and know-how. What we need now is to shift to the next level of cooperation. What we need now is a **clear vision** how to achieve that objective underpinned by **strong political will** to pursue in that direction.

After successfully facing the urgency of Ukraine, we need to embark everyone: Member States, European Parliament, industry and all stakeholders to ensure the sustainability of our policies in defence. This is why we will launch a **short, snappy but important consultation period to work jointly on this new direction**. I count on you.

Thank you.