



WHAT FUTURE EUROPEAN DEFENCE AND TECHNOLOGICAL INDUSTRIAL BASIS (EDTIB) DO WE WANT/NEED?

The Belgian case

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The Armament Industry European Research Group (Ares Group) was created in 2016 by The French Institute for International and Strategic Affairs (IRIS), who coordinates the Group. The aim of the Ares Group, a high-level network of security and defence specialists across Europe, is to provide a forum to the European armament community, bringing together top defence industrial policy specialists, to encourage fresh strategic thinking in the field, develop innovative policy proposals and conduct studies for public and private actors.

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ABSTRACT

Belgium pursues a deeply integrated European defence technological industrial base that can produce and sustain the full spectrum of conventional military capabilities at scale. This next step in European integration should ensure that the economic and societal returns of increasing levels of defence investment are broadly distributed across EU member states. Belgium generally shies away from protectionist tendencies and favours open industrial cooperation with other EU member states and third countries alike - provided this generates mutually advantageous outcomes. To achieve a more consolidated EDTIB, Belgium primarily relies on its role in the Council (as co-legislator) and its newly created national defence Research, Technology, Development, and Innovation (RTD&I) instruments, given the limited financial clout of its own procurement policy. As a result of its past trajectory hollowing out its force structure by consecutive budget cuts, however, Belgium will still need to resort to off-the-shelf purchases for meeting its growing capability needs. It does so by operating in sync with the capability sets fielded by its closest allies.

Keywords: Belgian defence | EDTIB | Defence Industrial Research Strategy (DIRS)

As a founding member of the UN, NATO and the EU, multilateralism is part of the Belgian diplomatic DNA. Therefore, Brussels strives towards an integrated European defence pillar within NATO. Following the end of the Cold War, however, Belgium reduced its national defence effort faster and longer than other European allies - bottoming out at a mere 0,88% of GDP in 2017 (cf. Mattelaer 2018). This could not help but have dire consequences for the Belgian Defence force structure as well as for the health of the Belgian defence industry. Today, Belgium finds itself confronted with the urgent imperative to regenerate both its forces and its industrial base from the unenviable position of being a defence laggard. In its most recent defence reforms (codified in the 2022 STAR-Plan) Belgium has nonetheless articulated strong preferences for the European Defence Technological Industrial Base (EDTIB) it would like to see emerge. As its own defence industrial base consists mainly of high-tech SMEs and Mid-Caps that provide niche technologies and capabilities, it relies primarily on RTD&I spending and legislative initiatives as the policy instruments of choice, rather than its own defence procurement. In effect, Belgian defence industrial policy is far broader in scope than the remit of its own procurement policy would allow.

WHAT EDTIB DOES BELGIUM PREFER?

From the Belgian point of view, the EDTIB should be able to produce and sustain the full spectrum of conventional military capabilities at scale. This points towards the need for common platforms and weapon systems that are seamlessly interoperable or even interchangeable in a NATO context, both amongst the European allies and with US-developed weapon systems. **Belgium is a strong proponent of joint procurement as a way of consolidating demand because it sees the fragmentation of national procurement processes as a main culprit behind the sorry state of the EDTIB today.** It also attaches strong importance to the geographical distribution of the economic and societal returns of defence investment. Being an open and export-oriented economy, Belgium is deeply sceptical about protectionist impulses. It therefore takes a parsimonious approach towards the possible use of Article 346 of the TFEU to circumvent competitive procurement processes, as evidenced by the fact that there are hardly any recent Article 346 cases. As a result, Belgium seeks to influence and support the European Commission's initiatives aimed at boosting European defence industrial cooperation and fostering competitive procurement. It is also open to collaboration with third countries, provided this generates mutually advantageous outcomes in terms of meeting capability needs and offering possibilities for industrial participation. In doing so, Belgium pursues advantages of scale in multiple frameworks alongside one another.

THE LIMITED IMPACT OF BELGIAN PROCUREMENT POLICY

Belgian Defence procurement reflects these broad preferences. In the ongoing cycle of renewing its major weapon systems, Belgium has chosen to prioritise platform interchangeability and operational integration with its closest allies. This concerns most notably the acquisition of Jaguar and Griffon armoured vehicles for re-equipping all Belgian motorised battalions, aligned with the French Scorpion-programme and backed up by Caesar artillery systems. The Belgian Navy and the Royal Dutch Navy are already fully integrated. Belgium will soon take delivery of a new generation of Mine Counter-Measure vessels (built by Naval Group and Exail following an international competition under Belgian lead) as well as new Anti-Submarine Warfare frigates (built by Damen under Dutch lead). From 2025 onwards the Belgian Air Force will take delivery of its F-35 combat aircraft. This will not only allow for seamless interoperability with already a dozen allies, but also enable Belgium to continue its nuclear deterrence role, which sits at the core of the country's NATO commitments. The Belgian Air Force also operates a fleet of A400M transport aircraft (into which a Luxembourg plane is integrated) and takes part in the OCCAR-led Multinational Multirole Tanker Transport Fleet-programme initiated by the EDA.

Despite being at the avant-garde of defence capability integration, Belgian procurement is too limited in volume to have significant effect on the European defence market. In 2023 for instance, its procurement budget stood just above 1,5 billion Euros, largely due to the F-35 purchase it committed to in 2018. In pursuing interoperability and integration, Belgium therefore chooses to team up with larger framework nations to meet its national capability requirements. To avoid excessive dependency on a single partner nation, it has opted for a geographically balanced portfolio of strategic partnerships, with the Netherlands in the maritime domain, with France in terms of motorised land forces, and with the US in the air combat and nuclear domains. The key question is whether the partnership with France - which was originally designed with expeditionary stabilisation missions in mind - can also serve as a foundation for rebuilding the heavy land forces required for NATO's deterrence and defence, or whether an additional partnership with Germany is needed for doing so. This hinges to a considerable extent on the question whether the future Main Ground Combat System (MGCS) becomes a success or failure in terms of fuelling European integration.

LEGISLATIVE CHANGE AND DEFENCE R&T AS EDTIB POLICY INSTRUMENTS

As its procurement policy cannot realise transformational effect, Belgium seeks to influence the EDTIB via its voice as in the Council (as co-legislator of EU law) and via its national RTD&I policy. Belgium has taken a very positive attitude towards the emergence of the European Defence Fund, whilst being mindful of the need to ensure a competitive and level playing field amongst all EU member states. Similarly, it has strongly supported the recent Act in Support of Ammunition Production (ASAP) and the European Defence Industry Reinforcement through Common Procurement Act (EDIRPA). Belgium has been consistently striving for ambitious language on European defence issues to be included in European Council conclusions (cf. Angelet 2022). Yet as ambitious European policy rhetoric often fails to result in strategically meaningful outcomes, Belgium has simultaneously pursued a more hands-on instrument of change in the form of its national RTD&I policy within the framework of the newly adopted *Defence, Industry and Research Strategy* (DIRS 2022).

Belgium's forward leaning role in the EU Permanent Structure Cooperation (PESCO) produced a rebirth of its national defence R&T policy. The 2017 Council Decision establishing PESCO committed participating Member States to increasing the share of expenditure allocated to defence research and technology to nearing 2 % of total defence spending. As its national R&T spending had just bottomed out in 2016 at a very meagre 0,16%, PESCO effectively forced the Belgian government to put its defence R&T budget on an exponential growth trajectory. In absolute terms, this R&T effort quadrupled in the timespan from 2017 to 2024 and is set to quadruple again by the end of the decade. This paradigm shift provided Belgium with the opportunity to articulate its own *Defence, Industry and Research Strategy* and to reconceptualise its defence R&T effort as an instrument to help shaping the EDTIB and Belgium's place therein.

The *Defence, Industry and Research Strategy* that the Belgian government adopted in September 2022 aims to (i) strengthen the EU's open strategic autonomy, (ii) position Belgium as a relevant and competitive technological partner in European and transatlantic capability development, (iii) guarantee national expertise and industrial capacity in critical areas, and (iv) generate economic and societal returns in the form of both knowledge innovation and employment (DIRS 2022). The document explicitly sought to complement the setting-up of the European Defence Fund with national co-financing instruments that can link up the

defence establishment with the country's knowledge institutions and help reposition Belgian enterprises at the European level. One prominent case in point is the Defence Research Action (DEFRA) programme Belgian Defence has stood up in partnership with the Federal Science Policy Office Belspo. Participation in DIANA, the NATO Innovation Fund and large R&D programmes decided on a case-by-case basis help complete the array of different RTD&I funding instruments.

In substantive terms, the DIRS identified cyber defence across all geospatial domains and increased autonomy and robotics in a maritime environment as overarching priority areas, building on national capability needs and competitive technological strengths alike. This aligned closely with the setting up of Belgium's Cyber Command in 2022 (cf. Mattelaer 2022) and the consolidation of its ecosystem of excellence related to naval mine warfare technologies. These priority areas constitute focal points rather than limiting categories; RTD&I funding is available to a much wider range of topics. Some 360 million euros have been earmarked for developing Next Generation Combat Aircraft Technologies such as manned-unmanned teaming, for instance. The main objective of Belgium's expressed interest in the Future Combat Air System (FCAS) consortium is to allow Belgian companies to better position themselves in the aerospace supply chain, building on an R&D-enabled innovation edge and a corresponding reduction of the development risks inherent to the programme.

THE IMPACT OF THE UKRAINE WAR

Russia's war against Ukraine has caught Belgium largely by surprise. The STAR-plan the Belgian government agreed upon in the spring of 2022 considered interstate armed conflict in Europe's eastern periphery as unlikely to occur within the 2030 timeframe. This obviously proved to be a miscalculation. In Belgium, major policy adaptation usually follows the formation of a new coalition government. A fully fledged successor to the STAR-plan will therefore need to wait for the elections in 2024, allowing a new government to recalibrate Belgian defence policy in function of the new reality that has emerged. This will likely result in an updated military programming law and corresponding RTD&I priorities. In the meantime, however, the coalition government did adopt an ad hoc Readiness Plan in July 2022. This additional budget envelope of 1 billion Euros for the timeframe 2022-2024 sought to replenish the munition stocks, which were already low to begin with and were being further emptied by deliveries to Ukraine. This enabled Belgium to significantly scale up its munition production capacity by means of a twenty year-long strategic partnership with the country's flagship small arms manufacturer FN Herstal (Colley 2023) and large caliber producer Nexter Arrowtech

Belgium (part of KNDS Group). The latter is now producing 105 mm shells for Ukraine's refurbished Leopard I tanks, for instance.

The Belgian force structure that was designed by the previous defence plans clearly lacks the necessary depth to meet the capability targets that Belgium gets apportioned in the NATO Defence Planning Process. The new generation of Regional Plans that were adopted by the Heads of State and Government at the Vilnius Summit will drive forward the formulation of additional force requirements (Mattelaer 2023). In line with the commitment made by Prime Minister De Croo at the Madrid Summit that Belgium will meet the 2% of GDP target by 2035, one can expect the next government to push ahead with rapidly growing the numbers of the capabilities already purchased and adding new systems to the inventory. The reintroduction of ground-based air defence systems and the acquisition of long-range precision strike ammunitions stand out as top priorities. In October 2023 Belgium has co-signed the memorandum of understanding to further develop the European Sky Shield Initiative led by Germany. In June 2023 Belgium also co-signed a letter of intent to re-acquire Mistral 3 short-range air defence missiles jointly with Cyprus, Estonia, France, and Hungary under the EDIRPA framework (MBDA 2023).

CONCLUSION

Belgium has strongly committed itself to the pursuit of a deeply integrated EDTIB for meeting most of its capability requirements. To this purpose, it seeks to leverage its own procurement policy, its role as co-legislator in the Council and its own investment into research, technology, and development. Its high level of R&D spending is likely to provide it with significant opportunities to co-shape the EDTIB in tandem with the European Defence Fund over the long term. For meeting its urgent capability needs in the ongoing rearmament cycle, however, the Belgian Defence will need to continue purchasing off-the-shelf solutions. These will allow Belgian Defence to deepen its existing partnerships with key allies such as France, the Netherlands, and the US, and pursue new ones, whilst hoping that in the long-term France and Germany pursue major development programmes and fully interoperable capabilities together.

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