



Defence: €500 million and new measures to urgently boost EU defence industry capacities in ammunition production

Brussels, 3 May 2023

Today, the Commission has adopted the Act in Support of Ammunition Production (ASAP) as a response to track 3 of the plan agreed by the Council on 20 March, to urgently deliver ammunition and missiles to Ukraine and to help Member States refill their stocks. By introducing targeted measures including financing, the Act aims at ramping up the EU's production capacity and addressing the current shortage of ammunition and missiles as well as their components. It will support the destocking from Member States (track 1) and the joint procurement for ammunition (track 2).

In particular, it will strengthen the responsiveness and ability of the Union defence industry to ensure the timely supply of ammunition and missiles in Europe. In light of the return of high intensity conflict in Europe, the timely availability in sufficient volumes of these products is critical for our security and for our continuous efforts to support Ukraine. This proposal for a new Regulation comprises:

- An instrument to financially support the reinforcement of the Union's industrial production capacities for the relevant defence products;
- A mechanism to map, monitor and better anticipate the existence of bottlenecks in these supply chains;
- The introduction of a temporary regulatory framework to address the ammunition supply shortage.

The Commission proposes to allocate a budget of €500 million in current prices. This budget comes from the redeployment of different instruments, in particular the European Defence Fund and the future EDIRPA.

President of the European Commission, Ursula von der **Leyen**, said: *"Ukraine is heroically resisting the brutal Russian invader. We stand by our promise to support Ukraine and its people, for as long as it takes. But Ukraine's brave soldiers need sufficient military equipment to defend their country. Europe is stepping up its support on three tracks. First, Member States are delivering additional ammunition from their existing stocks, with new European Peace Facility support of 1 billion euros. Second, together with Member States, we will procure jointly more ammunition for Ukraine - and we are making available an additional billion euro for that. And today, we are delivering on the third track. Ramping up and speeding up the defence industrial production of ammunition in Europe.*

This will help supply more ammunition for Ukraine to defend its citizens and it will also strengthen our European defence capabilities. Together with the Member States, we will mobilise a further 1 billion euro to ramp up capacities across Europe. This is a critical part of Europe's strategic capacity to defend its interests and values, and help maintain peace on our continent."

Provide financial support to produce more and faster

The proposed Regulation comprises measures to support the industrial reinforcement of ammunition and missiles production in the EU, including their input products. Financial support will be provided in the form of grants to various types of actions contributing to the efforts of the European defence industry to increase their production capacities and tackle identified bottlenecks. Financial support will be provided to actions contributing to:

- Optimising, expanding, modernising, upgrading or repurposing existing production capacities;
- Establishing new production capacities;
- Establishing cross-border industrial partnerships, including through public-private partnerships, aiming, for instance, at securing access to or reserving stocks of strategic components or raw materials;
- Building up and making available reserved surge manufacturing capacities;

- Testing or reconditioning (to address obsolescence) processes with a view to making existing ammunition and missiles useable;
- Reskilling and upskilling related workforce.

In addition, the Act will facilitate access to finance for EU companies in the ammunition and missile field, potentially through a dedicated facility, the 'Ramp-up Fund'. This fund would aim to support undertakings in the ammunition and missile supply chains to have access to both public and private financing, to speed up investments needed to increase manufacturing capacities.

Identify, monitor, and anticipate bottlenecks and shortages

This Act will ensure the necessary information gathering at EU level and enable the Commission and Member States to anticipate shortages affecting the security of supply of ammunition and missiles. To this end, the Commission will conduct, together with Member States in line with the Joint Task Force on defence procurement, a mapping exercise to identify and continuously monitor the availability of ammunition and missiles as well as their components and their corresponding inputs. This exercise will better inform the use of financial support and regulatory measures.

Ensure security of supply

The regulatory measures foreseen under this Act will protect the Internal Market from any current or potential identified malfunctioning, and hence strengthen the resilience of the EU's Defence Technological and Industrial Base (EDTIB), as well as guarantee security of supply of ammunition and missiles. In particular, the Commission proposes:

- Temporary emergency measures such as the possibility to activate upon request of a procuring Member State and in agreement with the Member States concerned, priority rated orders towards relevant European companies;
- Targeted measures to speed up administrative processes at national level, by encouraging prioritisation of relevant permit granting and certification processes;
- Tailored measures aiming at speeding up common procurement (Member States will have the possibility to open an existing framework agreement to other Member States that were not originally party to it) and transfers (transfers will be exempted from prior authorisation within the European Union).

Next Steps

Responding to the urgency of the situation, within 5 weeks after the agreement on the [three-track approach in the Council of the European Union](#), the Commission has adopted this proposal for a Regulation as a matter of high priority and will transmit it to the co-legislators. The Commission counts on a swift adoption, before the summer 2023, to be able to initiate support for the ramping up of the EU's defence industry production capacities of ammunition and missiles. The instrument will cease to apply in mid-2025.

Background

On 20 March the European Council has agreed on a three-track approach calling Member States to jointly procure ammunition and, if requested, missiles, to refill their stocks while enabling the continuation of support to Ukraine. As these joint efforts can only be effective if the EU supply side can deliver on time the required defence products, the Council invited the Commission to present concrete proposals to urgently support the ramp-up of manufacturing capacities of the European defence industry, secure supply chains, facilitate efficient procurement procedures, address shortfalls in production capacities and promote investments, including, where appropriate, mobilising the EU budget. The three tracks are interlinked and will be pursued in parallel.

As pointed out by the [Joint Communication on Defence Investment Gaps analysis and way forward](#), years of underinvestment in defence resulted into both capability and industrial gaps within the European Union. Russia's unlawful war of aggression against Ukraine has contributed to significantly increase global demand for specific defence products, notably ammunition and missiles, resulting in a discrepancy between production capacity and demand.

In July 2022, the Commission presented the [European Defence Industrial Reinforcement through common Procurement Act \(EDIRPA\)](#), aimed at supporting collaboration between Member States in the procurement phase to fill the most urgent and critical gaps, in a collaborative way. The Commission encourages the co-legislators to swiftly come to an agreement.

In this context, over the past year, the Defence Joint Procurement Task Force (European Commission, European External Action Service, and European Defence Agency) supported the

coordination of Member States' most urgent and critical needs and produced a mapping of the supply capacities of the European defence industry to meet the identified demand.

For More Information

[Act in Support of Ammunition Production](#)

[Questions & Answers](#)

[Factsheet on ASAP Regulation](#)

[Joint procurement: EU Task Force presents conclusions of first phase](#)

[Joint Communication on the Defence Investment Gaps](#)

[Communication on the European Commission Contribution to European Defence](#)

[Stronger European Defence](#)

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Quotes:

Ukraine is heroically resisting the brutal Russian invader. We stand by our promise to support Ukraine and its people, for as long as it takes. But Ukraine's brave soldiers need sufficient military equipment to defend their country. Europe is stepping up its support on three tracks. First, Member States are delivering additional ammunition from their existing stocks, with new European Peace Facility support of 1 billion euros. Second, together with Member States, we will procure jointly more ammunition for Ukraine - and we are making available an additional billion euro for that. And today, we are delivering on the third track. Ramping up and speeding up the defence industrial production of ammunition in Europe. This will help supply more ammunition for Ukraine to defend its citizens and it will also strengthen our European defence capabilities. Together with the Member States, we will mobilise a further 1 billion euro to ramp up capacities across Europe. This is a critical part of Europe's strategic capacity to defend its interests and values, and help maintain peace on our continent.
President Ursula von der Leyen - 03/05/2023

This initiative demonstrates the European Union's support to Ukraine. Our ability to secure sufficient ammunition production capacity and to be a reliable partner for our allies is reflected in the measures proposed today. By ramping up capacity we will ensure a timely supply of ammunition and missiles in Europe.
Margrethe Vestager, Executive Vice-President for a Europe Fit for the Digital Age - 03/05/2023

We must speed up the delivery of ammunition to Ukraine. Time is of the essence. Today's proposal will deliver on the third track of the ambitious approach we collectively decided on 20 March in the Council. These measures will enable the defence industry to face the surge in demand resulting from the transfers of ammunition to Ukraine and the joint orders placed by Member States. This is not only for the benefit of the Ukrainian armed forces in their fight to defend Ukraine's sovereignty against the Russian invasion, but also for the security of the European Union.
High Representative/Vice-President Josep Borrell - 03/05/2023

The Act in Support of Ammunition Production (ASAP) is unprecedented. We want to directly support, with EU money, the ramp-up of our defence industry for Ukraine and for our own security. Over the past weeks, I have visited the EU's main ammunition production sites on the ground. Europe's has a substantial, diversified defence production capacity. It does not have the scale today to meet the security needs of Ukraine and our Member States, but it certainly has the potential to do so. I am confident that within 12 months we will be able to increase our production capacity to 1 million rounds of ammunition per year for Ukraine. ASAP will provide the boost that our defence industry needs to for Ukraine's and Europe's security.
Thierry Breton, Commissioner for Internal Market - 03/05/2023

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