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## Australia: Defence Industry, Innovation and Sustainability



The Australian authorities doctrine regarding defence is that they will support a defence budget which will ensure that the armed forces will be efficiently equipped to deliver their core capabilities and thus protect the country's national security interests doing that with fiscal discipline and within the priority of improving the sustainability of the budget. Additionally, Australian authorities rely on the local defence industry to supply and maintain the equipment required for military operations a fact that

necessitates a robust in-country industrial base. Nevertheless, it must be understood that worldwide trends have put pressure on the local defence industry, as sophisticated military equipment has become steadily more expensive and resource intensive to develop and produce.

This has resulted to the presence of multinational companies to the country, supported in many cases by local suppliers, often small to medium enterprises (SMEs). Regardless the Australian defence industry has managed to innovate and through this process creates a healthy future. It is indicative that some Australian innovations are world class and can provide export opportunities even in a competitive global market. Two recent examples are the Bushmaster vehicle from Thales and the ship borne radar systems developed by CEA Technologies.

Additionally, procurements conducted by the Australian government help local industry to further enhance its capabilities, as equipment sourced from overseas suppliers has to be supported in country. Furthermore, the country's participation to international projects will integrate the local industry to such projects. For example, the Joint Strike Fighter will have Australian made components as a result of local firms winning business in competition with international companies.

The increased globalization of the defence industry in recent years has enabled Australia to source many of its defence acquisitions from other countries. Of course this has weakened the prospect of the Australian defence industry as they had to compete with the "giants" of the industry. On the other hand new paths have been opened for them as they had a clear advantage in becoming a part of the global supply chain by creating synergies with the foreign companies activated in the country. The approach that Australia industry will have towards this will, in a great extent, form its future.

Kyriazis Vasileios,  
Epicos Newsletter Head Editor

## M88A2 Hercules Heavy Recovery Vehicles for Australia



On January 26, 2015, the US State Department has made a determination approving a possible Foreign Military Sale to Australia for M88A2 Hercules Heavy Recovery Vehicles and associated equipment, parts and logistical support for an estimated cost of \$47 million.

The Defense Security Cooperation Agency delivered the required certification notifying Congress of this possible sale on the same day. The principal contractor will be the BAE Systems in York, Pennsylvania. There are no known offset agreements proposed in connection with this potential sale. The proposed sale will enhance Australia's capability to conduct heavy ground operations. Australia will use this equipment to support its deterrent capabilities against regional threats and to strengthen its homeland defense.

The Government of Australia has requested a possible sale of up to 6 M88A2 Hercules Heavy Recovery Vehicles, 7 Force XXI Battle Command, Brigade & Below (FBCB2)/Blue Force Trackers (BFT), AN/PSN-13(V) Global Positioning System (GPS) Defense Advanced GPS Receivers (DAGR), AN/VAS-5 Driver Vision Enhancers (DVE), AN/VRC-92F with RT-1523F Single Channel Ground and Airborne Radio Systems (SINCGARS), Commander's Weapon Station assemblies, remote thermal sights, radio harnesses, M239 Grenade Launchers, maintenance support devices, Deep Water Fording Kits, spare and repair parts, supply and test equipment, personnel training and training equipment, publications and technical documentation, United States Government and contractor engineering, logistics, and technical support services, and other related elements of logistics support.

For Further Information [Click Here](#)

Kyriazis Vasileios,  
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**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](#)

**Development of a fully networked autonomous, unattended trailer, equipped with surveillance sensors for homeland security applications and military camps protection**

A company is willing to cooperate with a Prime Contractor and/or a third party for the development of a lightweight autonomous trailer, which when equipped with appropriate surveillance and detection sensors will be able to support several homeland security and peace keeping operations, all over the world. The trailer will be equipped with an IP based communication radio link, in order to transmit high quality video to the command centre, located in different area. The

trailer will be unattended, fully remote-controlled and will act as a smart communication / surveillance / detection and reconnaissance node, used for several applications.

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

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

**Uninterrupted secure communication, utilizing various existing 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 for military, as well as homeland security applications.

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

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### TERMA to Field Aircraft Survivability Equipment on Dutch Nh-90 Helicopters



Lystrup, Denmark - Terma has been contracted by the Royal Netherlands Air Force (RNLAf) to integrate the Terma Modular Aircraft Survivability (MASE) Pod onto the Dutch air force' NH-90 helicopters. The MASE Pod solution includes the Terma developed and manufactured Electronic Warfare Management System, ALQ-213 in the latest version, Missile Warning sensors, and Chaff/Flare Dispenser modules. The modular design allows for future integration of coming sensors and new requirements.

- Having collaborated with the RNLAf for decades, we are very pleased being selected to provide the NH-90 platform with self-protection equipment. This strongly indicates that RNLAf have confidence in our solutions. This applies to system performance, the entire process, and the collaboration between the air force and Terma, said Jesper Petersen, Vice President, Airborne Applications, Terma Defense & Security.

Terma has collaborated with the RNLAf and The Netherlands' Defence Materiel Organization for more than 20 years, integrating the EW suite on a large variety of aircraft platforms.

The MASE pod family concept was originally developed for installation on the AH-64D Apache in 2003. Since then, the modularity of the MASE pod has enabled tailoring for other helicopter platforms including EH-101, Mi-17, Mi-24, and AS 550 Fennec. The MASE pod concept is also fielded on the CH-47F Chinook in a sophisticated CHASE version. Further, Terma's Electronic Self-Protection Systems are in use on the AS 532 U2 Cougar Mk2 and on the F-16 fighters and C-130H transport and other aircrafts throughout the world.

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## Northrop Grumman Awarded Cyber Security Contract by UK Government



Northrop Grumman Corporation (NYSE:NOC) is among the companies that have been awarded a contract by the government of the United Kingdom to provide a range of cyber security solutions. Under this competitively awarded, seven-year framework contract, Northrop Grumman will provide engineering and development services in support of data security and information assurance.

"As a long-standing partner with the U.K. government, we are proud to have been selected to support the security of their digital domain and the protection of its citizens," said Kathy Warden, corporate vice president and president, Northrop Grumman Information Systems. "With more than 30 years of cyber security expertise that has been developed and deployed around the world, we look forward to continuing our work with some of the brightest industry and academic minds to deliver world class operational performance, scaled to the mission, and to increase our U.K.-based workforce that will support cyber innovators of the future."

"We have a well-established and growing presence in the U.K. and this strategically important contract award reflects the strong customer relationships that we have established here over the years," said Andrew Tyler, chief executive for Europe, Northrop Grumman. "We are committed to strengthening this partnership and to bringing our advanced cyber technologies and deep understanding of today's global security threats to this programme." Northrop Grumman continues to invest in U.K.-based cyber security capabilities with new facilities in England, where it has set up an Advanced Cyber Technology Centre of Excellence, a global collaboration initiative to advance high-end solutions to our customers' most challenging cyber problems.

Northrop Grumman is also investing in the development of the next generation of cyber specialists. The company entered into a partnership with Cyber Security Challenge U.K. under which it has launched the youth-based cyber defence competition CyberCenturion in the U.K. aimed at building tomorrow's cyber workforce. Northrop Grumman is also mentoring a diverse set of small and medium enterprise partners and investing in research and development with select U.K. university partners.

Northrop Grumman is a leading provider of full-spectrum cyber solutions to the United States government and to allied nations around the world. The company builds cyber into every system, platform, and product that it produces in order to enhance mission assurance and resiliency, while investing both in innovative technology and cyber talent of the future. For more about Northrop Grumman in cyber, go to [www.northropgrumman.com/cyber](http://www.northropgrumman.com/cyber).

Northrop Grumman is a leading global security company providing innovative systems, products and solutions in unmanned systems, cyber, C4ISR, and logistics and modernisation to government and commercial customers worldwide. Please visit [www.northropgrumman.com](http://www.northropgrumman.com) for more information.

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### Aer Lingus backs fresh IAG takeover bid

Irish airline Aer Lingus on Tuesday backed a 1.35 billion euro (\$1.51 billion) takeover bid from International Airlines Group, parent of British Airways and Iberia, in a deal aimed at slashing costs.

Aer Lingus announced that its board was "willing to recommend" IAG's improved proposal -- its third since December -- subject to certain conditions.

The Dublin-based airline announced the news a day after revealing that IAG had submitted a sweetened proposal worth 2.55 euros per share, comprising 2.50 euros in cash and a dividend of 0.05 euros per share. Whether the deal goes ahead now hinges on major shareholders Ryanair and the Irish government.

Irish Transport Minister Paschal Donohoe said officials were "evaluating" the proposal and would report back "within a matter of weeks" with a recommendation. Ryanair said it would consider the offer "on its merits". Aer Lingus has rejected two previous takeover offers from IAG at 2.30 euros and 2.40 euros a share.

London-listed IAG said it would operate Aer Lingus as a separate business with its own brand, management and operations should the new offer be accepted.

"The board has indicated to IAG that the financial terms are at a level at which it would be willing to recommend, subject to being satisfied with the manner in which IAG proposes to address the interests of relevant parties," Aer Lingus said in a statement.

- Strategic state importance -

If it goes through, the deal would make IAG the second biggest airline in Europe by ridership. Analysts say the move would allow IAG to consolidate costs but could also give British Airways scope to expand flights from Dublin in the face of a near-saturation of slots at London Heathrow.

IAG also wants Aer Lingus to join the oneworld airline alliance which includes British Airways and Iberia as well as Qantas, Qatar Airways and Japan Airlines. It would also become part of a joint business that IAG operates over the North Atlantic with oneworld partner American Airlines.

Aer Lingus is of strategic importance to Ireland, an island nation that emerged from a deep recession in 2013, and the state owns about one quarter of the shares.

"This is a decision we will take immense care in relation to," said transport minister Donohoe.

"It will have many consequences, not just for Aer Lingus but for an island that depends so much on connectivity and the ability to move easily to and from our country." Ryanair is the biggest single shareholder, owning about 30 percent, and has itself made three failed attempts to buy the airline since 2007.

A spokeswoman said: "Our position has not changed. The board of Ryanair will consider any offer on its merits, if and when an offer is made."

IAG chief executive Willie Walsh was boss of Aer Lingus between 2001 and 2005 before he took the reins at British Airways. BA and Iberia subsequently merged in 2011 in a tie-up aimed at cutting costs amid a painful economic downturn.

**Source:** 2015 AFP, Agence France-Presse (AFP)

### Cash-strapped Portuguese army to sell barracks and forts

The Portuguese army is hoping to make 170 million euros (\$193 million) by selling or renting out 60 properties -- among them barracks, forts, airfields and military hospitals -- to finance its modernisation programme, an army spokesman said on Tuesday.

The government's objective is to collect 172 million euros (\$195 million) -- 32 million euros (\$36 million) in 2015 and 20 million euros ( \$22 million ) every year after that for seven years -- according to a bill introduced in parliament in early January.

A final list of properties was not available, but at least a dozen forts and barracks across the country and three army hospitals in the capital Lisbon were known to be up for sale.

Some of these buildings are part of Portuguese history like the Castelo do Quijo in the northern city of Porto which has kept watch over the Douro estuary since the 17th century and the 19th century Fort do Alto do Duque which overlooks the touristy Belem quarter in Lisbon.

This property sale falls under a wider army restructuring programme. On Thursday, the government announced it was cutting the number of soldiers by about 10 percent to 31,560. Portugal's austerity program after a 78-billion-euro bailout has seen salaries and pensions cut for civil servants and members of the military.

**Source:** 2015 AFP, Agence France-Presse (AFP)

### Qantas drops fuel surcharges, flags positive outlook for airline

Qantas said Tuesday it was removing fuel surcharges from its international flights, with chief executive Alan Joyce adding that the fall in petrol prices was helping the airline's bottom line.

Pressure had been mounting on Qantas to reconsider its use of fuel surcharges after fierce rival Virgin Australia last week scrapped such fees for its flights to the United States.

Despite the fare restructure, which will see fuel surcharges absorbed into base fares, Qantas said overall prices would remain the same. The Australian flag carrier argued that its ticket costs were already competitive.

"We are seeing significant benefit coming through on fuel and that will help our international business get back into profits and it will help Qantas invest in the customer," Joyce said Tuesday.

He stressed that the highly competitive nature of the aviation market, rather than plunging oil prices, was behind the decline in fares in recent years.

"If you look at the trends in global aviation over the past decade, costs and competition have been increasing while fares and airline margins have been falling," Joyce said in a statement earlier Tuesday.

"In a highly competitive environment where customers are already paying less than they were several years ago, lower oil prices can help put the industry on a more sustainable footing."

Several international carriers have already signalled their intentions to wind back fuel surcharges -- among them Japan Airlines and Qatar Airways -- amid the plunge in crude prices, which have lost more than half its value since June on weak demand and a global supply glut.

Australia's consumer watchdog said earlier this month it was investigating the reasons cited for fuel surcharges and whether airlines were making misleading, deceptive or false representations about such additional costs.

Qantas frequent flyer customers will benefit from the price restructure, which means they no longer have to pay an additional fee for the fuel surcharges on top of the points they use to redeem flights. Economy passengers could save Aus\$110 (US\$87) on return flights to the US and premium economy passengers Aus\$130 on return fares to South Africa.

**Source:** 2015 AFP, Agence France-Presse (AFP)

## Botswana's Police Air Support Branch orders three AS350 B3e from Airbus Helicopters

Botswana's Police Service today signed for a contract for three new AS350 B3e 'Ecureuil' Airbus Helicopters aircraft for its Police Air Support Branch.

The new helicopters will be customised to the Botswana Police Service's specification, including the installation of night vision equipment for night-time operations and other law enforcement equipment. The start of delivery of the new aircraft is scheduled for later in 2015.

The additional helicopters with their enhanced capability will fulfil Botswana's requirement for an expanded airborne law enforcement and crime prevention force.

Airbus Helicopters Southern Africa General Manager, Arnaud Montalvo said: "We are proud to continue our relationship with the Botswana Police Air Support Unit and that it has selected the AS350 B3e, which has a proven pedigree in police missions – especially in hot and high conditions typical of the much of Botswana. We are confident these aircraft will make an enormous contribution to safeguarding the citizens of Botswana and their property".

In addition to the helicopters, Airbus Helicopters will also train Botswana Police Air Support Branch pilots and mechanics.

The AS350 B3e is a member of Airbus Helicopters rugged and proven Ecureuil family and was selected for its unmatched performance and efficiency in Botswana's typically hot and high elevation conditions. Its Turboméca Arriel 2D turbine engine generates greater power, giving the helicopter unmatched manoeuvrability, performance and payload versatility in comparison with other similar size machines.

Around the world, including Southern Africa, Airbus Helicopters' products are the top-performing aircraft in their class and a firm favourite with law enforcement agencies. Like Botswana, the police in South Africa, Namibia and Angola have all selected Airbus Helicopters equipment, including numerous AS350 B2, B3 and B3e variants.

Worldwide, to date, Airbus Helicopters has sold more than 5,800 Ecureuil family aircraft (4,900 are In-service), - including more than 1600 (1152 B3 / 476 B3e) B3 series machines – to some 1,800 operators in 120 countries, including numerous law enforcement and civic agencies.

### About Airbus Helicopters Southern Africa (AHZA)

Airbus Helicopters Southern Africa (AHZA) Pty. Ltd. was formed in 1994. It is headquartered at Grand Central Airport close to Johannesburg and Pretoria and has service centres in Cape Town and Durban. AHZA serves a fleet of more than 230 helicopters.

### About Airbus Helicopters

Airbus Helicopters, formerly Eurocopter, is a division of Airbus Group, a global pioneer in aerospace and defense related services. Airbus Helicopters is the world's No. 1 helicopter manufacturer and employs more than 23,000 people worldwide. With 46 percent market

share in civil and parapublic sectors, the company's fleet in service includes some 12,000 helicopters operated by more than 3,000 customers in approximately 150 countries. Airbus Helicopters' international presence is marked by its customer centers and participations in 21 countries, and its worldwide network of service centers, training facilities, distributors and certified agents. Airbus Helicopters' range of civil and military helicopters is the world's largest; its aircraft account for one third of the worldwide civil and parapublic fleet. The company's chief priority is to ensure the safe operation of its aircraft for the thousands of people who fly more than 3 million hours per year.

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**Source:** Epicos, Airbus Helicopters

### Dubai overtakes Heathrow as top international airport

Dubai airport has soared ahead of London's Heathrow, riding a boom in long-haul flights between Asia and the West to become the world's top international travel hub, it said Tuesday.

Traffic at the airport increased 6.1 percent last year to 70.47 million passengers, Dubai Airports said, adding that it expected a further surge in traveller numbers in 2015.

Dubai International is home to Emirates, the Middle East's largest carrier, which along with Abu Dhabi's Etihad and Qatar Airways has seized a significant portion of travel between the West, Asia and Australasia.

"This historic milestone is the culmination of over five decades of double-digit average growth," Dubai Airports Chairman Sheikh Ahmed bin Saeed al-Maktoum said in a statement.

"The shared goal is to make Dubai a global centre of aviation and we are nearing that goal," he said.

Dubai Airports CEO Paul Griffiths said Dubai International would boost its annual capacity to 90 million passengers this year with the opening of Concourse D -- a new hall for arrivals and departures.

Oil-poor Dubai has spent years trying to diversify its economy with core sectors now including trade, transport and tourism.

Aided by a rapid expansion in capacity, aviation is expected to account for more than a third of the emirate's GDP by 2020.

London Heathrow by contrast has struggled to grow, with a commission still studying proposals to increase capacity there and at Gatwick airport, south of London.

The two are among five airports serving the UK capital that form the busiest hub in the world with around 135 million passengers a year.

Heathrow handled 68.1 million international passengers in 2014, according to airport figures.

The British hub still outclassed Dubai International in overall numbers, handling 73.4 million passengers if travellers on domestic flights are included.

- Superjumbo passenger boom -

Dubai's increase in passenger numbers comes despite a slight fall in the number of flights taking off in 2014, due to 80-day runway refurbishment project.

Emirates Airline in particular has bought more wide-bodied aircraft, including the world's largest fleet of Airbus A380 superjumbos, helping the average number of passengers per flight at Dubai to grow to more than 200.

Dubai's surge in traffic "is no doubt due to the massive A380 fleet at Emirates," said aviation expert Addison Schonland.

"The airline has proven the A380 can be used anywhere in a profitable way. If Emirates keeps growing as it has so far, Dubai's airport will have to keep growing along with it," said Schonland, a US-based consultant with AirInsight.

Flights to and from Western Europe saw the biggest passenger growth in Dubai, followed closely by destinations in the Indian subcontinent, Asia and North America.

European airlines, notably Air France-KLM and Lufthansa, have voiced concern at increased activity by Gulf-based companies, complaining of differences in taxation that they say cause unfair competition.

Dubai's other airport, Al-Maktoum International, opened for passengers in 2013 and will be capable of handling 120 million travellers when completed in 2022.

The project launched before the global financial crisis hit in 2009, and originally planned to feature a 160-million-passenger capacity and six runways.

The ambitious plan appeared to have been put on the back burner due to the economic downturn, and the airport instead opened cargo operations in 2010.

A small number of passenger flights began there in 2013 after repeated delays.

**Source:** 2015 AFP, Agence France-Presse (AFP)