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## Bulgarian Defence Exports



The Bulgarian defence industry experienced a rather productive year during 2011. This was highlighted by the fact that defence exports reached \$380 million, as *Pressa* newspaper reported on January 12. The newspaper cited figures by the Bulgarian Defence Industry Association (BDIA) a non-profit legal entity, founded in 2004 by twelve

companies. The association's aim is to serve as a forum for exchange of ideas between the state bodies and the defensive industry for resolving the problems of the branch and its steady development. The most competitive Bulgarian defence industry products internationally are small arms and light weapons, ammunition, communication systems and surveillance devices.

Furthermore, BDIA refused to specify where its sales went to, yet the newspaper cited Algeria, Afghanistan, the United States and Iraq as traditional buyers of Bulgarian light weapons and ammunition.

In July 2011, a document which was drafted jointly by the Bulgarian Ministry of Economy and the Ministry of Defence stated that the country plans to shift its arm exports to markets in the European Union and NATO. The document added that arm exports to EU and NATO countries do not exceed 10% of Bulgaria's annual defence sales abroad -- which stand at about 250 million leva (126 million euros, \$185 million). This is somehow in contradiction with the statement in the article of the *Pressa* newspaper, which most probably means that the policy has not been fully implemented.



The Bulgarian defence industry experienced the "golden years" during the Cold War era, as the country was home of a rather active defence industry, whose activities and exports outpaced those of today. It is indicative that before the end of communism, the country's defence industry was employing 115,000 people.



The collapse of communist regimes created a new geopolitical environment in which the Bulgarian defence industry could not fit in. The main reason was that due to the enormous political changes the

government was pressured to reduce its national defence budget. Along with the budget

reduction, the Warsaw Pact cooperation mechanisms had been abandoned by the defence industry of the country. Additionally, defence industries of other Central and European countries were structured and developed in order to fulfill the demands of armed forces designed for a high intensity war. Thus, after the end of the Cold War the abovementioned industries found themselves in a completely different environment in which they had to adjust.

According to the document published on July 2011, Bulgaria's defence industry currently employs approximately 15,000 people and makes up 0.5% of the general industry share in the country's gross domestic product.

Kyriazis Vasileios,  
Epicos Newsletter Head Editor

## Bulgaria: Bilateral Defence Agreements



One of the main objectives of the Bulgarian Ministry of Defence is to pursue an active policy aimed at strengthening the position of the Republic of Bulgaria as a

reliable ally and partner of NATO and the EU, at reinforcing international presence, and at making the country a key factor in South-East Europe and the Black Sea Region. In order to accomplish this, Bulgarian authorities are deliberately trying to sign bilateral military agreements with several countries. Accordingly, an agreement on Joint Military Training and Exercises was signed on January 15<sup>th</sup> 2012, between Mr. Anu Anguelov, Minister of Defence of the Republic of Bulgaria, and Mr. Ehud Barak, Deputy Prime Minister and Minister of Defence of the State of Israel.

The aim of the bilateral agreement is to extend the military cooperation between the two countries by conducting joint training activities, which will result in greater interoperability and improvement of the level of training and preparedness of formations of the Armed Forces for work in international environment.



This was not the only agreement signed between the two countries, as a Memorandum of Understanding (MoU) was also signed between the Ministry of Economy, Energy and Tourism of the Republic of Bulgaria and the Ministry of Defence of Israel on Cooperation in the Field of the Defence Industry.

At the signature ceremony the Bulgarian Minister of Defence Mr. Anguelov [stated](#): "I am



confident that the two agreements signed today are not simply a document concerning the business and a document concerning the armies of the two countries; they also bear their political message: Bulgaria and Israel are now a step further along the road towards enhanced partnership and strategic dialogue".

A month earlier, on December 8<sup>th</sup>, Mr. Anguelov, and Gen. Liang Guanglie, Minister of National Defence and State Counselor of the People's Republic of China, signed a Memorandum of Understanding (MoU) aimed at the further enhancement of the cooperation between the Republic of Bulgaria and the People's Republic of China in the field of defence.

This was a reaffirmation of the good relations between the two countries in the field of defence and outlines the priority guidelines for development of the cooperation which are:

military training and education and exchange of trainees and trainers; military-technical and military-economic cooperation and technology transfer; exchange of experience related to peacekeeping operations, counter terrorist activities, and training and preparation of Special Operations Forces, disasters and emergencies, and naval activities.

Regarding the signature of the MoU Mr. Anguelov [stated](#) that “The Memorandum provides a horizon for the even more practical and beneficial cooperation between the two countries in the field of defence, and will contribute to the enhancement of the long-lasting tradition of good relations between the two armies”.

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...

[For Further Information Press Here](#)

### Installation of an Integrated Data link System on Unmanned platforms for military and civil applications



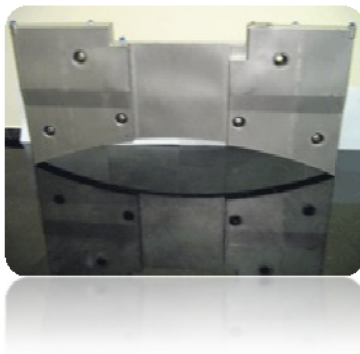
A company with extensive experience in providing advanced wireless communication and data links solutions for various applications is proposing the collaboration in the frame of an offset program, for the installation of an Integrated Data link System (IDLS) on Unmanned Airborne, Ground or Surface Platforms (vehicles) for military and/or civilian applications. The proposed installation will be based on an existing Integrated Data Link System for Bi-Directional Air-to-Ground or Ground-to-Ground Wireless Data Link System turnkey

solutions already developed by the company.

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

Mail at: [g-menexis@epicos.com](mailto:g-menexis@epicos.com)

### Space optimized fuel tank made of stainless steel or aluminum for various military vehicles



A company specializing in the production of metal products and rubber bonded to metal products for military vehicles, especially tracked vehicles and wheeled vehicles.

The company is proposing the design, development and production of a customized fuel tank made of stainless steel or aluminium. This design will have two main advantages 1) will prevent corrosion and, 2) the design will take advantage of the limited vehicles' inner space and thus maximising the total fuel capacity.

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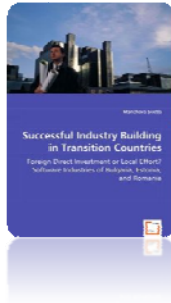


**The Evolution of Civil-Military Relations in South East Europe: Continuing Democratic Reform and Adapting to the Needs of Fighting Terrorism, by Philipp H. Fluri, Gustav E. Gustenau, Plamen I. Pantev**



As in the rest of the world, September 11<sup>th</sup> and its global consequences have triggered an intensive security- political debate in the European Union, the effects of which became noticeable in the field of the reform of the security sector. Although there was considerable awareness for the dangers of terrorisms even before the devastating attacks in the United States, after 9/11 the “war of terrorism” was rapidly turned into the central security- political issue and found entrance into all strategic documents and policy and military planning scenarios. This book, authored by a multi-national team, draws a complicated, yet logically evolving picture of the problems in the security sector reform field of South-East Europe, examining the post-totalitarian and post-conflict challenges to be faced.

**Successful Industry Building in Transition Countries: Foreign Direct Investment or Local Effort? Software Industries of Bulgaria, Estonia, and Romania, by Mancheva Svetla**



The work examines the grounds for successful industry development in transition economies, focusing on the two types of ownership: foreign and domestic. The distinction is thus made between industries that are predominantly based on foreign direct investment or on local entrepreneurship, with the aim of establishing which of these contributes more to the development of the local economy and human capital. The method of analysis focuses on case studies of the software industry in three transition countries - Bulgaria, Estonia and Romania, representing different variations of the types of industry ownership. For the purpose of establishing the most successfully developed industry, four factors /groups of factors are analyzed: industry size; production linkages and knowledge transfer; specialization, value-added and innovation; and employment conditions.





### India hopes to unveil warjet deal 'in two weeks'

India hopes to unveil within two weeks the winner of a \$12-billion fighter jet deal for which France's Dassault and the Eurofighter consortium are on a final shortlist, the air force said Tuesday.

"Right now we have to do the selection for who is going to be the shortlisted vendor," Indian Air Force chief N.A.K. Browne said in New Delhi.

"I am hopeful that in another two weeks time, we will be able to shortlist the name," the air chief marshal told reporters on the sidelines of a military function, the Press Trust of India news agency reported.

The contract is one of the biggest under consideration in the global defence aviation industry at the moment.

The air force chief said final commercial negotiations would only start after India announced the lowest bidder.

Officials say "life-cycle" maintenance costs of each plane will determine the winner of the deal.

The contract is for the outright purchase of 18 combat aircraft with another 108 to be built in India with options to acquire more.

India last April cut out US bidders Boeing and Lockheed Martin as well as dropping Sweden's Saab AB and the Russian makers of the MiG 35 from the race.

Such a large order attracted intense lobbying during visits to India last year by US President Barack Obama, French President Nicolas Sarkozy, British Prime Minister David Cameron and Russian President Dmitry Medvedev.

India, the biggest importer of military hardware among emerging nations, issued the request for proposals in 2007 and trials of aircraft from the six companies competing for the deal began a year later.

**Source:** 2012 AFP, Agence France-Presse (AFP)

### Taiwan's top telecom operator eyes aviation

Taiwan's leading telecom operator Chunghwa Telecom plans to buy a stake in the island's top airline, spurred by expectations of more visits by Chinese tourists, officials said Tuesday.

The plan calls for spending Tw\$3.5 billion (\$116.4 million) on a 5.74 percent stake in China Airlines, according to a Chunghwa statement.



The deal, approved at a Chunghwa board meeting Monday, will enable the company to obtain 299 million extra shares to be issued by the Taipei-based carrier, the statement said.

With the investment, Chunghwa Telecom will become the third largest single shareholder in China Airlines, which operates a fleet of 68 aircraft and flies to 80 destinations in 28 countries.

"We've long planned to invest in the tourism sector, but it is a domain we're not familiar with," a Chunghwa Telecom official told AFP on condition of anonymity.

The official added that the two companies will sign a memorandum of understanding on a partnership soon.

The investment is motivated by the likelihood of more visits from the mainland as ties with Beijing continue to improve due to policies launched by President Ma Ying-jeou after he was elected in 2008.

Observers expect Ma to adopt further measures to bring the two sides closer following his successful re-election for a final four-year term at the weekend.

Chunghwa Telecom's revenues in 2011 totaled Tw\$192.46 billion, a rise of 3.25 percent from the previous year.

**Source:** 2012 AFP, Agence France-Presse (AFP)

#### **Airbus flies ahead of Boeing with record 2011 orders**

Europe's Airbus said Tuesday it outgunned American rival Boeing in 2011, winning a dominant two-thirds market share with a record number of aircraft orders and expected clear skies ahead.

Airbus delivered a record 534 planes, beating Boeing for the ninth consecutive year, said the firm's commercial director John Leahy. In 2011, it won a record 1,419 orders, including 26 A380 superjumbos.

**Source:** 2012 AFP, Agence France-Presse (AFP)

#### **Britain cuts thousands of armed forces jobs**

Up to 2,900 members of the British army including 400 Gurkhas will lose their jobs along with 1,000 air force personnel in the latest round of defence cuts, the government said Tuesday.

Around 300 members of the Royal Navy will also be axed.

Many senior army posts will be cut, including eight Brigadiers and 60 Lieutenant Colonels and the Ministry of Defence (MoD) said the Gurkhas affected would be those with more than six years' service.

Defence minister Philip Hammond insisted the government had "no choice" but to axe the posts as part of the Strategic Defence and Security Review (SDSR) after the previous Labour government overspent on defence.

But Hammond insisted the British army -- which still has more than 9,000 troops in Afghanistan -- would be more flexible and responsive after the cuts.

"Difficult decisions had to be taken in the SDSR to deal with the vast black hole in the MoD budget," he said.

"The size of the fiscal deficit we inherited left us no choice but to reduce the size of the armed forces -- while reconfiguring them to ensure they remain agile, adaptable and effective.

"As we continue with the redundancy process, we will ensure we retain the capabilities that our armed forces will require to meet the challenges of the future.

"The redundancy programme will not impact adversely on the current operations in Afghanistan, where our armed forces continue to fight so bravely on this country's behalf."

After the SDSR was carried out in 2010, Prime Minister David Cameron's Conservative-Liberal Democrat coalition government said it would cut 17,000 jobs from the army, navy and Royal Air Force (RAF) over four years.

**Source:** 2012 AFP, Agence France-Presse (AFP)

### **Ryanair to create over 1,000 jobs this year**

Irish no-frills airline Ryanair on Tuesday said it would create more than 1,000 jobs this year to meet growing demand for its flights.

"Ryanair today confirmed that it will create over 1,000 new jobs in 2012 for pilots, cabin crew, engineers and sales/marketing people, as Ryanair's fleet will grow from 270 to 305 aircraft," the group said in a statement.

The Dublin-based airline added that it expected its traffic to grow to 80 million passengers this year from 76 million passengers in 2011.

**Source:** 2012 AFP, Agence France-Presse (AFP)