

# A NEW ERA OF NATO TRANSATLANTIC INDUSTRIAL BASE COOPERATION



Transatlantic defense industrial base cooperation is critical to addressing today's security environment and upholding the international rules-based order. NATO Allies must balance resources to address Russia's invasion of Ukraine, conflict in the Middle East, and promote deterrence in the Indo-Pacific. As a result, international demand for defense capabilities and equipment is soaring, putting pressure on the existing industrial base in the U.S. and Europe.

## ADDRESSING INDUSTRIAL BASE GAPS

The U.S. National Defense Industrial Base Strategy (NDIS) and European Union's (EU) European Industrial Base Strategy (EDIS) strive to build domestic industrial base capacity but lack harmonization. To meet current security challenges, transatlantic industrial base cooperation across NATO Allies is needed.

NATO Allies should build upon the

## NATO Defense Production Action Plan

to further accelerate joint procurement, boost production capacity, and enhance the Alliance's interoperability.

### AIA Recommends:

#### LEVERAGING EXISTING NATO FRAMEWORKS



NATO Defense Industrial Production Board should draft a joint strategic framework that outlines shared priorities and sets clear outcomes and metrics.



NATO should leverage the Defense Production Action Plan to facilitate joint industrial base strategic planning across NATO Allies.

#### BUILDING ON DOMESTIC AND REGIONAL POLICY



NATO Allies should tailor their approaches to industrial base resiliency and balance between domestic production initiatives and international sourcing.



NATO should build upon the European Defence Industrial Programme's Defence Industrial Readiness Board to facilitate joint procurement plan coordination.

## CREATING DEMAND SIGNALS FOR INDUSTRY



NATO Allies should promote clear and predictable funding in accordance with industrial base needs in strategic sectors, stockpiles, and facilities.



NATO Allies should coordinate on budget constraints to bolster joint planning and aggregate demand for industrial base gaps and key technologies.



NATO frameworks should guide public and private investment in accordance with industrial base need in strategic sectors, stockpiles, and facilities.



NATO Allies should increase domestic tax incentives, create flexible contract authorities, and expand loan programs to create sustained demand.

## ALLIANCE-CENTRIC APPROACH



NATO should consider avenues to bolster information sharing across the Alliance with the goal of harmonization.



NATO should consider additional measures to leverage non-NATO industrial capabilities in partner nations.

## INDUSTRY ENABLES COLLECTIVE SECURITY

**As NATO celebrates its 75th anniversary, Allies should leverage this milestone to strengthen the Alliance for the next 75 years. NATO Allies should both emphasize the value of and invest in transatlantic industrial base integration to ensure members have the capacity and capabilities to respond to and deter shared global security threats.**



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