

18.06.2025 - DefenseWise Statement on the Defence Readiness Omnibus Proposal

“Big promises, tiny steps - this package is far from the game-changer it was supposed to be...”

Yesterday, the EU Commission adopted the long-awaited Defence Readiness Omnibus proposals. While the needs of the European Defence Technological and Industrial Base (EDTIB) and Member States were accurately identified with a clear path forward laid out in the White Paper for European Defence Readiness 2030, **these proposals lack the substance needed to address urgent challenges and fail to deliver meaningful change in terms of both simplification and harmonisation.**

Despite being presented as a response to urgency, the Commission's approach is **overly cautious**. The use of soft language (“*may*” instead of “*shall*”), delegated acts that *might* be adopted within five years while their content is well-needed (e.g. definition of sensitive component, *de minimis* rule, harmonisation of general licenses) and key concepts (e.g. simplification measures applied to dual-use technologies, EU classified cloud, merger & antitrust rules adaptation, general license for intra-group transfers) relegated to the Preamble or accompanying Communication without binding legal effect, reflects a lack of decisive commitment. Vague or undefined terms (e.g. “*structured cross-border industrial partnership*”, “*disproportionate burden*”, “*deemed to be impending*”) coupled with the absence of clear procedures (e.g. how to use license exemptions), create **significant legal uncertainty for industry and authorities alike**. We also note with concern the **reliance on Member States to grant exemptions** under environmental Regulations, which require a specific national text, introducing delays that contradict the urgency the Omnibus is meant to address. Moreover, changes were made to four environmental regulations when others like the Packaging and Packaging Waste Regulation remain untouched despite its clear relevance. **The urgency of the moment demands binding and actionable measures - not good intentions.**

While **some improvements are made in terms of defence procurement and permit granting**, DefenseWise primary focus was on the revision of Directive 2009/43/EC on the intra-EU defence transfers. The changes are disappointingly limited - only five articles are amended revolving around exemptions, general licences and reporting. Even more troubling, the Commission's Q&As is requesting co-legislators not to amend provisions beyond those listed and the Commission affirms that “*the lack of relevant policy options makes an impact assessment unnecessary*” while different policy options did exist.

A flagship promise was to support **SMEs and new entrants**. Yet, the revised general licences primarily benefit certified entities or those large enough to participate in EDF projects. While SMEs working with certified entities may indirectly benefit from it, this does not address the multiple upstream movements within the defence supply chain that occur before reaching the certified entity. The EU Commission could have seized the opportunity to introduce, for instance, a general licence for transfers linked to disruptive technologies or innovative industrial processes, which are often driven by new entrants and SMEs.

Some measures are **simply repackaged** - the option for Member States to issue additional general licences, the REACH defence exemption, and the clarification under the Benchmark Regulation regarding controversial weapons, already existed - they are now explicit, but not fundamentally expanded. We were also surprised by the absence of **sustainable finance-related measures** in the proposals, despite the Commission's Q&A referring, amongst other things, to a notice on the application of sustainable finance benchmarks in the defence sector.

Finally, if the aim is to create a resilient EU defence market and supply chain, and **reduce dependencies on non-EU countries**, then why does the Communication encourage the suspension of import duties and why is there no “EU-first” clause in the context of defense procurement ?

DefenseWise will continue to advocate for transforming this Omnibus into a genuine lever of industrial resilience and strategic autonomy. Therefore, we call on all stakeholders - from industry to policymakers - to raise their voices and demand better. Europe deserves more than symbolic gestures. It needs bold and structural change to overcome the growing security threats it faces.

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