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Latvian Defence Budget: Future Implementation



Authorities of Latvia are planning their defence policy in order to ensure the development of the national defence abilities of Latvia both on a national level, and within framework of collective defence. In order to achieve this, Latvia should ensure a long-term national defence funding mechanism which will gradually increase defence funding on a year basis, so that it will reach 2% of the gross domestic product in the future. Latvian authorities have set a goal to achieve this objective by 2020. Additionally, they have also set as an objective the implementation of development projects and ensure timely renewal of equipment. Thus, at least 20% of the defence budget must be allocated for the acquisition of armament and equipment. Furthermore, personnel costs should not exceed the 50% of the total budget.

Another important fact regarding the Latvian armed forces is that the national armed forces should follow NATO common policy planning in order to ensure that no less than 8% (or 450 soldiers) of the professional service personnel are sustained in operational areas. Additionally, no less than 50% of the total professional personnel of the NAF should be deployable in order to participate in NATO-led, EU-led and other international organizations-led operations.

In order to fulfill the aforementioned goals Latvia imported defence equipment from few countries. For the period 2006-2011 The Netherlands was the main exporter of arms in Latvia and is followed by USA, Germany, Italy and Sweden.

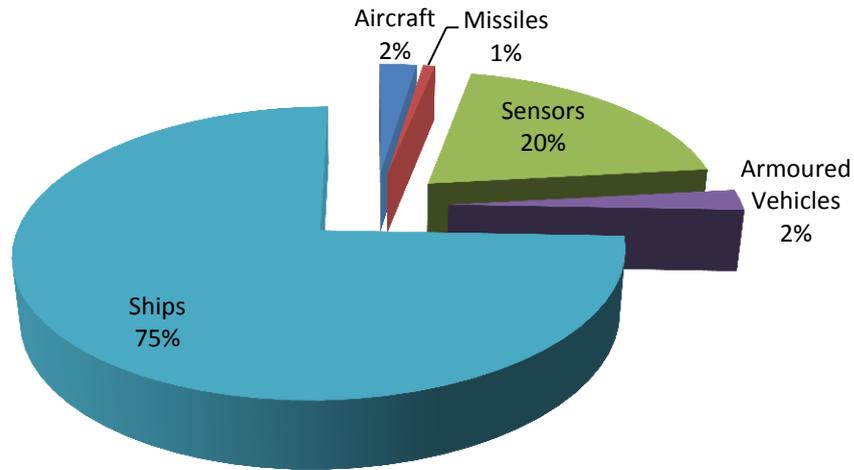
Imports (expressed in US\$ m. at constant 1990 prices)

	2007	2008	2009	2010	2011	Total
Netherlands	44	44	-	-	-	88
USA	-	-	12	15	-	27
Germany	-	-	-	-	5	5
Italy	3	-	-	-	-	3
Sweden	2	-	-	-	-	2

Source: SIPRI Publications, Arms Transfers Database

Regarding the weapons systems Latvia is importing, ships are the predominant area of imports for the period 2007-2011 with a total amount of 93 US\$ m. at constant (1990) prices. The 2nd most important sector is that of sensors with 25 US\$ m. at constant (1990) prices whereas other areas such as aircraft, armored vehicles and missiles follow.

Latvian Arms Imports, 2007-2011



The armed forces of Latvia are being developed in accordance with the Latvia’s geopolitical situation and always taking into consideration that the country participates in international missions. Thus, the Latvian authorities are trying to use available resources and apply military abilities in the best way.

Kyriazis Vasileios,
Epicos Newsletter Head Editor

International Cooperation and Presence



Ministry of Defence Republic of Latvia

Latvia is deliberately committed of being not only a consumer but also a provider of security. Thus, the Latvian armed forces participate in international operations organized by international organizations, such as NATO and EU, of which Latvia is a member or with which it co-operates.

Therefore the Latvian armed forces are developed in such way so that they could successfully meet their missions in the NATO collective defence system. The country began its participation in international operations in 1996 in the Balkans by taking part in the NATO mission in Bosnia and Herzegovina.

Additionally, through the period 2000-2009 the national armed forces participated in the EDSO observer mission in Georgia and KFOR operation in Kosovo. From 2003 to 2008 the Latvian troops have participated in the international mission in Iraq (OIF).

Currently, the Latvian armed forces are taking part in the international operation of NATO International Security Assistance Force (ISAF) in Afghanistan. Additionally, since 2006 Latvia has been part of NATO Response Force (NRF) and EU Battlegroup since 2010.

Latvia's commitment to NATO was also showcased when the country was the co-chairmanship of the NATO Non-Proliferation Committee, jurisdiction of which covers issues on non-proliferation of mass destruction weapons, during the period July 2011-July 2012.

Additionally, the country is trying to be aligned with the commitments they have to undertake 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 is also cooperating in a regional level with the rest of the Baltic States. This collaboration started in 1991, when Estonia, Latvia and Lithuania initiated regular meetings on defence matters. In 1994 a further step was made, when the first combined Estonian, Latvian and Lithuanian military exercise took place in southern Estonia. The same year the first Baltic military project - the Baltic Battalion (BALTBAT) – was initiated. The project closed on September 26, 2003.

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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Synthetic Flight Training Device for helicopter and fixed-wing pilots’ entry level and advanced training (non-combat)



A company constituting the first civil avionics and simulator manufacturer in its country is proposing the collaboration with a Prime Contractor or a third company in a targeted country for the development and installation of a helicopter or fixed-wing simulator to serve civilian and military helicopter pilots’ entry level (VFR) and advanced (IFR) training needs. The project can be implemented either as a standalone project or integrated within a major acquisition.

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

Mail at: g-menexis@epicos.com

Development of a ballistic protection system for re-locatable modular buildings



A company providing innovative solutions and services for temporary and permanent needs for modular buildings, flooring and infrastructure is interested in developing a ballistic protection system for its modular buildings. Applied throughout the world, the company’s proven products are fully re-locatable, environmentally friendly, time saving and cost effective. Based on its existing range of products, the company is seeking potential partners for the

development of ballistic protection system which can be used / combined with its existing modular buildings.

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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 threefold 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 has 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.



Canada's Bombardier gets major \$3.1 bn order

Canadian aircraft manufacturer Bombardier on Tuesday announced its largest sale ever, a \$3.1 billion order from VistaJet, with the option of increasing the purchase to \$7.8 billion.

In a joint statement, VistaJet said the order -- which includes a firm demand for 56 Global jets and the option of purchasing 86 more -- represents the "largest single transaction in the history of business aviation."

"By any standard, this is a historic order for Bombardier," Steve Ridolfi, the president of Bombardier Business Aircraft, said in the statement.

"VistaJet recently took delivery of the 50th aircraft for their fleet, reflecting the company's ongoing commitment to maintaining the youngest fleet in the sky -- with an average age of two years and all aircraft operating under the manufacturers' warranty," he said.

Founded in 2004, VistaJet is one of the largest private jet operators outside North America and an exclusive customer of Bombardier. The company, which operates in Europe, the Middle East, Asia and west Africa, aims to double its business by 2015.

VistaJet, founded by Swiss businessman Thomas Flohr, said it will have carried 25,000 passengers on 10,000 international flights in 2012 alone.

Source: 2012 AFP, Agence France-Presse (AFP)

EU urges Croatia, Serbia to reconcile

EU Enlargement Commissioner Stefan Fuele on Monday urged Croatia and Serbia to settle their disputes over war crimes after their relations hit the lowest point since the end of the 1991-1995 conflict.

"I believe that... politicians on both sides will find the way out (and) would contribute to cooling down the emotions and work to the benefit of the whole region, the benefit of reconciliation," Fuele told reporters in the Croatian capital, Zagreb.

The relations between the two former foes, which had gradually improved during the past several years, began to deteriorate when Serbian nationalist leader Tomislav Nikolic was elected president in May.

They dramatically worsened earlier this month when a UN war crimes court cleared on appeal two Croatian generals -- Ante Gotovina and Mladen Markac.

The two were initially convicted and sentenced to 24 and 18 years in jail respectively for the murder of 324 Serbs and the forced displacement of 90,000 others during and after an operation that ended the 1991-1995 war in Croatia.

Unlike in Croatia, where the generals are considered heroes and their acquittal was celebrated, in Serbia the verdict was condemned by groups as diverse as extreme-right nationalists, liberal left-wingers and human rights activists.

Remarks by Nikolic in an interview earlier Monday further fuelled the rift between Belgrade and Zagreb.

"It is not going well with Croatia," Nikolic told Serbian daily Kurir.

"Croats know that the crime committed in the (August 1995) operation Storm is awful, but they still celebrate that no one was convicted. They are a nation on a wrong path," he said.

Croatian President Ivo Josipovic immediately responded that such statements "do not contribute to reconciliation."

"The situation should be cooled down and once Nikolic changes his rhetoric, conditions will be met for mutual meetings," Josipovic told Croatian national radio.

But Nikolic said his Croatian counterpart wanted "us to talk -- me as the president of a nation which has committed crimes, and him as the president of a nation which has not been convicted of anything."

Croatia's proclamation of independence from the former Yugoslavia sparked the war with Belgrade-backed rebel Serbs who opposed the move.

Source: 2012 AFP, Agence France-Presse (AFP)

India says to get Soviet-era aircraft carrier in 2013

India on Monday said long-time ally Russia would finally hand over a refurbished aircraft carrier next year and end a bitter dispute over the Soviet-era warship caused by rising costs and delays.

The Admiral Gorshkov, now 30 years old, is to fill a vacuum left by the scrapping in 1997 of India's first aircraft carrier, INS Vikrant, which had been in service since 1961.

Defence Minister A.K. Antony told parliament that the end of 2013 has been set as the latest date for the delivery of the 44,570-tonne aircraft carrier, renamed INS Vikramaditya by India.

"The delivery of Vikramaditya has been delayed to the last quarter of 2013 against the envisaged delivery schedule of December 2012," Antony told parliament's lower house in a statement.

The Indian navy currently has only one operational aircraft carrier, the INS Viraat, which is to be phased out. It is also planning to build one locally.

Moscow accounts for 70 percent of Indian arms supplies but late deliveries and commercial disagreements have led New Delhi to use other suppliers such as Israel, Britain, France and the United States.

The original delivery date was August 2008, he said, and added its price tag was fixed at \$978.4 million in 2004 when the deal was signed but it was "revised" to \$2.3 billion for delivery in 2012.

"The total cost of the project will remain at \$2.3 billion at the time of delivery in the last quarter of 2013," he assured parliament and added technical glitches during trials in the year led to the delay.

The warship required new turbines, boilers, 2,500 kilometres (1,500 miles) of cabling and reinforcement of its flight deck as part of the deal between India and Russian defence export firm Rosoboronexport.

Under the contract Russian shipyard Sevmash has equipped the vessel with modern weapons, 16 MiG-29 fighter jets and a fleet of anti-submarine helicopters.

The shipyard has insisted the dramatic rise in the cost is mainly due to Indian demands for features not included in the original contract.

Russia last December handed over the 8,140-tonne nuclear-powered attack submarine Nerpa to India following more than two years of delays.

Source: 2012 AFP, Agence France-Presse (AFP)

Sales to Asia boost French arms trade

Major orders from India and Malaysia helped lift French arms exports to a value of 6.5 billion euros (\$8.4 billion) last year, according to a parliamentary report published on Thursday.

The total, a 27-percent rise in value terms from 2010, ensured France remained the world's fourth-biggest exporter, behind the United States, Russia and Britain.

Over the period 2006-2011, France's defence ministry estimates that the United States had 44 percent of the world market, Russia 14 percent, Britain 11 percent, France 8.5 percent and Israel 5.5 percent.

The Asia Pacific region took 42 percent of French exports last year, buoyed in particular by a contract with India for the modernisation of 51 French-built Mirage 2000 fighter jets and an order from Malaysia for parts for armoured vehicles.

Over the last five years, the Middle East has been France's most important market, accounting for 26 percent of orders, with Saudi Arabia and the United Arab Emirates the leading purchasers.

The report underlines that France's market share is likely to come under attack from emerging rivals.

"China, Brazil, South Africa and, of course, India all want to enter the club of major exporters," it says. The report also notes that South Korea has set a target of three billion euros of sales for 2012, an objective which, if met, would put it sixth in the table of exporters.

France's defence sector supports 165,000 jobs and with domestic spending being cut, exports are increasingly important for a sector which has strategic importance for the country's industrial base, the report states.

Defence minister Jean-Yves Le Drian is drawing up a plan to support small and medium-sized defence companies which will notably simplify the process of obtaining licences for arms exports.

But the government said that it would remain vigilant with regard to the arms trade.

Source: 2012 AFP, Agence France-Presse (AFP)

Elbit Systems Delivers ISTAR Trainers and Armored Driving Trainers to IMOD

Elbit Systems Ltd. announced today the delivery of two ISTAR (Intelligence, Surveillance, Target Acquisition and Reconnaissance) Trainers to the Israel Ministry of Defense (IMOD) for the training of surveillance and observation activities to be carried out on Israel's borders. Elbit Systems will also supply Armored Driving Trainers (ADTs) for combat vehicle training during the first quarter of 2013.

Elbit Systems' ISTAR Trainer is a combat support and field intelligence trainer, designed to enable full simulation of real-life battlefield situations for Forward Observers ("FOs") and sensor operators posted in all types of terrain, performing border control and protection activities. The ISTAR Trainer allows FOs to practice joint strike and reconnaissance missions. The scenarios offered by the ISTAR Trainer are realistic situations depicting the actual borders to be observed by each FO. Interoperable with C4I and communication systems, the scenarios include fire planning, ranging and field operation as well as target detection, recognition, identification, acquisition and engagement in diverse environmental conditions, while using a wide variety of day and night sensors. The ISTAR Trainer is already in use; training new users and maintaining the operational readiness of those professionals already in service.

The Armored Driving Trainer (ADT) is mounted on a 6 DOF (Degree Of Freedom) moving platform specifically designed to provide drivers of combat vehicles with a highly realistic driving experience. The system supports driver training in a wide range of combat and non-combat scenarios, as well as in diverse weather and harsh field conditions, thus creating vital practice situations, such as driving under enemy fire or on dangerous slopes. The ADT is cost effective; saving time and expense, while providing mobile, scalable and modular deployment, multi-platform type support and a network-based and user-friendly interface.

Since receiving the current order for ADTs from the IMOD, Elbit Systems has received additional ADT orders from international customers.

Elbit Systems Aerospace Division's VP - Training and Simulation, Alon Afik, commented: "These orders for Armored Driving and ISTAR Trainers position Elbit Systems as a front runner in providing multi-faceted training technologies, such as border protection simulation, sensor simulation and C4I training."

About Elbit Systems

Elbit Systems Ltd. is an international defense electronics company engaged in a wide range of programs throughout the world. The Company, which includes Elbit Systems and its subsidiaries, operates in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence surveillance and reconnaissance ("C4ISR"), unmanned aircraft systems ("UAS"), advanced electro-optics, electro-optic space systems, EW suites, airborne warning systems, ELINT systems, data links and military communications systems and radios. The Company also focuses on the upgrading of existing military platforms, developing new technologies for defense, homeland security and commercial aviation applications and providing a range of support services.

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