

**Part I**

**Special Focus: Malaysian Economy**

1. Special Focus: Malaysian Economy
2. Malaysian Oil and Gas Industry
3. Epicos "Project Opportunities"
4. Fabrication of production tooling for defense plastic and/or stamped metallic parts manufacturing
5. Design and manufacturing of customized injected parts for military application
6. Epicos- Amazon

**Part II**

**Epicos Newsroom**

1. Boeing Completes Phase 2 of Turkish Industrial Participation Program
2. Government to inject 174 million dollars in Air India
3. China congratulates Ukraine's Yanukovich, says ready to develop ties
4. Elbit Systems Awarded \$20 Million Follow-On Contract for Israeli Air Force's PFI "Snunit" Trainer Aircraft Operation Program
5. Dutch air traffic set for slow growth in 2010: operator



Malaysia has a relatively open state-oriented market economy that is still growing. The state plays a significant but declining role in guiding economic activity through implementing macroeconomic plans. Malaysia experienced an economic boom and underwent rapid development by the end of the 20th century. One of the reasons behind this was that the Southeast Asian nation

transformed itself since the 1970s from a producer of raw materials into an emerging multi-sector economy. This economic progress had as a result Malaysia to become the 29th largest economy in the world by purchasing power parity in 2007.

Despite the fact that the economy was in a constant process of growth it did not manage to avoid the consequences of the global economic crisis. The first indication of this phenomenon was apparent in the manufacturing sector towards the end of 2008, when both private investment and exports contracted sharply. Furthermore, the GDP growth slowed to 4.8% in 2008 a figure significant lower from the 5.8% that the country had as an average in the previous 3 years. The results of the economic crisis were more significant in the early 2009 as the manufacturing-led downturn intensified and spread through the economy, from the tradable into the non-tradable sector and from corporate into household demand.

The economic downturn had as a direct effect the weakening of the labor market. Although not in a very large scale retrenchments have been on the increase.

Latest Key Economic Indicators	% Changes	Quarter
Gross Domestic Product	-1.2%	3rd Quarter 2009
Unemployment Rate	3.6%	3rd Quarter 2009
Exports	18.7%	December 2009
Imports	23.3%	December 2009
Balance of Trade	4.9%	December 2009

Source: Treasury of Malaysia, Ministry of Finance

Furthermore, companies cut labor costs in other ways, namely through the reduction of working hours, as several factories particularly in the electronics sector, had to close or reduce operations significantly. An important amount of job losses are also observed in trade, hotels & restaurants, and in the financial services sectors.

The aforementioned situation was illustrated in the unemployment rate of the country that is constantly increasing since 2008. The unemployment rate then was at 3.7%. In the 1<sup>st</sup> quarter of 2009 Job retrenchments were recorded at 12,590 positions, a relatively large figure if compared to 13,851 that the country faced during 2008. As a result the unemployment rate rose to 4% by March 2009.

Nevertheless, the Malaysian economy recovered significantly and in a relative short time. Economic activity showed signs of improvement in the 2<sup>nd</sup> quarter of 2009 a fact that was further visible in the 3<sup>rd</sup> & 4<sup>th</sup> quarter. Consumption, fixed investment, and exports were all improved. Malaysia's export performance illustrates the situation properly. Exports fell by some 31% year-on-year during the first 6 months of 2009. Since then, exports have grown at an average monthly rate of 4% due to the fact that stronger demand from several countries in East Asia and U.S.A.



After a period of strong growth, Malaysia's economy has been hit hard by the global economic downturn. Nevertheless, the recovery from it was quick. The country has the potentiality to remain in a noteworthy economic position. Malaysia is one of three countries that control the Strait of Malacca and therefore international trade plays a great role in the national economy. Additionally, exports of electronics remain a significant driver for the economy and as being an exporter for Gas & Oil, Malaysia has an additional source for the National income.

Kyriazis Vasileios

Epicos Newsletter Head Editor



Malaysia has a vibrant Oil and Gas industry. As a direct effect of this the government revenues is in a great extend derived from the industry. Interesting to mention, PETRONAS (National Oil Co.) have paid in 2008, 67.6 billion RM, a figure which represents the 44% of the federal government revenue. PETRONAS is an important economical player not only for the country but for the global Oil and Gas industry, as it is ranked among the FORTUNE Global 500® largest corporations in the world.

The biggest amount of Malaysia's oil comes from offshore fields. The continental shelf of the country is divided into 3 basins: the Malay (west) and the Sarawak and Sabah (east). The majority of the country's oil reserves is located in the Malay basin and is of high quality.

Regarding the natural gas, much of the country's production comes from Eastern Malaysia, offshore Sarawak and Sabah.

In order to exploit the gas resources that it poses, Malaysia has one of the most extensive natural gas pipeline networks in Asia. The Malaysian pipeline project Peninsular Gas Utilization (PGU) project was completed in 1998. The Peninsular Gas Utilization system spans more than 880 miles and has the capacity to transport 2 billion cubic feet /day (Bcf/d) of natural gas. The country is also connected with pipelines with Singapore and Indonesia.

The significance that natural resources have in the formulation of Malaysian economical policy made the government of the Asian state to formulate several energy policies in the past. The scope of these politics is to regulate the oil and gas industry in order to achieve the country's economic development needs which are as it is specifically highlighted by the Malaysian Ministry of Energy, Green Technology and Water:



- Making available adequate supplies at reasonable prices to support national economic development objectives, thus, placing the application of oil and gas resources to serve national needs as first priority;
- Promoting greater Malaysian representation and providing a favorable investment climate, including creating opportunities for downstream industries; and
- Effecting an optimal social and economic pace of exploration of the country's endowment of exhaustible oil and gas resources, taking into account the need for conservation of these depleting assets and the protection of the environment.

PETRONAS is the synonym of oil and gas for Malaysia and was created under the Petroleum Development Act in 1974.

With the Petroleum Development Act in 1995 the company entered into Production sharing Agreements along with other major petroleum companies.



What follows is a list of these major petroleum companies:

- Petronas Carigali
- Esso Production Malaysia
- Shell Sabah Selatan
- Nippon Oil
- Lundin Malaysia
- Sabah Shell Petroleum
- Sarawak Shell Berhad
- NORSE Hydro
- Sante Fe Energy Resources
- AMERADA HESS
- YPF Malaysia
- Mitsubishi Corporation
- Murphy Sarawak
- Esso
- JAPEX

Malaysia experienced an economic boom and underwent rapid development during and by the end of the 20th century. Major reason of this development was the exploitation of oil and gas, a fact that everyone should consider while studying Malaysia and its oil and gas industry.



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](#)

### **Fabrication of production tooling for defense plastic and/or stamped metallic parts manufacturing**

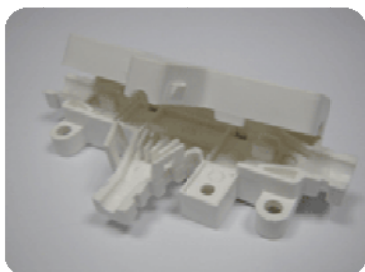


A company with significant experience in the production of high quality tooling for plastic parts manufacturing for the automotive and consumer goods industries is proposing the collaboration for the production of metallic tooling for defense equipment parts. More specifically, it calls for cooperation in the production of moulds for manufacturing plastic components and/or of stamping dies (press tools) for fabrication of metallic stamped parts.

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

Mail at: [a-dimou@epicos.com](mailto:a-dimou@epicos.com)

### **Design and manufacturing of customized injected parts for military application**



A company with long standing experience in the design, development and manufacturing of injected parts is willing to expand its activities in the field of design and manufacturing of customized injected parts for military application.

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

Mail at: [a-dimou@epicos.com](mailto:a-dimou@epicos.com)

**Trade, Labour and Transformation of Community in Asia, by Michael Gillan,  
Bob Pokrant**



One of the most important aspects of globalization is the impact that international trade and global production network has on local business organizations, workers and wider communities in which these activities are embedded. This book is trying to examine the aforementioned issue as it examines the socio-economic transformation in Asia and the restructuring of manufacturing industries, ports and the information technology sector in relevance with the global economic transformation. The author is providing a viable argument in the contemporary discussion of the influence that global trade and production networks has in the national socioeconomic developments and key industries.

**Tiger Economies Under Threat: A Comparative Analysis of Malaysia's Industrial Prospects  
and Policy Options, by Shahid Yusuf, Kaoru Nabeshima**



The remarkable economic recovery of Japan that started in the early 1950s and sustained rapid growth through the early 1970s served to define the iconic East Asian industrialization cum export-led model of growth. Since then several other Asian economies followed the example of Japan. Currently Asian economies feel threatened by competition from other countries and worry that their growth momentum might be flagging. This book is trying to delineate if this ascertainment is accurate by making a comparative analysis of the Asian economies, centered on Malaysia. This analysis draws upon a comprehensive set of techniques and indicators to assess competitive pressures, gauge industrial and technological capabilities.





## Boeing Completes Phase 2 of Turkish Industrial Participation Program

ANKARA, Turkey, Feb. 22, 2010 -- The Boeing Company [NYSE: BA] today announced it has successfully completed the second phase of its industrial participation program for the Peace Eagle 737 Airborne Early Warning & Control aircraft program for the Turkish Air Force. Boeing finished Phase 2 on time and exceeded this phase's \$270 million requirement by \$21 million, demonstrating the company's continued success in meeting its industrial cooperation commitments.

"Reaching this milestone continues our long-standing commitment to invest in the regions where we do business," said Gwen Kopsie, director of International Industrial Participation for Boeing Defense, Space & Security. "This accomplishment further reinforces our focus on developing partnerships and issuing contracts that will result in long-term, high-value jobs in Turkey while further establishing Boeing as an enduring partner to Turkish industry. The Boeing Company has completed projects with 15 Turkish companies and institutions over the past six years."

Boeing completed Phase 1 of the program in 2006. The company remains on track to fulfill all three phases of the \$930 million program for Turkey's Ministry of National Defense Undersecretariat for Defense Industries.

In addition to the Peace Eagle industrial participation program, Boeing also supports the Undersecretariat for Defense Industries' efforts to increase Turkish technology and small-business activities through a NATO Airborne Warning and Control System industrial participation program. That program is on track for completion later this year.

"Boeing's relationship with Turkey spans more than 60 years," said Greg Pepin, president of Boeing Turkey. "Today, Boeing is a major contributor to the Turkish economy through its industrial participation programs, which support more than 1,000 direct jobs and will place work worth a total of more than \$1.2 billion in Turkey through 2013. Boeing has many suppliers and customers in the region and enjoys close, mutually beneficial collaboration with airlines, government, academic institutions and industry."

Boeing has successfully implemented industrial participation programs totaling more than US\$41 billion in nearly 40 countries over the past 30 years.

A unit of The Boeing Company, Boeing Defense, Space & Security [www.boeing.com](http://www.boeing.com) is one of the world's largest defense, space and security businesses specializing in innovative and capabilities-driven customer solutions, and the world's largest and most versatile manufacturer of military aircraft. Headquartered in St. Louis, Boeing Defense, Space & Security is a \$34 billion business with 68,000 employees worldwide.



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**Source:** PRNewswire, Boeing Defense, Space & Security

#### Government to inject 174 million dollars in Air India

India's cabinet on Thursday approved a 174 million dollar injection for cash-strapped national carrier Air India as part of deal committing the airline to a major cost-cutting programme.

A civil aviation ministry statement said the eight billion rupee (174 million dollar) handout would be made in two phases.

The state-run airline declared a 1.19 billion dollar net loss for the year to March 2009 on account of the global economic downturn and reduced passenger traffic.

The statement said the airline would reduce its fleet from 146 to 105 aircraft by March 2011 and try to save 425 million dollars in costs for the current fiscal year.

Air India has recently tried to lower costs by cutting loss-making routes and rationalising wages.

The airline, which merged with state-run Indian Airlines in 2007, announced plans in September to cut performance-related pay by up to 50 percent for over 7,000 employees, including top management.

But the carrier was forced to delay implementation of the plan after senior pilots staged a five-day work stoppage in protest.

**Source:** RIA Novosti

## China congratulates Ukraine's Yanukovich, says ready to develop ties

KIEV, February 22 (RIA Novosti) - Chinese President Hu Jintao has congratulated newly-elected Ukrainian president Viktor Yanukovich on his victory and said China was ready to develop ties with the former Soviet state, Yanukovich's press-service has said. Yanukovich was elected president of Ukraine in the February 7 runoff. The inauguration is scheduled for February 25. "On the occasion of your election as Ukrainian president, I express you sincere congratulations and kind regards from the whole Chinese government and me personally," the Chinese leader was quoted as saying. Ukraine's recent ban on poultry supplies from China and Nepal, which was introduced over suspected bird flu infection, has not prevented the Chinese leader from pledging to "take constant efforts to strengthen traditional friendship between the Chinese and the Ukrainian nations." "The Chinese side pays much attention to the development of friendly relations with Ukraine in all spheres," Jintao said. During the 46th Munich Security Conference in early February, Ukrainian Foreign Minister Petro Poroshenko and his Chinese counterpart Yang Jiechi agreed to cooperate in economic, trade, investment and infrastructure spheres.

**Source:** RIA Novosti

## Elbit Systems Awarded \$20 Million Follow-On Contract for Israeli Air Force's PFI "Snunit" Trainer Aircraft Operation Program

HAIFA, Israel, February 22, 2010 /PRNewswire-FirstCall/ -- Elbit Systems Ltd. (NASDAQ: ESLT) announced today that it was awarded a follow-on contract from the Israeli Ministry of Defense for the continuation of the GROB G-120-AI ("Snunit") trainer aircraft operation program, in service at the Air Force Flight Academy in Hatzerim. Under the new contract, Elbit Systems will operate the trainers for an additional period of ten years, starting in 2012, following the completion of the current program. The contract is valued at approximately \$20 million.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20080408/300441> )

The "Snunit" program was the IAF's first Private Finance Initiative (PFI) project. Under the multi-year program, the IAF purchases training hours onboard Elbit Systems' GROB G-120-AI, and Elbit Systems is responsible for the operation and maintenance of the aircraft, which is performed by a dedicated technical crew Elbit Systems employs in Southern Israel.

Yoram Shmueli, Co-General Manager of Elbit Systems' Aerospace Division, noted: "The IAF's decision to renew the contract for the "Snunit" program attests to the Air Force's high level of satisfaction with the service, availability, usability and security achieved throughout the program to date, as well as from Elbit Systems' similar projects in the Flight Academy at the Hatzerim air force base".

### About Elbit Systems

Elbit Systems Ltd. is an international defense electronics company engaged in a wide range of defense-related 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, airborne warning systems, ELINT systems, data links and military communications systems and radios. The Company also focuses on the upgrading of existing military platforms and developing new technologies for defense, homeland security and commercial aviation applications.

For additional information, please visit us at: <http://www.elbitsystems.com>.

This press release contains forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended) regarding Elbit Systems Ltd. and/or its subsidiaries (collectively the Company), to the extent such statements do not relate to historical or current fact. Forward Looking Statements are based on management's expectations, estimates, projections and assumptions. Forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results, performance and trends may differ materially from these forward-looking statements due to a variety of factors, including, without limitation: scope and length of customer contracts; governmental regulations and approvals; changes in governmental budgeting priorities; general market, political and economic conditions in the countries in which the Company operates or sells, including Israel and the United States among others; differences in anticipated and actual program performance, including the ability to perform under long-term fixed-price contracts; and the outcome of legal and/or regulatory proceedings. The factors listed above are not all-inclusive, and further information is contained in Elbit Systems Ltd.'s latest annual report on Form 20-F, which is on file with the U.S. Securities and Exchange Commission. All forward-looking statements speak only as of the date of this release. The Company does not undertake to update its forward-looking statements.

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**Source:** PRNewswire, Elbit Systems Ltd.

### Dutch air traffic set for slow growth in 2010: operator

Dutch airports will likely see "only slight growth" in passenger and cargo traffic numbers in 2010 because of weakness in the global economy, Dutch airport operator Schiphol Group said on Monday.

The company also reported a 29-percent fall in net profit in 2009 to 132 million euros (180 million dollars) and an 8.1-percent drop in passenger traffic at Amsterdam's Schiphol airport to 43.6 million people.

"In the years ahead we shall continue along the path we have chosen to pursue our ambition for Amsterdam Airport Schiphol of being and remaining Europe's preferred airport," chief executive Jos Nijhuis said in a statement.

"However, given the fragility of the current economic recovery, we expect that in 2010 traffic and transport will show only slight growth," he said.

Schiphol Group has already reduced its workforce by 5.4 percent in 2009 and intends to cut an additional 16 percent by the end of this year.

Schiphol is one of Europe's busiest airports.

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