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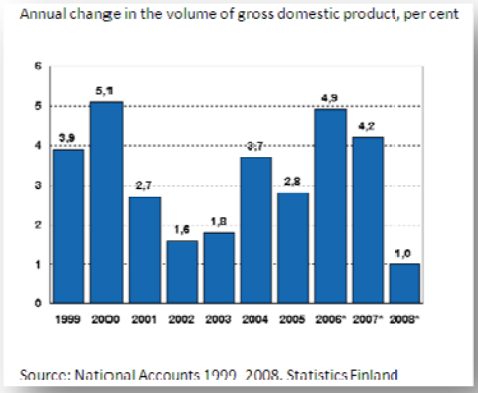
Special Focus: Finish Economy

Finland is a highly industrialized country with a free-market economy, which per capita output is roughly the same with that of the UK, France, Germany, and Italy. The main economic sectors in which the country is activated are wood, metals and engineering, telecommunications, and electronic industries. Furthermore trade is important for the economy of the country. Finland's ratio of exports to GDP has risen from a quarter to 37% over the past 15 years. The main product that the country is exporting is mobile phones.

Although, at least in the beginning of the global economic crisis, Finland avoided the worst of it, the world slowdown has hit export growth and domestic demand and will serve as a brake on economic growth in 2010. This is largely highlighted by the fact that the volume of Finland's GDP grew was 1% in 2008. Gross domestic product, amounted to EUR 185 billion in 2009. The aforementioned result is positive if we take into account the fact that the GDP of the European Union member-states shrunk during 2008. On the other hand is negative if we take into consideration that the growth of GDP in Finland was 4,2% in 2007. The fall of GDP continued through the first quarter of 2009. In the 3rd quarter of 2009 GDP was further diminished and the economy has remained at approximately the level of year 2006. The volume of GDP in the second quarter of 2009 was at -0.3% from the previous quarter and at -9.1% a year ago.



Except from GDP another important economical factor is unemployment. According to the Employment Service Statistics, at the end of October the number of unemployed jobseekers registered at Employment and Economic Development Offices totaled 269,600, up 77,000 on the previous year. Compared with September, the number of unemployed job applicants increased by 3,800. In October, 31, 400 of the unemployed were individually laid-off, which is 1,400 more than in September.

The energy policy of the country is based on two fundamental principles; sustainability and predictability. This is illustrated by the fact that during the past few years, Finland has been one of the leading industrialized countries that use renewable energy and especially bioenergy. Additionally, the Finish authorities are trying to secure energy supply, a competitive price of energy and to keep the arising environmental emissions within the international commitments.

Sustainable development plays an important role in shaping the energy policy of the country. Under this context the objectives of reducing environmental hazards and of adapting economic activity to the principles of sustainable development are rather important for Finland.

In addition, the price and availability prospects of imported energy and the increased international decision-making have an effect on the energy policy.

Currently, international cooperation is an important factor for the implementation of the national energy policy and Finland is trying to follow this tendency. In recent years, the role of the EU in steering energy policy has increased despite the fact that the EC Treaty contains no mention of a common energy policy at European level. Additionally, Finland participates in the oil distribution and security of supply systems of the International Energy Agency IEA and is bound, through numerous international organisations, such as the NEA, IAEA and Euratom, to wide-scoped cooperation in the fields of nuclear energy and nuclear surveillance.

Kyriazis Vasileios,

Epicos Newsletter Head Editor

For centuries, the Finnish industry had relied on the country's vast forests. This can be explained if we take into consideration the fact that about 70% of the country's land is forest-covered. Though, the new economical and social circumstances created by globalization lead to a decline of more traditional industries. Therefore, from the 1990s Finnish industry became dominated to a larger extent by electronics and services, focusing to a greater extent on R&D and hi-tech electronics.

By the end of the 1990s, an economy that had relied for centuries on the country's vast forests suddenly found itself with a completely new orientation namely electronics and services. Nevertheless, forests remained and remain an important factor of the economical life of Finland as every fifth Finn earns, directly or indirectly his or her earning from trees. Additionally, 1/4 of Finland's export revenue is derived from the forest industries as 90% of the paper made in Finland and 70% of the sawmill products are exported, mainly to Western Europe.

In order to better moderate the industry created by the utilization of the forests Finland created a strong and comprehensive forest cluster. The main role of it is to concentrate the integrated know-how. The reason is that currently technology plays an increasingly significant role in the aforementioned domain of the industry as the core products of the forest industry - pulp, paper, board and sawn goods - are supported by high-tech engineering workshops. Furthermore, chemical enterprises produce the special chemicals needed by the forest industry whereas research organizations and universities contribute their own valuable input to the cluster.

As it is already mentioned, technology -mainly electronics and electrotechnics- have come to the fore of the Finnish industry. The main catalyst behind the explosive growth and success of the aforementioned industry has been the heavy investment in R&D which resulted in the development of an advanced know-how. Furthermore, the growth of the aforementioned industry has been further accelerated by the liberalisation of global markets. The sector's innovations have not only created entirely new products but have added new properties to conventional products. The amount of electronics in the products of other sectors continues to increase. The use of electronics and electrotechnics in manufacturing is a good example that highlights the

aforementioned ascertainment.

Nokia and the companies associated with it are undoubtedly in the forefront of the industrial boost of the country. The aforementioned companies are activated in a large spectrum of the technology industry and their activities are mainly based in Finland. Of course, there are some relatively simple operations, such as the manufacture of mobile phone cases and chargers that have already been transferred abroad. The productive units in Finland are instead left to focus on product development and on making the more demanding handsets and many of the components for them.

Finland's biggest companies in 2006

Name	Sector	Turnover EUR billion
Nokia	Electronics	41.1
Stora Enso	Forest industry	14.6
Neste Oil	Oil	12.7
UPM	Forest industry	10.0
Metsäliitto (inc. M-Real)	Forest industry	9.2
Kesko	Wholesale-retail chain	8.7
Sampo	Finance and investment	7.1
SOK	Wholesale-retail chain	6.8
Outokumpu	Metallurgy	6.1
Tamro	Pharmaceutical wholesaling	5.5

Source: Talouselämä 20/2007 (500 largest Finnish companies)

Services are another domain that is currently in the rise in Finland. Undoubtedly, developed economies are characterized by the considerable contribution of their service sectors in their GDP. In Finland, services' share of the value added to the economy has risen to about 60% and it will continue to grow in the coming decades. Currently, almost a quarter of all services are produced by the public sector something that is quite unusual by international standards.

Traditionally the Finnish industry relied in forestry, the last two decades, though; new economical and industrial domains have been integrated in the socio-economical life of the country. These domains are electronics and services and most probably in the coming decades will further dominate the economic activities of Finland.

Epicos Project Opportunities

Epicos "Project Opportunities" 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

New generation of Tactical Vests for Military, Police and Law Enforcement applications able to stop 7.62x39 rounds without additional ballistic protection plates

A leading company in the development and manufacturing of personal protective equipment, including tactical vests, concealed ballistic vests, riot control equipment and related training equipment, is proposing the development and production of a new generation of personal ballistic protection systems able to stop 7.62 x 39 rounds without inserting additional ballistic protection plates thus reducing the overall vest weight.

For Further Information Contact our ICO Department

Mail at: a-dimou@epicos.com

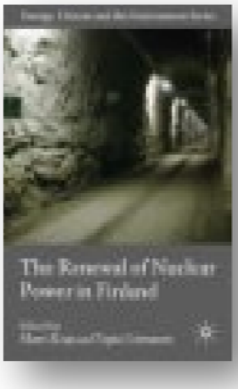
Development of mission critical rugged displays 8xs/10xs for military and tactical vehicles

A company that designs and produces industrial computers and displays for use in the most demanding environments and also designs industrial displays and produces neural network software and automation solutions is proposing the provision of CEF 8xs/10xs type military displays to be used in an offset project or in an upgrade program.

For Further Information Contact our ICO Department

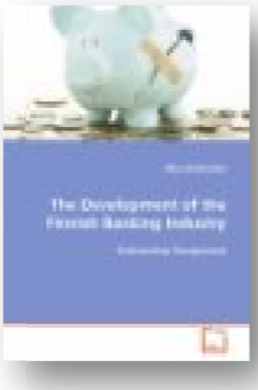
Mail at: a-dimou@epicos.com

The Renewal of Nuclear Power in Finland (Energy, Climate and the Environment), by Matti Kojo, Tapio Litmanen



At the beginning of the new millennium Finnish authorities had to take a serious energy policy. They had to allow the construction of a new nuclear power plant. Finally, in 2002 Finnish Parliament decided to permit further construction of nuclear power after decades of long societal struggle. This book is trying to delineate the major phases of the decision-making process that finally resulted in the construction of the nuclear pland. It is an excellent guide to understanding energy and climate policy in Finland and thus the main ideas behind the renewal of nuclear power in Europe.

The Development of the Finnish Banking Industry: Partnership Perspective, by Ilkka Lähteenmäki



Banks have traditionally played a key role in the financial system by acting as intermediaries between the ultimate savers and borrowers. Nowadays, the banking sector is globally in a serious crisis. In Finland, the banking sector suffered a serious crisis in the beginning of 1990's. There are several issues in the Finnish banking crisis and in the development of the industry after the crisis that we can learn and study for the current financial situation. This book is trying to delineate these by describing the development of the banking industry in Finland since 1986.

Saab signs contract with FMV regarding Gripen

Saab has received an order from the Swedish Defence Material Administration, FMV, for the continuous support of Gripen's operational capacity. The contract is valued to 230 million SEK.

The order includes for example programme management, product maintenance, support, flight testing, pilot equipment and simulators to support the operational capacity of the Gripen system. Work will be carried out during the first half of 2010.

For further information, please contact:
Saab Press Centre, +46 (0)734 180 018

Saab serves the global market with world-leading products, services and solutions ranging from military defence to civil security. Saab has operations and employees on all continents and constantly develops, adopts and improves new technology to meet customers' changing needs.

Source: Epicos, Saab

Saab and Mitsubishi Aircraft Corporation sign agreement for support solutions - first significant order achieved

Saab and Mitsubishi Aircraft Corporation (MJET) have signed an agreement under which Saab will provide technical publication documentation work to MJET in support of their Mitsubishi Regional Jet (MRJ) programme.
The framework agreement is a strategically important achievement for Saab. It opens the path for further discussion between the companies to supply and apply Saab's extensive expertise in the area of commercial aircraft support solutions, gained from the Saab 340 and 2000 programmes as well as various military programmes, to MJET and their new MRJ aircraft. The Mitsubishi Regional Jet is a family of 70- to 90-seat next-generation regional jets.

A first support contract has been signed within the frame of the agreement. On request of the customer the order value will not be announced.

"We have had on-going discussions with Mitsubishi since 2003 when they were first considering entering the regional jet market and had concluded that they needed a partner for support and services outside Japan", states Saab Aerotech President Lars-Erik Wige. "This agreement and the first specific contract to result from it are a positive step forward in the cooperation between our two companies. Mitsubishi is developing a ground breaking aircraft in the MRJ and Saab is proud to work with them in their effort to provide equally

ground breaking levels of customer support."

"At MJET, as we undertake the implementation of customer support related to the MRJ, we are pleased to have Saab, with its many years of experience in this area, as a partner to help us in developing some parts of our technical manuals in the field of customer support. This is one big step forward in MJET's drive to provide top-notch service to our valued customers," said MJET President Hideo Egawa.

The initial contract signed covers the area of technical publications development during the years 2010-2015. Under this contract, Saab will develop a comprehensive package of maintenance and support documentation for both the MRJ70 as well as for the MRJ90 aircraft including, for example, maintenance manuals as well as spare parts catalogues. The technical publications will be developed to the new S1000D 4.0 standard. Discussions continue between the two companies to finalize additional areas of cooperation.

MJET has announced MRJ orders for 25 aircraft to All Nippon Airways, Japan (15 firm and 10 options) and a Letter of Intent to provide 100 aircraft to Trans States Holdings Inc., USA (50 firm and 50 options). The Aircraft is under development in Nagoya Japan and the first flight expected to take place second quarter 2012. The aircraft will enter into service during the first quarter of 2014.

Mitsubishi Aircraft Corporation (MJET) commenced operation on April 1, 2008 to conduct the design, type certification, procurement, sales and marketing, and customer support of the Mitsubishi Regional Jet (MRJ). It is currently capitalized at 100 billion yen, with this financing being furnished by, among others, Mitsubishi Heavy Industries, Ltd., Toyota Motor Corporation, Mitsubishi Corporation, Sumitomo Corporation and Mitsui & Co., Ltd.

The information is that which Saab AB is required to declare by the Securities Business Act and/or the Financial instruments Trading Act. The information was submitted for publication on December 22, at 11.20.

For further information, please contact:
Saab Press Centre, +46 (0)734 180 018

Source: Epicos, Saab

Russia to commission new stealth bomber in 2025-2030

MOSCOW, December 22 (RIA Novosti) - Russia's new strategic bomber will use stealth technologies and is expected to enter service in 2025-2030, the commander of Russia's strategic aviation said on Tuesday. According to Maj. Gen. Anatoly Zhikharev, the stealth technology will make "the new aircraft difficult to detect by radar, although it is impossible to make airplanes of this type completely invisible." "However, new technologies and materials will help reduce the possibility of detection," Zhikarev said, adding that the new airplane was expected to enter service in 2025-2030. The new strategic bomber will replace the Tu-95MC Bear and Tu-160 Blackjack strategic bombers, and Tu-22M3 Backfire long-range bombers currently in service with Russia's strategic aviation. According to various sources, in addition to 16 Tu-160 bombers, the Russian Air Force currently has 40 Tu-95MS bombers and 141 Tu-22M3 bombers in service. These aircraft will form the backbone of the Russian strategic aviation in the next decade following extensive modernization. "We expect to receive two upgraded Tu-160 planes from the Kazan plant and to have two more aircraft in for repair by the end of December, so this process is continuous," Zhikharev said. The general said the modernization included the overhaul of obsolete communications, electronic warfare, targeting, and fire-control systems. "We are planning to complete this modernization by 2015," he added.

Source: RIA Novosti

Malaysia Airlines to buy up to 25 Airbus A330-300s

Malaysia Airlines on Tuesday announced it will buy up to 25 A330-300s aircraft worth 5 billion dollars in a bid to serve its growing markets.

The national carrier said in a statement it has signed a memorandum of understanding with Airbus for a firm order of 15 aircraft with options for a further 10.

The aircraft, to be delivered from 2011 to 2016, will serve its growing markets of South Asia, China, North Asia, Australia and Middle East.

"The A330 will complement our incoming fleet of six A380 and 35 B737-800," Malaysia Airlines managing director Tengku Azmil Zahruddin said.

"The new fleet will create a strong platform for us to profitably grow -- the A380 will serve key long haul destinations such as London and Sydney, the A330 for medium haul markets while the B737-800 will be used to strengthen our domestic and regional routes," he added.

Airbus senior vice president Thomas Friedberger said Malaysia Airlines will benefit from the more fuel-efficient aircraft with lower operating costs.

The carrier said it expects to make annual savings of 300 million ringgit (87.3 million dollar) when the first 15 aircraft are received.

Malaysia Airlines fell back into the red in the third quarter, blaming losses on its fuel-hedging positions.

In the three months to September, the airline posted a net loss of 299.6 million ringgit compared with a net profit of 38.1 million ringgit a year earlier.

Source: 2009 AFP, Agence France-Presse (AFP)

Russia's nuclear firm Rosatom to get $467mln to buy assets abroad

MOSCOW, December 22 (RIA Novosti) - Russian Prime Minister Vladimir Putin signed a decree on Tuesday to allocate 800 million rubles ($26 million) to civilian nuclear corporation Rosatom for a technological park and 14.2 billion rubles ($467 million) to buy assets abroad. Rosatom CEO Sergei Kiriyenko said the 800 million rubles would be spent on the technological park of the Russian federal nuclear center in Sarov in the Nizhny Novgorod Region in the Volga region.

Source: RIA Novosti