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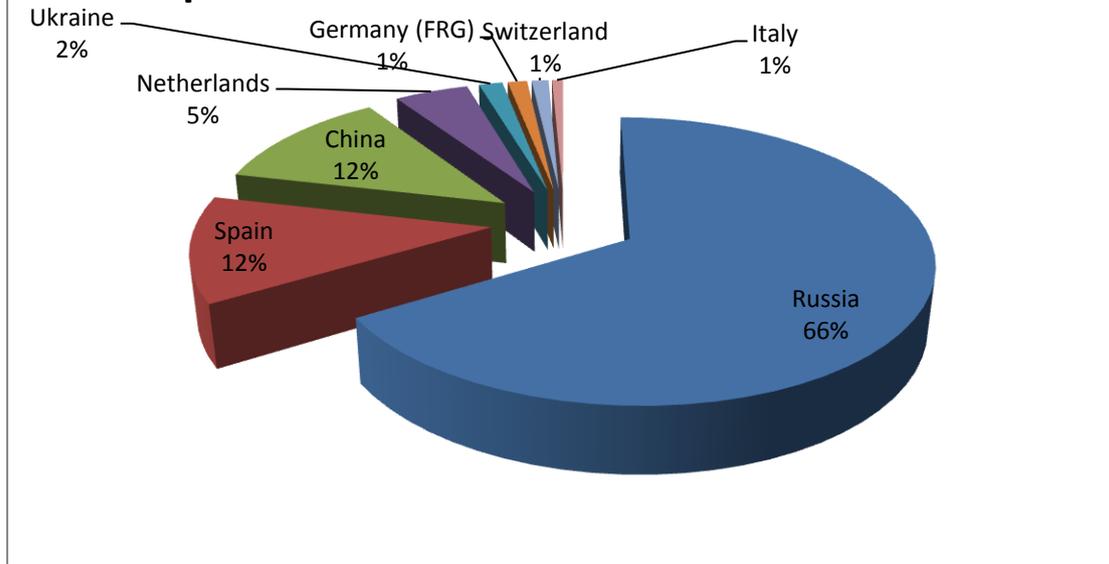
Defence Imports: The Americas



According to the Stockholm International Peace Research Institute (SIPRI) the region that mainly received defence equipment for the period 2008-2012 was Asia and Oceania which accounted for approximately 47% of the imports, followed by the Middle East accounting for the 17%, Europe accounting for the 15%, and the Americas the share of which raised from 10% that it was for the period 2003-2007 to the 11%. The volume of transfer of conventional weapons in the Americas, raised by 34% between the periods 2003-2007 and 2008-2012. USA was the largest importer in North America in the period 2008-2012 and the 8th largest in the world. On the other hand Venezuela was the largest importer of conventional weapons in South America and the 13th largest in the world.



Imports of Conventional Arms in Venezuela



Venezuela's rearmament program continued during the period 2008-2012. Russia was the main supplier of the country accounting for the 66% of the total imports. Spain and China followed. During 2012 Russia delivered to Venezuela BMP-3 and BTR-80 armored vehicles, S-125 Pechora-2M SAM systems, T-72 tanks and 2S19 MSTA-S and 2S23 Nona-SVK self-propelled guns.

Brazil for several years is trying to augment their industrial base by using defence procurements. Thus, the Latin American country adopted a policy, which considers the transfer of technology to local companies as a prerequisite for completing defence procurements. This policy seems to bear fruits, as Argentina announced that is intending to buy (12) Guarani armored vehicles, which Brazil is developing in cooperation with the Italian company, Iveco.

Defence Imports to Mexico

	2008	2009	2010	2011	2012	Total
Canada		4	4	12	4	24
Denmark	2			3	1	6
France			10	15	60	85
Israel		4				4
Italy				24	42	66
Netherlands					20	20
Russia			7		20	27
Spain		26	60	95	52	233
USA	20	27	28	77	69	220

Finally, In Central America, arm imports increased by 68% in period 2008-2013 compared with the period 2003-2007. Purchases of defence equipment were mainly conducted so as to assist countries in tackling internal security concerns. Mexico, one of the region's most important countries procured mainly defence equipment from Spain, which is followed by USA, France and Italy. The Central American country plans to import in the future at least (20) T-6C light combat aircraft.

Kyriazis Vasileios,

Epicos Newsletter Head Editor



Defence Imports: The Gulf States



Almost all Gulf States (Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and the UAE) devote a larger share of their gross domestic product (GDP) to military spending than the global average. United Arab Emirates (UAE) and Saudi Arabia are the biggest spenders in the area. One of the reasons why Gulf States import such an amount of defence equipment is that the arms' production

capabilities in the area are rather limited. Abu Dhabi is trying to tackle this problem by launching several industrial initiatives, such as Tawazun, Abu Dhabi Ship Building and Caracal that will eventually reduce the country's dependency on imported equipment. USA is traditionally the main exporter of arm sales in the region. For the period 2008-2012 the Middle East was the second biggest receiver of US weapons accounting for the 27% of the total US exports.

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

	2008	2009	2010	2011	2012	Total
USA	677	394	151	909	801	2932
Russia		118	294	96	96	604
France	58	23	63	104	120	368
Switzerland				93	29	123
Sweden	0	1	40	47	8	95
Germany	4	6	32	8	8	58

Source: SIPRI Publications, Arms Transfers Database

USA has a leading role in the UAE's armament imports. Apart from the North American country, other important countries that export arms to UAE, for the five last years, are Russia, France, Switzerland, Sweden and Germany.

Aircraft were the predominant area of imports for the period 2008-2012 with a total amount of 2584 US\$ m. at constant (1990) prices. The 2nd most important sector is that of missiles with 650 US\$ m. at constant (1990) prices whereas other areas such as air defence systems, ships and sensors follow.

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

	2008	2009	2010	2011	2012	Total
USA	237	234	338	395	425	1629
UK	29	418	500	404	142	1493
Spain				98	196	294
France	25	31	95	91	5	247
Germany	3	3	10	71	71	157

Source: SIPRI Publications, Arms Transfers Database

Saudi Arabia has mainly imported defence equipment for USA for the period 2008-2012. More specifically USA exported defence equipment totalling 1629 US\$ m. at constant (1990) prices for the specific period. UK with 1493 US\$ m. at constant (1990) prices is second, whereas Spain, France and Germany follow.

Amongst others Saudi Arabia procured (12) AH-64D Apache Combat helicopter from USA. Deliveries finished in 2011. The deal included (11) Saudi AH-64A helicopters rebuilt to AH-64D version. Additionally, USA finished the delivery of (22) S-70/UH-60L helicopters to the Gulf State. The total amount of the procurement reached \$286 million dollars.

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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Installation, set up and customization of a Network Centric Warfare C4I system



A company providing solutions for corporate and/or governmental organizations critical information systems (IS) is proposing the collaboration with a military or governmental authority for the installation, set up and customization of a Network Centric Warfare (NCW) C4I system.

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

Mail at: g-menexis@epicos.com

Design and manufacturing of advanced retractable light weight landing gear for Medium Altitude Long Endurance (MALE) Unmanned Aerial Vehicle (UAV) systems and general aviation aircraft under FAR PART 23



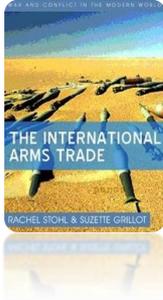
A company with long extensive experience in providing cutting edge technological services and products for the aeronautical and automotive markets is proposing, in the frame of an offset program, the collaboration with Aerospace and Defense Prime contractors for the design and manufacturing of advanced retractable light weight landing gear for Medium Altitude Long Endurance (MALE) Unmanned Aerial Vehicles (UAV) systems.

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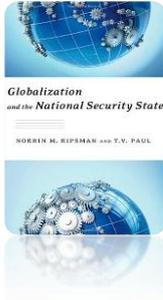


The International Arms Trade (WCMW - War and Conflict in the Modern World), by Rachel Stohl , Suzette Grillot



International arms trade is a multi-billion dollar business in which virtually every country in the world is involved. The book is trying to delineate the complexities and realities of this global trade. The authors trace the history of the arms trade and examine how it has evolved since the end of the Cold War. In particular, they assess the role of the largest arms exporters and importers, the business of selling conventional arms around the world, and shed new light on the illicit arms trade and the shadowy dealers who profit from their deadly commerce. The International Arms Trade should be considered a must will be invaluable for students and scholars of international relations and security studies, and for policymakers and anyone interested in understanding more about the conventional arms trade.

Globalization and the National Security State, by Norrin M. Ripsman, T.V. Paul



Since its inception as a social institution, the primary purpose of the nation-state has been to provide security within a geographically defined territory against both external and internal threats. Throughout many political and socioeconomic changes that occurred the last decades nation-states lost some of their jurisdiction. Many have posited a correlation between the spread of globalization and the decline of the nation-state. In the realm of national security, advocates of the globalization thesis have argued that states' power has diminished relative to transnational governmental institutions, NGOs, and transnational capitalism. Initially, they pointed to declines in both global military spending (which has risen dramatically in recent years) and interstate war. But are these trends really indicative of the decline of nation-state's role as a guarantor of national security?



Armenian national airline declares bankruptcy

Armenia's last national airline, Armavia, on Monday ceased operations and launched bankruptcy procedures due to grave financial problems, the company said.

"Over the last three years, the owner of Armavia airline has been investing finances from (his) other businesses in order to support the air carrier," Armavia said in a statement.

"However, the current situation makes it impossible to continue working this way."

Founded in 1996 by Armenian businessman Mikhail Bagdasarov, Armavia owns one Airbus A320, three Boeing 737, and four medium-range planes.

The company linked its inability to pay debts to the consequences of the world economic crisis that has hit the aviation industry hard and has caused the bankruptcy or liquidation of several major carriers such as American Airlines and Russia's Kuban.

Russia's aviation authority Rosaviatsiya said that Armavia owed more than \$1.3 million (1.0 million euros) to airports and more than \$250,000 to air traffic services in Russia.

Armavia served 48 destinations in Europe, Asia, and North Africa.

Armenia, an ex-Soviet republic, is a landlocked country with neighbours that include traditional foes Turkey and Azerbaijan

With air links critical to maintaining international contacts, it is unclear what will fill the void left by Armavia's collapse.

The company's bankruptcy leaves Armenia without a national air carrier, since the other state-owned carrier, Armenian Airlines, went bankrupt in 2003

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

Sydney flyover launches Qantas-Emirates tie-up

Two Airbus A380s made a dramatic tandem flight over the Sydney Harbour Bridge Sunday to launch the new Qantas-Emirates partnership, hailed by the Australian carrier as a "seismic shift" in aviation.

The tie-up, approved last week by Australia's competition watchdog, allows the two airlines to combine operations for an initial period of five years, including coordinating ticket prices and schedules.

It will also see Qantas switch its hub for European flights from Singapore to Emirates' Dubai base as it attempts to turn around its struggling international business.

"Dubai is the best hub for Qantas in the 21st century," the company's chief executive Alan Joyce said after watching the flyover by superjumbos from both airlines at 1,500 feet (450 metres) over Sydney's famous landmark.

"It is eight hours' flying time from 75 percent of the world's population."

Joyce said the deal was one of the most important strategic initiatives Qantas would ever make, offering benefits to customers in terms of network and frequent flyer benefits and cutting flight times to top European destinations.

"This is one of the biggest days in Qantas's 92-year history. That's because this partnership will play a critical role for us into the future," Joyce said.

"This joint network with Emirates is a key part of tackling the structural challenges that Qantas International is faced with. But more than that... it is a seismic shift in global aviation."

At a press conference with Joyce, president of Emirates Tim Clark said the stitching together of the airlines' services had created a "game-changing partnership" providing "one of the most formidable aviation networks in the world".

He said the aviation sector had not previously contemplated a partnership of this scale, particularly involving Emirates which historically had not been keen on forming partnerships.

The alliance is seen as vital to the sustainability of Qantas, which last year posted its first annual deficit since privatisation in 1995 due to tougher competition and high fuel costs for its international arm.

For Emirates customers, it opens up Qantas's Australian domestic network of more than 50 destinations.

Australia's Transport Minister Anthony Albanese said he believed the arrangement would benefit Qantas and Emirates, but also Australian businesses and holidaymakers travelling to Europe and northern Africa, as well as Australian tourism.

"But it is also the case that we live in a world whereby, as an end point destination, Qantas couldn't continue to be exactly as it has been in the past," Albanese said.

"We do need partnerships, which are a fact of the global aviation industry."

Aviation analyst Geoffrey Thomas said the partnership was a sign of the times.

"It recognises that the hub of aviation is moving from Asia to the Middle East," he told Sky News, adding that while Asia would remain dominant, the Middle East made more sense for European journeys.

The first Qantas flights departing from Sydney and Melbourne to London via the international hub of Dubai were due to leave Sunday.

Qantas said the feat by the two super-jumbos is thought to be the first time anywhere in the world that two commercial airline A380s have flown in formation.

Pilots from both airlines completed dozens of special simulator training sessions, with Emirates pilots travelling Down Under this month to train in Qantas's A380 simulator.

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

Taiwan to get US anti-sub aircraft in 2015: report

Taiwan is on track to take delivery of 12 anti-submarine aircraft from the United States by mid-2015, a report said Wednesday, as it seeks to beef up its naval defences against China.

Navy Chief of Staff Vice Admiral Hsu Pei-shan spelt out the timeframe when asked by a lawmaker about a possible delay in the delivery of the aircraft, the state Central News Agency reported.

Washington agreed in 2007 to sell Taiwan the refurbished P-3C Orion patrol aircraft, which reportedly will expand the surveillance range of Taipei's anti-submarine fleet tenfold.

The P-3C fleet, which will cost just under \$2 billion, is intended to replace the island's ageing S-2T anti-submarine aircraft.

Delivery of the first five of the 12 aircraft was originally set for 2012, followed by two others in 2013, four more in 2014 and the last one in 2015, according to lawmaker Ma Wen-chun of the parliament's defence committee.

Ties between Taipei and Beijing have improved markedly since Ma Ying-jeou became Taiwan's president in 2008 on a China-friendly platform.

However, Beijing still regards the island as part of its territory and has refused to rule out the use of force against self-ruled Taiwan. The two sides split in 1949 after a civil war.

In response, Taiwan has built up a defence force equipped with weapons acquired mostly from the United States, despite Washington's switching diplomatic recognition from Taipei to Beijing in 1979.

Defence officials were not immediately available for comment.

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

Poland moves to sell troubled flagship airline LOT

Poland moved Tuesday towards privatising its national airline LOT as the government proposed legislation that would allow for the sale of a majority stake in the cash-strapped carrier.

"There is no doubt that if we don't want to keep funnelling public funds into this bottomless pit, privatisation remains the only realistic option," Prime Minister Donald Tusk told a press conference in Warsaw.

LOT ended 2012 with an operating loss of 115 million zloty (28 million euros, \$36 million), instead of a forecast profit of 52.5 million zloty.

In December, it received the first slice of a billion-zloty rescue package, prompting the European Union to determine whether Warsaw broke subsidy rules when it threw LOT a lifeline.

The airline last month sent government officials a restructuring plan that must be presented to the European Commission for approval.

The troubled company had pegged its hopes on the Boeing 787 Dreamliner -- becoming the first in Europe to use the plane -- but the plan was thwarted when Dreamliners were grounded in January because of battery problems.

LOT had ordered eight Dreamliners to update its fleet of 35 planes, but the two it has already received are expected to remain grounded until October.

Poland owns 67.97 percent of the airline, which employed 2,063 people at the end of last year.

The national treasury has been required until now to maintain at least a 51 percent stake in the carrier, which announced in February that it would axe 500 jobs, or a quarter of its total workforce.

"Now, when buying the firm, an investor will be able to decide its future on their own," Treasury Minister Mikolaj Budzanowski said in a statement.

He added that the government wants LOT to maintain its brand and its hub in Warsaw, where the airline accounts for 45 percent of passenger traffic.

Under European regulations, Poland can allow non-European companies to acquire only minority stakes in strategic companies like airlines.

LOT was sold to Swissair in 1999, but the company went bust and Poland re-acquired the shares.

Last year, non-EU carrier Turkish Airlines expressed an interest in LOT but wound up dropping plans to buy it after deeming that the acquisition would contribute little to its targets.

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

EADS board approves huge share buyback

The new board of European space and defence group EADS has approved an 18-month share buyback plan worth up to 3.75 billion euros (\$4.8 billion), the company said on Tuesday.

The European Aeronautic Defence & Space company, which owns the plane maker Airbus, will buy up to 15 percent of EADS stock at a maximum price of 50 euros per share, a statement said, using cash on hand, and then cancel the shares.

The move was approved by shareholders last week.

EADS shares were worth 41.16 euros when trading closed on Tuesday.

EADS, in which France, Germany and Spain hold stakes, is in the midst of a transformation to a diversified group subject to less state intervention, and aims to have 72 percent of its capital floating freely on stock markets by next year, compared with less than 50 percent in early December.

Tom Enders, who has been reappointed as chief executive, was quoted as saying that "the share buyback programme emphasises our commitment to create value for all shareholders".

EADS plans to buy back the shares using several methods "including on stock exchange, in private purchase or via derivative products, subject to market conditions, applicable legal requirements, and other applicable laws", the statement said.

Under the group's new structure, the German government is to own a direct holding of 12 percent, the same level as France, while Spain plans to trim its 5.4 percent stake to 4.0 percent.

In a separate statement, EADS said it would establish a single operations headquarters in Toulouse, southern France by September 1, which would include positions currently based in Munich, Germany and in Paris.

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