

Part I

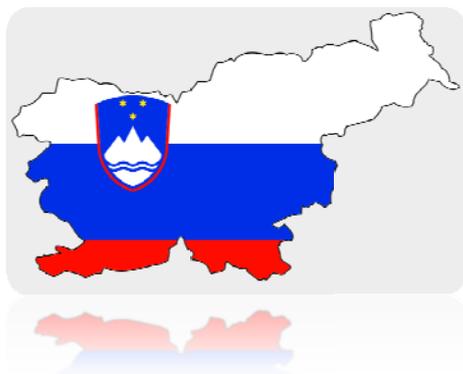
Special Focus: Slovenian Economy

1. **Special Focus: Slovenian Economy**
2. **Slovenia in the New Globalized Economic Environment**
3. **Epicos "Project Opportunities"**
4. **Production of machined parts and components for the defense and civil automotive industry**
5. **Rigid tubes and hoses manufacturing for A&D applications**
6. **Epicos- Amazon**

Part II

Epicos Newsroom

1. **New commander to lead Russian Black Sea Fleet from August**
2. **Lockheed Martin Opens Facility for Integration and Testing of Joint Communications Network Equipment**
3. **Russia's Medvedev hails positive trends in economy, warns against complacency**
4. **Malaysia Airlines sticks with A380 order despite delays**
5. **Kuwait MPs pass deficit budget for national carrier**

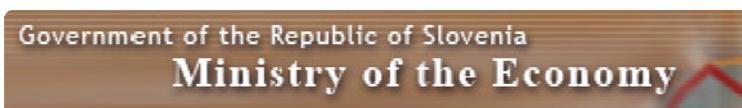


Slovenia is a small open economy that enjoys prosperity and stability. It can be fairly characterized as a developed country something that is highlighted by the fact that became the first 2004 European Union entrant to adopt the euro. Slovenia is benefited by a developed infrastructure, a well-educated work force, and a strategic location between the Balkans and Western Europe. Nevertheless, the abovementioned economic prosperity was

seriously averted during 2009 due to the global financial crisis. Gross domestic Product (GDP) declined by 7.3% mainly due to the significant drop in exports and gross fixed capital formation.

Historically the economic status quo of the country was developed. It is indicative that although it comprised only about 1/13 of Yugoslavia's total population, it was the most productive of the Yugoslav republics, accounting for 1/5 of its GDP and 1/3 of its exports. Therefore, when it gained independence in 1991 already had a relatively prosperous economy and strong market ties to the West. Since then significant steps have been made towards the further integration of the country into the socio-economical institutions of the West.

Slovenia is nowadays a member of the World Trade Organization, joined



European Union on May 1st, 2004 and introduced to the Euro at the beginning of 2007. Additionally, Slovenia participates in SECI (Southeast European Cooperation Initiative), and in the Central European Initiative.

Since 1997, Slovenia has been a model of economic success and stability for the region. Has enjoyed dynamic growth and is steadily moving towards the most advanced states of Europe. The aforementioned economic situation created a favorable business environment. This environment was further reinforced by the structural reforms that paved the way to European Union (EU) accession in 2004. Additionally, practical and meticulously implemented macroeconomic policies helped to maintain growth without creating any major imbalances.

Gross Domestic Product (GDP) growth

	2006	2007	2008	2009	2010	2011
GDP real growth rate (%)	5.8	6.8	3.5	-7.3	0.9	2.5

Source: Invest Slovenia

This abovementioned economical situation was dramatically altered during 2008 when the Slovenian economy was hit hard by the international financial crisis and the collapse of external demand. The situation was further deteriorated during 2009 when the economy was shrunk by 7.3%. The severity of the impact is explained by the degree of external openness of the economy, the structure of exports and the transmission of the collapse of external demand on domestic production, investment and private consumption. The sectors that were worst-affected have been those producing cyclically-sensitive goods, such as the automobile sector (1.1% of Slovenian value-added). In the end of 2009 and through 2010 a small recovery began underpinned by a rebound in exports. The pace of growth should pick up gradually through 2010 and 2011 as the forces constraining domestic demand recede.

Slovenia is a developed country which showcased a tremendous progress throughout last years. Though, the economic crisis of 2008 created a negative economic environment in the country, which highlighted that there are still a lot of changes the country should do in order to have a perpetual expansion of its economy.

Kyriazis Vasileios,
Epicos Newsletter Head Editor

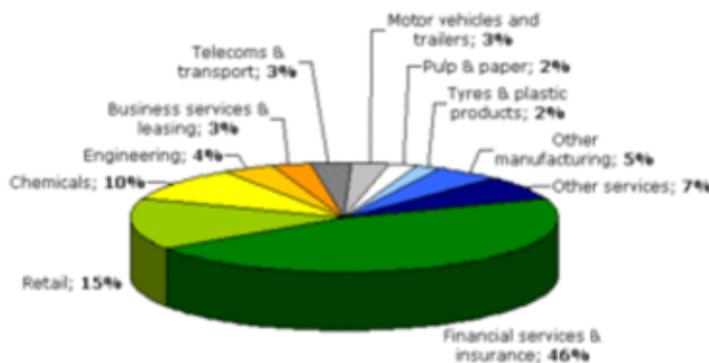


Nowadays, globalization is a key element for any national economy and Slovenian economy has not been an exception. Slovenia grasped the opportunity and developed an active strategy in order to

draw profit from globalization advantages and at the same time to share responsibility for the control of related risks at the international level. After all, it is reasonable for a small country to give priority in joining international socioeconomic organizations and use them as a vehicle for connecting to global production systems, as well as world trade and finance.

In order to achieve that Slovenia has a natural ally. Lying at a junction of natural trading routes, it has always been a crossroads and a huge gateway from Eastern to Western Europe.

Inward FDI into Slovenia by sector



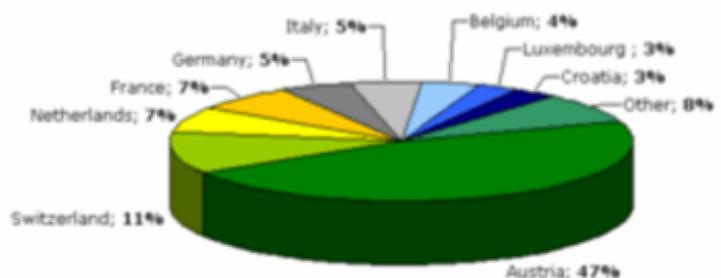
Source: Bank of Slovenia, 2009

Additionally has a rich industrial history and a traditional openness to the world. This had been further reinforced by its entrance in the European Union's and the subsequent boost of trade links with Western Europe.

One of the ways of measuring the level of globalization of a national economy is by measuring the average share of exports and imports in gross domestic product (GDP). In Slovenia the aforementioned share increased from 52% to 70% from 1995 to 2008.

In the early 90's Slovenia faced an economic shock, when it lost the Yugoslav markets in which it channeled most of its products. Therefore a new trading policy was formulated and the bulk of trade was reoriented towards the EU and associated countries. In 2008, the Slovenia– EU trade accounted for over 2/3 of Slovenia's trade. Nevertheless, traditional links with the countries of the former Yugoslavia not disappeared, in the contrary during 2008, Serbia, Croatia and Bosnia-Herzegovina was in the first ten trading partners of Slovenia.

Main investing countries into Slovenia



Source: Bank of Slovenia, 2009

Total exports during 2009 in Slovenia amounted to

approximately \$24.3 billion, whereas total imports to \$22.9 billion. The product composition is still dominated by semi-finished and intermediate manufacturing goods, though this tendency is shifting gradually. The shares of textiles, clothing and steel in merchandise exports are declining slightly, while those of automotive products, electronics and pharmaceuticals are increasing.

Another indicator that showcases the internationalization of the Slovenian economy is the amount of foreign direct investment inflows. In the past years Slovenia had a low level of FDI inflows something that indicates that the country was not widely recognized as an attractive location for mobile investment. The main reasons are generally associated with the fact that Slovenia in the first half of the 90's was a young country starting the transition to a market economy that faced a malfunctioning privatization process that left less room for foreign investors than in other countries in the region. Additionally, the domestic service sector was ahead of other countries of the area something meant that foreign companies had to make greater efforts than in other countries in the region to win the same market share.

Of course throughout the years the aforementioned situation has altered as existing foreign-owned companies are expanding as they are continuing to try concentrating a bigger share in the market. In 2008 the total amount of FDI was 11 billion Euros.

Kyriazis Vasileios,
Epicos Newsletter Head Editor



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](#)

Production of machined parts and components for the defense and civil automotive industry



A company specialized in supplying parts and services for the machining sector and with extensive experience in the aerospace industry is willing to collaborate with a Prime Contractor or a third party company and to expand its activities for the provision of machined parts to the automotive industry for vehicles used both for military and civilian applications.

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

Mail at: a-dimou@epicos.com

Rigid tubes and hoses manufacturing for A&D applications



A company specialised in the production and commerce of hoses, control cables and rigid tubes for aircrafts is willing to act as lower tier subcontractor in the development and manufacturing of rigid tubes and hoses for A&D applications worldwide.

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

Mail at: a-dimou@epicos.com

OECD Economic Surveys: Slovenia 2009, by OECD Organization for Economic Co-operation and Development



OECD is an international organization in which 30 democracies work together to address the economic, social and environmental challenges of globalization. OECD is also at the forefront of efforts to help governments respond to the new development and concerns, such as corporate governance, the information economy and the challenges of an ageing population. This is the organization's survey of Slovenia's economy. It includes a variety of subjects such as the challenges that the Slovenian economy faces due to the new socio-economical environment that the entrance to the Monetary Union created and the problems that the global economic crisis created.

Handbook on Small Nations in the Global Economy: The Contribution of Multinational Enterprises to National Economic Success, by Daniel Van Den Bulcke, Alain Verbeke, Wenlong Yuan



The Globalization of a national economy is a rather important parameter that delineates its competitiveness. It is a common belief that success of a specific industry in a nation critically depends on the configuration and interplay among four sets of conditions, factor condition; demand conditions; related and supporting industries; strategy and finally structure and rivalry. The outcome of a favorable configuration and interplay of the aforementioned criteria, leads to an internationally competitive industry, as measured by exports or outwards foreign direct investment. However, in the case of small economies, the aforementioned conditions are unlikely to exist for all sets of conditions simultaneously. This book is trying to delineate which conditions are the most important.



[New commander to lead Russian Black Sea Fleet from August](#)

MOSCOW, June 29 (RIA Novosti) - Vice Adm. Vladimir Korolyov will be appointed commander of the Russian Black Sea Fleet in August, a spokesman for the Russian Navy said on Tuesday. Korolyov, currently a deputy commander of the Northern Fleet, will replace Vice Adm. Alexander Kletskov, who is due to retire in August. "The official appointment of Vice Adm. Korolyov is scheduled for August this year," the spokesman said. Russia's Black Sea Fleet is stationed in Ukraine's port of Sevastopol under a lease agreement. Moscow and Kiev recently signed a deal extending the lease on the fleet's base in Sevastopol for 25 years after the current lease expires in 2017. President Dimitry Medvedev has instructed the Russian Defense Ministry to prepare a plan for the development of the Sevastopol base, which plays a key role in ensuring Russia's presence in the Black Sea region and the Mediterranean. Russian Navy Commander Admiral Vladimir Vysotsky said last week that Russia's Black Sea Fleet will be reinforced with 15 new combat ships and diesel-electric submarines by 2020.

Source: RIA Novosti

[Lockheed Martin Opens Facility for Integration and Testing of Joint Communications Network Equipment](#)

SAN DIEGO, June 28 /PRNewswire/ -- Various equipment sets essential to providing secure, ubiquitous communications for a next generation joint services tactical network will be tested at a state-of-the-art facility opened by Lockheed Martin (NYSE: LMT). The Lockheed Martin System Integration Facility in San Diego, Calif., will be used for the integration and testing of the Airborne & Maritime/Fixed Station Joint Tactical Radio System (AMF JTRS), a secure Internet-Protocol network that will provide real-time, non line-of-sight communications for warfighters in all services within the Department of Defense.

"Lockheed Martin opening this testing facility is a visible demonstration of our commitment to our customer and to the success of the AMF JTRS program," said Mark Norris, Vice President for Lockheed Martin's Joint Tactical Network Solutions. "We will leverage this facility to ensure that the AMF JTRS equipment is fully compliant with all JTRS operational requirements."

The Systems Integration Facility will serve as a testing ground for several configurations of the AMF JTRS Small Airborne and Maritime Fixed Station form factors (radios). The team will use unique tool sets at the facility to verify key requirements associated with a variety of communications systems, both AMF JTRS and legacy radios. Working in conjunction with the customer, Lockheed Martin's integration and test team will verify various system-level requirements, including key performance parameters, which will be used for assessment as the team proceeds towards Milestone C, the Low Rate Initial Production (LRIP) decision point.

The Lockheed Martin team includes BAE Systems, General Dynamics, Northrop Grumman and Raytheon.

Headquartered in Bethesda, Md., Lockheed Martin is a global security company that employs about 136,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. The Corporation reported 2009 sales of \$45.2 billion.

For additional information, visit our website: <http://www.lockheedmartin.com>

Source: Epicos, Lockheed Martin

Russia's Medvedev hails positive trends in economy, warns against complacency

MOSCOW, June 29 (RIA Novosti) - Russian President Dmitry Medvedev said on Tuesday that the economy was demonstrating positive trends but warned against complacency. "The economic situation in the country has improved considerably since the preparation of the budget message on the 2010-2012 budget policy. Certain positive trends have manifested themselves in the Russian economy and some of its sectors are demonstrating the signs of growth; the financial and banking systems function uninterruptedly," he said. At the same time, the Russian economy continues to depend on global raw materials markets, Medvedev said. "Sufficient conditions and stimuli have not yet been created to introduce and develop modern technologies, boost the economy's energy and ecological efficiency and labour productivity and stimulate economic sectors and industries rolling out products with high added value, implement innovation projects and modernize the country's social and economic system," he said. Medvedev said the specifics of the Russian economy created a host of challenges and risks for its further development, with the most serious danger stemming from situational external factors largely linked to global oil prices that could lead to unjustified complacency, which was often seen in the past, and the failure to use the chance for the country's modernisation. He added that Russia must limit reliance on revenues from its key oil and gas industries and balance the budget with other funds. "In the mid-term, use of oil and gas revenues should be limited, with the focus on a balanced federal budget with reasonable oil price forecasts," Medvedev said.

Source: RIA Novosti

Malaysia Airlines sticks with A380 order despite delays

State-owned Malaysia Airlines (MAS) will not cancel its order from Europe's Airbus for six A380 superjumbos despite delivery delays, a government minister said Tuesday.

Last week, MAS chief executive Azmil Zahrudin said the carrier might consider cancelling the order because of the long delays, which he said were hurting route expansion plans.

"At this juncture, MAS has no plans to rescind the order," deputy transport minister Abdul Rahim Bakri told lawmakers, according to state news agency Bernama.

He noted that Airbus had paid 329 million ringgit (102 million dollars) in compensation to MAS, and said the airline would now take delivery of the double-decker aircraft in April 2012.

The carrier in April said Airbus had pushed back the delivery of its first A380 superjumbos for the second time.

MAS had placed an order for six of the giant planes which were initially to be delivered from January 2007, but this was first pushed back to late 2011 before the latest delay to 2012.

Malaysia Airlines announced in December that it would buy up to 25 Airbus 330-300 wide-body aircraft worth five billion dollars to serve its growing needs. The aircraft were slated for delivery from 2011 to 2016.

The airline recorded a net profit of 310 million ringgit (96 million dollars) in the three months to March, helped by the compensation from Airbus and an increase in traffic.

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

Kuwait MPs pass deficit budget for national carrier

Kuwait parliament on Tuesday passed the 2010-2011 budget of state-owned Kuwait Airways Corp. (KAC) with a projected deficit of 180 million dollars.

Revenues for the privatisation-bound airline are projected at 853 million dollars while expenditure is estimated at 1.033 billion dollars. The fiscal year runs from April 1 to March 31, 2011.

KAC chairman Hamad al-Falah said last month the national carrier incurred a loss of 189 million dollars in the previous fiscal year.

The carrier has posted a loss in all but one of the past 20 years, accumulating losses of more than 2.5 billion dollars.

Parliament however rejected a recommendation from opposition MPs that called for suspending the privatisation of KAC until the accounting watchdog Audit Bureau conducts a probe into graft allegations in the airline.

Kuwait already has two private airlines, Wataniya Airways and the low-cost Jazeera Airways.

In March, the government formed a committee to probe allegations of widespread corruption in the carrier and vowed to refer the findings to the public prosecutor.

Communications Minister Mohammed al-Baseeri, whose ministry oversees KAC, told parliament on Thursday that the committee had completed the investigation last week.

Under a privatisation law passed in 2006, KAC will be transformed into a private company with a 35-percent stake to be sold at auction to foreign or local investors and 40 percent to be sold to Kuwaiti citizens in an initial public offering.

Twenty percent will be reserved for state-run institutions and the remaining five percent will be distributed for free to the Kuwaiti employees.

The airline has a fleet of 15 Airbus and two Boeing aircraft which it bought in the early 1990s.

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