NATIONAL SECURITY AND DEFENCE INDUSTRY STRATEGY

Die Bundesregierung

Table of contents

1. Introduction

The paramount task of German security policy is to ensure that we can continue to live in our country in peace, freedom and security. Germany's security is inextricably linked to that of its European and transatlantic partners and Allies. As a result of the Zeitenwende, Germany and its partners are facing new and extensive challenges: Russia's attack on Ukraine has changed the threat situation. Germany and Europe face a heightened imperative to assume responsibility for their own security and to work as strong, reliable actors in close cooperation with their international partners. This also leads to new conclusions and needs for action.

The security and defence of the Federal Republic of Germany relies on a whole-of-state and whole-of-society approach as well as a policy of integrated security. This requires the cooperation of all relevant actors, resources and instruments. The combination of these elements will comprehensively guarantee Germany's security and strengthen it against internal and external threats according to the principle: robust, resilient, sustainable.

For national and collective defence, in view of the current threat situation, and for the continued military support of Ukraine, Germany must become able to defend itself as soon as possible. Accomplishing this objective requires an efficient national and European security and defence industry capable of addressing any and all challenges. To ensure a functioning overall defence, the requirements of the Bundeswehr and of the authorities and organisations with security tasks[1] must be reliably met by an effective security and defence industry aligned with the demands of the Zeitenwende. To be able to draw on sufficient production capacities without delay, to increase economies of scale and enable innovations, we strive to achieve a continuous production of military equipment by the security and defence industry.

Given these requirements, the National Security and Defence Industry Strategy serves as the Federal Government's guiding principle to strengthen the national security and defence industry. It also operationalises the Federal Government's strategic objectives. The National Security and Defence Industry Strategy will be evaluated two years after its adoption.

As part of the implementation of the National Security Strategy, the National Security and Defence Industry Strategy replaces the 2020 Strategy Paper of the Federal Government on Strengthening the Security and Defence Industry.

The national security and defence industry includes all companies headquartered in Germany that generate a significant portion of their revenue in the security and defence industry and/or provide equipment[2] and services in Germany to support civil security protection or military national and collective defence. They offer systems, products or services, or they are part of the associated value chain as suppliers or producers.

The National Security and Defence Industry Strategy must recognise the critical importance of European and transatlantic cooperation. Maintaining and strengthening a robust, innovative, effective and globally competitive security and defence industry in Germany and the EU is achievable only through close collaboration with our European partners. We support the objective of establishing a European market for defence equipment and services, expanding production capacities and promoting cross-border armaments cooperation, including joint procurement. We want to achieve economies of scale and cost efficiencies, besides improving security of supply and access to financial resources. Achieving these objectives will also be an important contribution to strengthening the European dimension of NATO. The Euro-Atlantic dimension is always taken into account in this respect.

The Strategy will be implemented within the scope of the Federal Government's budget and financial planning, in close cooperation between the relevant ministries, while acknowledging their distinct responsibilities.

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[1] State actors (police and non-police, including civil defence and disaster control authorities) and non-state actors specifically tasked with maintaining and/or restoring public security and order.

[2] Equipment also includes technologies and software.

2. The security and defence industry of the Zeitenwende

The companies in the German security and defence industry of the Zeitenwende contribute to effective national and collective defence. A security and defence industry capable of addressing any and all challenges must be

- **dynamic and scalable** to meet the requirements of the Bundeswehr and of the authorities and organisations with security tasks in a rapid and reliable way, both in terms of quality and quantity. In addition, it must be sufficiently agile to allow for rapid and significant capacity increases for production and the provision of services, also to Allies and close partners with shared values. It must be adaptable and sustainable at all times in the face of evolving security situations.

- **responsive and resilient** to counter any disruption on the international markets or trade routes.

- **competitive** to successfully establish its products and services in international markets. It must maintain technological superiority and competitive pricing, especially in national key technologies, and supply the products and (construction) services necessary to ensure the German armed forces and the authorities and organisations with security tasks can carry out their missions.

- **innovative and adaptive** to contribute to credible deterrence by advancing the technological superiority of the German and European armed forces and their allies. It must always be able to develop new products, responding quickly to technological and military developments and operational methods.

The overarching aim of the Security and Defence Industry Strategy is to establish the necessary political, economic, regulatory and societal framework conditions at the national and European level to support these objectives. In this respect, top priority is given to defence industrial requirements related to national and collective defence.

Among other things, Russia's illegal war of aggression against Ukraine has led to new conclusions and requirements for the security and defence industry and the Bundeswehr.

3. Challenges faced by the security and defence industry

3.1. Threats in the security environment

Given the return of war to Europe, refocusing the Federal Government's security and defence policy on deterrence as well as national and collective defence has become inevitable to defend peace in Germany, Europe and beyond. Ongoing support for Ukraine and the requirements of Germany's own defence capability within the Alliance have led to a sudden surge in demand for military goods, services and innovation, requiring an increase in national security and defence spending.
Digitalisation, automation and an increasingly transparent battlefield have prompted the development and use of disruptive, innovative technologies. To keep pace with rapid developments, we must strive for technological leadership and agile adaptability. The objective is to maintain consistent command and effects superiority, as well as to protect own forces.

In addition, already in peacetime, hybrid threats call for the protection of own systems as well as critical and defence-critical infrastructure, including in the cyber and information domain and in space.

Military capabilities, resources and equipment for the armed forces and the authorities and organisations with security tasks must be operational and deployable across all situations, dimensions, geostrategic areas and climatic conditions. Innovative technologies and future-oriented research play a key role in this respect. Given the finite availability of resources such as fossil fuels, the necessary mobility in mission areas must be ensured with synthetic fuels, and Bundeswehr facilities must to be supplied using alternative energy sources. Moreover, supply strategies also need to be adjusted. Despite the drive for technological change, certain established technologies must remain available until viable operational alternatives emerge. In particular, it must be ensured that the armed forces and the authorities and organisations with security tasks can maintain mobility with reliable propulsion technologies.

To maintain security of supply for the Bundeswehr and the authorities and organisations with security tasks, it must be ensured that security and defence-related goods, such as fuel and ammunition, can be reliably supplied.

3.2. Economic challenges

The surge in demand for military goods, services and innovations clashes with the peace dividend of the past decades. The security and defence industry is now faced with the challenge of developing the required competence and capacities.

To achieve this goal, above all, it needs predictable business conditions and guaranteed purchase commitments from government users. This requires the relevant users (Bundeswehr and the authorities and organisations with security tasks) to have sustainable, reliable and comprehensive funding, while the companies in the security and defence industry must consistently deliver products in the necessary quality and quantities.

At the 2023 NATO summit in Vilnius, Germany, together with all the Allies, committed to permanently investing at least two percent of its GDP for defence purposes each year. This is in line with the Federal Government's commitment to the two percent target contained in the National Security Strategy and ensures the planning security required to enable investments by the security and defence industry. Given the significant need to catch up and the urgent time constraints, rapidly restoring defence and Alliance capability and implementing the commitments made to NATO will take top priority in budgetary planning, also beyond the Bundeswehr special fund. To respond flexibly to the increased demand, the security and defence industry needs improved access to credit and capital market-based financing. However, challenges remain due to various self-imposed commitments made by financial institutions and financial product issuers. The signal effect of environmental, social and corporate governance (ESG) criteria on the access of the security and defence industry to financial markets must be reconciled with the requirements of the Zeitenwende.

In addition to improved funding options, access to trained and security-cleared specialists is essential. The security and defence industry must have sufficient and reliable access to (critical) raw materials, sub-components and primary products – and thus to resilient supply chains. In some cases, the German industry is extremely dependent on individual nations for the supply of critical raw materials. Also, the global extraction of these materials is concentrated in specific geographic areas. Given the current geopolitical tensions, there is an urgent need to diversify our supply chains for raw materials.

The domestic market as a sales market for certain goods produced by the German security and defence industry has so far proven inadequate to maintain and expand value chains (including research and development activities) in the long term.

Moreover, other defence industries, particularly in industrialised and emerging countries outside Europe, are developing rapidly. They are progressively enhancing their potential for innovation and increasingly positioning themselves as strong competitors in the global defence market.

3.3. Legal and administrative challenges

The goods produced by the security and defence industry are consistently subject to strict regulations that depend on foreign and security policy developments. This can restrict economic planning, limiting opportunities for expanding sales markets beyond the EU and NATO countries.

National and European requirements and regulations also impose significant demands on small and medium-sized enterprises (SMEs), in particular, as well as on start-ups operating in the security and defence industry, which may result in a considerable bureaucratic burden. This complicates access to public sector procurement procedures and financing options — including those available in the capital market — or may even lead to ineligibility for government subsidies.

In addition, a strict separation between application-oriented civilian and military research may prevent spill-over effects and stifle the development of an innovative state-wide ecosystem.

Despite the security and defence industry's elevated national importance, adequate statutory exceptions and relief provisions remain somewhat lacking. This leads to delays, particularly in the development and expansion of production capacities.

What is more, there is a challenge in the tension between foreign investment interests and the efforts of domestic security and defence companies to expand into third countries on the one hand, and the associated risk of technology drain on the other.

3.4. Capacity for innovation

Traditionally, the German ecosystem for innovation makes a clear distinction between civilian and military applications. An integrated perspective on the benefits and potential for value creation in relevant innovation fields can contribute to resource preservation and optimising the ecosystem in terms of the pace of innovation and problem-solving.

In the development of innovative technologies relevant to security and defence, challenges arise due to unpredictable circumstances, unreliable budgets and the lack of a stable outlook beyond the demonstrator stage.

To streamline production processes and increase scalability, developments in the field of Industry 4.0 – i.e. intelligent, digitally interconnected systems and production processes – as well as the standardisation of components and component groups need to be more thoroughly integrated during the transition from a traditionally manufacturing-centric environment.

Industrial cooperation within existing EU and NATO initiatives, such as the European Defence Fund, offers substantial potential for innovation while addressing the need for standardisation and interoperability. Access to these formats has so far been a major hurdle, especially for start-ups and SMEs.

Additionally, fostering innovation in the security and defence industry requires the strategic promotion of defence-oriented, interlinked ecosystems – specifically those of research, technology, start-ups and venture capital – that offer optimal conditions for breakthrough innovations. This raises the probability of significant improvements in military capabilities.

3.5. Challenges related to environmental protection and nature conservation

The need to avoid negative ecological consequences in the production and use of security and defence products on the battlefield is widely recognised both nationally and internationally. Similar to the protection of civilians, the formulation of national strategies must also consider climate and nature conservation aspects. Environmental protection and nature conservation rules at national, European, and international levels must be observed. Innovative solutions and research and development aligned with these demands are key to adapting to evolving challenges in this field. However, SMEs in particular are subject to increased requirements related to both production and application, and this is a challenge that needs to be addressed. Additionally, despite the drive for technological change, certain established technologies must remain available during transition to ensure operational capability of the armed forces and the authorities and organisations with security tasks.

4. Fields of action for an efficient security and defence industry

To address the aforementioned challenges, the Federal Government is implementing measures in the following fields of action. This will establish the necessary political, economic, regulatory and also societal framework conditions for a security and defence industry that is capable of efficiently addressing the entire threat spectrum.

A reliable data basis must be established to support the further development and validation of these measures. The Federal Government will take appropriate steps to achieve this.

4.1. Key security and defence industrial technologies

To maintain and strengthen Germany's strategic sovereignty and its ability to take action, it is necessary to maintain certain core security and defence industrial capabilities and capacities (key technologies) at the national level.

Defence industrial key technologies encompass technological and technical competence areas that are crucial for maintaining the operational capability and security of supply of the Bundeswehr, as well as for ensuring technological sovereignty. They serve to maintain core defence technology capabilities in Germany. In determining these key technologies, neither economic factors nor a high degree of innovation potential associated with the technology concerned are the deciding factors. It is important to prevent dependence on foreign suppliers for these technologies. To safeguard national security interests, both national private companies as well as state institutions, and particularly those state institutions within the FMoD responsibility area, must be capable of providing these key technologies to the extent necessary to maintain core defence capabilities. They are maintained and promoted in peacetime so that they can be utilised in crisis and war, when corresponding legal requirements are met, including those outlined in the emergency control and emergency preparedness legislation. They are defined by considering the Bundeswehr's operational readiness, the availability of threat-appropriate capabilities, and the ability to cooperate on projects with partner nations. They encompass all capacities and capabilities throughout the entire defence industry life cycle, from research and development, to production, maintenance and repair. Maintaining and promoting these technologies also contributes to ensuring credible deterrence.

The same considerations apply when defining key security industrial technologies intended for nonmilitary use. The key security industrial technologies serve in particular to maintain core technical capabilities and to ensure the provision of equipment necessary for Germany's civil defence, thereby also ensuring that authorities and organisations with security tasks remain fully functional and securely supplied. They are also indispensable from the point of view of technological sovereignty. They encompass all capacities and capabilities throughout the entire security industry life cycle, from research and development, to production, maintenance and repair.

On this basis, the Federal Government has identified the following technology fields as key national security and defence industry technologies:

Military and security-relevant IT and communication technologies, artificial intelligence, naval shipbuilding (surface/subsurface platforms), government shipbuilding, protected/armoured vehicles, sensor technology, protection, electromagnetic warfare.

Furthermore, the Federal Government has defined the following key security and defence industrial technologies whose national availability is in the interest of national security, partially in view of maintaining security of supply:

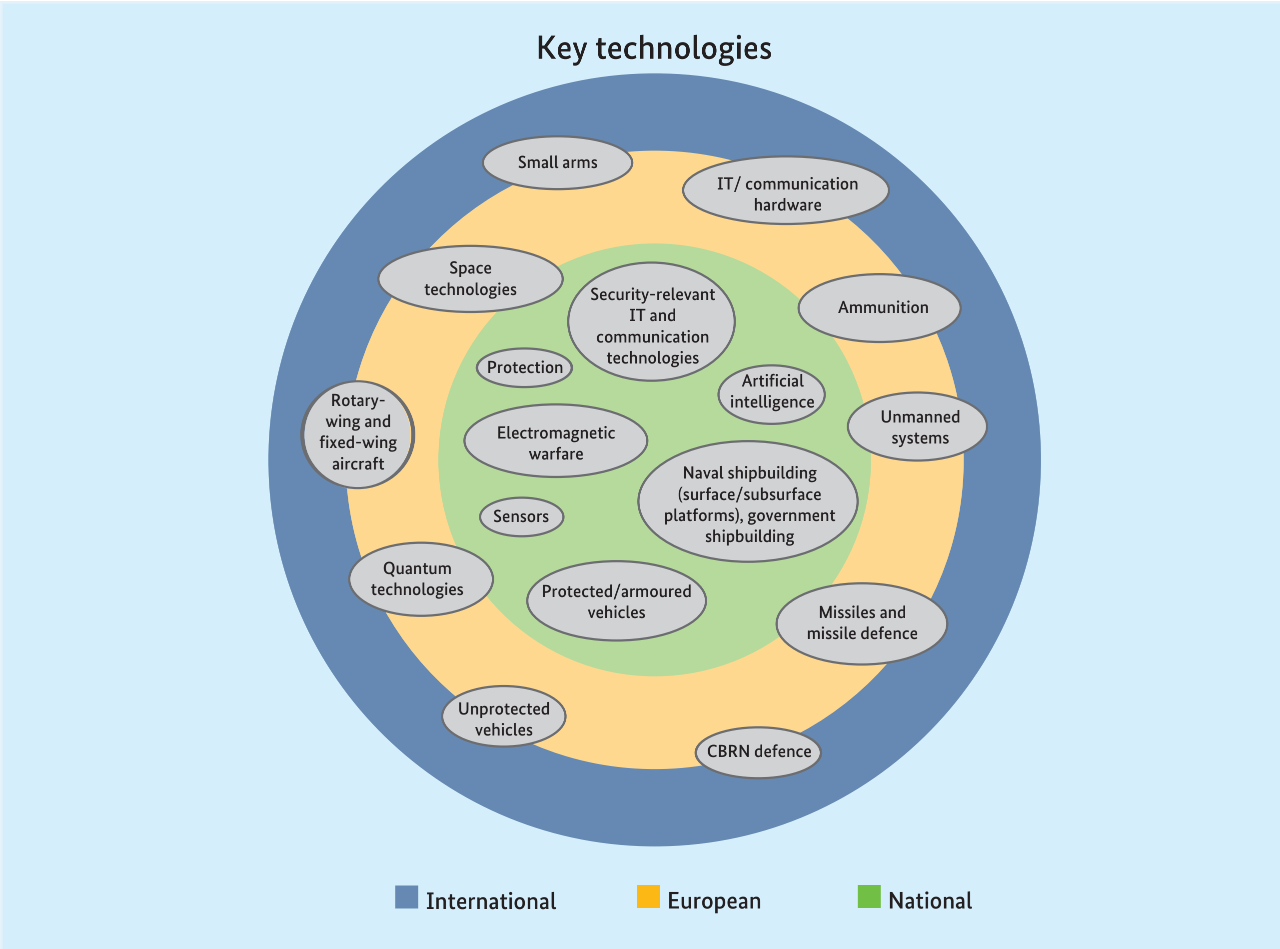
Quantum technologies, missiles and missile defence, space technologies, ammunition, unmanned systems.

The necessary level of national availability for these technologies for the purposes of national and collective defence as well as civil defence is determined by the Federal Ministry of Defence and the Federal Ministry of the Interior and Community, in consultation with the other relevant ministries.

When procuring from the global market, the Federal Government is committed to enabling the German security and defence industry generate added value by incorporating it into maintenance and repair cooperation agreements.

The objective of defining these key technologies is to maintain and strengthen national technological sovereignty. Where appropriate, this can also be carried out through European and international cooperation. To preserve technological sovereignty and protect German security interests, the aim here is to ensure participation of the German security and defence industry on equal terms.

Existing national capabilities in the aforementioned technology fields that support national and collective defence as well as civil defence must, within the limits of current legislation, be fully considered in decision-making processes relating to research, development, innovation, production, procurement, export support, and investment control.



Future defence and security technologies

Future technologies must be identified and supported at an early stage, particularly through consultation with European and NATO partners as well as other relevant stakeholders. Companies in the security and defence industry should be encouraged to invest in such collaborations, including those with start-ups. They will play a prominent role for the Bundeswehr, the security authorities and civil defence in the foreseeable future. Identifying these key technologies will enable a swift response in a dynamic technological landscape. Additionally, the Federal Government must continuously align the definition and further development of key security and defence-related technologies with technological advancements, and also with the needs of the Bundeswehr and the authorities and organisations with security tasks. Long-term technological developments must be taken into account at an early stage.

4.2. Maintaining and promoting key security and defence technologies

The Federal Government

a. reviews an overarching approach for closer interconnection of civilian research and development with security and defence-related research and development. In this respect, the aim is to make better use of potential synergy and transfer effects for research projects related to internal and external security.

b. has opened up the instruments of SPRIND (Federal Agency for Breakthrough Innovation) for start-ups and innovative companies for dual-use applications in the security and defence industry.

c. will invest in innovations in cyber security and related key technologies: in the area of internal and external security via the Agency for Innovation in Cybersecurity (cyber agency) and, for application-related research, via the Central Office for Information Technology in the Security Sector (ZITiS).

d. will, as part of its Future Research and Innovation Strategy, further strengthen its efforts to promote innovative and, in some cases, security and defence-related technologies at the national and European level.

e. will, based on its space strategy, further increase its development of space technologies and the establishment and operation of space infrastructures and services with regard to dual-use applications at the national and European level (ESA, EU).

f. will, in an effort to further their technological development, continue to give appropriate priority to national security and defence-industrial key technologies in the award of security and defence-related research contracts.

g. will support, in coordination with the German federal states, higher education institutions and scientific organisations, an unbiased discussion about the civil clauses in order to facilitate broader research.

h. will, in the process of procurement, increase its focus on start-ups.

i. will work to interconnect national and Europe-wide security and defence-related research and development activities.

j. will work towards exploiting further innovation potential and towards actively networking start-ups with established companies in the security and defence industry as well as other stakeholders in the innovation and start-up ecosystem.

k. will, via the research framework programme Digital. Sicher. Souverän., systematically promote research on IT security, the results of which also benefit the security and defence industry.

l. will, if necessary, prevent the possible outflow of know-how abroad in the case of foreign direct investment in companies in the security and defence industry.

m. will engage in dialogue with the industry to further establish the digital battlefield and, in particular, the principle of software-defined defence.

n. will continue to promote digital enhancement in all areas and will strengthen information and cyber security.

4.3. The state as a customer and facilitator

The Federal Government

a. takes measures to strengthen the diversification and resilience of supply chains, in their entirety from raw materials and critical path components through to software, and supports the security and defence industry in building resilient structures.

b. will enhance supply chain monitoring regarding access to critical security and defence-related raw materials, and regarding the supply with critical raw materials and associated supply chain disruptions.

c. will, when awarding national and cooperative contracts, pay increased attention to the introduction and implementation of appropriate resilient structures in the supplier management of the respective potential contractor.

d. establishes agile and fast planning, budgeting and procurement processes, also to make innovations usable more quickly for the armed forces and for authorities and organisations with security tasks.

e. continues to expand the dialogue with the industry within the scope of existing legal provisions, in order to increase transparency on intended planning and procurement for the Bundeswehr, and for authorities and organisations with security tasks.

f. will increase the transparency of strategic foreign and security policy decisions in order to enable or support armaments cooperation decisions at an early stage, if they serve the security policy objectives.

g. works towards making capability development and procurement more cooperative, and thus towards better concentration of European demand in order to counter market fragmentation and increase interoperability. The aim is that individual states will cooperate and increasingly equip their armed forces through European procurements, thereby contributing to a European defence capability within NATO. This particularly means approaching potential partner states at an early stage to enable joint procurements based on lead nation concepts with uniform capability requirements, and promoting joint procurements by opening up our procurement contracts for the procurements of partner states.

h. examines the extent to which orders for the Bundeswehr and for authorities and organisations with security tasks can be made in advance for the next ten years and beyond, in order to increase production and subsequently achieve an economically viable provision of these capacities in Germany (possibly also by compensating idle capacity costs). In addition, it should be ensured that fixed quantities will be purchased from the industry.

i. supports the accelerated agreement of new NATO standards and further comprehensive implementation of ratified NATO standards in order to promote interoperability and interchangeability of military equipment.

j. jexamines the possibility of reserve capacity payments as a prerequisite for economically viable short-term increases in production.

k. supports the interoperability and interchangeability of security and defence equipment, both at the national level and within NATO and the EU.

4.4. Regulation and legal framework conditions

The Federal Government

a. is consistently implementing the concept defined by the Federal Ministry of Defence to strengthen medium-sized companies in the defence industry.

b. is examining measures in particular to reduce requirements in planning and approval processes as well as bureaucratic requirements for developing and expanding production, storage and support capacities.

c. will fully take into account the needs of the security and defence industry as part of its reform of public procurement law, with the aim to simplify, professionalise, digitalise, innovate, and accelerate procurement procedures.

d. is considering whether further amendments to the Weapons of War Control Act are needed.

e. is assessing the suitability of the emergency control and emergency preparedness legislation for this purpose and considering how to potentially amend it to enable prioritised delivery to the security and defence industry, including in the event of a crisis.

f. will identify further restrictive and inhibiting regulations in regular exchange with the industry and, if necessary, make changes to any such regulations.

g. is pursuing a restrictive armaments export policy that aligns with the key principles of the National Security Strategy. To achieve this objective, the role of human rights in the receiving country, Alliance and security interests, changes in the geopolitical situation, and the requirements resulting from intensified European armaments cooperation will be considered equally. Within this framework, we support export activities of German-based security and defence companies to EU and NATO countries, to countries with a NATO-equivalent status, and to selected partner countries. This contributes to strengthening the defence industrial base and to implementing a reliable industrial policy.

h. aims to improve the parameters for the security and defence industry and will enable government-to-government sales. To this end, the government will assess the legal and organisational prerequisites for armaments sales, in particular government sales. The intention is to develop strategic measures to enable selected partner states and the German security and defence industry to harness the existing potential as much as possible.

i. aims to recruit further European partners for the Agreement on Export Controls for Armaments of 17 September 2021.

j. is committed to close coordination with its cooperation partners on export issues concerning government-agreed joint projects with EU and NATO countries and those with NATO-equivalent status.

k. supports the establishment of intergovernmental agreements as a binding framework for the export of defence goods developed under European armaments cooperation projects.

l. continues to work on implementing the packages of measures that are intended to speed up procedures and optimise export control approval processes.

m. is committed to further developing the EU regulatory framework for arms export control and is working to coordinate an EU regulation on arms exports with its European partners.

n. is exploring options with its European partners to simplify EU regulations affecting the European security and defence industry, including with respect to support measures and procedures.

o. is seeking to amend legislation on investment screening, potentially through a separate investment screening act.

4.5. Financial framework of the security and defence industry

The Federal Government

a. will, where appropriate, consider advance payments under the conditions of Section 56 of the Federal Budget Code as an additional supporting measure and will review the procedures for these advance payments.

b. is examining the extent to which the German promotional bank system (including the KfW bank) can be additionally activated to finance the security and defence industry.

c. is committed to strengthening the role of the European Investment Bank in the area of security and defence while maintaining the bank's refinancing capability.

d. is examining an increase in the Future Fund for start-ups that produce military equipment.

e. is examining extended options to use export credit guarantees to support arms exports, particularly by extending their scope of coverage beyond naval equipment so as to create comparable competitive conditions (level playing field) in the future.

f. is examining to what extent economic development instruments can be opened up to companies in the security and defence industry.

g. is examining the option of promoting compensation deals (known as offsets) in connection with arms purchases made outside the remit of EU public procurement law.

h. is considering, in exceptional strategic cases, the option to acquire a stake in companies in the security and defence industry under the conditions of Section 65 of the Federal Budget Code.

i. stresses that access to financing through banks and capital markets must be ensured. Regulations on sustainable finance do not restrict the financing of the security and defence industry and must not be allowed to impact the financing. The defence industry makes an important contribution to resilience, security and peace, with due regard to the principles, conventions and treaties of international law. With regard to sustainable financial investments, from the perspective of the Federal Government this means, for instance, that a fund that is sustainable according to European and German regulations can of course also invest in companies in the security and defence industry.

j. will establish communication with financial market actors to improve the general conditions for the financing of the security and defence industry.

k. is examining unintended signals proceeding from regulatory guidelines, in particular outdated exclusion criteria.

4.6. Securing skilled labour and further important production factors

The Federal Government

a. is working intensively to secure the supply of skilled labour. It has therefore revised its Skilled Labour Strategy. Five fields of action are key to this: up-to-date vocational training, targeted continuing education and training, leveraging potential sources of labour, improving work conditions and workplace culture, and pursuing a modern immigration policy. The Skilled Labour Strategy is geared towards all sectors. Companies in the security and defence industry can also benefit from the measures listed in the Skilled Labour Strategy.

b. is providing companies in the security and defence industry with information about support available from the Federal Employment Agency in terms of consultation, job placement, and qualifications.

c. supports the security and defence industry's more frequent usage both of Industry 4.0 concepts and technologies and of testing environments for medium-sized companies.

d. will examine whether strategic stockpiling is necessary and possible, for instance by companies in the security and defence industry, in order to ensure that the security and defence industry is supplied with raw materials critical for security and defence. The Federal Government's raw materials fund could potentially help strengthen the supply of raw materials to the security and defence industry.

e. is making sure that there are no further security clearance delays for personnel working in companies in the security and defence industry. In addition, the Federal Government is examining ways in which the security clearance procedure can be adapted to meet requirements and safeguard security at the same time.

4.7. Strengthening European and international cooperation

The Federal Government

a. is committed to establishing a European market for defence goods and services, expanding production capacities and promoting joint procurement.

b. is committed to a coordinated procurement policy and is positioning itself with this in mind in negotiations on European initiatives. The aim is to improve the overall conditions so that member states and companies can cooperate on armament projects with as few obstacles as possible. In addition, the Federal Government is committed to offering incentives for joint procurement.

c. is committed to developing a policy for the European security and defence industry that will lead to better overall conditions in Europe with fair arrangements, and therefore to a greater number of successful companies.

d. will continue its commitment to promoting transatlantic start-ups within the scope of NATO's innovation initiatives so as to strengthen defence-oriented start-up and venture capital ecosystems and thereby make a sustainable contribution to securing the technological superiority of the Bundeswehr and other armed forces in NATO.

e. is developing a detailed vision as the basis for a strategic consolidation of the EU's security and defence industry that will enable economies of scale and strengthen Europe's industrial and technological base, and thus also national and collective defence, while maintaining and strengthening key security and defence industrial technologies needed at the national level.

f. remains involved in developing EU and NATO industry support programmes along with corresponding measures and initiatives.

g. is seeking to establish more joint European armament and procurement projects.

h. is committed to simplifying EU public procurement law for goods and services of the security and defence industry.

i. is committed to ensuring that measures for closer European cooperation take adequate consideration of the transatlantic dimension, national interests and positioning the German security and defence industry.

j. is helping to enable the German security and defence industry – focussing also on SMEs and start-ups – to participate in EU and NATO industry support programmes.

k. will continue to develop opportunities to cooperate and collaborate on armament projects – both in an EU and NATO context and to support Ukraine – and will support corresponding initiatives, while taking into account the involvement of the German security and defence industry. In this context, financing options provided by the European Investment Bank, for instance as part of the Strategic European Security Initiative, should also be used.

l. is developing a position on dual-use research within the scope of EU programmes, based on the White Paper presented by the European Commission in January 2024. The aim is to leverage synergies and make the best possible use of potential, while taking relevant parameters into account, in order to promote adequate, strategically targeted support for the development of dual-use technologies in the EU.

m. aims to achieve a better link between the potential of the civilian industry and the potential of the defence industry.

5. Outlook

The fields of action outlined in Chapter 4 provide the framework for the Federal Government's next steps in strengthening the national security and defence industry. Implementation and evaluation of the National Security and Defence Industry Strategy should be based on a reliable data basis.

The activities set out in the fields of action will be regularly discussed with the companies in the security and defence industry and, if necessary, readjusted in the interministerial steering group. The activities will be driven forward in the relevant ministries or even at the interministerial level, according to the competence of the ministries.

Companies in the security and defence industry and associations were briefed and consulted prior to publication of the strategy.

The activities will be continuously monitored as part of regular, institutionalised coordination between the ministries relevant to the security and defence industry.

The companies in the security and defence industry are regarded as part of the implementation and evaluation process and are encouraged to draw on their practical experience to bring new, concrete ideas into the discussion.

In addition, a study will be conducted to assess the impact of the strategy on the national security and defence industry. The results of this study will also help to adjust the individual activities set out in the fields of action.

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