# The Role of Industry in Building European Preparedness and Defence Capabilities

We, business confederations from the Nordics, Baltics and Central Eastern Europe, are aware of the existential threat that Europe is under. This is due not only to our geographical location, but also to our first-hand historical experiences. That is why, we very much appreciate publication of a Joint White Paper for European Defence Readiness 2030 and the Preparedness Union Strategy as response to the multitude of security challenges Europe is facing and ensuring our resilience.

We also applaud the ambition, horizontal approach, linking security, competitiveness, innovation and resilience that European Commission applied in both documents.

Europe needs a robust and effective emergency preparedness system capable of handling national and international crises. A resilient Europe will be able to ensure the best possible conditions for citizens' daily lives and for businesses' ability to operate efficiently during any crisis. Europe is currently in a situation where reactive measures to crises are neither sufficient nor sustainable. Companies develop and produce critical solutions and technologies that are essential in crisis situations. Companies own and manage many of the critical assets and services that form the backbone of societal resilience. Their expertise, innovation, and ability to ensure continuity in supply chains, infrastructure, and essential services make them indispensable partners in building a more secure and prepared Europe.

Europe also must strengthen its defence industry. This cannot be achieved without the support of the broader business ecosystem, which will ensure that Europe can absorb and respond to current and future pressing threats. The defence industry needs mining companies, steel mills, chemical industry, transport providers and tech companies to source materials, services and software.

Europe has in a very short time turned from decreasing or stagnant military spending to signaling an unprecedented military build-up. Simultaneously bolstering our own military capabilities and supplying Ukraine with volumes of military equipment causes bottlenecks in production lines built for another reality. The problems are not a lack of state aid or insufficient demand, but rather physical constraints in production lines whose expansions are hurdled by lengthy permitting procedures and cumbersome bureaucracy.

**These are imperatives for an effective and well-functioning EU preparedness and defense set up:**

**Enhance the involvement of the business community and collaboration between public and private sectors:** A close dialogue must be fostered with the business community, beyond the defence industry, in order to stay ahead of the curve when it comes to cybersecurity, protecting critical infrastructure, and safeguarding food, water, medicines, fuel and energy supply.

**Improve the business climate in the economy at large:** It is essential to strengthen our Single Market, improve the accessibility to capital for investments, implement a better regulation agenda and simplify regulations that already exist.

**Ensure sound competition and the market participation:** Fair competition for a multitude of companies, ranging from industrial giants to highly specialized SMEs stimulates innovation, promotes excellence and ensures value for taxpayers' money.

**Maintain cooperation with reliable partners:** Our industry needs to continue being able to source material and equipment from outside of the EU – and being able to sell its final products on overseas markets. Diversifying supply chains reduces vulnerability and builds resilience. Keeping our friends close has never been more important.

By fostering public-private collaboration, reinforcing Europe's economic foundations and closely working with partners, we will build a stronger, more resilient Europe – prepared to meet the urgent challenges of today and the ones of tomorrow.