

**Part I**

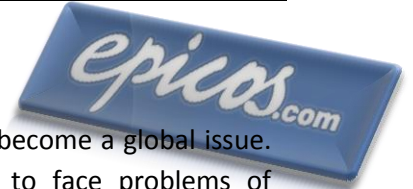
**Special Focus: Israel**

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**Part II**

**Epicos Newsroom**

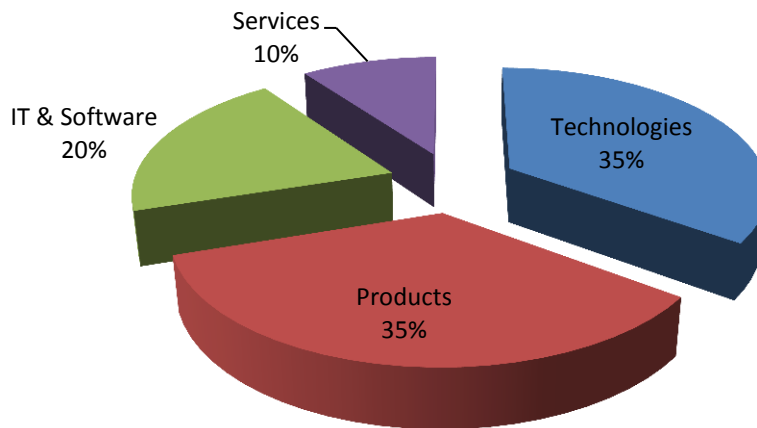
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**Israel: Defence and Homeland Security Industries**

Nowadays, homeland security has become a global issue. Countries that never before had to face problems of defending their citizens now find themselves in a situation which they encounter problems like these on a daily basis. Homeland security has always been a top priority for the Israeli industry, as the need for unique technologies and self-reliance has led to a diversified, competitive industry.

It is indicative that almost (600) Israeli companies are active in the security sector, broken down as: 35% Technologies, 35% Products, 20% IT & Software, 10% Services.

### Israeli companies are active in the security sector



The success of Israeli companies is highlighted by the amount of exports they achieve every year. In 2010 the defense industry totaled a \$7.2 billion in exports, an increase in comparison to the \$6.9 billion achieved in 2009. Apart from exporting, Israeli companies are also selling a percentage of their production to Israel. In 2010 the Israeli defense companies sold military hardware worth of \$9.6 billion in 2010, \$2.4 billion of it to the military.

Israeli security industries are active internationally in numerous areas including:

#### **Avionics/Aviation Security**

Satellites; Fighter jets; Unmanned Aerial Vehicles (UAVs) such as the Predator drone (Israel Aerospace Industries (IAI)); Arrow Theater Missile Defense System (Rafael, IAI, Boeing).

#### **Maritime Security**

The Protector - an unmanned naval patrol vehicle (Rafael).

#### **Land Force**

The Merkava tank, the Uzi submachine gun, Galil and Tavor rifles.

**Public Security**

Crisis & Emergency Management, Counter Terrorism, CBRN, EMS and Public Awareness,

**Critical Infrastructure Protection**

Electronics, Optronics, Thermal Imaging, Biometrics, Smart Cards, IT Security & Anti-Fraud. Infrastructure protection from Israel is currently being used at Buckingham Palace, the Vatican and the Eiffel Tower, to cite a few examples.



As part of this infrastructure protection, the country offers unique capabilities in the following areas:

- Physical barriers & fencing,
- Sensors,
- Intrusion detection,
- Image processing,
- Tracking & motion control,
- Observation,
- Access control,
- Biometrics,
- Smart cards,
- Anti-forgery,
- Commodity protection,
- Surveillance,
- Crowd control,
- Command & control rooms.

Other HLS related areas in which Israeli companies are heavily involved range from automated speech recognition systems and remote sensors to video image location and identification, early warning devices and advanced tactical imaging systems.

One of the reasons why the Israeli homeland security is excelling is the highly advanced academic research platform and high-tech capabilities that the country has developed. This has enabled a great amount of companies to develop expertise in such areas as aviation, maritime and transport security; borders & infrastructure protection, safe-city and emergency services management; IT security; and much more. Another essential ingredient which the Homeland Security Industry has is the high quality and professionalism of its workforce. This is primarily due to the fact that when someone is hired in order to work in the Homeland Security Industry must have operational experience gained from serving the Israel Defense Forces and this is the main reason why the Israeli engineers are close to the operational user, simply because they have been there.

Kyriazis Vasileios,

Epicos Newsletter Head Editor

*Interview with Mr. Tuvia Barnea, Partner and the CEO of Energomash International Ltd. (EM.I.)*



**Energomash International Ltd.**

Experts in Security Consultancy & Trainings

Mr. Tuvia Barnea,  
Partner and CEO of the

company Energomash International Ltd. (EM.I.) gave an exclusive interview to Epicos, regarding the position of the company in the international and national markets. Amongst others he stated that: "between 2004-2006 we provided the Israeli Airports Authority (IAA) with a comprehensive Security Consultancy for the Master-Plan, for the proposed New International Airport in Timna, Israel (Re. The "New Eilat International Airport"). That was the first time ever that the IAA was assisted with that level of projects' consultancy by non-governmental body."

➤ **Could you please describe the current place of Energomash International in the national and international market?**

Energomash International Ltd. (Abbreviated as EM.I.) has well staged itself along the years in both markets.

EM.I. offers a vast int'l experience in HLS consultation and trainings - provided by highly positioned veterans from secret services, military Special Forces and Israeli aviation security units' experts.

Between 2004-2006 we provided the Israeli Airports Authority (IAA) with a comprehensive Security Consultancy for the Master-Plan, for the proposed New International Airport in Timna, Israel (Re. The "New Eilat International Airport"). That was the first time ever that the IAA was assisted with that level of projects' consultancy by non-governmental body.



Israel is one of the leading states known for its pro-active approach to Aviation Security (AvSec) in the world. Accepting EM.I. to the project and approving the Master-Plan by the Israeli authorities – staged EM.I. as one of the leading firms in Israel.

EM.I. is active in the international market for years.

Our company was confirmed as an eligible company by the (EC) and has successfully accomplished its task within the European Technical Assistance Program for the Republic of Serbia. (Between 2009-2011).

The projects' activities included:

1. Consultation and technical assistance.
2. Requirements definition for procurement of AvSec equipment.

3. Development and performance of comprehensive training activities - were implemented with all related hierarchy levels of the State of Serbia: from the ministry seniors to the single guard.

Additionally, EM.I. cooperates with the JAA TO (JAA TO - Joint Aviations Authorities Training Organization - associated with ECAC - European Civil Aviation Conference) regarding AvSec Trainings.

➤ **Could you please describe briefly the history of Energomash International?**

Energomash International Ltd. is a private owned company established in 1995.

We were contracted by the firm Airport Equipment and Technology Ltd. (AP E&T) in representing chosen international bodies – to the Israeli Airports Authorities, aiming to participate in the construction tenders of the project BGN 2000 (Terminal 3 of the Int'l Airport of Ben-Gurion).

Acting on behalf of AP E&T, (dealing with know-how, airfields' technologies and ground-supply-equipment), EM.I. gained some projects in which the major one was the supply, assembly and maintain of 24 Passenger Loading Bridges of BGN.

Following the September 11, 2001 events we were requested to provide an AvSec consulting services, in addition to our verity of HLS consultation - worldwide.

During 2004-2006 EM.I. provided the IAA with a comprehensive Security Consultancy for the Master-Plan, for the proposed New International Airport in Timna Israel.

Other activities were also carried out:

- Establishing security systems for educational campus in the USA .
- Providing one week HLS workshop in Kiev (Ukraine) - the Academy of Security of Yekaterinburg.
- Consultation for European bank security systems.

In the years 2009-2011 EM.I. provided a key contribution in security expertise under the European Technical Assistance Program for the Republic of Serbia. (EuropeAid/128957/C/WKS/RS): Colonel Meiry (of our board) conducted the aviation security tasks as a Key-Expert while EM.I.s' Experts have successfully accomplished all missions defined as: "supporting the implementation of the ECAA (European Common Aviation Area Agreement) in Serbia".

The activities include technical assistance, training development, facilities tendering and supply inspection.



Training activities were carried out in all hierarchy levels of the State: The Ministry of Infrastructure (responsible for transportation), The Ministry of Interior, Civil Aviation Directorate, airports, the national airline carrier, the Border Police and related bodies.

➤ **What are the main sections of security that Energomash International is activated?**

EM.I. focuses on security consultation and trainings.

Aviation security, which was detailed above, is considered as one of our leading capabilities. We also propose more fields of security expertise for:

- Marine - Seaports, ships and boats.
- Restricted plants, Installations and banks.
- Safe City.
- Crises and disaster control, response and treatment
- Land transportation: trucks, railways and buses. Besides of the delivery of sensitive commodities: Cash, diamonds, fuel.
- VIP protection.
- Crowded events.

➤ **Why choosing EM.I.? How can you handle with such variety of fields?**

First, our staff is based on highly positioned veterans from secret services, military Special Forces and Israeli aviation security units' experts.

EM.I. Board is based on the following experts:

**Gideon Meiry:** Col. (Ret.), Israeli Defense Forces ♦ Deputy Director (Operations) of Security Division in El-AL ♦ Director Security Division - Arkia Tourism and Airlines.

**Zeev Regev:** (ISA Ret) ♦ Security Management Expert.

**Samuel Sofer:** Col. (Ret.). Israeli Defense Forces ♦ Jerusalem District Commander (IDF): duties included – Home Front Command readiness, rescue, evacuation and recovery.

**Tuvia Barnea:** ♦ (IDF) Foreign Forces Liaison Officer (Res. Ret.) ♦ Industrial and Management Engineer ♦ Security processes engineering and management Expert.

Second, our board is based on members that come from different doctrines. The variety of point of views of each one proposes a large range of approaches that enables a synergy of ideas and provides an added value to proposed solutions.

Third, the security capabilities are enhanced significantly by integration with the Industrial Engineering tools. Aspects like project design and management, optimization tools, budgets control and so on – secures an utmost level of outcome and ease the communication means with the customers' oversight.

The final aspect to be emphasized is that EM.I. carries a vast experience of planning and managing / commanding –for governmental or private owners: Airports segments, plants, operating systems or units.

➤ **Is there a specific country or region that Energomash International would like to expand in the near future?**

We are aware of the emerging needs for wellness of the running security systems worldwide.

We foresee Europe and the Americas as tangible markets. Although the Far East, Asian states including Australia, New-Zealand and the African states will be welcomed.

➤ **What are the next steps and priorities of the company?**

We continuously look for the utmost updates within our field of interests and seek for breaking through approaches in order to constantly be on the front line of the leading mentors in our market.

Lately, we have started cooperating with **Maze O.D.T & Consulting**, a new Israeli initiative.

Maze, an innovative, forward-thinking company, embedded in our activities, supplies advanced tools and leading strategies for leadership and team work in extreme and emergency situations, complex conditions and crisis events.



The unique and practical implementation methods allows for a more challenging and multi-faceted experience – physically, mentally, on an individual level and as a group – and provides accurate feedback and appraisal of strengths and weaknesses.

We enable the creation of realistic simulations, of varying levels of difficulty and complexity, which can easily be adjusted according to the needs of the participants and the organization. Participants are compelled to leave their comfort zone and engage in a challenging and unorthodox experience.

MAZE activities have gained great success in Israel and abroad. In Israel MAZE has delivered workshops to the IDF (Israeli Defense Forces), security services, Israeli Airports Authority, EL-AL airlines, Fire-Fighting units, Israeli Police, academic programs etc. Also the Workshops provided abroad resulted with great success in the EC project in Serbia (2009-2011), academic programs and so on.

We plan to extend MAZE activities along with our professional and innovative solutions for the foreseen emerging security and training needs.

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## 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](#)

### 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.

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

Mail at: [g-menexis@epicos.com](mailto:g-menexis@epicos.com)

### Mini (back-packed) Unmanned Air Vehicle (UAV) for military and homeland security applications



A company with many years of experience in providing innovative surveillance solutions using various platforms is proposing the cooperation with a local company in targeted country in order to provide all necessary technology and know-how in the field of lightweight UAV system. The firm is willing to provide all the necessary equipment as well as related operational know-how in order for the target company to develop its own UAV systems.

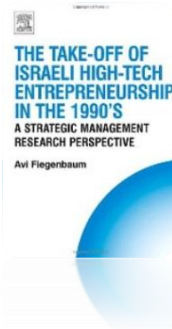
[For Further Information Contact our ICO Department](#)

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**The Take-off of Israeli High-Tech Entrepreneurship During the 1990's: A Strategic Management Research Perspective (Technology, Innovation, Entrepreneurship and Competitive Strategy), by Avi Fiegenbaum**



What are the five factors that contributed to Israeli high-tech success? This is what this book is trying to describe and explain. Within less than a decade, during the 1990s, the state of Israel established its global high tech sector. The number of startups rose to almost 3,000. Total venture capital available reached approximately \$ 3 billion. Israeli firms trading on NASDAQ climbed to 120 with aggregate market value of approximately \$120 billion, twice the Israeli GNP. This book emphasizes the multilevel nature of this development from a strategic management perspective.

**Military Industry and Regional Defense Policy: India, Iraq and Israel (Cass Military Studies), by Timothy D. Hoyt**



Military Industry and Regional Defense Policy re-examines military industrialization in the developing world, focusing on policy-making in producer states and the impact of security perceptions on such policy-making. Looking at Israel, Iraq and India, the three most powerful regional powers in the Cold War era, he presents an expert analysis of the three-sided phenomena of the regional hegemony, the regional competitor and the small over-achiever. This new book breaks away from existing literature on military industries in the developing world, which has focused on their economic and development costs and benefits.



### **AirAsia profit soars, bullish on outlook**

AirAsia, Asia's largest low-cost carrier by fleet size, said Tuesday that its fourth-quarter profit jumped 168 percent year-on-year amid increased passengers.

AirAsia said in a statement that net profit for the quarter ending December 31 stood at 350.65 million ringgit (\$114.08 million), up from 130.68 million ringgit in the same quarter the previous year thanks to "a seasonally strong quarter".

Revenue for the quarter was a record 1.41 billion ringgit, up 10 percent, as more people flew the airline, which increased its aircraft in Malaysia to more than 60.

"It has been another good quarter and overall a great year for AirAsia as we continue to defy the industry in terms of operational and financial performance," said Malaysia AirAsia chief executive officer Aireen Omar.

For the full financial year, AirAsia recorded a 238 percent jump in net profit to 1.88 billion ringgit despite a 1.0 percent rise in the average fuel price this year.

Its 2012 revenue increased by 11 percent to 5.0 billion ringgit.

Group chief executive officer Tony Fernandes was bullish about the year ahead as AirAsia expands its model -- no frills and keeping operational costs low.

"The aviation landscape is constantly changing with high fuel prices and new competition, but through all these challenges AirAsia will continue to defend our leadership titles," he said.

AirAsia has grown rapidly since Fernandes, a former record industry executive, bought the failing airline in 2001. It initially had only two aircraft in operation.

The group now has a total fleet of 120 A320s and has set up subsidiary budget carriers in Indonesia, the Philippines, Thailand and Japan.

The airline, one of the biggest customers for European aircraft maker Airbus, is expecting 360 more aircraft to be delivered up to 2026.

Last week it announced a new airline joint venture with India's Tata conglomerate.

**Source:** 2013 AFP, Agence France-Presse (AFP)

## EU MPs back temporary suspension of airline carbon tax

EU lawmakers on Tuesday backed plans to exempt some airline carbon emissions from a controversial tax pending an international accord on an issue which has pitted Europe against the United States and China.

The Environment Committee of the European Parliament voted through a proposal to suspend the EU's CO2 Emissions Trading Scheme (ETS) for intercontinental flights, as announced for a year in November by the European Commission.

MEPs stressed that their support was conditional on progress at the International Civil Aviation Organisation (ICAO) to agree worldwide measures to tackle the carbon dioxide emissions many blame for global warming.

"Today's vote is a clear signal that the European Union wants an international solution," said MEP Peter Liese, who oversees the issue in parliament.

EU Climate Commissioner Connie Hedegaard suspended the carbon tax plan last year for flights to and from non-European nations after Washington and Beijing led a chorus of opposition. The EU unilaterally introduced the carbon tax scheme on January 1, 2012 but 26 of the ICAO's 36 members opposed the move, saying the levy violated international law.

Under the ETS, airlines operating within the EU have to buy pollution credits to cover some 15 percent of their carbon dioxide emissions.

Liese said there was now "no more excuses for third countries not to engage in the issue.

"Third countries have given the impression that it is the European Union that stands in the way but we shall see if they have enough commitment," he added.

The ICAO is due to take up the issue again at its next general assembly in September 2013.

The committee recommendation now goes to a full parliament vote in April.

**Source:** 2013 AFP, Agence France-Presse (AFP)

## Elbit Systems Delivers Hermes® 900 Unmanned Aircraft System to a Customer in the Americas

The delivery follows a recent contract award by the Israeli Ministry of Defense for the supply of additional Hermes® 900 UAS as well as for the development of advanced UAS capabilities and maintenance services

Elbit Systems Ltd. ("ESL") has delivered a Hermes® 900 unmanned aircraft system (UAS) to a customer in the Americas. The program includes delivery of ESL's Hermes® 900 unmanned air vehicles, Universal Ground Control Stations (UGCS) including installation in a mission control center, advanced electro-optic systems and additional unique systems.

Due to high demand, ESL has increased its UAS production activities and will soon be delivering additional Hermes® 900 systems to other international customers,

ESL announced on December 31, 2012 that it was awarded a second contract to supply a wide range of Hermes® 900 UAS to the Israel Defense Forces (IDF). The contract, a follow-on to the initial IDF order for Hermes® 900 in 2010, calls for development of additional advanced UAS capabilities as well as UAS maintenance services. On January 27, 2013, ESL announced that it received an approximately \$35 million contract from the Israel Ministry of Defense ("IMOD") for the development of advanced features for Unmanned Aircraft Systems ("UAS"). One of the mission requirements is the quick re-configuration of the UAS' payloads.

The Hermes® 900 is well positioned as global leader in persistent intelligence, surveillance, target acquisition and reconnaissance (ISTAR), border control and ongoing security missions. The Hermes® 900 offers advanced and unique capabilities, including operation under adverse weather conditions, long endurance, high flight altitude and large multi-payload capacity. Elbit Systems offers a wide variety of advanced and high performance payloads to enable mission effectiveness in versatile missions. The system's unique design allows fast and flexible plug-and-play re-configuration to carry various payloads and support multi-mission performance according to the customer's requirements, in a cost-effective manner.

#### 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.

For additional information, visit: [www.elbitsystems.com](http://www.elbitsystems.com).

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**Source:** Epicos

### **NATO may station 8,000-12,000 troops in post-2014 Afghanistan**

NATO may station up to 12,000 troops in Afghanistan to train and assist Kabul's forces after the alliance's combat mission there against the Taliban ends in 2014, US officials said Friday.

US Pentagon spokesman George Little said NATO was considering deployment of between 8,000 and 12,000 troops, including any US contribution, but no final decision has yet been made.

Reports of a US presence of 8,000 to 12,000 troops "are not correct," he said.

President Barack Obama "is still reviewing options and has not made a decision about the size of a possible US presence after 2014," he said, adding that discussions will now continue with NATO allies and Afghanistan.

Earlier, US Defence Secretary Leon Panetta had declined to give precise figures for the post-2014 mission and stressed that NATO was looking at a variety of options and seeking to maintain the most flexibility.

Panetta, who also rejected the report of 8,000 to 12,000 US troops being involved, said the training and advisory mission would have a presence throughout Afghanistan.

There "will be a presence in Kabul and in the North, South, West and East," he told a press conference at the end of a two-day NATO defence ministers meeting in Brussels.

He also detailed the US troop withdrawal programme after Obama last month announced that 34,000 soldiers -- just over half the current number -- would be brought home within 12 months.

US forces will be largely maintained during the upcoming Afghan fighting season and then reduced to about 50,000 by November and 32,000 by February, staying at that level during elections, after which the remainder would leave, he said.

**Source:** 2013 AFP, Agence France-Presse (AFP)

### **Cassidian pulls plug on joint venture with Odebrecht**

Cassidian, a unit of European aerospace and defence giant EADS, has decided to shelve its joint venture with Brazilian conglomerate Odebrecht, an EADS spokesman told AFP on Tuesday.

Confirming an article in the business daily Handelsblatt, the spokesman said the joint venture, set up in 2010, had been hoping to land a six-billion-dollar (4.6-billion-euro) contract for a border security system, but the contract had been awarded to rival Embraer.

"A joint venture without any orders is an empty shell," the spokesman said.

Cassidian would nevertheless remain present in Brazil, which it regards as an "important market of the future," he said.

The country will host the 2014 soccer World Cup and the 2016 summer Olympics, which will require colossal investments in infrastructure and security.

Cassidian specialises in security systems and solutions and has been seeking to boost its activities in emerging economies to offset falling defence investment in Europe.

**Source:** 2013 AFP, Agence France-Presse (AFP)