Volume 7 Number 15 – Wednesday, 15 April 2015

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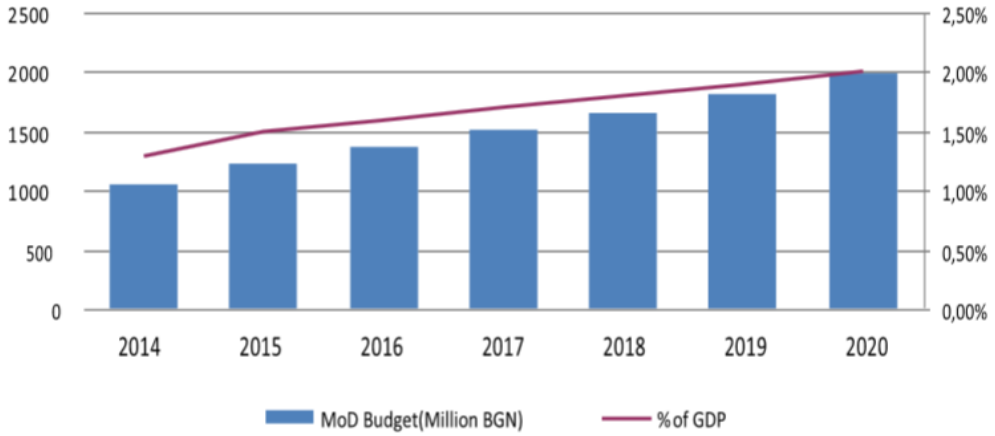
Bulgaria: Defence Budget for the Period 2015-2020

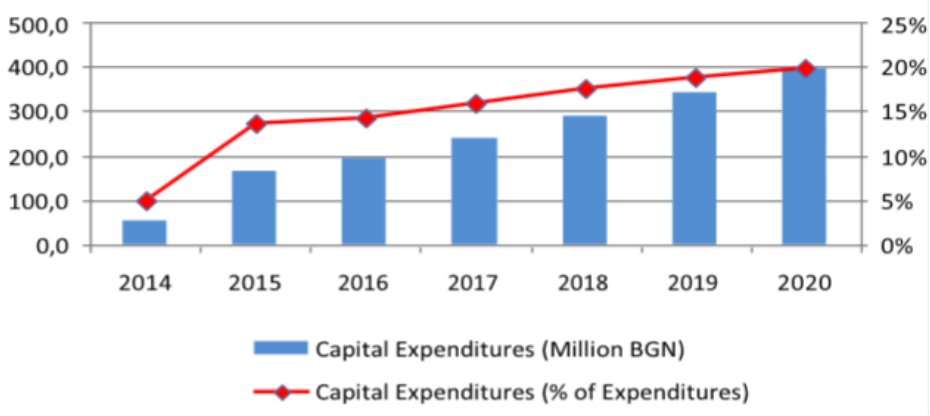
According to the Bulgarian authorities, the country's ambition is to maintain the defence expenditures at a level which is acceptable for the Bulgarian society and, parallel to this, sufficient to guarantee the security of its citizens. In order to achieve this, there is a taken decision that the defence expenditures have to reach the level of 1.5% of the GDP as early as in 2015, and after that to grow annually with 0.1% of the GDP so that they can reach 2.0% of the GDP in 2020.

Defence Spending 2014-2020



Additionally, the country's authorities are trying to optimize the funds spend on defence and allocate more funds in investing in modern technologies with the goal to develop a modern army capable to respond to the contemporary and future challenges. Therefore, they plan to reach until 2020 a ratio of 50:30:20 in the expenditures on (1) personnel (2) current upkeep, and (3) investments. Currently, the capital expenditures form a minimal part of the defence budget, between 4 and 5 %, which is characterized as insufficient by Bulgarian authorities.

Capital Expenditures 2014-2020



Furthermore, a 1.5% of the defence budget for defence investments and operating expenses until 2020 will be directed specifically to scientific research and development. This will result to the enhancement of the military educational system and to the improvement of the quality of the training through deepening the specialization in educational capabilities of critical importance for Bulgaria.

Kyriazis Vasileios,
Epicos Newsletter Head Editor

Japan, Future Defence Procurements

The Japanese authorities are deliberately trying to acquire the proper defence capabilities so its armed forces will be able to ensure security of the surrounding seas and airspace. The country's armed forces should also be able to respond on attacks to remote islands, to ballistic missile attacks, to outer space and cyberspace threats, to large-scale disasters and finally to be in the position to play an important role in improving the global security environment. In order to achieve this Japan is planning to build defense capabilities with particular emphasis on intelligence, surveillance and reconnaissance (ISR), transportation, and C4I infrastructure.

To ensure the security of seas and airspace, the country's authorities are planning, among others, to acquire 20 fixed-wing patrol aircraft (P-1) for a price of ¥350.4 billion ($2.5 billion). Additionally, there is a plan to acquire 2 patrol helicopters SH-60K for a total value of ¥13.8 billion ($115.4 million) with improved capability to detect submarines and increased attack capabilities to succeed the existing patrol helicopter SH-60J. Finally, there is a provision for the purchase of new airborne early-warning aircraft (E-2D) to enhance the warning and surveillance capabilities in the surrounding airspace.

Also to be able to respond on attacks to remote islands, the Japanese authorities are planning to develop continuous surveillance capabilities, ensuring and maintaining air & maritime superiority, to improve rapid deployment and response capabilities such as transport and amphibious operations as well as enhancing the current C4I infrastructure. Japan is going to procure 6 F35 aircraft and upgrade part of the current fighter aircraft fleet. Among others 8 F-15 aircraft will be modernized for a total amount of ¥10.1 billion ($84.4 million).

In order to enhance rapid deployment and response capabilities the Japanese armed forces will acquire tilt-rotor aircraft that will complement and strengthen the capabilities of transport helicopters (CH-47JA) in terms of cruising speed and range. Five (5) units will be procured for ¥51.6 billion ($431.4 million). Additionally, Japan will procure 20 amphibious vehicles.

The Asian country is planning to implement a rather ambitious acquisition plan for its armed forces. Within the next years a series of procurements will be conducted resulting in the modernization of the Japanese armed forces. It remains to be seen if the plan will be properly executed.

Kyriazis Vasileios,
Epicos Newsletter Head Editor

Republic of Korea: Defence Budget and Reform Program

Ministry of National Defense
Republic of Korea

The Republic of Korea is deliberately trying to raise the efficiency of national defense organization and management so as to match the standards of the changing security environment and future warfare requirements. Additionally, the country seeks to transform itself into an information and technology intensive military structure and raise the efficiency of national defense organization and management to match the standards of the changing security environment and future warfare requirements. In order to achieve this, a significant amount of funds have been allocated. Under this concept the total sum of military spending is expected to rise to 37,456 billion KRW ($35.0 billion) in 2015 from 35,706 billion that it was in 2014.

	2011	2012	2013	2014	2015
Defense budget (billion $)	31,403($27.3)	32,958(30.8$)	34,345(30.4$)	35,706(31.9$)	37,456(35.0$)
Increase (%)	6.2	5	4.2	3.5	4.9
Percentage of GDP	2.36	2.39	2.40	2.38	2.35

Source: Republic of Korea Ministry of National Defence

From the 37,456 billion KRW, 70.6% is allocated to maintenance programs and the remaining 29.4% to improvement programs. More analytically 36.1% of the maintenance programs will be allocated to personnel expenses, 5.5% to food and clothing, 1.4% to defence informatization, 0.7% to service members welfare, 12.6% to logistics support, 1.3% to training and education, 7% to installation and construction and 5.9% to other categories.

Additionally, it is worth mentioning that Republic of Korea is changing its personnel structure, making it a cadre-based military while gradually downsizing the troop's number. This process has already started as military personnel decreased by 26,000 between the period 2005 and 2009. The total military personnel were 681,000 in 2005. From these 548,000 served in the army, 41,000 served in the navy, 27,000 in Marine Corps and 65,000 to the air force. In 2009 this number was reduced to 655,000. The 26,000 personnel were reduced from the army while the personnel of the other branches of the armed forces (navy, marine corps and air force) remained the same.

Year	Total	Army	Navy	Marine Corps	Air Force
2005	681	548	41	27	65
2009	655	522	41	27	65
2020	517	387.2	41	23.8	65
Difference	-164	-160.8	0	-3.2	0

Source: Republic of Korea Ministry of National Defence

The projection for 2020 is that this number will further diminish to 517,000. Once again the army will mainly absorb this reduction as the total number of personnel will be reduced from 522,000 that it was in 2009 to 387.2 in 2020. The only other branch that will have its personnel cut is the marine corps (27,000 in 2009, 23.800 in 2020).

Kyriazis Vasileios,
Epicos Newsletter Head Editor

Swedish Defence Budget

The Swedish left-wing government announced that it would raise its defence spending by SEK 6.2 billion (€677 million Euros, $720 USD million). According to the official website of the Swedish Ministry of Defence the reasons for such an increase are the Russian annexation of Crimea, the armed conflict in Ukraine, the increased amount of exercises as well as intelligence activities in the Baltic Sea region, the Russian intrusive behavior, and the Swedish Armed Forces intelligence operation in the Stockholm archipelago. Additionally, the Swedish government stated that most of the funds to be spend between 2016 and 2020, would go towards modernizing ships that could detect and intercept submarines.

It would be important to state that by 2024, the allocation of funds to equipment acquisition will be more than SEK 5.5 billion (598 million Euros, $635 USD million) than previously estimated.

According to Swedish authorities, another priority in the 2015 budget will be the deepening of the Finnish-Swedish bilateral cooperation. Through this cooperation, the two countries could jointly strengthen accountability for security and stability in the area. Additionally, Sweden has reaffirmed their commitment in contributing to international missions organized by UN, EU and NATO.

Furthermore, Swedish government underlines the importance of maintaining and strengthening a high standard of air surveillance and the military presence on Gotland. Sweden will re-establish a permanent military presence on the island of Gotland for the first time in 10 years. According to Swedish media the government wants 150 troops to be stationed on Gotland.

Finally, it is worth mentioning that in order to ensure the development and acquisition of the new JAS Gripen 39 E, Sweden will take the responsibility for the completion of its upgrade and production. The JAS-project will thereby receive a total of SEK 2.9 billion (€315 million Euros, $334 USD million) over the next two years.

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

Advanced modeling and analysis of UAV thermal signatures for management and optimization of thermal signature reduction

A company with extensive expertise in the space and nuclear fusion industries, specialized in thermal design, modeling and analysis, proposes to implement existing technology and know-how to analyze UAV thermal signatures and to develop solutions for managing and reducing such signatures.

For Further Information Contact our ICO Department
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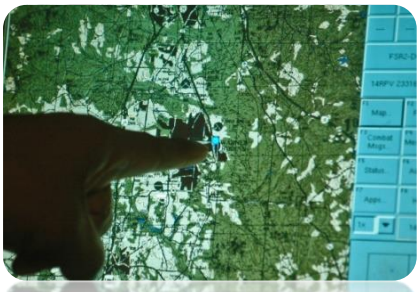
Blue Force Tracking (BFT) System for Military Personnel and Military Vehicles



The network-centric ability to distinguish between friend and foe, a concept known as blue force tracking (BFT), is critical to conducting effective network-focused military operations. Within this frame, a company with extensive expertise in developing Solutions for the aerospace industry, is proposing the utilization of the existing know how -mainly in complicated space missions- in the development of advanced Blue Force Tracking (BFT) and situational awareness capabilities into products and systems used to identify and track friendly forces.

For Further Information Contact our ICO Department
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Epicos Events

Defence Exports Asia Pacific 2015, 11-12 May, Singapore

The SMi Group are delighted to announce the 2nd Defence Exports Asia Pacific conference convening on the 11th and 12th May 2015 in Singapore.This is your opportunity to discuss and network with key government officials and industry leaders from the Asia Pacific region. Understand and utilize the latest updates on Asia Pacific export control regulations and hear about various ECR changes happening in 2015.

Due to the changes and development of controls in Asia Pacific, industry is faced with the risk of non-compliance due to the lack of knowledge and exposure in the markets. This conference is designed to give those working in the industry the insight and tools they need to adapt to the changes, developments and establishment of export controls in the region.

At SMi's 2nd Defence Exports Asia-Pacific conference you will gain valuable information from government officials and industry leaders on key national export control reforms and plans for regulation changes in the future.

For more information please press here

SPACE TECH EXPO 2015, May 19-21, Long Beach, CA, USA

Space Tech Expo & Conference is the West Coast's premier B2B space event for spacecraft, satellite, launch vehicle and space-related technologies. The show brings together industry leaders, decision-makers, specifiers and buyers to meet manufacturers and the supply chain for civil and commercial space.

For more information please press here

C4ISR SUMMIT MIDDLE EAST 20154, 11 - 13 May, Armed Forces Officers Club, Abu Dhabi, UAE

Operational Data Architecture and ISR: Systems, Security and Governance

The C4ISR Summit Middle East 2015 is a two day conference plus focus day to help militaries in the region drive advanced communications, C2 and surveillance capabilities - in the framework of advanced data architecture.

Conference Day 1: Command and Control, Data Architecture & Security, Communications
Conference Day 2: Airborne ISR Platforms
Workshop and Focus Day: GEOINT and Data Fusion

Ensuring the acquisition and appropriate application of C4ISR capabilities and assets will guarantee informational superiority in a century that has been deemed the age of information. Maximising situational awareness and informational superiority via C4ISR translates not only into an operational advantage on the battlefield but an advantage in all domains, including air, land, sea, space, and most recently, cyberspace. Attaining cutting edge C4ISR capabilities and technology will ultimately enable rapid response to emerging threats in a dynamic and changing region.

There now is but one question on the minds of the military commanders responsible for increasing situational awareness and interoperability via the integration of C4ISR technology: how can we further attain a more complete integration of C4ISR systems across air, land, and sea domains? The answer to this question will be discussed at the C4ISR Summit Middle East 2015.

For more information please press here

ITEC 2015, April 28-30, PVA Expo, Prague, Czech Republic

The annual ITEC exhibition and conference will be held at PVA Expo in Prague from 28-30 April, 2015. ITEC is the leading international forum for military training, education and simulation sectors. The event offers a unique perspective of the latest innovations in these sectors and provides visitors with a platform to discuss developments and exchange ideas in this ever evolving market.

The decision to host ITEC in Prague is timely - the nation's army has developed considerably in recent years and has been innovative in the way it has grown its modelling, simulation and training (MS&T) expertise to use reconfigurable simulation methods and technology to enhance its capability.

ITEC is working closely with the Czech Ministry of Defence to address the growing global requirement to improve military operability, and indeed, interoperability. Using training and simulation technologies, the event will showcase the latest innovations from the international MS&T sector.

For more information please press here

Global Space & Satellite Forum 2015, 26-28 May, Dubai, UAE

GSSF 2015 can be best described as the platform to discuss the commercial space and satellite technology we use every day. The event will discuss and showcase the latest developments in earth observation, disaster management and geo-information services, the economics of commercial space transportation, space tourism and suborbital flights and the many ways in which satellite systems are improving our lives – ranging from life-saving developments in the field of disaster management to the delivery of entertainment media via handheld consumer devices.

For more information please press here