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Canadian Armed Forces, Need for Development and Future Procurements



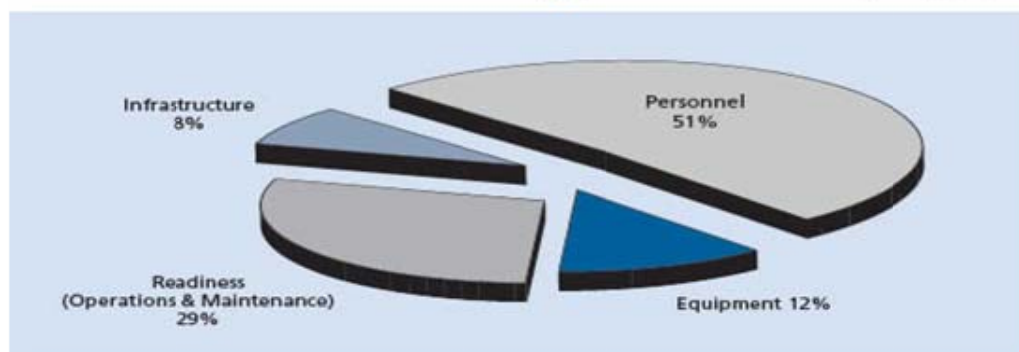
Due to Canadian defence doctrine the armed forces of the country, should be a fully integrated, flexible, multi-role, and combat-capable military. Additionally, they must contribute as a core element of a whole-of-government approach to addressing both domestic and international security challenges.

In order to be able to fulfil the aforementioned goals the Canadian armed forces need to be further modernised and updated. Recognising this the Canadian government will spend close to \$490 billion on defence over the next 20 years. These funds allocated will reverse the damage done by major cuts to the defence budget in the 1990s, when funding for defence declined in real terms by roughly 30%.

Canadian armed forces underwent a major cutback, both in personnel and equipment in the '90s. It is indicative that in the end of the Cold War, the Canadian Forces had a total strength of approximately 89,000 Regular Force personnel. This number declined to below 60,000 in the 1990s, while the military's operational tempo significantly increased over the same period, placing extreme stress on Canadian Forces. Additionally, new challenges have been created and Canadian armed forces had to respond to new and unforeseen crises.

In order to encounter this difficulty the Canadian government decided to augment the number of the armed forces' personnel. The final goal is to expand the Forces to 70,000 regular and 30,000 reserve forces. It is regardless to say that this development will enhance the cost of maintaining the armed forces. Increasing military strength by 1,000 regular personnel will cost about \$150 million annually – and this does not include the associated equipment, infrastructure and training. Thus, the overall defence budget should be augmented in order to sustain the additional cost. Over the next 20 years, Canadian authorities are expected to expand the defence budget from approximately \$18 billion in 2008-09, to over \$30 billion by 2027-28.

Canada First Defence Strategy Allocations 20-year Aggregate



Source: Ministry of Defence Canada

Apart from the augmentation of the number of defence personnel Canadian government also decided to enhance the armament capabilities of the armed forces. Starting in 2015, 15 ships are planned to replace Canada's destroyers and frigates. All these vessels will be based on a common hull design, whereas the frigate and destroyer variants will be fitted with different weapons, communications, surveillance and other systems. In the same year 17 fixed-wing search and rescue aircraft will replace the current ageing fleet of Buffalo and Hercules aircrafts. These new platforms will help improve the military's response to Canadians in distress across this country's vast territory and oceans.



Furthermore in July 2010, the Government of Canada announced that it acquired the Joint Strike Fighter (JSF) F-35, which will replace its fourth generation fleet of CF-18s aircrafts. CF-18s are expected to reach the end of their operational life in the 2017-2020, whereas the delivery of the new aircraft is expected to start in 2016.

Canadian authorities have decided to continue making ongoing investments in several capital projects in order to either improve or replace key existing equipment and capabilities of the national armed forces. These projects will build an army capable of ensuring the safety and security of Canadian citizens well into the 21st century.

Kyriazis Vasileios,
Epicos Newsletter Head Editor



Canadian Defence Procurements and the USA Dominant Position



Canadian government have entailed the armed forces of the country with (3) three different roles - defending Canada, defending North America and contributing to international peace and

security. Thus, Canadian armed forces must be ready to keep the civilians of the country safe and secure while effectively supporting foreign policy and national security objectives, making Canada a reliable partner in the defence of North America, and a dependable contributor to international operations. In order to fulfill the aforementioned scope Canadian authorities spend a fair amount of funds. For 2010, Canada spent 23,733 million Canadian dollars in defence procurements according to Stockholm Peace Research Institute International (SIPRI). Additionally, the defence budget, as a percentage of the national Gross Domestic Product (GDP) increased by 1.1% of GDP that was in 2005 to 1.5% in 2009.

Military expenditure of Canada

	2005	2006	2007	2008	2009	2010
In million Canadian Dollars	16,001	17,066	19,255	21,100	22,712	23,733
percentage of GDP	1.1	1.2	1.2	1.3	1.5	-

Source: SIPRI Publications (<http://milexdata.sipri.org/result.php4>)

Canada imports defence equipment from 11 different countries, a fact that highlights a variety of countries with which Canada is cooperating in the aforementioned subject. However, if we have a closer look in the Canadian defence imports we will see that USA plays an extremely important role that “shades” the participation of the other countries in the Canadian defence procurements. It is indicative that for the period 2006-2010, Canada spent 1434 million US dollars at constant (1990) prices, in procuring defence equipment from foreign countries. From this amount, 1212 million were spent in US made equipment. Netherlands and Germany are the next two countries based on the amount of funds allocated with 99 and 42 million US dollars at constant (1990) prices respectively.

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

* '0' indicates that the value of deliveries is less than US\$0.5m

	2006	2007	2008	2009	2010	Total
USA	76	387	338	93	318	1212
Netherlands			64		35	99
Germany		42				42

Source: SIPRI Publications, Arms Transfers Database

One of the defence systems that Canada procured from USA was (15) CH-47F Chinook Helicopters. The delivery of the helicopters will be concluded in 2014. The signed contract included a 100% offset package deal. Additionally, Canada procured in 2008 (48) Cougar APC for 49 million US dollars. The delivery was concluded in 2009. Furthermore, Canada procured (17) C-130J-30 Hercules Transport aircrafts, the delivery of which will be finished in 2012. A 100% offset package deal was signed for this procurement, part of which includes the production of components in Canada. Finally in 2010, Canada decided to proceed with the procurement of (65) F-35A JSF FGA aircrafts. The delivery of the new aircraft is expected to start in 2016.

As it is already mentioned, The Netherlands also exports defence equipment to Canada. In 2009 (13) Smart air search radars were procured, for the modernization of (12) Halifax frigates. The delivery is going to be completed by 2017.

Canadian authorities recognize that in a highly globalized world, Canada's prosperity and security rely both on stability in the country and abroad. Thus, Canadian armed forces should be efficiently equipped in order to address challenges inside the country and in battlefields far away.

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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Establishment of an advanced Nondestructive Testing (NDT) Laboratory



A company specializing on the sales and servicing of non-destructive testing (NDT) apparatuses, equipment and materials as well as training in material testing, in the frame of an offset program, is proposing collaboration to a prime contractor or a third party company active within the NDT market, in order to receive an investment for the establishment of an advanced NDT laboratory. The NDT laboratory to be established will be able to provide testing services for the defense, aerospace and civil industries within the respective country but also the neighboring countries in the region.

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

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Incorporating proprietary software in Electronic Warfare systems



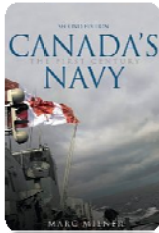
A software company with extensive experience in the design and development of systems for the defense industry and complementary software solutions for Electronic Warfare (EW) systems, is offering collaboration in the frame of an offset program, for the enhancement of Electronic Warfare systems capabilities, as well as the thereafter cooperation in design and sales of new EW systems, by incorporation/integration of an off the shelf state of the art proprietary software application of the company in/with associated products of the partnering company/organisation.

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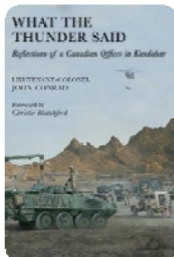
Canada's Navy, 2nd Edition: The First Century, By Marc Milner



From its eighteen century roots in exploration and trade, to the major conflicts of the first and second World Wars, through to current roles in multinational operations with United Nations and NATO forces, Canada's navy has been an expression of Canadian nationhood and a catalyst in the complex process of national unity. In the second edition of *Canada's Navy*, Marc Milner brings his classic work up to date and looks back at one hundred years of the Navy in Canada. With supplementary photos, updated sources, a new preface and epilogue, and an additional chapter on the Navy's global reach from 1991 to 2010, this edition carries

Canadian Naval history into the twenty-first century.

What the Thunder Said: Reflections of a Canadian Officer in Kandahar, By Lieutenant-Colonel John Conrad, Christie Blatchford



By every principle of war, every shred of military logic, logistics support to Canada's Task Force Orion in Afghanistan should have collapsed in July 2006. There are few countries that offer a greater challenge to logistics than Afghanistan, and yet Canadian soldiers lived through an enormous test on this deadly international stage - a monumental accomplishment. Canadian combat operations were widespread across southern Afghanistan in 2006, and logistics soldiers worked in quiet desperation to keep the battle group moving. Only now is it appreciated how precarious the logistics operations of Task Force Orion in Kandahar really were. What

the Thunder Said is an honest, raw recollection of incidents and impressions of Canadian warfighting from a logistics perspective. It offers solid insight into the history of military logistics in Canada and explores in some detail the dramatic erosion of a once-proud corner of the army from the perspective of a battalion commander.



Romania, US agree on missile shield site: official

Romania and the United States have agreed to deploy elements of a future missile defense shield at Deveselu airbase, in southern Romania, president Traian Basescu said Tuesday.

"We have decided that the anti-missile shield will be deployed at the former airbase at Deveselu, in Olt county," Basescu said in televised address.

The airbase, which will remain under Romanian command, will host an average of 200 US troops and up to a maximum of 500.

Romania and the United States have been negotiating for more than a year on the deployment of ballistic missile interceptors, which should be operational by 2015.

"This is the highest level of security Romania can attain," Basescu said, stressing that the shield was not directed against Russia.

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

Lufthansa to build A380 repair hangar in Philippines

German aviation services firm Lufthansa Technik said Thursday it is to build a hangar in the Philippines dedicated to the Airbus A380, the world's largest commercial passenger jet.

The company's local unit said it would break ground for the 30-million-dollar facility at Manila airport on Friday. No other project details were disclosed.

"The new \$30 million hangar indicates the continuing commitment of Lufthansa Technik Philippines to build up its investment in the Philippines and create hundreds of high-tech, high-skill jobs for Filipinos," it said in a statement.

"There are only four locations worldwide where the A380 can be maintained and the Philippines hopes to join this rank."

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

Russia begins test flights of Su-35S series fighter

MOSCOW, May 3 (RIA Novosti) - Russia's Sukhoi aircraft manufacturer has started test flights of its first series-produced Su-35S Flanker-E multirole fighter, the company said on Tuesday. The aircraft took off from the Komsomolsk-on-Amur airfield in Russia's Far East, spending one and a half hours in the air testing propulsion and control systems. The Su-35 Flanker-E superiority fighter is powered by two 117S engines with thrust vectoring. It can effectively engage several air targets simultaneously using both guided and unguided missiles and weapon systems. The aircraft has been touted as "4++ generation using fifth-generation

technology." After the tests are completed, the Su-35 will be transferred to the Russian Defense Ministry.

Source: Ria Novosti

Japan quake, Mideast turmoil hit air travel: IATA

The earthquake in Japan and turmoil in North Africa and the Middle East hit international air travel last month, wiping about two percentage points off demand, the top airline industry body said on Tuesday.

Latest data from the International Air Transport Association (IATA) showed that international air travel grew year-on-year by 3.8 percent in March, compared to 5.8 percent a month earlier.

"The profile in the recovery in air transport sharply decelerated in March," said IATA Director General Giovanni Bisignani.

"The global industry lost two percentage points of demand as a result of the earthquake and tsunami in Japan and the political unrest in the Middle East and North Africa," he added in a statement.

The aftermath of the disaster in Japan accounted for about one percent of the traffic loss in March, while some 0.9 percent was lost to disruption in the Middle East and North Africa -- including the no-fly zone and military action over Libya.

IATA estimated that passenger traffic for holiday destinations Egypt and Tunisia was 10 to 25 percent below normal for March.

Carriers in the Asia-Pacific region suffered a two-percent loss in traffic, while domestic flights in Japan lost 22 percent of their passengers.

Air passenger traffic in North America tailed off by one percent.

IATA predicted that the aftermath of Japan's devastating quake and tsunami as well as geopolitical events would continue to depress the world air travel market through the second quarter.

However, the ongoing economic recovery should underpin passenger and freight markets in the second half of 2011, the association forecast.

Bisignani also delivered a fresh warning about the impact of high oil prices.

Although there was strong demand, especially in markets outside Europe, for business or luxury travel even with oil prices around \$120 a barrel, economy class travel was weakening, he cautioned.

"Many leisure travellers are putting off flying because of the impact of high oil prices," said Bisignani.

IATA represents some 230 carriers that account for more than 90 percent of scheduled air traffic worldwide but does not include many of the big budget airlines.

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

Airbus announces 1.0-bln-dlr order from Korean Air

Korean Air has placed a firm order for Airbus airliners worth about 1.0 billion dollars (674 million euros) at catalogue prices, Airbus said on Tuesday.

Airbus, the airliner manufacturing subsidiary of European aerospace group EADS, said that the order was for five long-haul Airbus A330-200 aircraft.

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