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Passenger Demand for January 2013



On March 5th, 2013, (IATA) the International Air Transport Association released global air travel demand statistics for January. According to the statistics, passenger demand that began at the end of 2012 continued in January 2013. The passenger demand increased up to 2.7% in comparison to January 2012, slightly ahead of the 2.2% expansion in capacity, whereas load factors stood at 77.1%. Tony Tyler, IATA's Director

General and CEO regarding this development stated that: "passenger travel is growing in line with business confidence levels. Recent months have seen some positive economic signs emerge in both the US and China, and the Eurozone crisis seems to have stabilized. Of course risks remain; the impact of US budget cuts has yet to play out and fuel prices are high. But even with those headwinds—real and potential—we still see underlying support for continued and potentially even strengthened growth".

Region	Annual Passenger Growth Rate	Annual Capacity Expansion	Load Factors
Europe	2.1%	0.4%	77.1%
North America	1.5%	-0.8	79.4%
Asia-Pacific	3% (adjusted)		77.8%
Middle East	14.3%	14.4%	78.6%
Latin America	12.2%	13.7	79%
Africa	9.4%	5.8%	67.9%
Global	2.7%	2.2%	77.1%

The year-on-year growth rate of Asia-Pacific airlines showcased demand growth after adjusting for seasonal factors (Chinese New Year) of 3%, while load factors of the region's airlines stood at 77.8%. Middle East airlines, posted the strongest growth rates for January with a 14.3% increase in demand. Growth in capacity reached 14.4%. Region's load factors were above the global average at 78.6%. The airlines of the Africa region, posted a 9.4% growth, ahead of the 5.8% capacity expansion. Nevertheless, the region displayed the weakest load factors at 67.9%.

Airlines in Latin America, posted the second highest growth in demand at 12.2%. Demand was outpaced by capacity growth which reached 13.7%. Load factors at the region stood at 79%. The performance of expanding economies, namely Bolivia, Chile, Colombia and Peru, has boosted consumer demand including air travel. North America, reported a 1.5% expansion in demand and a reduced capacity of 0.8%. The region posted the highest load factor at 79.4%. Finally, European airlines were among the weaker performers. Demand growth reached 2.1%, where capacity expansion reached 0.4%. Load factors stood at 77.1%.

Kyriazis Vasileios,
Epicos Newsletter Head Editor

Cargo Demand for January 2013



On March 4th, 2013, the Geneva based International Air Transport Association (IATA) released the global air freight demand statistics for January 2013. Compared to the Freight Tonne Kilometers (FTK) in December, air freight volumes in January were 0.9% lower. Year-on-year, capacity expanded by 2.1% and the global load factor stood at 41.9%. Tony Tyler, IATA's Director General and CEO stated regarding this development that: "The air freight business is showing some encouraging signs. But it's too early to be overly optimistic. While the decline has stopped, overall volumes are still below the levels of 2010 and 2011. Load factors are low. And the global economy is fragile. Our forecast remains for modest demand growth of 1.4%. But with weak load factors, yields are going to continue to be under severe downward pressure".

Region	Annual Passenger Growth Rate	Annual Capacity Expansion
Europe	1.2%	2.4%
North America	0.6%	-1%
Asia-Pacific	3% (Adjusted)	-0.4%
Middle East	16.3%	12.4%
Latin America	-1.6%	10.2%
Africa	3.7%	13.9%

The carriers of the Asia-Pacific region represent some 39.2% of global air cargo. The region showcased a year-on-year demand growth of 7.1% while capacity was down 0.4%. Adjusting for the effect of Chinese New Year, it is estimated that the region's carriers saw demand growth of about 3.0%. On the other hand North American airlines saw a modest 0.6% growth compared to January 2012, while capacity was trimmed by 1.0%.

The airlines of the European continent reported demand growth of 1.2% year-on-year, which was half the 2.4% growth in capacity. The persistent economic crisis Eurozone is experiencing is expected to limit the growth in air freight volumes in 2013. Airlines in the Middle East reported an annual demand increase of 16.3%, ahead of 12.4% capacity expansion as the region's airlines continue to benefit from route and capacity expansion into rapidly growing economies in West Africa and Asia.

Airlines in Latin America were the only region showcasing a fall in demand with a 1.6% decline on demand. That was against a 10.2% increase in capacity. The increase in capacity can be explained by the fact that the region's airliners are adding air freight capacity to seize the opportunities of solid trade growth as several economies in Latin America showcased. Finally, African airlines reported a demand increase of 3.7% while capacity expanded by 13.9%.

Kyriazis Vasileios,
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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...

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Development of a compact NBC filtering unit to be installed on tactical Military vehicles



A company with long standing experience on the design, manufacturing and installation of specialized air-conditioning equipment and NBC filtering solutions is proposing the customization of a compact lightweight NBC filtration unit that will be integrated on the air-conditioning system of various tactical military trucks providing complete NBC protection to the cabin crew. The same system can be utilized to fulfill related civil vehicle protection requirements (e.g. VIP cars).

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

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Low cost battle vehicle information system



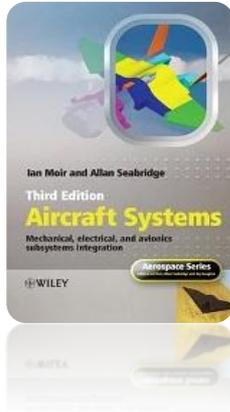
A company with long standing experience in the development and production of electromechanical instruments and avionics systems is proposing the adaptation of existing Battle Vehicle Information System (BVIS) technology used in MBTs in order to meet related requirements in light armored vehicles used in peace keeping and homeland security applications around the world.

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

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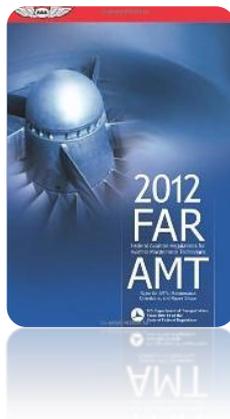


Aircraft Systems: Mechanical, Electrical and Avionics Subsystems Integration, by Ian Moir, Allan Seabridge



This third edition of Aircraft Systems represents a timely update of the Aerospace Series' successful and widely acclaimed flagship title. Moir and Seabridge present an in-depth study of the general systems of an aircraft – electronics, hydraulics, pneumatics, emergency systems and flight control to name but a few - that transform an aircraft shell into a living, functioning and communicating flying machine. Advances in systems technology continue to alloy systems and avionics, with aircraft support and flight systems increasingly controlled and monitored by electronics; the authors handle the complexities of these overlaps and interactions in a straightforward and accessible manner that also enhances synergy with the book's two sister volumes, Civil Avionics Systems and Military Avionics Systems.

FAR/AMT 2012: Federal Aviation Regulations for Aviation Maintenance Technicians (FAR/AIM series), by Federal Aviation Administration



As the most accurate and reliable regulatory reference on the market for aviation maintenance technicians (AMTs), this volume of the Federal Aviation Regulations (FAR) and relevant advisory circulars clearly marks all changes from the previous year. Additional AMT references from the FAA Advisory Circular publication makes this book the most comprehensive regulations book available for aviation technician and repair centers. All data is indexed by subject matter and features the regulations from the original government text. Reformatted for better legibility, this edition offers access to a free e-mail and downloads service that posts FAR updates throughout the year.



India vows to change weapons import procedures

India said on Monday it plans to draft new arms procurement procedures in the wake of a corruption scandal involving Italian helicopters -- just two years after the rules were last overhauled.

The redrafting could mean fresh delays to India's ambitious programme of arming its million-plus military with latest hardware, experts say.

"Within a few months, we are going to change the defence procurement procedure again," Defence Minister A.K. Antony told parliament.

The procurement policy was last revised in 2011.

India, which is currently negotiating a \$120 billion deal for 126 French Rafale fighter jets, already faces complaints from overseas arms vendors of long delays in handing out military contracts.

India last month began an inquiry into the purchase of 12 AgustaWestland helicopters for VIPs in 2010. Italian authorities have arrested the chief executive of AgustaWestland's parent company, Finmeccanica.

India has put payments to Finmeccanica on hold and asked it to say whether any terms of the contract and of an "integrity pact" were violated in securing the deal to supply the 12 helicopters.

Finmeccanica and its chief executive Giuseppe Orsi have denied that any bribes were paid to clinch the \$748 million contract for the British-built helicopters.

Antony told parliament that India was compelled to import hardware for its technology-starved military "because of the operational necessity of the services".

India imports more than 70 percent of its armaments mainly from Britain, France, Russia, Israel and the United States.

Local production would be the "ultimate solution to the scourge of corruption", the defence minister told the lower house of parliament.

India's arms acquisition policies, first put in place in 2001, were aimed at "expediting decision-making" and simplifying contracts, according to the defence ministry.

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

Cyprus Airways losses more than double in 2012

Struggling Cyprus Airways on Monday posted a loss of 55.8 million euros after tax for 2012, more than double the net loss of 23.88 million of the previous year.

The national carrier said the increase in losses is mainly attributed to the reduction in revenue from cargo and passenger traffic, as unprofitable routes were axed.

Total revenue dipped 17.6 percent to 175.5 million euros in 2012 from 212.9 million in 2011.

Operating losses for 2012 almost doubled to 49.7m euros from 25.5m in 2011.

The state-run airline said its future survival depended on it receiving rescue aid through a government share capital injection which needs European Union approval.

"These indicative results do not include any provisions which will become necessary if the expected funding is not received," said Cyprus Airways.

"This uncertainty has to be taken into consideration in the analysis of the indicative results," it added.

Cyprus Airways said it is in the process of implementing a Turnaround Plan - formulated by Air France Consulting - which seeks to cut staff, reduce salaries, outsource services, increase productivity and expand into Greece.

The company hopes to reduce its 1,000-strong workforce by around 400.

It said the recession at home and the island's need for an EU bailout, involving a troika of international lenders, darkens the immediate horizon.

Nicosia is estimated to need 17.5 billion euros in financial aid to keep its Greek-exposed banking system and crisis-hit economy afloat.

"The current year continues to be affected by the economic downturn and the intensifying competition in the main markets where the company operates," said the airline.

"In Cyprus, the financial crisis is expected to deepen following the implementation of painful austerity measures that will be finalised with the troika," it added.

There was a total decrease of 16.7 percent in operating expenditure, which includes cost of sales and administration expenses, to 224.9 million euros from 270.1 million in 2011.

Regarding future prospects, the airline said that it is operating in a highly competitive and constantly changing environment and its future performance is "subject to a variety of factors some of which are beyond its control".

This includes fuel costs and cut-price competition fighting for popular destinations to Greece and Britain.

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

Boeing, Cathay Pacific Announce Order for Three 747-8 Freighters

SEATTLE, March 4, 2013 /PRNewswire/ -- Boeing (NYSE: BA) and Cathay Pacific Airways today announced an order for three 747-8 Freighter airplanes. The order, valued at approximately \$1 billion at list prices, also includes options for five additional 777 Freighters. The new additions will bolster Cathay Pacific's 747-8 Freighter fleet to 13 airplanes.

"The 747-8 Freighter has provided our revamped cargo fleet with efficient fuel savings as well as added environmental benefits," said John Slosar, Chief Executive of Cathay Pacific Airways. "We are pleased with the in-service performance of this new airplane and we look forward to maintaining Cathay Pacific's market leadership."

Hong Kong's flag carrier is in the midst of renewing its freighter fleet with newer, more efficient airplanes, while also looking to strengthen its position as a market leader in the air cargo business.

"Cathay Pacific is a longstanding customer and operator of Boeing's products and services," said Boeing Commercial Airplanes President and CEO Ray Conner. "We value our partnership with Cathay Pacific and are grateful for their enduring confidence in Boeing and the 747-8 Freighter."

The new 747-8 Freighters are expected to progressively replace Cathay Pacific's 747-400 Boeing Converted Freighter (BCF) fleet. Cathay Pacific currently operates six 747-400 Freighters, eight 747-8 Freighters, six 747-400ER Freighters and one 747-400 BCF.

The 747-8 Freighter gives cargo operators the lowest operating costs and best economics of any large freighter airplane while providing enhanced environmental performance. At 250 feet, 2 inches (76.3 m) long -- 18 feet, 4 inches (5.6 m) longer than the 747-400 Freighter -- the 747-8 Freighter gives customers 16 percent more revenue cargo volume compared to its predecessor with nearly equivalent trip costs and lower ton-mile costs.

With more than 100,000 hours in service, the 747-8 Freighters are achieving performance milestones with customers reporting 1 percent better fuel burn than expected.

Cathay Pacific currently operates eight 747-8 Freighters and with today's order, the airline is set to take delivery of five more. A total of 70 747-8 Freighters have been ordered by more than nine customers around the world. To date, Boeing has delivered 28 747-8 Freighters to six airlines.

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Photo and caption are available here: <http://boeing.mediaroom.com>

Source: Boeing, Epicos

Korean Air confirms bid for Czech Airlines

Korean Air confirmed Tuesday it had made an official bid of "several million dollars" for a 44 percent stake in troubled Czech Airlines (CSA), in what would be its first investment in another carrier.

The South Korean flag carrier said it would not be seeking managerial control of the state-run Czech airline.

"We submitted a bid for the stake last week. If successful, this will be our first investment in another airliner," a Korean Air spokesman told AFP.

The bid reflects Korean Air's efforts to strengthen its network in Europe, he said. Korean Air operates passenger flights to 11 cities in Europe.

The Czech government has set a March deadline for bids for the airline, which Ernst & Young auditors estimate to be worth 148 million koruna (5.8 million euros, \$7.5 million).

Qatar Airways, which had previously expressed interest in the CSA stake, would not take part in the bidding, the Czech broadsheet daily DNES said Monday on its website.

Czech Airlines, which boasts a fleet of 26 planes, posted a loss of 241 million koruna in 2011.

The offer is the second attempt to privatise the unprofitable carrier after the first fell through in 2009.

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

China announces 10.7% increase in defence spending

China announced a further double-digit rise in its defence spending Tuesday, underlining its military ambitions as Beijing's new leadership pushes its claims in a series of territorial disputes.

The budget increases, the latest revealed at the start of the annual session of the national parliament, have triggered concern in Asia and Washington, with experts saying actual totals are substantially higher than those publicised.

But for China, the People's Liberation Army (PLA) -- a separate but closely linked centre of power to the ruling Communist Party -- is vital amid rising tension with neighbours and the US's renewed focus on Asia.

Since taking charge of the party and the country's top military body in November, incoming president Xi Jinping has exhorted the armed forces to boost their war-fighting abilities and loyalty to the party.

He has reportedly also taken charge of a secretive civilian-military group responsible for strategy in maritime disputes, particularly with Japan, and made a series of high profile visits to military units.

"This is Xi Jinping's first term and right now the security situation around China is rather tense and there's the US 'pivot' toward Asia and other issues," said Peking University security expert Zhu Feng.

"For Xi, this increase in military spending is probably an indicator of his taking on responsibility for national security."

China plans to raise its defence budget by 10.7 percent to 720.2 billion yuan (\$115.7 billion) in 2013, said a government report that will be reviewed by the country's rubberstamp legislature, the National People's Congress.

In a speech to the parliament, Premier Wen Jiabao elicited loud applause when he said: "We should accelerate modernisation of national defence and the armed forces so as to strengthen China's defence and military capabilities.

"We should resolutely uphold China's sovereignty, security and territorial integrity and ensure its peaceful development."

The pace of the budget increase represents a slight slowdown from the 11.2 percent announced in 2012 and 12.7 percent the year before, but is part of a trend of substantial rises that have come alongside strong economic growth.

Zhu said the slight drop signalled that "Beijing doesn't want to give an impression that China is coming to some sort of re-arming process with full energy".

But overall, he said, "I see quite little change. The double-digit rise is always there."

The increases are a particularly sensitive topic in neighbouring countries, who say China is taking a more assertive stance on long-simmering territorial rows.

In Tokyo, Japanese Foreign Minister Fumio Kishida said the government "intends to continue watching China's defence policy and its military strength closely", Kyodo News reported.

Beijing and Tokyo have both scrambled jets near disputed islands in the East China Sea administered by Tokyo but claimed by China. Beijing is also at odds with Southeast Asian countries over islets in the South China Sea.

US analysts have also accused the PLA of running sophisticated large-scale hacking operations targeting American companies, with Washington expressing concerns.

Beijing denies such claims but tensions over the issue spiralled in recent weeks after an American security firm issued the most detailed report yet on such attacks.

China began revamping the PLA -- a one-time ragtag peasant force formed in 1927 by the Communist party -- after a troubled 1979 incursion into Vietnam.

Last year the navy took delivery of its first aircraft carrier, the Liaoning, and it has also developed stealth fighter and anti-satellite capabilities.

Arthur Ding, an expert on China's military at National Chengchi University in Taiwan, said that the defence budget increase was not surprising given the country's rapid economic rise and upgrading of its armed forces.

"On the one hand, China's economic growth rate is able to afford such double-digit growth," he said.

"On the other hand, across-the-board modernisation and development of defence systems... require massive investment," he said, citing warships, jet fighters, the aircraft carrier and an anti-satellite system.

On Monday NPC spokeswoman Fu Ying said that China's military policy had always been "peaceful and defensive".

"It seems China has to explain every year to the outside world why we should strengthen national defence and why we should increase the military budget," she said.

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