

**Part I**

**Special Focus: Latvia**

1. **Special Focus: Latvia**
2. **Latvian Defence Industry and its Role in the National Procurement Program**
3. **Epicos " Industrial Cooperation and Offset Projects "**
4. **Design and manufacturing of special purpose jigs and machines for the aerospace and defense industry**
5. **Manufacturing of structural parts and subassemblies for the aerospace industry**
6. **Epicos- Amazon**

**Part II**

**Epicos Newsroom**

1. **France signs deal to sell four warships to Russia**
2. **Taiwan aborts Bell helicopter upgrade deal**
3. **Japan vows to strengthen economic ties with Russia**
4. **Boeing, Alaska Airlines Complete Contract for 15 Next-Generation 737s**
5. **Russia to back TAPI gas pipeline project in Central Asia**

## Special Focus: Latvia



The constant development of the national defence abilities of Latvia, both on a national level, and within the framework of collective defence is the main scope of the Latvian defence policy. This is planned in accordance with the geopolitical situation of Latvia, available resources and the military abilities to be applied within the framework of collective security. Latvia is not only a consumer of security, but is also participating in international operations and promotes cooperation with its NATO and EU allies. Through this procedure, the Latvian National Armed Forces (NAF) provide their allies with political and practical support for resolving current security issues and to gain valuable military experience.

Therefore, the structure of NAF is schemed so as to be able to successfully meet their missions in the NATO collective defence system, as well as to be able to protect the national defence of Latvia. In compliance with the NAF Law, the development of the NAF is planned for 12 years (the long-term development plan of the NAF), 4 years (the medium-term development plan of the NAF) and for every year (the annual development plan of the NAF). These plans determine the forthcoming development of the structural provision of the Armed Forces, the personnel, armament and material supply of the National Armed Forces and the funds from the State budget that will be used in order to fulfill these developments.

As a member of NATO, Latvia has to develop efficient management, supervision and communication systems that will be compatible with the units of the armed forces of NATO countries in the following fields: defence from weapons of mass destruction, the security of supervision and information systems, the increase in the efficiency of the battle abilities of the units, by establishing the approved NAF structure, new kit, equipment and weapon systems and finally the introduction of the provision and an accounting system of materially technical resources. Additionally, it is necessary for the NAF to have high level of mobility and extendibility so as to be able to participate in international operations.



Latvia has already participated in several international operations. This started in 1996 in the Balkans, Bosnia and Herzegovina, which since 2004 has been a European Union military operation (ALTHEA), and continued until October, 2009. In July of 2009 Latvian contingent EDSO observer mission was ended in Georgia and in August of the same year in Kosovo (KFOR). From 2003 to 2008 Latvian contingent has participated in the international mission in Iraq (OIF).



Currently, the country is taking part in the international operation in Afghanistan (ISAF) and since 2006 the country has been part of NATO Response Force (NRF) and EU Battlegroup (EU BG 2010).

Additionally, Latvia is in close cooperation with the Baltic States. This cooperation is based on their common interests and objectives and is aimed at improving the security and welfare of each country, as well as maximizing their contribution to NATO and the EU. Close cooperation between the Baltic States is regarded as a

key tool for strengthening Latvia's stability and security.

Finally, Latvia is cooperating with the Nordic countries. The aforementioned cooperation is based on the common interest and principles of promoting security and stability in the Baltic Sea region, strengthening each individual country's military capabilities, readiness to participate in international operations and effectively using human and financial resources to develop military capabilities. It is important for Latvia to continue this cooperation in the following main areas: pre-deployment training and common contribution to operations; personnel training and personnel exchange; logistic and procurement issues; advice on host nation support issues, defence planning and environmental protection as it will further reinforce the readiness of the country's armed forces.

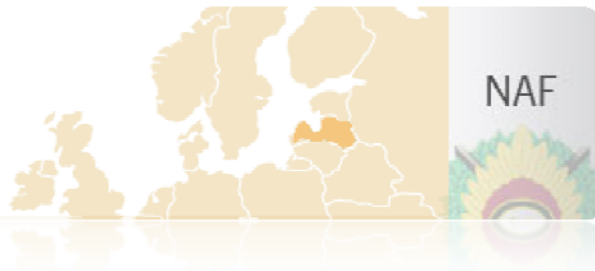
Kyriazis Vasileios,  
Epicos Newsletter Head Editor



## Ministry of Defence Republic of Latvia

Latvian companies have the potential to operate as subcontractors in the defence industry supply chain and furthermore Latvian companies that are not directly involved in the defence sector can find additional possibilities in the defence markets. Certainly, Latvia can not rely on that for the armament of its armed forces. Therefore, suppliers from foreign countries such as the Netherlands and Italy provide the necessary equipment to the Latvian armed forces.

Latvian defence industry is rather partial and its involvement in the procurement of the national armed forces is limited to low and medium technical level products. However, Latvian industry can be involved in several science fields that could later develop and be used in defence. In a study conducted by the Institute of Economics of the Latvian Academy of Sciences named "Development of Defence and Related Industries in Latvia" the science



fields that can be developed for applications to defence requirements were the follow: pilotless aircraft, wireless technologies, with the help of which it is possible to perform heart-beat monitoring for officers

in battle or other extreme conditions. Technologies for water sterilization in battle conditions if water is obtained from open reservoirs, energy accumulations technologies, microclimate conditioning systems integrated in clothing and others.

Additionally, the same study pinpointed the sectors of metal industry, the manufacture of specific electrical, optical and communication equipment as one that could more actively consider the NATO market. IT and construction sectors are also capable of providing services of an appropriate quality to the Armed Forces of NATO and EU, according to the study.

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

	2006	2007	2008	2009	Total
Netherlands		44	44		88
Sweden	11	2	-	-	13
Italy	-	5	-	-	5

Source: SIPRI Publications, Arms Transfers Database

As it is already stated, Latvian companies provide the Latvian armed forces mainly with low

and medium technical level products whereas high-tech products are imported. Based on the amount of funds allocated, Netherlands is currently the main exporter of arms in Latvia. Apart from Netherlands, important countries that export arms to Latvia are, Sweden and Italy. Imports are rather restricted in their geographical structure as only European countries are included in the first three (3) countries. This highlights the geographical and political proximity of the country with Europe.

One of the defence systems that Latvia procured from Netherlands during the last years was (4) Tripartite MCM ships. The total amount of the procurement was 57 million EURO dollars. Furthermore, in 2007 Latvia bought (2) Giraffe-40 Air search radars RBS-70 for a total amount of 28 million US dollars. These radars were to be use with RBS-70 SAM systems.

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](#)

### Design and manufacturing of special purpose jigs and machines for the aerospace and defense industry



A company with long standing experience in automotive industry is proposing the collaboration with a prime or lower tier company for the design and manufacturing of jigs and/or machines that can be used for general or special purposes in the process for aerospace and defense equipment manufacturing and testing.

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

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

### Manufacturing of structural parts and subassemblies for the aerospace industry



A company with extensive experience in the manufacturing of structures for the aeronautical sector is proposing the collaboration with a Prime contractor for the subcontracting of structural parts and subassemblies manufacturing for the aerospace industry.

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

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



**Civil-Military Relations in Post-Communist Europe: Reviewing the Transition, by Timothy Edmunds, Andrew Cottey, Anthony Forster**



The countries of the Central and Eastern Europe region inherited an onerous legacy in the area of Civil-Military relations: their armed forces were part of the communist party-state system and most were oriented towards Cold War missions; they were large in size and supported by high levels of defense spending; and they were based on universal male conscription. Central and eastern European states have thus faced a three fold civil-military reform challenge: establishing democratic and civilian control over their armed forces; implementing organizational reform to meet the security and foreign policy demands of the new era; and redefining military bases for legitimacy in society. This volume assesses the experience of Poland, Hungary, Latvia, Romania, Croatia, Serbia- Montenegro, Ukraine, and Russia. Collectively, these countries illustrate the way in which the interaction of broadly similar post communist challenges and distinct national contexts have combined to produce a wide variety of different patterns of civil-military relations.

**Russia's European Agenda and the Baltic States, by Janina Sleivyte**



Russian foreign policy has become an increasing concern the last decade, together with Russia's relations with its former Soviet neighbours - but its relations with the Baltic States are particularly sensitive, given the Baltic membership of NATO and the EU and Russia's increasingly fractious relations with those institutions. This book discusses the development of Russia's approach to the new security architecture in Europe and assesses the prospects for a more active engagement of Russia in the Baltic Sea region and Europe as a whole. The book considers the full range of issues affecting security, including energy, economic relations; the special position of Russia's Kaliningrad enclave; and Russia's special interest in the Russian minorities in the former Soviet Baltic states.



### France signs deal to sell four warships to Russia

France has signed a deal to sell four Mistral warships to Russia, including two to be built in Russia, President Nicolas Sarkozy's office said Tuesday.

"The governments of the two countries agree to give their full support to the construction of two (warships) in France and two in Russia," said a joint French-Russian release by the Elysee.

The statement came as Sarkozy was visiting the naval shipyards in the western port of Saint-Nazaire where the warships will be built.

France has been negotiating with Russia since 2009 on the deal to sell Moscow the Mistral, a powerful warship capable of carrying helicopters and tanks, costing around 500 million euros.

The deal will be the first sale to Russia of such technology by a NATO country and France's NATO allies have expressed concern about arming Russia with modern Western weaponry.

A Mistral-class ship can carry up to 16 helicopters, four landing craft, 13 battle tanks, around 100 other vehicles and a 450-strong force. It has facilities for a full command staff and is equipped with a 69-bed hospital.

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

### Taiwan aborts Bell helicopter upgrade deal

The United States and Taiwan have put on hold attempts to agree on a utility helicopter upgrade contract, meaning nearly half the island's civilian rescue fleet will be grounded, an official said Tuesday.

Taiwan had planned to upgrade eight UH-1H utility helicopters dating back to the 1970s and used by the island's non-military National Airborne Service Corps at an estimated price of Tw\$928 million (\$31.5 million).

But a series of nine biddings attended only by the helicopter's maker, Bell Helicopter Textron Inc., all ended in failure.

"Bell hiked the price several times and the government has decided to temporarily shelve the deal," an official at the National Airborne Service Corps told AFP on condition of anonymity.

"Our rescue capabilities will be reduced as the aging UH-1Hs will be used in training courses rather than major rescue missions."



The unit operates 37 planes, among them 15 UH-1Hs, all of them with a service history of more than 35 years. While eight of the 15 were slated for upgrade, seven of the UH-1Hs will be gradually retired, he said.

Three crew members were killed when a UH-1H crashed in heavy fog while on a typhoon relief flight in southern Taiwan in 2009, raising concerns about the safety of the aging helicopter fleet.

In an arms sale package announced in January 2010 that irked Beijing, the United States approved the sale of 60 Sikorsky Aircraft-made Black Hawk utility helicopters.

Taiwan's President Ma Ying-jeou has ordered that 15 of the 60 Black Hawks be transferred from the army to the National Airborne Service Corps, with the first ones due to be delivered in 2013.

Local representatives for Bell Helicopter Textron were not immediately available for comment.

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

### Japan vows to strengthen economic ties with Russia

TOKYO, January 24 (RIA Novosti) - Japan plans to develop economic cooperation with Russia, the country's prime minister, Naoto Kan, said on Monday. "We will broaden cooperation with Russia in the economic sphere, including the development of natural resources," Kan said during the opening session of the Japanese parliament. Relations between the two countries, who remain technically at war since no peace agreement has been signed to end WWII hostilities, soured in November when Russian President Dmitry Medvedev paid a visit to one of the four disputed Kuril Islands (known as Northern Territories in Japan) separating the East China Sea from the Pacific Ocean. The islands were annexed by the Soviet Union at the end of World War II. Kan described Medvedev's trip as "very regrettable" and fired Japan's ambassador to Moscow for failure to timely inform Tokyo about the visit. Kan pledged on Monday to pursue the resolution of the issue and the signing of a peace agreement with Russia. Japanese Foreign Minister Seiji Maehara said he would "apply all forces to resolve the issue," adding that he was planning to discuss the dispute with the Russian authorities during his visit to Moscow on February 10.

**Source:** Ria Novosti

### Boeing, Alaska Airlines Complete Contract for 15 Next-Generation 737s

SEATTLE, Jan. 25, 2011 /PRNewswire/ -- Boeing (NYSE: BA) and Alaska Airlines today announced an order for 15 Next-Generation 737 airplanes, comprised of 13 737-900ERs (extended range) and two 737-800s. The 737-900ER is a new model for the Alaska Airlines fleet. The contract, which includes exercised options previously placed by Alaska, is valued at \$1.3 billion at list prices.

The largest and newest model in the 737 family, the 737-900ER can carry up to 26 more passengers or fly about 500 nautical miles (926 km) farther than the 737-900. The longer range of the 737-900ER will connect distant city pairs across continents, such as Seattle to Orlando, Fla., in a generous two-class configuration. It has substantial economic advantages over competing models, including six percent lower operating costs per trip and four percent lower operating costs per seat mile. Alaska Airlines plans to operate the 737-900ER in a two-class configuration with 178 to 184 seats.

"The reliability and efficiency of our 737 fleet has been a direct contributor to our strong financial performance," said Brad Tilden, president of Alaska Airlines. "The 737-900ER will be a perfect fit for our transcontinental, high traffic west coast and mid-continental markets and will be the most fuel efficient airplane in our fleet. We look forward to adding the same 'Proudly All Boeing' logo to these airplanes that already adorns the rest of our 737 fleet."

The Next-Generation 737s will add capability to Alaska Airlines' fleet of 114 737s currently serving 61 destinations in the United States, Canada and Mexico.

"Alaska Airlines has established a strong record of operational and financial performance by operating a highly efficient and flexible all-Boeing 737 fleet," said Marlin Dailey, vice president of Sales and Marketing for Boeing Commercial Airplanes. "The addition of these Next-Generation 737s demonstrates our hometown partner's strong investment in its future growth. It also speaks to the continuous improvements we are making to the Next-Generation 737 in terms of efficiency, economics, reliability and passenger comfort."

The Next-Generation 737 family is the world's best-selling commercial jetliner. Demand for the Next-Generation 737 has led Boeing to announce two production rate increases, leading to the highest-ever production rates for the airplane in 2013.

Contact:

Tim Bader  
North America/Leasing Sales Communications  
+1 206-859-3633  
tim.s.bader@boeing.com

Vicki Ray  
737 Communications  
+1 206-852-3319  
vicki.l.ray@boeing.com

More information: <http://www.boeing.com/commercial/737family/index.html>

**Source:** Epicos, Boeing

### Russia to back TAPI gas pipeline project in Central Asia

MOSCOW, January 21 (RIA Novosti) - Russia will cooperate in a range of energy projects including the construction of the Trans-Afghanistan (TAPI) pipeline, Russian President Dmitry Medvedev and his Afghan counterpart Hamid Karzai said in a joint statement on Friday. The pipeline project participants Turkmenistan, Afghanistan, Pakistan and India, signed a final

agreement in December 2010 to build the TAPI gas pipeline to pump gas to India from Central Asian states. In October 2010, Russian Deputy Prime Minister Igor Sechin said the country's gas giant Gazprom might participate in a consortium to build the pipeline. India suggested Gazprom join the project as one of the suppliers along with Azerbaijan, Kazakhstan and Uzbekistan. The 1,700 kilometer pipeline with an annual flow capacity of 30 billion cubic meters and a rough cost of \$4 billion, which was stalled by the war in Afghanistan, is supported by the Asian Bank for Development. Besides the TAPI pipeline, Russia will join an ambitious project to deliver electricity from Tajikistan to Pakistan. The project, called CASA-1000, envisages the construction of a power transmission line to transfer surplus electricity from Tajikistan to Kabul and northwestern regions of Pakistan. The project is estimated to cost some \$680 million.

**Source:** Ria Novosti