

## ENAAT alerts MEPs: The ASAP regulation is turning into a subsidy for the proliferation of munitions and missiles around the world

Brussels, 03 July 2023

Dear Members of the European Parliament,

On May 3<sup>rd</sup>, [the Commission presented a draft regulation 'for the Act in Support of Ammunition Production'](#) (ASAP), providing for a budget of €500 million to finance the ramping-up of ammunition and missiles production by the European arms industry.

This programme was presented by Commissioner Breton as [an absolute emergency in the context of a "war economy"](#), in order to support Ukraine resisting the Russian invasion and to replenish the national stocks of European countries following the massive arms deliveries to Ukraine.

However, [in their position of 23 June](#), EU Member States have stripped this instrument of all coherence, transforming it into an industrial subsidy for the mass production of ammunition and missiles without any form of constraint or control over their actual use; nothing will prevent this overproduction from ending up mainly in conflict zones around the world rather than in Ukraine or the EU.

ENAAT has been opposing EU militarisation since 2016, in particular because it largely, if not solely, takes the form of unconditional financial support for the arms industry. The ASAP regulation and the EU Council's position are further confirmation of this.

The ASAP proposal already raised serious problems in terms of infringements of labour law and environmental norms, in terms of facilitating arms exports and, of course, in terms of parliamentary scrutiny ([see the ENAAT factsheet here](#)), with exceptional derogations having become the norm in this area since 2017. Member States are also opposed to the measures for ["gathering the information necessary \[to\] detect, monitor and anticipate bottlenecks and shortages"](#) proposed by the Commission, including a mapping of companies and their capacities. In other words, there will be no way of knowing whether taxpayers' money is going where it is supposedly most needed, rather than into the pockets of the companies most adept at writing projects in Eurocrat language. And [many of the major industries are also very reticent about any measure that would force them to be more transparent](#), given the traditional high level of opacity of this sector. (B2pro, O. Jehin) (1)

Member States also reject the possibility, although proposed under very strict conditions and under the control of the country where the company concerned is located, of requesting or even imposing, in extreme cases, priority rated orders to companies subsidised by taxpayers' money. Here again, manufacturers share the view of the Member States that such a measure ["\[would\] risk undermining their credibility and reliability in the eyes of their export customers"](#) (B2pro, E. Stroesser)(2).

In other words, funding is officially justified in the name of the war economy and support for Ukraine, but the industry should remain free to dispose of surplus production as it sees fit and to contract freely with whomever it wishes. Of course these sales would be subject to a national export licence, but this is granted on the basis of criteria linked to the recipient country and not to any national needs; moreover, a number of European countries have a very "lax" interpretation of the criteria of the European Common Position in this area and regularly authorise highly controversial exports.

Member States' position is motivated in large part by the desire to avoid at all costs this Regulation opening the door to an extension, however limited and symbolic, of the EU Commission's powers in the defence

field. Once again, sovereignist and industrial interests are taking precedence over the common European interest and, it goes without saying, over the interests of the Ukrainian people.

Finally, Member States are further exacerbating the democratic limitations of the Regulation. The use of implementing acts rather than delegated acts already excludes any effective supervision of the ASAP implementation by the European Parliament (as has been the case since 2017 for all EU subsidies to the military industry); and an additional provision removes, in the name of urgency, the 8-week period usually granted to national parliaments to react to European legislation following its publication in the Official Journal.

Member States have added a form of de facto veto to this anti-democratic arsenal: if they do not give an opinion on an implementing act proposed by the Commission, the said act is blocked and the Commission cannot go ahead with it, without Member States having to take a position or justify themselves (the normal procedure is for an act to be considered adopted when Member States give no opinion). This addition is in flagrant contradiction with the argument of urgency used to justify the other anti-democratic measures.

The only positive point in the Member States' position is that they also reject the proposal to abolish prior authorisation for transfers of arms and components within the European Union, a provision that would have further weakened the control of arms exports and facilitated re-export to third countries involved in conflicts or violently repressing their populations.

In these circumstances, ENAAAT calls on MEPs, and those members of the negotiating team in particular, not to give in to blackmail and to reject the ASAP Regulation outright:

- This text is already highly problematic in its original version and will above all contribute to the proliferation of ammunition and missiles in the world, which will only fuel conflicts.
- It undermines labour law and environmental norms normally applied to the industry, and experience of the Defence Fund pilot programmes shows that these "exceptions" rather create precedents which then tend to become the norm.  
These derogations are particularly shocking when, at the same time, [the industry is waging an offensive campaign to present itself as sustainable and socially beneficial so that it can divert part of the sustainable finance to its own benefit.](#)
- In view of the Member States' position, any compromise version can only accentuate the most deleterious effects of this Regulation and transform it once and for all into unconditional subsidies for an outspoken military industry, which shamelessly uses and abuses the Russian invasion and the misfortune of the Ukrainians to defend its financial interests, with the complicity of many national governments.
- The European Parliament must seize this last opportunity to defend its independence and its role as a decision-maker, otherwise it runs the risk of definitely becoming a mere recording chamber for a European defence policy that is subservient to sovereignist and industrial interests. Such a precedent can only weaken the European democratic project as a whole and deceive European citizens.

(1) To note that the ASD position paper, the main European arms industry lobby, in which they "express 'concerns' about mapping (...) and do not wish to have priority orders imposed on them", according to B2pro ([E. Stroesser](#)), is not available online on their site.

(2) "The CEO of missile manufacturer MBDA, Éric Béranger, in a letter dated 8 June addressed to the DGA (Director General of Armaments) and signed in his capacity as Chairman of the Defence Committee of the CIDEF (French Defence Industries Council), explains that the proposal should have "a single objective, to increase production volumes" of munitions and missiles, "without necessarily seeking to federate subcontracting chains or to encourage closer links between manufacturers from different countries". The manufacturer also asserts that "prioritising orders (...) would give the Commission power over manufacturers, with the risk of undermining their credibility and reliability in the eyes of their export customers, who remain vital to the balance of the French EDTIB". ([B2pro, E. Stroesser](#))