

FRANCE

By **Samuel B. H. Faure**, Senior Research Fellow, Institute for Strategic Research (IRSEM)

Why does France diverge from the European Commission's push to establish a "Defence Single Market," particularly through the ongoing revision of Directive 2009/81/EC under the "defence omnibus" package?

France does not reject the idea of a defence market for the European Union (EU) *per se*, but opposes the model promoted by the Commission. Instead, it advocates for a "European defence equipment market," built on an interventionist approach, intergovernmental governance, and a "European preference" vis-à-vis third countries.

Moving beyond competition: an industrial policy-driven market

For French authorities, the defence sector cannot be governed by a liberalisation logic comparable to that of other markets. This approach is seen as incompatible with its politico-strategic specificities: "arms are not sold like tins of sardines," as several interviewees put it. France therefore supports maintaining a distinct regulatory framework, arguing that a purely competitive logic could weaken rather than strengthen defence firms based in Europe.

This position goes hand in hand with support for a European-level defence industrial policy (EDTIB), notably through regulatory simplification and industrial consolidation. Interviewees questioned the Commission's willingness to support consolidation and the emergence of European champions, such as the BROMO project led by Airbus, Thales and Leonardo. More broadly, the "geo-economic turn" is seen as necessary, calling for an interventionist industrial policy aligned with European strategic interests.

Supporting the EU's funding role, resisting its prescriptive authority

At the same time, France acknowledges the Commission's legitimate role in supporting Member States' rearmament and the scaling-up of defence industrial production. Interviewees stress that France has backed EU budgetary instruments such as EDIRPA, ASAP, EDIP and SAFE, seen as useful tools to foster cooperation and strengthen industrial capabilities.¹

¹ Whilst this statement is accurate in the case of EDIRPA, ASAP and SAFE (the latter having even been promoted by the French Head of State), it is worth noting that the French authorities did not facilitate negotiations on EDIP and often found themselves isolated alongside Greece and Cyprus.

However, France opposes any extension of the Commission's competences in a domain that falls under national sovereignty, as defined by the Lisbon Treaties, notably Article 346 TFEU. A recurring concern is a potential shift towards a more prescriptive role, particularly regarding export controls. In France, export control is a core instrument of foreign policy, especially for a nuclear-armed state.

Any binding harmonisation at EU level is therefore seen as likely to undermine existing legal balances, particularly regarding non-proliferation commitments. By contrast, French authorities emphasise the robustness of the national control system, overseen by the SGDSN. In short: yes to EU financial incentives ("carrots"), but no to regulatory constraints ("sticks").

Defining the market through "European preference": why external boundaries matter

Finally, French stakeholders advocate for an alternative to the notion of a Defence Single Market: a "European defence equipment market." This concept is defined by its external boundary, regulating interactions between EU actors and third countries. While Directive 2009/81 facilitates intra-European openness, it leaves largely unaddressed access for non-EU actors, contributing to persistent techno-industrial dependencies.

In this context, France promotes a "European preference," whereby equipment produced within the Union should be prioritised whenever available. Recourse to third-country suppliers remains possible, but only conditionally, in the absence of a European alternative. This approach is part of a broader agenda to strengthen Europe's strategic autonomy, reflected in eligibility criteria within instruments such as EDIP and SAFE.

While some red lines remain firmly entrenched, most divergences between Paris and Brussels are not insurmountable. Convergence is within reach, provided that each side builds on its respective strengths and reduces mistrust through sustained and frank dialogue.