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*Special Focus: Spain*

Throughout the last decade the concept of security and defence has experienced important changes that have completely altered the way which countries apprehend their national security policy. The creation of new threats and risks required the implementation of a new policy that take into account the aforementioned international situation. Therefore the Spanish authorities created a new Armament and Equipment Policy that answers to this new reality and fulfills the needs of the Armed Forces that are determined by its actions, both national and those that derive from

international commitments.

In order to develop the aforementioned policy and attain the set objectives, the following courses of action are established:

- Integration of the development of the Armament and Equipment Policy into the per capacity planning process, aligning the management of armament and equipment with the achievement of military capacities.
- Optimisation and coordination of the research, development, acquisition, modernisation and sustaining of armament and equipment processes with the purpose of guaranteeing compliance of requirements and minimising execution times and resources used.
- Rationalisation of demand to the national and international defence industry, in accordance with the material and technological needs and priorities of the Armed Forces in the short, medium and long term, and with the development of the national and international industrial environment.
- Support research, development and innovation in the ambit of defence as a means of ensuring the improvement of the current systems and obtaining technological capacities for the development of future systems.
- Implementation of a sustenance management that increases the operative availability of the weapons systems and rationalises the related costs.
- Collaboration with our international partners and allies in the ambit of armament and equipment, attaining optimum industrial and operative interoperability, complementarity and compatibility levels.



In order to further enhance its defence capabilities and the overall impact that the Spanish forces have in the international scene, Spanish authorities signed several bilateral and multilateral, defence collaboration agreements.

Spain is currently signed up to:

➤ 50 defence agreements (France, The United Kingdom, Greece, Norway, The Netherlands, Belgium, Tunisia, Mauritania, Morocco, Venezuela, Russia, Romania, Hungary, Bulgaria, Cuba, The Czech Republic, Poland, The Ukraine, Chile, Slovenia, Portugal, Slovakia, Estonia, Croatia, The Dominican Republic, Latvia, Lithuania, Bolivia, Jordan, The United States of America, Colombia, Algeria, Malaysia, Argentina, Albania, Peru, Cape Verde, Bosnia-Herzegovina, El Salvador, Guatemala, Honduras, Nicaragua, Mozambique, South Korea, South Africa, Libya, Saudi Arabia, Ecuador, Serbia and FYROM).



➤ 21 agreements that are at different stages of negotiation with the following countries: Uruguay, Namibia, Egypt, Israel, Switzerland, Brazil, Mexico, Paraguay, Senegal, Angola, Gabon, Guinea-Bissau, Equatorial Guinea, Afghanistan, United Arab Emirates, Kuwait, Qatar, China, India, Pakistan and The Philippines.

➤ 30 joint committees (Albania, Bosnia-Herzegovina, Croatia, FYROM, The Ukraine, El Salvador, Guatemala, Honduras, Nicaragua, The Central American Armed Forces Conference (CFAC), The Dominican Republic, Argentina, Bolivia, Chile, Colombia, Ecuador, Peru, Algeria, Cape Verde, Libya, Morocco, Mauritania, Tunisia, Mozambique, South Africa, Israel, Jordan, Saudi Arabia, South Korea and Malaysia).

Kyriazis Vasileios,  
Epicos Newsletter Head Editor

## Spanish Defence Industry and the Impact of International Industrial Cooperation



Spanish Defence Industry is traditionally known for the quality of its products. Currently is actively participating in the reform of several sectors of the Spanish Armed forces as well as in the broadening

of its markets. In order to adapt to the new environment the Spanish defence industry is trying to create adequate conditions in its industrial and technological base with a view to being part of the big European consortia, and being able to compete and cooperate in equal terms at international level. In order to achieve this, Spain has signed around 140 bilateral agreements regarding armament and equipment matters with 46 countries, 21 of these agreements are of general cooperation in the framework of armament and equipment, six regard ensuring quality, and the rest are technical in nature and refer to specific programs or weapons systems.

Additionally, the Ministry of Defence in order to further enhance the capabilities of the defence industry has formulated an industrial cooperation policy since 1983. The intention of this policy is that the foreign supplying companies commit to generating industrial or technological developments in Spain similar to the value of the purchase made abroad. The main objectives of this policy are: the attainment of the necessary self-sufficiency to support the systems acquired during its life cycle, both in the Armed Forces and in the industry, the development and consolidation of strategic industrial sectors and the creation of an industrial and technological base of defence which is effective and competitive that contributes to its consolidation at European level. Some of the most important results of this policy are the industrial scheme established in the "Leopard" battle tanks or in the F-100/F-105 Frigates.



The Spanish industrial cooperation policy which is in line with what is established in the Code of Conduct drawn up by the European Defence Agency (EDA), gives priority to those transfers that affect the sensitive technologies of the acquired systems or that affect other advanced technologies of military interest, as well as to staff training and the establishment of excellence centres that may carry out national developments from the transferred knowledge, in order to ensure the National Defence's supply and future needs.

Additionally, Spain participates in international development programs through different international organisations such as NATO with programs like SOSTAR, NAEW, ACCS and MIDS, European Union in programs like EUCLID, organization for Joint Armament

Cooperation (OCCAR): with programs such as TIGER and A-400M and finally bilateral or multilateral collaboration, such as Eurofighter, Meteor, Helios, Pleiades and Vulcano.



Another way through which the Spanish authorities are trying to enhance the defence capabilities of the country is by strengthening bilateral relations in the ambit of armament and equipment with those countries that is considered necessary. Currently, Spain maintains fluid and continued institutional relations are with more than 70 countries.

By using the assets obtained by international cooperation schemes Spanish defence industry has developed and is currently characterised by its dual nature (producing both for the civil market and for the Ministry of Defence), its participation in highly technological international programs and its adaption of the developments carried out for the civil market to the ambit of Defence. For this reason, Spanish defence industry constitutes an integral part of the industrial status quo of the country.

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...

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### Development of a portable mission data acquisition Remote Terminal Unit (RTU) with advanced vehicle mission control and functions monitoring capability for UAVs



Unmanned Aerial Vehicles (UAVs) are systems for intelligence, surveillance and reconnaissance and weapon delivery. A company specialized in the design, development and manufacturing of UAVs is proposing collaboration in the design and development and/or manufacturing of a portable mission data acquisition Remote Terminal Unit (RTU) with advanced vehicle mission control and functions monitoring capabilities that can be used on a wide range of Unmanned Aerial Vehicles (UAV) worldwide.

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

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

### 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 analysis of UAV thermal signatures and to develop solutions for managing and reducing such signatures.

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

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

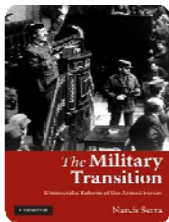


### International Crisis Management: The Approach of European States, by Marc Houben



This book presents an inquiry into the politics of international crisis management, viewed from a European perspective. It does not attempt a historical description of international crisis management in general or of any specific aspect of international crisis in particular. It is rather an effort to develop a way of looking at and thinking about international cooperation in crisis management operations- in short, a theoretical framework. If we take into consideration that over the past fifty years, crisis management has become essential to achieving and maintaining national security we can understand that it is important for someone to read it so as to have a theoretical framework through which he can understand this complex decision- making process.

### The Military Transition: Democratic Reform of the Armed Forces, by Narcís Serra, Peter Bush (Translator)



Civilian control of the armed forces is crucial for any country hoping to achieve a successful democratic transition. In this remarkable book, Narcís Serra, Spanish Minister of Defence between 1982 and 1991, explains the steps necessary to reduce the powers of armed forces during the process of a democratic transition. Spain's military reform proved a fundamental and necessary element for the consolidation of Spanish democracy and is often viewed as a paradigm case for the transition to democracy. Drawing on this example, Serra outlines a simple model of the process and conditions necessary to any democratic military reform. He argues that progress in military transition must include legal and institutional reforms, changes to the military career structure and doctrine, and control of conflict levels.





### Pentagon budget down due to Iraq pullout

The Pentagon on Monday proposed a reduced defense budget for the first time since the September 11 attacks, finding savings in the withdrawal of US troops from Iraq.

The total budget of \$671 billion is down from last year's request of \$708 billion but the "base" defense budget -- excluding the cost of the wars in Iraq and Afghanistan -- represents a new record at \$553 billion, according to figures released by the Pentagon.

The budget includes \$113 billion for a range of drone aircraft, a new long-range bomber, helicopters, warships, submarines, anti-missile weaponry and other arms, while boosting pay and benefits for a force stretched by years of combat.

The budget's estimated price-tag for the wars comes to \$117.8 billion, down \$45.1 billion from last year's budget request, a "fairly dramatic reduction," Defense Secretary Robert Gates told reporters.

The budget proposal takes into account the planned pullout of troops from Iraq by the end of 2011 and "a modest decline in funding for Afghanistan operations," he said in a statement.

For President Barack Obama, the defense budget reflects an attempt to allay competing political pressures to fully fund the US military at a time of war while addressing a mushrooming government deficit.

Gates, who has tried to preempt potentially deeper cuts, said the budget represented the "minimum level" necessary to counter security threats around the world while containing waste and red tape.

He described a nearly two-year effort to "reduce overhead, cull troubled programs and rein in personnel and contractor costs, all for the purpose of preserving the fighting strength of America's military at a time of fiscal stress."

The base defense budget represents a modest increase of less than one percent over last year's Pentagon request, and Gates has portrayed the Pentagon as taking a more disciplined, frugal approach after years of hikes in spending in the years after 9/11.

Despite talk of austerity, the Pentagon's proposed spending puts the United States far ahead of any other country, at a time when European allies are making drastic defense cuts amid a fiscal crisis.

"Basically, it's more of the same," said Winslow Wheeler of the Center for Defense Information, a frequent critic of Pentagon spending.

"It's got a minor tip of the hat to the deficit problem," he said.

He said most members of Congress remained reluctant to touch military spending, as they wanted to avoid being labeled soft on defense, despite rhetoric about fiscal pressures.



At the Pentagon budget briefing, Gates lashed out at deficit hawks in Congress and elsewhere demanding deeper cuts, saying some proposals were reckless and that the debate was "becoming increasingly distant from strategic and operational reality, distant in other words, from the real world."

The budget's funding for weapons proposes \$4.8 billion for drones -- including more armed Reapers and a new robotic jet for aircraft carriers, \$10 billion for an array of helicopters, \$20 billion for naval ships and two nuclear-powered submarines; and \$3.7 billion to develop a new long-range bomber.

Plans for the long-range bomber, new radar and the unmanned jet designed to fly off an aircraft carrier are seen in part as a US response to China's growing military prowess and more assertive stance in the Pacific.

Apart from massive weapons programs and the wars in Iraq and Afghanistan, an increasing share of the defense budget is devoted to health care, pay and benefits for service members.

The budget sets aside \$142.8 billion in pay and allowances for the military's 2.3 million service members and \$52.5 billion for mounting health care costs.

Last month, Gates said the department found \$150 billion in savings -- much of which was reinvested into weapons -- and planned cuts of \$78 billion in spending over the next five years.

The proposed cuts include reducing the size of the Army and the Marine Corps in 2015-16, with the Army reducing its force by 27,000 troops and the Marines by 15-20,000.

The reductions mark the first scaling back of ground forces since the 1990s after the end of the Cold War.

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

### **800 million more air travellers by 2014: IATA**

An extra 800 million people will be travelling by air by 2014, many of them from China, necessitating more efficient traffic management, airports and security, the IATA trade body said Monday.

In a statement, the International Air Transport Association forecast an estimated 3.3 billion air travellers in 2014, up 32 percent from 2.5 billion in 2009.

"China will be the biggest contributor of new travellers," the global aviation trade body said in a press statement.

"Of the 800 million new travellers expected in 2014, 360 million (45 percent) will travel on Asia-Pacific routes and of those, 214 million will be associated with China," it said.

"The United States will remain the largest single country market for domestic passengers and international passengers."

International aviation is also projected to handle 38 million tonnes of air cargo by 2014, up 46 percent from 26 million tonnes in 2009.

IATA director-general and chief executive Giovanni Bisignani said the growing quantity of air travellers and cargo will require "even more efficient air traffic management, airport facilities and security programmes."

He added that "industry and governments will be challenged to work together even more closely."

He said the industry would continue to feel the effects of the latest global economic crisis for some time, with sluggish growth expected in Europe and the United States, not only because they are mature markets.

"Lingering consumer debts, high unemployment and austerity measures will dampen growth rates," said Bisignani.

Individually, the fastest growing markets for international passenger traffic during the 2009-2014 period will be China, the United Arab Emirates, Vietnam, Malaysia and Sri Lanka.

The Middle East is forecast to be the fastest growing region, with international passenger demand expected to rise 9.4 percent, followed by Africa at 7.7 percent, the Asia-Pacific region at 7.6 percent, Latin America (5.7 percent), North America (4.9 percent) and Europe (4.7 percent).

IATA in December raised its overall forecast for airline earnings in 2010 to a record \$15.1 billion but warned that profits would slide to \$9.1 billion this year.

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

### **Boeing Completes Industrial Participation Programs for 1st 5 UK C-17s, Total UK C-17 IP Benefits to Date Exceed US\$1 Billion**

LONDON, Feb. 11, 2011 -- Boeing [NYSE: BA] today announced that it has successfully completed -- ahead of schedule -- its industrial participation (IP) programs for the first five C-17 Globemaster III aircraft operated by the Royal Air Force (RAF). To date, Boeing has delivered benefits of more than \$1 billion to United Kingdom industry for this aircraft program.

"Boeing has been a partner to the United Kingdom for more than 70 years, serving the needs of its commercial airplane customers and Britain's military," said Mike Kurth, managing director, Boeing Defence United Kingdom. "Boeing is a major contributor to the local economy. The company has spent more than \$17 billion over the past eight years, working with more than 300 partners and suppliers that bring thousands of high-value, long-term jobs to the UK."

UK companies that contribute to Boeing's C-17 program are:

- BAE Systems: head-up display
- CAV Aerospace Llantrisant: avionics racks
- Eaton Aerospace: pressure regulating system and pump canister for onboard inert gas generating system
- GE Aviation Systems Cheltenham: differential pressure indicator and standby altimeter airspeed indicator
- GE Aviation Systems Hamble: wing trailing edge panels and flap hinge fairings
- GKN Aerospace: flap vane assemblies
- Goodrich Actuation Systems: pitch trim control valve
- IPECO: crew seats.

This work, along with Boeing's continued partnership with the University of Sheffield Advanced Manufacturing Research Centre, helped fulfill C-17 UK IP obligations. As part of this program, Boeing also provides marketing assistance to help a number of UK small- and medium-sized enterprises identify new market opportunities across The Boeing Company, as well as with its extended network of suppliers.

Boeing is bringing another \$1.1 billion in opportunities to UK industry through IP programs associated with the RAF's sixth and seventh C-17 aircraft, the AH-64 Apache Integrated Operational Support program, the CH-47 Chinook Through Life Customer Support program, and the Project Julius Chinook Mk4 upgrade program.

Boeing has an unmatched reputation for delivering world-class industrial participation programs that have brought benefits of more than \$41 billion to nearly 40 countries over the past 30 years.

The RAF earlier this month received its seventh C-17 aircraft as part of the UK's strategic air bridge to British Armed Forces in Afghanistan, a landlocked theater of operation surrounded by inhospitable terrain. The UK C-17 fleet complements its strategic air transport role by supporting humanitarian efforts such as tsunami relief in Southeast Asia and earthquake rescue in Pakistan.

Boeing Defence UK Ltd. is a wholly owned subsidiary of The Boeing Company and a business unit of Boeing Defense, Space & Security. It currently has employees at 20 locations throughout the UK supporting Ministry of Defence and U.S. military programs.

A unit of The Boeing Company, Boeing Defense, Space & Security 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 \$32 billion business with 66,000 employees worldwide.

Follow on Twitter: @BoeingDefense.

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

### **Lockheed Martin Awarded \$270 Million C-130 Aircrew Training System Contract**

ORLANDO, Fla., Feb. 15, 2011 /PRNewswire/ -- The U.S. Air Force awarded Lockheed Martin (NYSE: LMT) a \$270 million contract for C-130 Aircrew Training Systems (ATS), to provide an affordable and effective academic and simulation training program for C-130 aircrews around the world.

The eight-year contract includes training and instruction, site management, engineering support, and operation and maintenance for the aircrew training devices. Training is provided for all aircrew positions, cockpit resource management, instrument refresher courses and instructor preparatory courses.

"The C-130 ATS program has an unrivaled track record in delivering critical, on-time training to pilots and aircrews," said Jim Weitzel, vice president of Training and Engineering Services at Lockheed Martin Global Training and Logistics. "We aim to deliver an agile and affordable solution that gives trainees the ability to successfully prepare for the real-world scenarios they will face. Our team has met 100 percent of the student requirements throughout the last decade."

The C-130 ATS schoolhouse is the Department of Defense's formal C-130 training center for all U.S. Air Force, Navy, Marine Corps and Coast Guard forces. Primarily based at Little Rock Air Force Base (AFB), Ark., the C-130 ATS also provides training at five other installations including Dobbins Air Reserve Base, Ga., Dyess AFB, Texas, McChord AFB, Wash., Minneapolis Air National Guard Base, Minn., and Yokota Air Base, Japan. Annually, nearly 12,000 students from more than 25 countries depend on the C-130 ATS for their training needs.

Headquartered in Bethesda, Md., Lockheed Martin is a global security company that employs about 132,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. The Corporation's 2010 sales from continuing operations were \$45.8 billion.

For more information, visit: [www.lockheedmartin.com](http://www.lockheedmartin.com)

**Source:** Epicos, Lockheed Martin

### Chinese firm signs \$1.2bn Khartoum airport deal

A state-owned Chinese firm has won a 1.2-billion-dollar contract to build Khartoum's new international airport, the company said.

The China Harbour Engineering Company said in a statement late Monday that the contract, signed in Khartoum on February 1, was worth 900 million euros (1.2 billion dollars).

The project, which covers the construction of the new airport's runway, airline terminals, control towers and other key facilities, will replace Khartoum's existing airport located in the centre of the capital.

"Upon completion, the new airport will greatly upgrade (the) internationalisation of Khartoum," said the firm, a subsidiary of the majority state-owned contracting giant China Communications Construction Company.

China, a key supporter of Khartoum and top buyer of Sudan's oil, has invested heavily in its infrastructure and oil industry, filling a gap left by the exit of Western firms after US sanctions linked to the Darfur conflict.

State-run China National Petroleum Corporation operates three of Sudan's four oil producing consortia and built the oil refinery in Khartoum as well as the two pipelines that pump crude to Sudan's export terminal in Port Sudan.

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