## APPENDIX 2

## Reasoned opinion from the Riksdag (the Swedish Parliament)

The Riksdag has examined the Commission's proposed regulation on establishing the European defence industry reinforcement through a common procurement act (COM(2022) 349). The Riksdag considers that the proposed regulation is not compatible with the principle of subsidiarity.

The Riksdag is essentially positive to cooperation in the EU in order to strengthen defence capabilities in Europe. In light of Russia's war of aggression in Ukraine, cooperation of this kind is particularly important, and the Riksdag also takes a positive view of the Commission's ambition to strengthen the European Defence Industrial and Technological Base (EDTIB). As stated in the Versailles declaration from 10–11 March 2022, the Riksdag insists on the need at EU level to increase defence expenditure, cooperate in the development of defence capabilities and generate synergies between research and innovation both in the civilian sector and in the area of defence. Based on this, the Riksdag takes a positive view of the overall objectives of the proposed regulation, that is to foster the competitiveness and efficiency of the European Defence Industrial and Technological Base for a more resilient Union.

However, the Riksdag notes that the proposal lacks an impact assessment to ensure that the Commission is not given greater influence over decisions regarding defence policy which were previously taken at a national level, and that this could result in the intended objectives not being met. The Riksdag considers that the European Defence Industrial and Technological Base would be enhanced through competition and consolidation according to market-based terms and conditions, something that is not reflected in the proposal. The proposed regulation instead provides the Commission with the possibility to control the distribution of resources based on criteria which are still not sufficiently transparent and measurable. This leads to increased administration as well as increased supranational control and supervision. The Riksdag believes that the proposal should be analysed and weighed up against preconditions in individual member states to determine which measures are most effective and appropriate. Defence policy, requirements regarding information security and security of supply constitute the foundation for determining whether defence equipment should be procured nationally or jointly in the EU. The Riksdag considers that the proposed regulation is not compatible with the principle of subsidiarity, since these matters are primarily national competences.

Furthermore, the Riksdag considers that the proposal in its current form does not ensure that the principle of proportionality is being applied. The Commission states that the proposal aims to reinforce the EU's defence industrial base in order to address the industrial gaps relative to the most urgent and critical needs for defence products. Although the Riksdag essentially shares the view of the existing challenges and shortcomings, it considers that the Commission's proposal lacks a sufficiently exhaustive impact assessment to ensure that the proposed measures do not have effects beyond the intended objective, for example in areas concerning national defence policy.