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Argentine Defence Procurements; The New Developments



Argentine military is a well-organized force that was constrained for years by the prolonged economic hardship that the country experienced. The country recovered and recently military is implementing a modernization plan mainly aiming at making the ground forces lighter and more responsive. In this process Argentina heavily depends on U.S. defence exports and military assistance. This is reaffirmed by the fact that US accounts for the majority of defence imports for the period 2006-2010. Other countries such as Spain, Brazil and Austria follow in exporting equipment to the Argentine armed forces. Argentina, similar to other Latin American countries, is currently increasing its defence budget. Argentine

defence budget stood at US 2,211 million US dollars in constant (2009) prices in 2007. In 2010 increased and reached 3,179 according to Stockholm International Peace Research Institutes' (SIPRI's) estimations.

USA is the most important military partner of Argentina. For the period 2006-2010, Argentina imported military equipment from USA of 65 million US dollars total value expressed at constant (1990) prices. With these funds, among others Argentina rebuilt AUH-1H to Huey-2. Assembly was carried out in Argentina and finished in 2010.

Military expenditure of Argentina

	2005	2006	2007	2008	2009	2010
US\$ m. In constant (2009) prices	1,853	1,910	2,211	2,512	2,982	3,179
percentage of gross domestic product	0.9%	0.9%	0.9%	0.8%	1%	-

Source: SIPRI Publications (<http://milexdata.sipri.org/result.php4>)

Spain is the next country from which Argentina procures defence equipment based on the amount of funds allocated. For the period 2006-2010 this amount reached 20 million US dollars expressed at constant (1990) prices. Spain exported to Argentina (4) AN/FPS-20 Air search radars that were previously in service with the Spanish Armed Forces.

Austria and Brazil are the next two countries based on the amount of funds allocated with 3 and 2 million US dollars at constant (1990) prices respectively. In 2006 Argentina procured (4) SK-105A1 Kurassier light tanks from Austria. Deliveries were completed in 2007. The Argentine model uses the chassis of SK-105 fitted with turret from AMX-13 tank.

Imports (expressed in US\$ m. at constant 1990 prices)

	2006	2007	2008	2009	2010	Total
USA	9	15	16	13	13	≈65
Spain	-	5	7	4	4	≈20
Austria	-	3	-	-	-	≈3
Brazil	-	2	-	-	-	≈2

Source: SIPRI Publications, Arms Transfers Database

Russia is a relatively new player in South America as the country deliberately augments its exports in the region. In comparison with the period 1993-2003 Russian deliveries to South America increased by around 900% for the period 2004-2008. It is highly possible that Argentine defence imports will be affected by this trend and Russia will eventually enter the market. Nevertheless, USA is expected to continue dominating the country's defence market and Russia will compete with the rest of the countries in order to secure a small portion of defence imports to Argentina.

Argentina's local defence industry is not developed and is mainly dependent on its government for sales. This means that the country will continue to depend on foreign procurements for equipping the army. If we also take into consideration that defence budget will continuously rising then we can positively say that the Argentine defence market exists and rewards await those whose efforts are serious and persistent.

Kyriazis Vasileios
Epicos Newsletter Head Editor

Argentine Armed Forces in the Process of Modernization



República Argentina
Ministerio de Defensa

Throughout the last decade the South America's share of world arms import increased at a robust pace. It is indicative that the region accounted for 12% of imports of major conventional weapons in the period 2006–10, compared with 9% in 2001–2005. For the same period Chile's and Venezuela's arm

imports increased by 67% and 359% respectively. Argentina is following this trend increasing defence budget. Enhanced defence expenditure is primarily driven by modernization plans of Argentine government and the participation in peacekeeping missions. Argentine defence expenditure accounted for almost 1% of GDP for 2009 and the government is planning to increase it to 1.5% of GDP over a short period.

Argentina is currently participating in several international foreign missions. This is one of the main reasons why the country is in need of an augmented defence budget. Argentina has approximately 700 peacekeeping troops in Haiti in support of the UN peacekeeping operation (MINUSTAH).

Additionally, Argentina is heavily involved in several international organizations, enhancing its position in the international scene. It is an active member of the United Nations system, and currently holds a seat on the UN Human Rights Council and in several local organizations such as MERCOSUR regional trade bloc.



Furthermore, Argentine authorities are trying to ameliorate the country's international status by making progress in cooperation projects with Chile and Brazil, with whom Argentina had political differences in the past. Argentina is one of the countries participating in the development of Embraer's KC-390, a medium-size, twin-engine jet-powered military transport aircraft. On April 13th 2011, an agreement between Embraer and Fabrica Argentina de Aviones (FAdeA) was signed to manufacture the spoilers, nose landing gear doors, ramp door, flap fairings, tail cone, and electronic cabinet at Cordoba, Argentina.

In the late 1990's defence budget reached a peak, but declined in subsequent years due to severe economic problems that the country was facing, resulting in postponing defence



modernization plans. Currently, Argentina has revived these projects. Through this process, it also aims at ameliorating the domestic defence industry which now possesses limited capabilities. By mandating 100% offsets for its defence procurements, the country is trying to encourage technology transfers, partnerships and R&D projects that will eventually help domestic defence industry.

Argentina, currently is trying to enhance its defence capabilities & industry and by using an augmented defence budget is trying to modernize armament and keep participating in international missions, fostering its place in the international scene.

Kyriazis Vasileios
Epicos Newsletter Head Editor

How are Asian-Pacific Forces modernising firepower?



As optimised artillery capabilities and extended firepower ranges are becoming increasingly crucial components on the modern battlefield, Asian and Asian-Pacific nations are looking to invest in new systems and detection equipment.

Countries including India, Singapore, Thailand, Malaysia, the Philippines, and South Korea aspire to implement brand new firepower programs, as recent artillery exchanges require longer range firing systems and more specific target detection tools.

With the imperative to develop cutting edge capabilities in precision munition, C-RAM, network communication infrastructure and intelligence, the critical need for these nations to implement their current economic strengths and upgrade their defence systems has not gone unnoticed – nor ignored.

Ways in which these nations are now modernising artillery programs include the use of lighter weight systems to overcome terrain and mobility issues, and more rigorous training when it comes to applying advanced technical features. The different methods of upgrading the Asian and Asian-Pacific artillery systems will be discussed in detail at **Defence IQ's** upcoming summit **Future Artillery Asia**. Speakers are already on board from the Republic of Korea's Armed Forces, the Philippine Armed Forces, and the Australian School of Artillery.

One speaker likely to garner particular interest is **Brigadier General Lim Sang Soo**, Superintendent of the School of Artillery for the **Republic of Korea Armed Forces**, who will be leading the opening keynote for the conference, addressing "Enhancing Artillery Range and Lethality." In addition to discussing the development of future doctrine and equipment improvement to meet regional threats, he will be providing operational feedback on current systems such as the Samsung K9Thunder.



Alongside Brig. Gen. Lim, **Colonel Pedro P. Biasbas**, Commander, Army Artillery Regiment of the **Philippine Armed Forces**, will be speaking on how to extend artillery range and improve mobility, while **Lieutenant Colonel Richard Vagg**, Commanding Officer, Joint Land/Air Artillery Regiment of the **Australian School of Artillery**, will target another timely issue for today's artillery community: how to achieve a modern, fully digitized battlespace.

Other [key speakers](#) who will be presenting at the conference include **Colonel Ernesto Evangelista**, Commander, Marine Field Artillery, **Philippine Marine Corps** and **Brigadier (ret'd) Gurmeet Kanwal**, Director, Centre for Land Warfare Studies, **Indian Ministry of Defence**.

Future Artillery Asia takes place 6th-7th September at the Swissotel Merchant Court Hotel in Singapore and aims to generate useful discussions surrounding future firepower strategies on the battlefield. Additional information about the agenda is available at

www.futureartilleryasia.com, along with articles, podcasts, and videos in the download centre. You can also download the [event brochure](#) for further details.

[Defence IQ](#) invites Flag Officers 1 Star and above to attend the conference for free, by requesting a complimentary pass from Johanna Mikkela at defence@iqpc.co.uk.

The **Defence IQ Future Artillery LinkedIn Group** is open for membership at

<http://www.linkedin.com/groups>.

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FOR IMMEDIATE RELEASE: Johanna Mikkela | **IQPC, 2nd Floor, 129 Wilton Road, London SW1V 1JZ** | Tel: +44 20 7368 9300

Epicos "Industrial Cooperation and Offset Projects"



Epicos "Project Opportunities" provides a unique set of online tools enabling the structure, identification and implementation of comprehensive Offsets programs, through a searchable database. By introducing different offset projects and ideas proposed by local A&D industry it ensures the optimum cost for Prime Contractors and reassures that the priorities of local industry are fully met...

[For Further Information Press Here](#)

Develop a new generation ballistic protection vest integrated with a lightweight Microclimate cooling and Heating system in order to meet Future Soldier requirement and applications



A company with extensive experience in the development and production of ballistic protection equipment is proposing the development of a new technology ballistic vest integrated with an advanced lightweight microclimate cooling and heating system in order to mitigate Future Soldier's heat stress, allowing them to operate safely and more effectively in all terrains and under extreme weather conditions. The new vest will thus provide ballistic protection and temperature regulation allowing for the comfort and safety of its potential users (armed forces, SWAT,

police).

[For Further Information Contact our ICO Department](#)

Mail at: g-menexis@epicos.com

Mini-UAV compact avionics package



A leading company in the design and development of advanced avionics systems is proposing the development and installation of a miniaturized avionics package system to be used in several Unmanned Airborne Vehicle (UAV) designs. The proposed system will utilize state of the art sensors technology and it will include rate sensors, acceleration sensors, GPS, air data sensors and multiple I/O signals, all controlled and monitored by a

single powerful processor. The developed system will be capable of fulfilling the related requirements of existing or new UAV designs.

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Mail at: g-menexis@epicos.com



Latin American Foreign Policies: Between Ideology and Pragmatism, by Gian Luca Gardini, Peter Lambert



The emergence of center- left and left leaning governments throughout Latin America, the so called Pink Tide, and the growing rejection of neo-liberalism as an ideological dogma seems has been a striking feature of the Latin American political scenario in the first decade of the new millennium. This new political status stances in favour of national interests, whilst ideological discourse continues to be directed towards both domestic and international audiences with varying intensities and tones, it appears to be combined with clearly pragmatic policies and aims. This book reviews the foreign policy of eleven Latin American countries and argues that a combination of pragmatism and ideology characterises contemporary Latin American approaches to international relations. It analyses whether this is a permanent or contingent feature, what factors affect the mix of pragmatism and ideology, and whether this is an identifiable new pattern of foreign policy in Latin America

The Political Economy of Integration: The Experience of Mercosur, by Jeffrey W. Cason



This book assesses South America's most ambitious attempt at economic integration, Mercosur. It explains the main—and inherent—weaknesses of the integration effort, through explicit comparison with the European experience with integration. Jeffrey Cason argues that the three main reasons for Mercosur's limited success are weak domestic political institutions in the member countries, vulnerability in the global political economy, and a serious imbalance in the economic and political weight of the member countries. In addition to providing this overarching explanation for Mercosur's limitations, the book tells the story of Mercosur's genesis, development, and frustrations. This book provides both an explanatory framework for understanding Mercosur and a story. It considers how Mercosur emerged, why it was greeted with great enthusiasm (and huge trade growth), and how it hit stumbling blocks as it sought to be more than it was capable of being. The book also focuses on how and why developing countries are inherently limited in any economic integration project.



China received \$650 bln of direct foreign investment in 10 years

BEIJING, June 5 (RIA Novosti) - Direct foreign investment in China totaled \$653 billion in the 2001-2010 period, the country's statistics agency said on Sunday. Yao Jingyuan, head of the National Bureau of Statistics, said direct foreign investment in the economy grew by 9.5% a year on average, Xinhua news agency said. In 2010, China received 125% more of direct foreign investment than in 2001 when the country just joined the World Trade Organization, Yao Jingyuan said at a conference on China's foreign economic ties in Ningbo in northeastern China. China's foreign trade totaled \$15.7 trillion in the same period. When faced with the global financial crisis in 2008, Chinese authorities decided to revise the economic development model by cutting exports and putting more emphasis on domestic demand and domestic investment sources. Yu Bin of the State Council Development Research Center told the conference that the country had all the chances to maintain growth by encouraging domestic and keeping foreign demand for its products. However, he said that economic development could slow down from 2013 and predicted that China's GDP would grow by an average of 9% a year.

Source: Ria Novosti

NATO, Russian jets hold first ever joint exercise

NATO and Russian fighter jets began their first ever joint exercise Tuesday, teaming up in a bid to prevent attacks such as the September 11, 2001 strikes on the United States, a Polish official confirmed.

"The unprecedented exercise began this morning with the departure of a Polish CASA 295M air craft from Krakow" simulating a hijacked civilian aircraft, Polish defence ministry spokesman Major Waldemar Krzyzanowski told AFP.

Two Polish F-16s from the Krzesiny air base near Poznan, central Poland, are to intercept the "renegade" aircraft and then hand the mission over to two Russian Sukhoi jets that will guide the plane to the northern Polish city of Malbork, Krzyzanowski added.

The aircraft are taking part in the four-day NATO-Russia "Vigilant Skies 2011," event that began Monday involving flights over Poland and the Black Sea.

On Wednesday, three Turkish F-16s and two Russian Sukhois will intercept a rogue plane over the Black Sea.

Russian fighter jets have never taken part in NATO exercises before, an alliance official confirmed last week.

The aerial exercise will test the NATO-Russia Council Cooperative Airspace Initiative (CAI), aimed at preventing a new 9/11 by "sharing information on movements in NATO airspace

and Russian airspace, and by coordinating interceptions of renegade aircraft," according to a NATO statement.

The initiative hopes to "improve air safety for the thousands of passengers using international flights between NATO airspace and Russian airspace each day, and the millions of inhabitants on the ground."

The new airspace security system "provides a shared NATO-Russia radar picture of air traffic and allows early warning of suspicious air activities through commonly agreed procedures."

"In situations when an aircraft starts behaving erratically, the air traffic coordination system offers increased information sharing and communication to ensure rapid, joint responses to terrorist threats," a NATO statement said.

The system has two coordination centres, one in Warsaw and another in Moscow, with local coordination sites in Russian cities of Kaliningrad, Rostov-on-Don and Murmansk as well as Warsaw, Bodo in Norway and Ankara in Turkey.

Source: 2009 AFP, Agence France-Presse (AFP)

Former Cathay boss to head IATA

Former Cathay Pacific chief executive Tony Tyler will head the International Air Transport Association (IATA) from next month, the global airline body said Tuesday.

Tyler's appointment will take effect in July when Giovanni Bisignani steps down as director-general and chief executive, IATA said after the conclusion of its annual general meeting in Singapore.

Bisignani said he could not think of anyone "more capable, more passionate" than Tyler.

"I'm absolutely convinced that Tony has the right skill, expertise to hit all the targets and the many, many challenges that the industry and IATA will have to meet," he said.

Tyler left Hong Kong-based Cathay in March.

Geneva-based IATA represents some 230 carriers that account for more than 90 percent of scheduled air traffic worldwide but does not include many of the big budget airlines.

Source: 2009 AFP, Agence France-Presse (AFP)

Interpol urges airlines to create passport database

Interpol urged the world's airlines on Tuesday to establish a passport database to help prevent terror attacks similar to the September 11, 2001 airline hijackings that targeted the United States.

Many terrorists travel on fake documents and a database would make it easier to detect stolen or fraudulent passports, the head of the the cross-border crimefighting agency told an aviation conference in Singapore.

"It would have prevented the first World Trade Centre bombing," Interpol Secretary General Ronald Noble said, noting that one of the attackers had entered the US with a stolen passport.

"There are many, many, many cases with people travelling internationally that get trained as terrorists using false identity documents, so it would definitely prevent terrorist activity," he added.

Interpol -- which stands for the International Criminal police Organization -- has 188 member countries and facilitates cross-border police cooperation against international crime.

Noble said terrorists often travel to countries such as Afghanistan and Pakistan to receive bomb-making and weapons training.

"You must have a database that integrates information from travellers around the world," Noble stated.

"It would be so easy to put the numbers from stolen passports in that database and make sure that the other 500 million passengers have their passports screened."

But he warned that there was a reluctance among airlines to share customer information, helping to leave gaps in the screening system.

"Since 1993 this problem's been there and the last year, a half a million passengers were able to travel internationally without having their passports checked," he said.

"The industry could care about it but it doesn't appear to care about it. It should care about it, it can't rely on the government to keep your planes, your passengers safe, so you should care about this."

Source: 2009 AFP, Agence France-Presse (AFP)

SIA 'remains open to offers' for Virgin Atlantic

Singapore Airlines (SIA) remains open to offers for its 49 percent stake in British carrier Virgin Atlantic, chief executive Goh Choon Phong said Tuesday.

"We have been quite public in saying that if somebody comes along with a good offer, we can look at it and consider the offer," he told a news conference held on the sidelines of a global aviation conference.

"So that position remains."

The Singapore carrier paid 600 million pounds (\$981 million at current rates) in 1999 for the 49 percent stake in Virgin Atlantic, which was started by flamboyant British tycoon Richard Branson in 1984.

SIA previously said its investment in the British carrier was not producing the sort of returns it was expecting.

SIA on Tuesday announced a long-term partnership with Virgin Australia, in which Branson still has a 26 percent stake, to share flights and coordinate schedules.

Virgin Australia was formerly known as Virgin Blue.

Source: 2009 AFP, Agence France-Presse (AFP)