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## Hungary buys three additional Mil Mi-8T helicopters



Hungary has bought (3) additional Mil Mi-8T 'Hip-C' helicopters to fulfill an interim need, as the Hungarian MoD stated. The helicopter was supplied by Russia through a Hungarian intermediary. The second-hand and overhauled aircraft cost 2 billion HUF (\$9 million USD), according to the MoD. The helicopters will be tasked with emergency response and search-and-rescue roles. Additionally, it is

worth mentioning that towards the end of 2013 the country signed a contract with Russia's Rosoboronprom for the maintenance of the country's existing Mil Mi helicopters fleet.

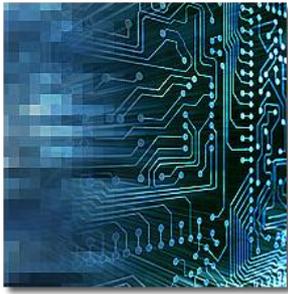
As it is already mentioned the procurement of the three helicopters should be considered as an interim solution. The reason is the delay to the country's 105 HUF billion (approximately \$470 million US dollars) helicopter procurement program. The tender for the program was intended to be launched before Hungary's general elections on April 6<sup>th</sup>, and for now the tender has been postponed. This purchase should be considered as part of a broader procurement plan which the country will complete by 2016 and has as a main goal to strengthen Hungary's airlift capabilities.

The Mi-8 is among the world's most-produced helicopters, used by more than 50 countries worldwide. Russia is the main producer and the largest operator of the Mi-8/Mi-17 helicopter.

Kyriazis Vasileios,

Epicos Newsletter Head Editor

## The Present Status of the Hungarian Defence Industry



Throughout the last two decades the Hungarian defence industry is in a constant process of transformation and modernization. The main reason is that Hungary inherited a heavy industry developed to fulfill the demands of the armed forces designed for a high intensity war. After the end of the Cold War, the industry had to adjust to a completely different environment. Nowadays, the industry mainly manufactures ammunition and pyrotechnical systems, special clothing and protective equipment as well as radiation detectors. Finally, it is worth mentioning that according to the Hungarian Minister of Defence Csaba Hende, during the last four years, four defence industry companies of the Ministry of Defence were able to come up with several promising products such as UAVs, water purification equipment and a mobile laboratory with the highest security level.

There are two main parameters which help the development of the Hungarian industry. The first one is that new dynamic and well trained personnel consists a creative and flexible human capital for Hungary. Additionally, globally recognised aerospace related R&D activity is carried out in several universities and research institutions. Foreign universities are invited to establish departments and affiliated research programs in Hungarian Universities through which both the academic and industrial society are benefited.



Another strong point of the Hungarian industry is that it is rather flexible in meeting the challenges, has the proper products and service capacity to fulfill special demands, even for small quantities at a high, reliable quality. Also, the industry is aware of the western regulations, standards, procedures, products as well as for the Russian ones.

Finally, a small portion of the Hungarian defence industries export a quantity of their production. The primary products exported are the following:

- Small arms,
- Ammunition,
- Pyrotechnics,
- Explosives,
- Defence electronics.

A large proportion of primary export products comprise products withdrawn from service (a part are exclusively for industrial use). The Hungarian defence industry is in a constant process of development. Based in its advanced and well trained personnel the country has left behind the heritage of the social era and it is now advancing with a better structured and trained industry.

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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### Network Documentation System for military optical fiber networks



A company specializing on high-precision optical passive devices, equipment and fiber optic network systems, in the frame of an offset program, is proposing its Advanced Network Documentation System for implementation within military optical fiber networks. This system may be of interest to Defense organizations or companies active in the development and maintenance of such networks.

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

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

### Intelligent Scintillation Detectors Turn Key solution



A company with leading experience in the development and production of chemical defense instruments and nuclear reconnaissance systems, in the frame of an offset program, is proposing the representation of its Turn Key Solution Intelligent Scintillation Detectors systems (based on “scintillators”, i.e. materials which exhibit the property of luminescence when excited by ionizing radiation), to foreign companies specializing on NBC systems in order to gain access to new markets.

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

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### Elbit Systems Awarded a \$100 million Contract to Supply Integrated Systems for Homeland Security Applications



Elbit Systems Ltd. announced on April 8, 2014, that it was awarded a contract in the Latin American region, in an amount of approximately \$100 million, for the supply of a Homeland Security (HLS) solution. Under the contract, to be performed over an approximately one-year period, Elbit Systems will supply also a new innovative intelligence gathering system, considered to be a groundbreaking operational solution.

Bez halel (Butzi) Machlis, President and CEO of Elbit Systems commented: "We are very proud of this contract award, demonstrating how the combination of a range of in-house technologies creates a power multiplier for the benefit of the customer".

#### About Elbit Systems

Elbit Systems Ltd. is an international defense electronics company engaged in a wide range of programs throughout the world. The Company, which includes Elbit Systems and its subsidiaries, operates in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence surveillance and reconnaissance ("C4ISR"), unmanned aircraft systems ("UAS"), advanced electro-optics, electro-optic space systems, EW suites, signal intelligence ("SIGINT") systems, data links and communications systems and radios. The Company also focuses on the upgrading of existing military platforms, developing new technologies for defense, homeland security and commercial aviation applications and providing a range of support services, including training and simulation systems.

For additional information, visit: [www.elbitsystems.com](http://www.elbitsystems.com)

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## TenCate Advanced Armour selected as supplier for GDELS EAGLE V 4X4 for Germany



Source: TenCate

TenCate Advanced Armour has been selected as supplier for General Dynamics European Land Systems (GDELS) for the delivery of lightweight and modular armour systems for a total of 176 vehicles for the German Bundeswehr to be supplied by 2015.

The TenCate armour systems to be supplied, represent a very weight-efficient way of significantly increasing the survivability of the people inside the vehicles and represent cutting-edge technology and engineering. The solutions are engineered to fit the EAGLE V perfectly to ensure maximum protection and minimum weight.

Steen Tanderup, Managing Director TenCate Advanced Armour EMEA & APAC, states: “We are very pleased to be selected as supplier for GDELS for this project. The EAGLE V for the German Army is a great match for TenCate lightweight protection solutions, and we are proud to contribute to the exceptional performance of the vehicle”.

The EAGLE V 4x4 is a further development of the EAGLE IV vehicle, which has been successfully in service with the German Bundeswehr since 2009. The EAGLE V features a larger payload capacity and increased crew protection at the same level of mobility. After thorough testing on Bundeswehr owned proving grounds, the EAGLE V was qualified according to customer requirements and demonstrated its high agility, tactical mobility and outstanding protection level. Thanks to the modular protection system, the EAGLE V offers a very high level of protection against ballistic threats, mines, and IEDs. In addition to the very high level of crew protection, the substantial payload capability is designed to fulfill future requirements.

In February 2014 the German Procurement Agency, Bundesamt für Ausrüstung, Informationstechnik und Nutzung der Bundeswehr (BAAINBw), has purchased an additional 76 vehicles from General Dynamics European Land Systems. The contract with BAAINBw for the delivery of 100 EAGLE V 4x4 Protected Command Vehicles for the GFF Klasse 2 Program including the option for these 76 vehicles was signed in June 2013.

The cooperation between TenCate and GDELS has evolved since the late 1990s and has resulted in the successful development and supply of armour solutions for a number of projects involving PIRANHA, DURO and EAGLE vehicles for several countries globally, where the lightweight armour systems of TenCate has helped achieve the survivability requirements set forth by the customers without impairing overall vehicle performance and operability.



### India-backed group wins \$389 mn Philippine airport project

A consortium that includes India's GMR Group has won a 17.52-billion-peso (\$389.33-million) contract to upgrade the passenger terminal of the Philippines' second airport, the Filipino government said Saturday.

The GMR-Megawide consortium has been awarded a 25-year concession to the Mactan airport that serves the central city of Cebu, the country's second-largest metropolis after Manila, the transportation and communication department said.

"This project should have been done at least a decade ago, so there is no more time to waste," the department's spokesman Michael Arthur Sagcal said in a statement.

Over the next three to four years, GMR and its local partner will renovate Mactan's passenger terminal, build a separate one for international flights, and then operate the improved facility with an expected annual turnover of eight million passengers.

The existing terminal was built to handle 4.5 million passengers a year, but annual traffic topped six million in 2011, well past its capacity, the department said. Cebu is the country's main tourism hub.

Under the contract terms, the new facility reverts to government ownership and control after 25 years.

GMR Group, an infrastructure company based in Bangalore, has interests in airports, energy and highways.

The tender was held last year but the contract award was delayed as the government said it was investigating allegations by one of the six other bidders over GMR-Megawide's financial capability.

**Source:** 2014 AFP, Agence France-Presse (AFP)

## China shows off new aircraft carrier to US defence chief

China will show off its new aircraft carrier to US Defence Secretary Chuck Hagel on Monday, allowing the Pentagon chief a first-hand look at a symbol of the country's growing military prowess.

Hagel will kick off a three-day tour of China with a visit to the carrier at Yuchi naval base in Qingdao, the first foreigner allowed aboard the vessel by the often secretive Chinese People's Liberation Army (PLA), officials said.

The carrier visit was "significant" as Washington has tried to forge a dialogue with China's top brass to defuse tensions and prodded Beijing to be more open about its military, said a senior US defence official.

"We requested this and they agreed," said the official, who spoke on condition of anonymity.

The carrier, the Liaoning, "symbolises for the PLA their ambition to project naval power," the official said.

The Liaoning was a Soviet-made warship based in Ukraine that the Chinese bought and refitted, completing the work in September 2012 in a symbolic milestone for the country's expanding military.

China also reportedly has started constructing the second of four planned aircraft carriers, amid plans to begin operating an air wing of about 30 planes off the Liaoning as early as next year.

Unlike American aircraft carriers, the Liaoning is not nuclear-powered and has a shorter range, and it has no catapult system for launching aircraft but merely an inclined ramp.

The Liaoning nevertheless reinforces the image of China as a military power with global reach and could be used in confrontations with smaller countries that have territorial disputes with Beijing, analysts say.

The carrier also coincides with major investments in submarines, anti-ship missiles and other hardware designed to bolster China's naval clout in an area once solely dominated by the American fleet.

- 'Great responsibilities' -

Before travelling to China, Hagel warned Beijing against unilateral action to resolve territorial disagreements with its smaller neighbours, drawing a parallel with Russia's incursion in Ukraine.

"You cannot go around and redefine boundaries, violate territorial integrity and sovereignty of nations by force, coercion and intimidation -- whether it's in small islands in the Pacific, or large nations in Europe," Hagel said on Sunday during a visit to Tokyo.

"So I want to talk to our Chinese friends about this."

He said he would talk to the Chinese about "respect for their neighbours" and that as "a great power," China has "great responsibilities."

His blunt comments underscored a tougher line in recent months by the US government on China's approach to territorial claims in the South China Sea and the East China Sea, after some Southeast Asian countries accused Beijing of intimidatory tactics.

While in Tokyo, Hagel promised to send two more missile defence ships to Japan and reaffirmed Washington's military treaty commitments, seeking to reassure its longtime ally as Tokyo grapples with a tense dispute with Beijing over islands in the East China Sea.

The US ships would join five Aegis missile defence vessels already stationed in the area, and were part of an American strategic "rebalance" to the Asia-Pacific, officials said.

Hagel's announcement follows the deployment of a second early warning US radar to Japan, P-8 maritime surveillance aircraft and plans to bring unmanned Global Hawk drones to the country.

Although Hagel said the US warships were being sent to help counter the threat posed by North Korea, the move also carried symbolic weight amid Japan's tense stand-off with China over the East China Sea.

Tokyo scrambled military aircraft last month after three Chinese planes flew near Japanese airspace, the latest confrontation in the dispute.

**Source:** 2014 AFP, Agence France-Presse (AFP)

### **Volvo suspends Russia tank project over Ukraine 'uncertainty'**

Volvo on Monday said it had suspended a project to build an armoured infantry fighting vehicle with a Russian company due to uncertainty over the Ukraine crisis.

Renault Trucks Defense, which is owned by the Swedish truck manufacturer, in February 2013 signed an agreement to develop a combat vehicle with Russia's state-owned Uralvagonzavod.

But the project has been reconsidered due to concerns the Swedish government would veto the deal as the West seeks to isolate Moscow over its annexation of Crimea.

The vehicle, named Atom, would use a Volvo motor and so would require approval from Stockholm.

"As we see many uncertain factors around a possible collaboration, we have suspended our cooperation agreement until further notice," Volvo spokesperson Karin Wik told AFP, without giving further details.

The agreement was meant to last until March 2015, she added.

Sweden is not part of NATO, whose members have yet to block weapons sales to Moscow over its intervention in Ukraine but have suspended military cooperation.

Sweden has been outspoken against Russia's annexation of Crimea.

Swedish daily Dagens Industri wrote last week that Stockholm's "policy is clear: Swedish companies shouldn't furnish the Russian military or defence industry with military equipment that risks being used against Swedish troops."

Last September a mock-up of the Atom was shown at a Russian arms fair, according to several specialist publications.

**Source:** 2014 AFP, Agence France-Presse (AFP)

### **Australia defends security deal with Japan**

Closer defence ties between Japan and Australia should not raise concerns in regional superpower China, Prime Minister Tony Abbott said Tuesday, after sealing a major free trade and security deal with Tokyo.

Canberra and Tokyo struck the agreement Monday to enhance trade and security ties, including joint development of defence equipment, elevating the bilateral relationship to a new level.

Abbott told national radio in Australia that he was taking no side in territorial disputes between China and other nations, and the growing relationship with Japan did not target anyone else.

"It's not against any specific country and as far as I am concerned -- as far as just about every country is concerned -- what we want to see is more democracy, more freedom, more respect for the rule of law," he said when asked about China.

"We say there should be no change to the status quo, which is brought about by force or by the threat of force," he said.

Abbott noted there was already a high degree of defence cooperation between Australia and Japan, which is embroiled in territorial disputes with China.

Australian and Japanese defence forces hold exercises together and Japan has previously purchased some Australian defence equipment, including Bushmaster armoured infantry transport vehicles, he said.

"We want to see more inter-operability between our militaries, we want to see more exercises between our militaries, we want to see over time more significant intelligence co-operation," the prime minister told ABC.

On Tuesday Australia was also set to sign a free trade pact with South Korea following four years of negotiations. After Seoul, Abbott will head to China on Wednesday.

- Long-awaited trade deal -

Monday's agreement to boost security cooperation came after Japan last week loosened a self-imposed ban on weapons exports in a move which unnerved China.

Japan and Australia announced Monday a "substantive agreement" on a long-awaited free-trade deal, in a rare opening of Japan's protected markets.

In Tokyo, Abbott said it was the first time Japan had negotiated a comprehensive economic partnership agreement or free trade deal with a major economy.

He said the deal marked "truly an historic occasion for both of our countries", with the security deal including joint development of defence equipment.

In Japan, the mass-selling Yomiuri Shimbun welcomed the security deal, saying it would dovetail well with the recent relaxation of strict rules banning arms exports and "would lead to progress in defence technology and the curbing of development costs".

It made no specific reference to tensions between Tokyo and Beijing, which have been high for almost two years, but said "the agreement between... two allies of the United States will contribute to the stability of the Asia Pacific region as a whole".

Australian media hailed the overall agreement as a trade breakthrough, but some highlighted the sensitivities involved in defence matters.

The Australian Financial Review noted that the defence deal had been embarked on "under the radar of a trade deal".

"Closer security ties have been the real growth area in the relationship during the long seven years of trade negotiations," the daily noted.

Peter Hartcher writing in the Sydney Morning Herald said China's assertiveness was driving US allies in the region nearer to Washington and to each other.

"Even on a trip where Abbott visits China, he is working with the other two nations on his itinerary in a search for a common security against the rising China risk. It's a jungle out there."

**Source:** 2014 AFP, Agence France-Presse (AFP)

### **Czech leader urges NATO action if Russia invades Ukraine**

NATO should deploy troops in Ukraine if Russia invades the eastern parts of the crisis-torn country, the president of the Czech Republic said Sunday. Milos Zeman said that there should be consequences if Russia decides to follow its annexation of the Black Sea peninsula of Crimea last month with further military action.

"If Russia decides to extend its territorial expansion to eastern Ukraine, the fun is over," he told public Czech Radio. "In that case, I would promote not only the toughest EU sanctions possible, but also let's say military readiness on the part of NATO, for instance with its troops entering the Ukrainian territory," he added.

Ukraine has been ruled by a pro-European administration since the fall of pro-Russian President Viktor Yanukovich in February, amid massive protests against his rule. Crimea's largely Russian-speaking residents voted in March to become part of Russia, in a hastily organised referendum held as Russian troops patrolled the region.

Several eastern regions with large Russian-speaking populations want to follow Crimea's example and stage referendums on joining Kremlin rule when Ukraine holds snap presidential polls on May 25. Washington believes that Moscow has recently massed about 40,000 soldiers near the eastern border of Ukraine.

Although Moscow has denied plans to move its troops beyond Crimea, it has thus far pulled only a few hundred troops back from the border region.

**Source:** 2014 AFP, Agence France-Presse (AFP)