

Words of Welcome by Louis Gallois, EADS CEO

It is a great pleasure to welcome you to the Club of Three session in Versailles. The events in Libya focus the attention of Defence circles as they do for the public opinion and the media. Nobody knows to which extent the Libyan crisis could impact European defence and transatlantic relations. On the other hand, we can be sure that the aftermath of the financial and economic crisis will be tremendous. Intensified by shrinking public budgets, the structure of European defence and security is at a crossroads. European integration and cooperation, once seen as the (only?) way to cope with limited resources of States, is fading. Certainly, the recent treaty between France and the United Kingdom represents a new chapter in European defence cooperation. Can this move be seen as a mere pragmatic approach to spend less while facing massive budget cuts or is it rather the prelude to a new era where bilateral cooperation will be the new agenda?

For sure, the European defence industry is still one of the most efficient in the world. But if defence budget constraints remain at the present level, there is a risk that the gap between Europe and its new competitors get closer. At the same time the discrepancy between Europe and the United States will increase, with potential impacts for transatlantic cooperation. How will the US react to this trend in the medium term and how can Europe turn the transatlantic industrial highway into a two-way street?

Maybe the new challenges for defence and security offer a fresh starting point for multi-lateral cooperation. NATO, EU and national governments have already adapted to the growing overlapping of defence and security concepts. How will the European defence industry be able to adjust its business model to succeed in the changed environment?

In a nutshell: Convergence versus divergence – Is it possible to develop a “win-win” strategy after the economic crisis? And if it appears possible, what are the means available to achieve it?

I wish all of us fruitful discussions and stimulating debates,

Yours sincerely



Louis Gallois