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Future Swedish Defence Budget



A direct attack on Swedish territory is considered unlikely in the next ten years according to the country's authorities. Threat assessment is focused mainly on regional conflicts and instability, organized crime, international crime and weapons of mass distraction proliferation. These threats can only be tackled through international cooperation. Since, Sweden is not a NATO member, the significance of Stockholm's commitment to the EU is further enhanced. Towards this direction is the long-standing military re-organisation program that started in 1999. The main goal is to enhance the expeditionary character of the armed forces. In order to fulfill this goal Swedish ministry of defence has a budget of 4.43 billion Euros for 2011.

Sweden has not been seriously affected by the global economic crisis. Consequently, the country's defence budget has not been seriously affected. For the year 2011, defence budget remained at €4.43bn as in 2010. Furthermore, the government, in order to guarantee that key modernization programs continuation, has agreed to supplementary budget allocations that de facto increase the defence budget to €4.8bn per year for the 2010-2015 period. On the contrary, spending on peacekeeping and international operations will be reduced from €281m in 2010 to €255m in 2011 and the procurement budget will be down from €1.2bn in 2010 to €1bn in 2011.

As it is already mentioned Sweden is in a long-standing re-organisation program. Through that, the Swedish government is expected to finalize the restructuring of its land forces around modular units in 2011. Furthermore, the main operating units will be reorganized in order to form up to six Modular Battle Units (MBU) and will assemble around tactical operations battalion equipped and resourced from tank, air defence, engineer, logistical and intelligence units. The Army's heavy division will be organized outside of these maneuver battalions. Air and special units consisting of combat and transport helicopters, Gripen NG-combat aircraft, C-130 Super Hercules planes and Special Forces units will be attached to the MBUs.



One of the key elements of the modernisation program is deployability. Swedish ministry of defence placed significant emphasis on this and in future the 50,000-strong Swedish force will be available within one week 'to serve where and when necessary', as opposed to a year that

is the deploy ability of the Swedish army at present.

In order to achieve deployability and modularization, the Swedish ministry of defence proceeded with a range of procurements notably in transport and command and control. Equipment priorities include armoured vehicles, corvettes, software-defined radios, fighter aircraft and air-to-air missiles. For 2011 procurement plans included the acquisition of a medium-weight tactical and transport helicopter to support international units and the Nordic Battlegroup (UH60 Black Hawk). Other programmes include the purchase of the MBDA-Meteor radar guided long-range missile for the Gripen, wheeled armoured vehicles for the €248m Armored Modular Vehicle (AMV) project, a new signals intelligence ship and new next generation submarines.

Kyriazis Vasileios,
Epicos Newsletter Head Editor

International Presence of Swedish Army



After the end of the Cold War, the new security policy environment that was created led to increased multinational cooperation within the scope of several international organisations. Sweden is part of this new reality, playing an active role in the United Nations (UN), the Organisation for Security and Cooperation in Europe (OSCE) and the Partnership for Peace (PfP). Over 80 000

Swedish soldiers have taken part in some 30 UN peacekeeping missions over the past 50 years in various parts of the world, including the Balkans, Liberia and Afghanistan. The tasks of military personnel serving in peace-support missions can range from monitoring compliance with peace agreements to clearing mines and supporting relief activities.

Swedish commitment to international missions is highlighted in the national defence doctrine, showed in "Our Future Defence" that was published by the Swedish government on 2004. In this doctrine, the Swedish authorities set as a goal the development of an army that could lead and participate in two large-scale international missions simultaneously, with each mission requiring the deployment of an entire battalion. Additionally, there should be the capacity for up to three smaller missions. This target of up to about 2,300 troops would amount to at least a doubling of current Swedish deployment.

Sweden has been a member of the International Security Assistance Force (ISAF) mission in Afghanistan since the beginning. Swedish authorities decided, in December 2010, to extend the Afghanistan mandate for the 855 Swedish soldiers deployed in northern Afghanistan beyond the scheduled start of withdrawal in 2013. Nevertheless, Swedish authorities set a goal to have all troops home in 2014. This decision opened the door to a possible joint withdrawal strategy with Finland, as Finnish troops form part of the same units and share facilities with Swedish forces.



Furthermore, Sweden is actively participating in the formulation and development of the European Security and Foreign Policy (ESFP) and the Nordic Defence Cooperation (NORDEFCO). In 2009 Sweden together with Denmark, Finland and Norway signed a Memorandum of Understanding (MoU) for the formation of NORDEFCO in a bid to expand military and industrial cooperation in the region. Under this notion, in January 2010, an agreement among the air forces of Finland, Norway and Sweden was signed to increase the number of joint exercises. NORDEFCO

is planned to expand as cooperation talks have already been extended to the Baltic States and mutual interest in expanding cooperation with the UK, Germany and Poland has become evident.

A direct attack on Swedish territory is highly unlikely. Nevertheless, Sweden is taking under consideration the fact that, nowadays, crises can quickly blow up and have far-reaching consequences. By participating in international missions Sweden is trying to prevent these crises.

Kyriazis Vasileios,
Epicos Newsletter Head Editor

Epicos "Industrial Cooperation and Offset Projects"



Epicos "Industrial Cooperation and Offset Projects" 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...

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Airborne launched payload deployment and retraction system for advanced fighter aircraft and helicopters



A company focusing in applied research and development of products is proposing the installation of an advanced deployment and retraction system to targeted aircraft platforms. The system will utilize new technologies providing secure deployment and retraction of various mission payloads (Towed Decoys, Electronic Warfare, surveillance sensors, communication etc) while in parallel will ensure easy installation to various platforms and payloads. Adaptation of existing deployment and retraction system design to specific platform and payload operational requirement will also be performed as part of the proposed project.

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

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SMT planar transformers for use in A & D application for low profile power modules



A highly specialized magnetic components designer and manufacturer with many years of experience in the field of custom made conventional and planar transformers for several space and military applications, is proposing the use of a new low profile transformer solution to be used in several military medium power applications where high performance and low profile and weight are a necessity. The proposed project includes also potential customization of the planar transformer design in order to meet specific military application requirements.

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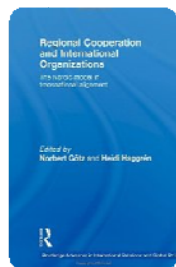


Small States and Alliances, by Erich Reiter and Heinz Gartner



In particular for small states, the decision to join alliances depends on the judgment whether the overall benefits of doing so are greater than the costs. This book is trying to delineate under what conditions states engage in alliances. What are the benefits and costs of alliances? How are the benefits and costs of alliances allocated among their members? What determines who allies with whom? Can small states still pursue their own security interests within an alliance? Can they even become integral part of an alliance? Scholars, practitioners, policy-makers and advisors from several countries discuss these issues. They address historical, empirical and theoretical topics and give policy recommendations.

Regional Cooperation and International Organizations: The Nordic Model in Transnational Alignment, by Norbert Gotz and Heidi Haggren



This book explores the roles of national actors within international organizations, with particular emphasis on the collaborative approach adopted by Nordic governments and associations. Analyzing Nordic regional cooperation within international organizations, this volume seeks to shed light on the politics of alignment and distinct macro-regional identity-building in international arenas. Exploring the middle ground between the national and the international, contributors discuss how Nordic governments and associations have successfully created and used the image of a distinct group within the international system and where they have failed.



Russia to develop new AWACS plane

MOSCOW, August 9 (RIA Novosti) - Russia hopes to develop a new airborne warning and control system (AWACS) plane by 2016, Air Force chief Col. Gen Alexander Zelin said on Tuesday. "We are expecting to receive the A-100 aircraft built on the basis of the Il-476 transport plane with the PS-90 engine and extended flight range," Zelin told reporters in Moscow. The new AWACS plane will have an advanced active phase array capable of detecting and tracking airborne and land-based targets. "We will have the carrier [Il-476] by 2013-2014 and should be able to build this plane by 2016," Zelin said. The Russian Air Force has around 20 A-50 Mainstay AWACS planes, based on the Ilyushin Il-76 transport. The A-50 is equipped with the large Liana surveillance radar with its antenna in an over-fuselage rotodome and can control up to ten fighter aircraft for either air-to-air intercept or air-to-ground attack missions.

Source: Ria Novosti

Oil price down nearly 4 pct over fears for U.S. economy

MOSCOW, August 8 (RIA Novosti) - International prices for oil, Russia's key export, dropped four percent on Monday on a market gripped by panic that Standard & Poor's rating agency which has cut U.S. credit rating for the first time in the history of the country, will downgrade it further. September Light Sweet Crude (WTI) futures fell 3.6 percent to \$83.75 in New York by 17:30 Moscow time. September Brent futures lost 2.82 percent to \$106.29 per barrel. Russia's Urals blend usually trades below Brent. The Russian government says that next year's budget will only balance with oil at \$125. Analysts say that a \$10 fall in the oil price widens budget deficit of the world's largest oil and gas producer by one percentage point.

Source: Ria Novosti

Russia to borrow 5 trln rbls in 2012-2014 from modernized market-paper

MOSCOW, August 8 (RIA Novosti) - The Russian Finance Ministry will borrow some 5 trillion roubles from foreigners on the domestic market to cover bulging budget spending in 2012-2014, Kommersant business daily said on Monday quoting the ministry's Debt Policy Guidelines for 2012-2014. Before 2008 the ministry had borrowed some 0.2 trillion roubles per year from the market. The new debt will boost Russia's debt to 17 percent of Gross Domestic Product in 2014 from the current nine percent. Japan's debt/GDP ratio stands at 220 percent, U.S.' 92 percent and Brazil's 66 percent. As borrowing internationally is

expensive, the ministry plans to cover 90 percent of budget deficit by borrowing from foreign investors on the domestic market where the government will introduce international depositary and clearing systems, allow OFZ bonds to be traded on the corporate stock market and issue primarily medium and long-term securities with a fixed coupon rate. The volume of OFZs belonging to foreigners amounts to 3 percent of the country's debt as only local investors with a depositary license have access to the MICEX stock exchange's section where OFZs are traded. As a result, foreign investors buy Russian debt for speculation while under the international practice sovereign debt is regarded as a long-term investment. Currently, Russia's benchmark OFZ federal loan bonds are too volatile, immature and highly dependent on external factors, Kommersant quoted the ministry as saying.

Source: Ria Novosti

China to hold large-scale audit of rare earth metal producers

BEIJING, August 9 (RIA Novosti) - China will hold a large-scale audit of domestic rare earth metal producers to look into output quota breaches, the Chinese Ministry of Industry and Information Technology said on its website on Tuesday. The audit, which will be held from August 1 to December 31 this year, aims to expose rare earth metals producers breaching existing regulations and continuing illegal trade in rare earth metals, the ministry said in a statement. Chinese companies exceeding rare earth metals production quotas or using outdated and environmentally hazardous technologies will be obliged to halt their operations or face the revocation of their license, the ministry said. The Chinese government has repeatedly stated about the need to regulate rare earth metal production in the wake of their quick depletion and over environmental concerns. China, which accounts for about a third of the world's rare earth metals reserves and over 90 percent of the market of rare earth metals, an important raw material for high-tech electronics, suddenly lowered export quotas by 72 percent in the second half of 2010 to 7,976 tons and then increased them to 14,446 tons in the first half of 2011 and to 15,738 tons in the second half of 2011. The world demand for rare earth metals has sharply pushed up their prices on global markets. According to China Nonferrous Metals Industry Association (CNMIA), in the first half of 2011 the prices of rare earth metals products jumped 200 percent, with the prices of some items soaring 500-1,900 percent. China's exports in the first half of 2011 grew 830 percent to \$1.54 billion.

Source: Ria Novosti

Markets plunge on U.S. recession fears

MOSCOW, August 9 (RIA Novosti) - The Russian stock market extended losses on Tuesday and the ruble plunged against the dollar and the euro for a second consecutive day in contagion of international fears that the U.S. economy was nearing a recession. The dollar-denominated RTS stock exchange index lost 5.48 percent by 12:52 Moscow time to 1,566.93 pushing through the psychologically important level of 1,600 points. The RTS closed 7.84 percent lower on Monday at 1,657.77 for the first time since December 10, 2010. The ruble-denominated MICEX index fell 3.24 percent to 1,451.27 as of 12:55 Moscow time after a 5.5 percent slump on Monday. The official exchange rate of the ruble plunged 89.56 kopecks against the dollar to 29.42. The unit fell nearly a ruble against the euro to 40.95. "Technically, the current selloff is already overdone, and a bounce is totally in the cards (unless there is an imminent systemic freeze of the funding markets, which we continue to believe is within the authorities' capacity to prevent under a broad range of circumstances)," VTB Capital said in a research note. "With the ruble now unhinged, we are reiterating our view that in the event of a sharp slowdown and declining commodity prices, a substantial part of the shock will be absorbed by the expedient exchange rate adjustment." Global stocks have been tumbling since late Friday when S&P took the decision to cut the U.S. top rating by one notch to AA-plus over concerns about America's growing budget deficit. As of 08:50 GMT, London's FTSE 100 dropped 5 percent to 4,802.70, Frankfurt's Dax plunged 6.69 percent to 5,526.71, France's Cac 40 went down 4.36 percent to 3,182.53. Analysts have said the market would watch the results of the Federal Reserve meeting. The Fed will deliver its policy statement at around 19:15 GMT.

Source: Ria Novosti