



New Portal Officially Launched
Click here or visit www.epicos.com

Volume 3 Number 16 – Wednesday, 20 April 2011

Part I

Special Focus: ROC (Taiwan)

1. Special Focus: ROC (Taiwan)
2. ROC's New Defence Dogma and Defence Procurements
3. Epicos "Industrial Cooperation and Offset Projects"
4. Technology transfer in the area of UAV Simulation & Training
5. Network Documentation System for military optical fiber networks
6. Epicos- Amazon

Part II

Epicos Newsroom

1. Dutch govt cuts tanks, jets, jobs in defence savings
2. Market: Energy stocks take beating on oil fears
3. Boeing, Australia Announce Order for 5th C-17 Globemaster III
4. OPEC marginally raises global oil demand forecast for 2011
5. Brazil to decide on Russian helicopters supplies by end of month

Special Focus: ROC (Taiwan)

ROC's defence budget for the period 2000-2006 faced limitations to the applications of overall national resources and financial integrity and therefore was kept low. This tendency was altered in 2007, when public support and government policy guidance enabled it to gradually exceed 300 billion ROC dollars. This was further reinforced in 2009. A combination of governmental financial considerations and policies of economic stimulus resulted in a defence budget of 318.6 billion ROC dollars. Additionally, there is a political commitment from the ROC's government that the national defence budget in the future will gradually reach 3% of GDP (Gross Domestic Product). However, overall military requirements will be the outmost regulator as possible threats and potential force developments schedules could result in a more effective and diversified allocation of resources.

ROC's Defence budget is allocated into three categories: "personal maintenance", "operational maintenance" and "military investments". Personal maintenance includes salaries, retirement funds, and subsidies for military dependants etc. Operational maintenance includes primary combat equipment maintenance, operational training, logistic preparation and other war fighting capability sustenance procedures. Military investments incorporate procurements, research and development of defensive weapons and military projects. For 2009 from the 318.6 billion ROC dollars defence budget, personnel maintenance accounted for 125.7 billion, operational maintenance accounted for 95.9, whereas 90.5 billion were allocated to investments.



Despite the fact that defence budget will be gradually increase and reach 3% of GDP, ROC's authorities will be try to carefully restructure the funds allocated in every category in order to create feasible, appropriate and practical budgets. Future personal maintenance funds will continue to focus on implementing "voluntarism", the nation's major military system. The difference between conscription and voluntarism is that troops are conscripted by obligation in conscription whilst they are enlisted by volunteering in voluntarism. Operational maintenance will focus on enhancing equipment readiness, maintaining existing war fighting capabilities.



Military investments will be based on the core objective of enhancing the overall joint operation capabilities of the armed forces taking into consideration the maximization of resources and the ROC's procurements dogma of "domestic procurement first, foreign procurement second". This means that armament procurement will have an additional criterion, the development of domestic industrial

capabilities through the award of defence procurements in local companies or through industrial cooperation and technology transfer initiatives.

Throughout the last years, ROC located a significant amount of funds in the development of armed forces. New technologically advanced weapons have been procured and the national defence capabilities have been enhanced. This modernisation will continue and it remains to see the results.

Kyriazis Vasileios,
Epicos Newsletter Head Editor

ROC's New Defence Dogma and Defence Procurements



ROC Constitution

indicates that the national defence aims at defending the nation's security and safeguard world peace. Under this notion, the nation's defence concepts, military strategies, military build up, and objectives are

formulated to repel any hostile movements from its neighbours and if this is able to prevent them. Thus, the basic objectives of ROC's defence doctrine are to "prevent war," "defend the homeland," and "counter terrorism", respond to contingencies" whereas the higher strategic goal is "effective deterrence and resolute defence". This will be succeeded with the establishment of a quality self-defensive force capable of counterattack. Additionally, in recent years emphasizes has been given to "quick victories at standoff range, and victory on first engagement", something that had modified the defence procurements of the country.

In order to materialize the aforementioned strategic goal ROC authorities allocated throughout the last years a vast amount of funds to enhance its defence capabilities, something that created a raft of major arms acquisitions. USA made equipment took the lion's share and it was followed by German equipment.

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

	2006	2007	2008	2009	2010	Total
USA	578	12	11	100	68	874
Germany				30	75	105

Source: SIPRI Publications, Arms Transfers Database

One of the defence systems that ROC procured from USA was (144) Standard Missile-2MR SAMs. The delivery of the missiles concluded in 2010. Additionally, ROC procured in 2009 (182) FGM-148 Javelin Anti-tank missiles for 29 million US dollars. With these purchases national armed forces had significantly augmented their ballistic missiles capabilities.

Also, ROC procured (90) MTU-4000 Diesel engines from Germany. The delivery was concluded in 2010. The total amount of the procurement was 149 million US dollars. The engines were used in the KH-6 fast attack crafts (FAC) produced in ROC. The aforementioned procurement has considerably updated the marine capabilities of the armed forces and in accordance with the defence doctrine of "quick victories at standoff range, and on first engagement".



Finally, in 2010 ROC authorities decided to purchase (60) S-70/UH-60L Blackhawk Helicopter from Sikorsky. When the Blackhawk Helicopter will be ready to operate they will significantly improve the capability of the army to perform assault operations together with the simultaneous upgrading of their strategic airlift. This is extremely important especially in areas of particularly difficult access to other means.

Apart from the aforementioned parameters a new factor should be taken into consideration when studying ROC's defence procurements. In the face of the global wave of reforms in military affairs and owing to the integration of a social dimension in the armed forces, procurements would be connected with societal changes. Under this notion, the utility of defence resources allocation should account for the nation's overall economic development and benefit, so that the defence establishment can boost the realisation of domestic economic profit.

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](#)

Technology transfer in the area of UAV Simulation & Training



A company with experience and products in the UAV domain, proposes a collaboration/transfer of technology project with a company who excels in the simulation and training field. The aim will be to augment the current products/services portfolio of the company and to address specific local Armed Forces requirements. The in-house UAV products of the company will be integrated into the simulation software (or a derivative of it) of the expert in the field and cover/address all aspects of the associated training: pilots training, payload handling training, mission rehearsal (Reconnaissance, Electronic Warfare –EW- and "Killer Scout" scenarios), as well as combined missions with other platforms in the field (aircraft, land and maritime forces).

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

Mail at: g-menexis@epicos.com

Network Documentation System for military optical fiber networks



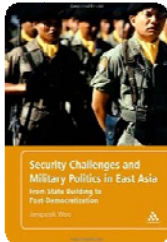
A company specializing on the high-precision optical passive devices, equipment and fiber optic network systems, in the frame of an offset program, is proposing its Advanced Network Documentation System for implementation within military optical fiber networks. This system may be of interest to Defense organizations or companies active in the development and maintenance of such networks.

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

Mail at: g-menexis@epicos.com



Security Challenges and Military Politics in East Asia: From State Building to Post-Democratization, by Jongseok Woo



This comparative work examines the political role played by armed forces in South Korea, Indonesia, the Philippines, and Taiwan. The work brings together theory and empirical study, analyzing how security threats have shaped the military's organization, doctrine, and domestic political role at various stages of political development, from the state-building period to today's post-democratization era. Using four representative case studies, Woo sets to answer: What determines the armed forces' political influence? How does it affect political development? How do democratically elected leaders establish civilian control over them?

Innovation and the State: Political Choice and Strategies for Growth in Israel, Taiwan, and Ireland, by Dan Breznitz



The 1990s brought surprising industrial development in emerging economies around the globe: firms in countries not previously known for their high-technology industries moved to the forefront in new Information Technologies (IT) by using different business models and carving out unique positions in the global IT production networks. In this book Dan Breznitz asks why economies of different countries develop in different ways, and his answer relies on his exhaustive research into the comparative experiences of Israel, Taiwan, and Ireland—states that made different choices to nurture the growth of their IT industries.

**Dutch govt cuts tanks, jets, jobs in defence savings**

The Dutch government said on Friday it would cut about 12,000 defence ministry jobs and scale back its fleet of tanks and fighter jets to save about 1 bln euros as part of an austerity push. The cuts are part of a broader plan to slash 18 bln euros...

Source: Newspaper Direct, Epicos

[To read the full article press here](#)

Market: Energy stocks take beating on oil fears

Before Wall Street's opening, stock-index futures had followed global stocks lower on worries about Europe's debt crisis and news that China raised reserve requirements for its banks and indicated monetary tightening would...

Source: Newspaper Direct, Epicos

[To read the full article press here](#)

Boeing, Australia Announce Order for 5th C-17 Globemaster III

LONG BEACH, Calif., April 18, 2011 -- Boeing [NYSE: BA] announced today that the Commonwealth of Australia has signed an agreement with the U.S. government to acquire a fifth Boeing C-17 Globemaster III airlifter. The Foreign Military Sale allows the Royal Australian Air Force (RAAF) to expand its C-17 fleet as it faces an increased demand for humanitarian and disaster relief missions.

RAAF C-17s supported relief efforts to earthquake- and tsunami-affected regions in Japan under Operation PACIFIC ASSIST for nearly two weeks in March. The RAAF delivered personnel and more than 1 million pounds of cargo -- including food and water, vehicles, disaster relief equipment, and pumps to help cool the Fukushima nuclear power plant. Weeks earlier, the RAAF supported relief efforts in Christchurch, New Zealand, following an earthquake there, and to several communities in Queensland, Australia, that were affected by flooding.

"Boeing thanks the RAAF, a C-17 customer since 2006, for its confidence in the airlifter's capabilities," said Bob Ciesla, C-17 program manager for Boeing. "We salute the RAAF and its crews, who helped save lives in Japan, Australia and New Zealand. We are proud to serve as their partner."

Due to the RAAF's immediate need for an additional airlifter, the U.S. Air Force has approved Australia's request to take delivery of its fifth C-17 in August. The airlifter will be assigned to RAAF Base Amberley's 36 Squadron, near Brisbane.

The C-17 can transport large payloads across vast ranges, land on short, austere runways, and operate in extreme climates. It is the only airlifter that possesses both tactical and strategic capabilities. Boeing

provides support to the RAAF's C-17s through the C-17 Globemaster III Sustainment Partnership, a Performance-Based Logistics program that includes an extensive support network.

Boeing has delivered 230 C-17s worldwide to date, including 20 to international customers. The U.S. Air Force -- including active National Guard and Reserve units -- has taken delivery of 210. Other customers include the United Kingdom's Royal Air Force, the Qatar Emiri Air Force, the Canadian Air Force, the 12-member Strategic Airlift Capability initiative of NATO and Partnership for Peace nations, and the United Arab Emirates Air Force and Air Defence.

For information on Boeing Defense, Space & Security in Australia, visit www.boeing.com.au.

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.

###

Contact:

Jerry Drelling

Boeing Mobility Communications

714-318-7594

jerry.a.drelling@boeing.com

James Baker

Boeing Defence Australia Communications

+61 7 3306 3411

james.m.baker9@boeing.com

Source: Boeing Defense, Space & Security, Epicos

OPEC marginally raises global oil demand forecast for 2011

MOSCOW, April 13 (RIA Novosti) - The Organization of the Petroleum Exporting Countries (OPEC) has raised its forecast for worldwide oil demand in 2011 to 87.9 million barrels per day from the previous month's forecast of 87.8 million bpd, OPEC said on Wednesday. "The most important incident is the Japanese earthquake, which is expected to affect oil demand only marginally," OPEC said in its report. Global oil demand is expected to grow by 1.4 million bpd in 2011 compared with 2010, the report said. "Japan's disaster led to a sudden decline in the country's use of oil as areas of the economy halted and the transportation sector experienced a decline; however, this is likely to be offset later in the year as the country substitutes some of its shut-in nuclear power capacity with crude-burning power generation," the report said. OPEC has cut its global GDP growth forecast for 2011 by 0.1% from its previous forecast to 3.9%, with the world economy's growth largely expected to be maintained by emerging countries, like China (9%) and India (8.1%), the report said. Analysts say the situation on global oil market is improving. "The world oil demand will grow as the world economy is recovering from the financial and economic meltdown," Anastasiya Sosnova, an oil analyst with Ivestcafe, told RIA Novosti. "If global demand for oil grows, Russia's oil exports are also likely to expand as the situation in Libya and generally in the Middle East is unstable," Sosnova added. OPEC includes Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the UAE and Venezuela.

Source: Ria Novosti

Brazil to decide on Russian helicopters supplies by end of month

RIO DE JANEIRO, April 14 (RIA Novosti) - The Brazilian Defense Ministry will decide by the end of the month whether its contract on the supply of Russian helicopters will be affected by planned massive military budget cuts, a ministry source said. "This year's ministry plan stipulates that the contract on the supply of Russian Mi-35M helicopters should be fulfilled, and we cannot say now which of the projects may be affected by the cuts," the source said. The decision on the issue will be made by the end of April, he said. Brazil's government has announced that it will cut 4,2 billion Brazilian real (about \$2.4 billion), or about 27 percent, from its 15.17 billion defense budget this year under proposed fiscal tightening. A source in the country's military industry told RIA Novosti on Tuesday that Brazil had delayed for an indefinite time the purchase of a second bunch of Russian Mi-35M combat transport helicopters following the announcement of the cuts. Russia's state arms exporter Rosoboronexport won a tender for the supply of 12 Mi-35M helicopters to Brazil in 2008. Half of the helicopters have already been delivered to the Latin American country, and the rest six aircraft were planned to be supplied by the end of 2011. Russia, the world's second largest arms exporter after the United States, sold \$8.6 billion worth of weaponry last year and is looking to increase its arms sales to almost \$10 bln in 2011. Among the Latin American countries, Venezuela is Russia's major arms trade partner. Argentina, Brazil, Colombia, Uruguay and Ecuador have also expressed their interest in Russian air defense systems, radars, combat aircraft and helicopters, naval equipment, and small arms.

Source: Ria Novosti