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New Zealand's Future Procurements



The New Zealand's Defence Forces (NZDF) must have the combination of personnel, equipment, training, and experience of working with other forces to allow the Government to make a credible, valued contribution in international missions when it needs or wishes to do so, including in higher intensity environments. In order to reach this goal NZDF focus on developing capability sets that combine a variety of military capabilities from across the three branches of the armed forces. NZDF must achieve these objectives and in parallel should try to diminish their budget. It is indicative that for 2011/12, NZDF has achieved

ongoing savings in excess of \$140 million, and forecast is that saving will rise to \$355 million by 2014/15. Nevertheless, New Zealand will carry out a number of defence acquisitions within the following years. Some of the most important are cited in this article.

- **ANZAC Ships Upgrade Platform Systems Upgrade (PSU)**

The ANZAC platform system requiring attention include control and monitoring system, overall weight and stability management, the propulsion system, and the heating, ventilation and air conditioning systems.

[Read more about ANZAC Ships Upgrade Platform Systems Upgrade \(PSU\)](#)

- **Army Engineering Equipment Gap Crossing Capability**

The New Zealand Defence Force (NZDF) has a requirement for a mechanically launched, single unit bridge system for crossing gaps (streams, rivers and anti-vehicle ditches) up to 13 meters in width. The proposed system was to either fitted to a vehicle or be mounted on a trailer towed behind a vehicle.

[Read more about Army Engineering Equipment Gap Crossing Capability](#)

- **C-130 Life Extension**

The life extension program for the (5) C-130H Hercules aircrafts is operated by the Royal New Zealand Air Force. The scope of the project is the replacement of specific mechanical, avionic, and structural components, and the design and installation of flight deck communications and navigation improvements to meet evolving air traffic management regulations.



[Read more about C-130 Life Extension](#)

- **Helicopter Capability Agusta-Westland A109 LUH (NZ) Training\Light Utility Helicopter**

To acquire a Training/Light Utility Helicopter to replace the Sioux helicopter with a capability that meets the New Zealand Defence Force's contemporary needs.

[Read more about Helicopter Capability Agusta-Westland A109 LUH \(NZ\) Training\Light Utility Helicopter](#)

- **Helicopter Capability TNZA (NH90) Medium Utility Helicopter**

To acquire a Medium Utility Helicopter to replace the Iroquois utility helicopter with a capability that meets the New Zealand Defence Force's contemporary needs.



[Read more about TNZA \(NH90\) Medium Utility Helicopter](#)

- **P-3 Systems Upgrade**

The mission systems and the communication and navigation systems on the six P-3K Orion aircraft operated by the Royal New Zealand Air Force are to be upgraded. The scope of this project includes the replacement of the data management, sensor, communications and navigation systems, and the provision of associated ground systems.

[Read more about P-3 Systems Upgrade](#)

- **Protector Remediation**

Project Protector delivered a Multi-role Vessel (MRV), two Offshore and four Inshore Patrol Vessels (OPVs & IPVVs). These vessels were acquired to perform a range of sealift and naval patrol tasks for the NZDF and civilian agencies. The ships were delivered with capability shortfalls and deficiencies that were subject to a mediation claim and settlement. This project will remediate the shortfalls and deficiencies.

[Read more about Protector Remediation](#)

Kyriazis Vasileios,
Epicos Newsletter Head Editor

New Zealand's Defence Imports and Defence Doctrine



The New Zealand Ministry of Defence Manatū Kaupapa Waonga

New Zealand's Defence Forces (NZDF) have to cover a vast space. Actually, will not be an overstatement to say that there is no other country with the size and

political and economic standing as New Zealand, which has to deploy defence equipment and personnel from the equator to Antarctica. In order to achieve this NZDF will have to further upgrade its defence forces. Some of the areas the country's authorities have decided to focus on are deployable ground forces, strategic projection and logistic capacity, network-enabled intelligence, surveillance and reconnaissance capabilities, and capabilities able to fulfill a credible combat role.

According to the proposals of the respective authorities, the combat effectiveness, protection, sustainability, and mobility of land forces should be improved and the critical enabling capabilities of long-range air and sea transport should be maintained. By this way NZDF will be able to deploy more troops to overseas operations, and for longer periods.

Additionally, it is proposed that the naval combat capabilities should be upgraded, to ensure that the ANZAC frigates continue to provide a valued contribution to coalition operations. Short-range maritime patrol aircraft and satellite imagery are also part of the proposed force structure, to enhance New Zealand's domestic and regional border and maritime resource protection capability.

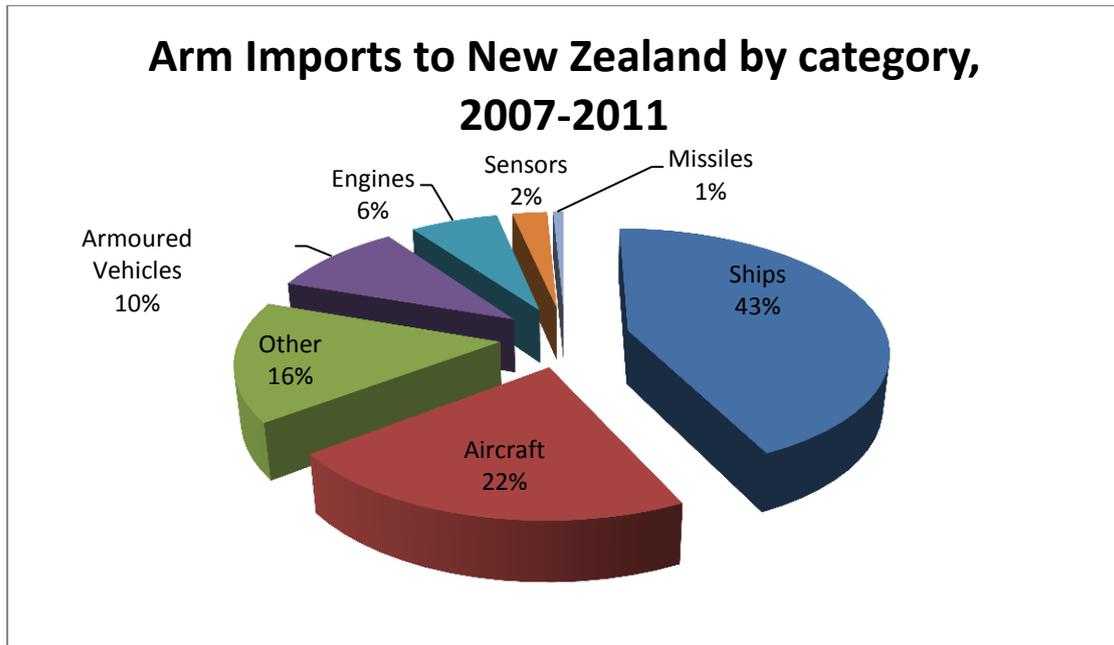
The aforementioned process of modernization is not new for New Zealand. Throughout the last decade, the country procured a fair amount of defence equipment from overseas. Netherlands has a leading role for New Zealand's armament imports. Apart from the European country, other countries that exported arms to New Zealand during the last decade were: USA, Australia, Canada and Germany.

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
Australia								48	44		92
Canada		14	14								28
Germany									14		14
Netherlands		44			5	74					123
USA	15	48	33		0	1	2				100

Regarding the specific equipment the country procured, ships were the predominant area of imports for the period 2002-2011 with a total amount of \$166 m. at constant (1990) prices. Aircraft followed with \$84 m and the 3rd and most important sector was of the armored vehicles with \$38 m. at constant (1990) prices. Other areas that follow are such as engines (\$25 m.), sensors (\$10 m.) and missiles (\$3 m.). As it is showcased in the pie-chart below, the

import of ships to the country covered almost half (43%) of the total imports for the period 2002-2011.



New Zealand's armed forces have to cover a huge area from equator to Antarctica. In order for a relatively small country to achieve this, a properly developed strategic plan should be prepared and followed.

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](#)

Complete aerostat based (blimps) day and night surveillance system for military and homeland security applications



A company with many years of experience in providing innovative surveillance solutions using various platforms is proposing the utilization of aerostat technology in order to provide day and night high quality surveillance using tactical aerostat systems. The architecture of the proposed system supports parallel direct communication to any C4I center providing complete networking capabilities. [For Further Information Contact our ICO Department](#)
Mail at: g-menexis@epicos.com

Uninterrupted secure communication utilizing existing different wireless technologies for Military and Homeland Security applications



An independent, private, non-profit institution with extensive expertise in modern communications networks and services is proposing the development of a system that will take advantage of the availability and widespread use of multiple wireless networks in order to provide uninterrupted, wireless, secure and broadband communications in military, as well as homeland security applications.

[For Further Information Contact our ICO Department](#)
Mail at: g-menexis@epicos.com



Wool to Weta: Transforming New Zealand's Culture and Economy, by Paul Callaghan



Agriculture and Tourism has traditionally been the backbone of New Zealand's economy. This book is trying to evolve the competitiveness of New Zealand's current economy and argues the need to switch from agriculture and tourism as the economic backbone of the country and suggests that the emerging industries of science, technology, and intellectual property will offer more prosperity. Highlighting interviews with entrepreneurs who are creating successful science- and technology-based businesses—including Weta workshop, the cinema special effects company that worked on the *Lord of the Rings* film trilogy—the study explores vital topics regarding sustainable wealth and cultural change. Interviewees include physicist Andrew Coy, professor Bill Denny, entrepreneur Stephen Tindall, and Weta workshop creator and director Richard Taylor.

Institutions for Economic Reform in Asia, by Philippa Dee



In the same way that no economy starts out with the best set of economic policies, no economy starts out with the best institutions to support the policy-making process. Instead, they inherit institutions that reflect their own unique culture and history. Therefore, the task of structural reform needs to be addressed in the context of domestic economic and political institutions and processes. Examining the nature of structural economic reform and the institutional circumstances in which it succeeds or is inhibited, this volume is less about the content of structural reform and more about how to get there.



Japan boosts defence budget amid island row

Japan's cabinet on Tuesday approved a \$52 billion military budget, a boost in both financial and personnel resources for the first time in years, amid an ongoing territorial row with China.

The budget plan, which will now go before parliament for approval, is 40 billion yen (\$441 million) or about 0.8 percent up on the previous year to 4.75 trillion yen (\$52 billion), defence ministry officials said.

Excluding some monies related to US bases, it will be the first rise in the pacifist nation's military spending in 11 years, they said.

The ministry will also increase the number of troops by 287. The personnel will be spread throughout the Air, Ground and Maritime Self-Defence Forces, the largest expansion in 20 years, they said.

The extra troops are aimed specifically at "improving readiness of units to ensure intelligence, warning and surveillance and safety in the southwestern region", the ministry said.

The Tokyo-controlled Senkaku islands, which China claims as the Diaoyus, are included in this designation.

In the official brochure detailing the defence programme, the ministry said: "North Korea, which is still developing nuclear and ballistic missiles, continues to be the region's critically destabilising factor."

"We need to give substantial consideration to China's activities recently intensifying in the sea and the air surrounding Japan, including its intrusion into territorial waters and air space," it said.

Beijing has repeatedly sent vessels to the disputed waters, prompting calls in Japan for more measures to defend the islands, which are believed to sit atop sizable mineral reserves.

Source: 2013 AFP, Agence France-Presse (AFP)

US durable goods orders jump on aircraft sales

New US orders for durable manufactured goods surged higher in December, led by a jump in commercial aircraft orders, government data released Monday showed.

Orders for durable goods -- long-lasting products such as vehicles, computers and machinery -- rose to \$230.7 billion, up 4.6 percent from November, the Commerce Department said.

It was the seventh increase in the last eight months, following a 0.7 percent gain in November, and well above the 1.6 percent rise expected by analysts.

Excluding transportation equipment orders, which can be volatile month-over-month, durable goods orders rose 1.3 percent.

Transportation equipment orders leaped 11.9 percent after two consecutive months of declines, almost entirely due to commercial aircraft and parts orders, up 10.1 percent.

Nondefense capital goods orders excluding aircraft, or core capital goods orders, an indicator of future capital spending, rose 0.2 percent.

Shipments climbed 1.3 percent.

"Substantial declines in unfilled orders of nondefense capital goods excluding aircraft over the past few months will continue to put downward pressure on shipments growth," Briefing.com said in a research note.

On a 12-month basis, durable goods orders were up 4.1 percent.

Source: 2013 AFP, Agence France-Presse (AFP)

Egypt military chief warns of collapse of state

Egyptian Defence Minister and military chief General Abdel Fattah al-Sissi warned on Tuesday that the political crisis rocking the country could lead to the collapse of the state.

Failure to resolve the situation "could lead to grave repercussions if the political forces do not act" to tackle it, Sissi said in comments posted on his Facebook page.

"The continuing conflict between political forces and their differences concerning the management of the country could lead to a collapse of the state and threaten future generations," Sissi said in the comments, which were extracts of a speech he gave to students at a military academy.

Sissi further warned that the political, economic, social and security problems facing Egypt constitute "a threat to the country's security and stability".

He stressed that "the attempts to undermine the stability of state institutions is a dangerous thing that harms national security and the future of the country," but stressed that "the army will remain strong ... as a pillar of the state's foundations."

Fifty-two people have died in five days of violence that erupted Thursday night in Egypt as the country marked the second anniversary of the start of the uprising that toppled former president Hosni Mubarak.

A curfew has been imposed in three provinces -- Port Said, Ismailiya and Suez.

The bloodiest clashes and most of the deaths have occurred in Port Said, with rioting breaking out on Saturday after 21 supporters of a local football club were sentenced to death for their roles in a deadly football riot last year.

Source: 2013 AFP, Agence France-Presse (AFP)

Ryanair hikes forecasts, confirms Aer Lingus takeover plan

Irish no-frills airline Ryanair hiked its annual earnings forecast on Monday after posting soaring profits, and confirmed a proposal it hopes will enable it to win a battle to buy rival Aer Lingus.

Profit after tax jumped 21 percent to 18.1 million euros (\$24 million) in the group's third quarter, or three months to December 31, compared with the same part of 2011, sparking an upgrade to its forecasts, Ryanair said in a statement.

The airline added in a separate statement that it had submitted "a radical and unprecedented remedies package to the EU in support of its offer for Aer Lingus," confirming media reports last week.

The Dublin-based carrier meanwhile said that its third-quarter profits rose on higher ticket income, helping to offset an 81 million-euro increase in fuel costs.

"Our Q3 profit of 18 million euros was ahead of expectations due to strong pre-Christmas bookings at higher yields," group chief executive Michael O'Leary said in the earnings statement.

The airline warned that its fourth-quarter traffic would drop by about 400,000 passengers, or 3.0 percent below the level during the equivalent period one year earlier owing to Ryanair grounding up to 80 aircraft to cushion high oil prices, and airport fees as well as seasonally weaker demand.

Nevertheless, Ryanair said it expected the group's full-year profits to reach close to 540 million euros, exceeding its previous guidance of between 490 million euros and 520 million euros and a 7.0-percent rise on 2011/12.

Elsewhere, O'Leary said he believed Ryanair had now addressed all competition issues raised by the European Commission regarding the carrier's hostile takeover bid for Aer Lingus.

"The remedies involve two upfront buyers each basing aircraft in Ireland to take over and operate a substantial part of Aer Lingus' existing route network and short-haul business," O'Leary said.

Reports last week said Ryanair has offered to offload more than a third of Aer Lingus' short-haul operations to secure the takeover.

The Financial Times had said that Ryanair would dispose of 23 routes where a takeover would create a monopoly -- to British rival low-cost airline Flybe.

The business daily added that Ryanair had proposed to give British Airways the right to purchase about half of Aer Lingus' slots at London Heathrow airport that are used to fly services to Ireland.

Ryanair owns 30 percent of Aer Lingus and last July offered to buy the Irish government's stake in the airline, but Dublin has stood firm and last month formally announced that it would not sell.

The Irish government owns 25.1 percent of Aer Lingus -- not enough to single-handedly block Ryanair's offer, while the European Commission fears that a takeover would diminish competition for Irish consumers.

The Commission blocked an earlier Ryanair bid for Aer Lingus in 2006, arguing that it would harm competition.

Investors meanwhile applauded Monday's upbeat earnings news, with Ryanair's share price rebounding from session lows.

"Ryanair reported numbers ... that saw strong growth in European fares, but the market was underwhelmed by a warning of marginal passenger growth in 2013, capped by a slow-down in plane deliveries," said CMC Markets trader Matt Basi.

Source: 2013 AFP, Agence France-Presse (AFP)

Garbage piles up at Madrid airport due to strike

Garbage piled up at Madrid's Barajas airport, one of Europe's busiest, on Monday due to a strike by cleaning staff over salary cuts and job losses.

Papers, empty plastic bottles and drinks cans littered the floor of the airport, Europe's fourth-busiest by passenger numbers, with 45 million passengers last year.

Workers of the Pilsa cleaning firm, which is responsible for keeping three of the airport's four terminals clean, have been on an open-ended strike since January 24 to protest against the elimination of 54 jobs.

Cleaning staff belonging to the Eulen cleaning company, a unit of Spanish services firm Alentis, which cleans Terminal 4, joined the strike on Sunday night to protest its decision to cut their monthly salary by 400 euros (\$540), a 30-percent reduction.

They are also protesting against the elimination of certain benefits, such as the payment of a bonus for working on a public holiday.

Union and company officials were due to meet on Monday to seek a settlement to stop the strike.

"Negotiations remain open. We are in constant contact with workers' representatives and are confident that we can find a favourable solution for everyone," said Alentis spokesman Joaquim Alvarez.

Source: 2013 AFP, Agence France-Presse (AFP)