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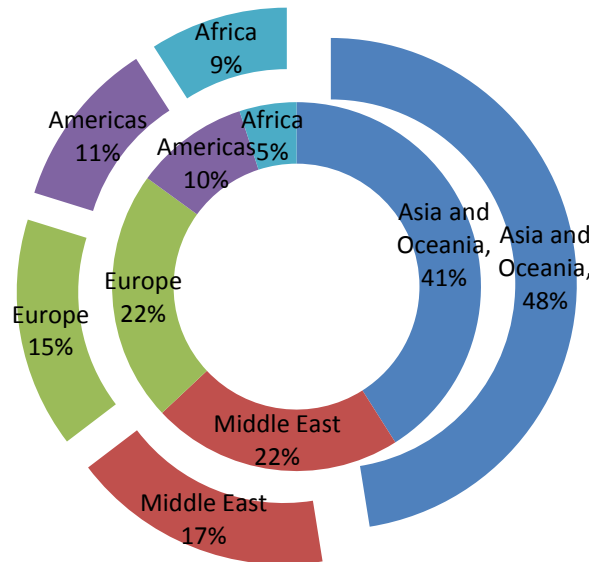
Global Defence Spending for 2012



According to the global international arm transfers report of the Stockholm International Peace Research Institute (SIPRI), the worldwide volume of arm transfers of major conventional weapons during the period 2008-2012 was (17%) higher than during the period 2003-2007. This augmentation in arm transfers was mainly driven by the Asian demand as the five

largest arm importers for the period 2008-2012 were Asian states, namely India, China, Pakistan, South Korea and Singapore. The rest of the regions followed. Middle East was second with a share of (17%) of the global imports, Europe third with (15%); America and Africa were the two last regions with (11%) and (9%) respectively. On the other hand the five biggest suppliers of major conventional weapons for the period 2008-2012 were the United States, Russia, Germany, France and China. USA and Russia remained by far the largest exporters. It is worth mentioning that for the first five-year period since 1950, the UK was not among the top (5) suppliers during the period 2008-2012, as the country was displaced by China. All five top suppliers accounted for the (75%) of total exports for the period 2008-2012, compared to the (78%) that they exported during the period 2003-2007.

The importers of major conventional weapons, by region, 2003-2007 and 2008-2012



As it is already mentioned the five biggest importers of conventional weapons were from Asia. In more details, India was the largest recipient of arms, accounting for the (12%) of global arm imports. The four next were China with (6%), Pakistan with (5%), South Korea with (5%) and Singapore with (4%). Russia dominates the markets of India and China, whereas Pakistan is mainly importing major conventional arms from China. South Korea and Singapore mainly import weapons from the USA.

Regarding the main exporters, USA is mainly exporting equipment to Asia and Oceania as the region received the (45%) of US deliveries. The Middle East accounted with the (27%) and Europe with the (18%). The Russian defence equipment is mainly exported to Asia and Oceania. It is indicative that the region received the (65%) of the Russian arm exports during the period 2008-2012, followed by Africa (17%) and the Middle East (9%). Germany's arm exports were mainly channeled to other European states (35%), followed by Asia and Oceania (31%) and the Americas (17%). The exports of the second European country - France, decreased by (18%) between the periods 2003-2007 and 2008-2012. States in Asia and Oceania received the (54%) of French arm exports during 2008-2012, followed by other states in Europe (14%) and Africa (13%). Finally, the volume of the Chinese exports of major conventional weapons rose by (162%) between 2003-2007 and 2008-2012. Asia and Oceania received the (74%) of the volume of the Chinese arm exports and Africa the (13%).

Kyriazis Vasileios,

Epicos Newsletter Head Editor

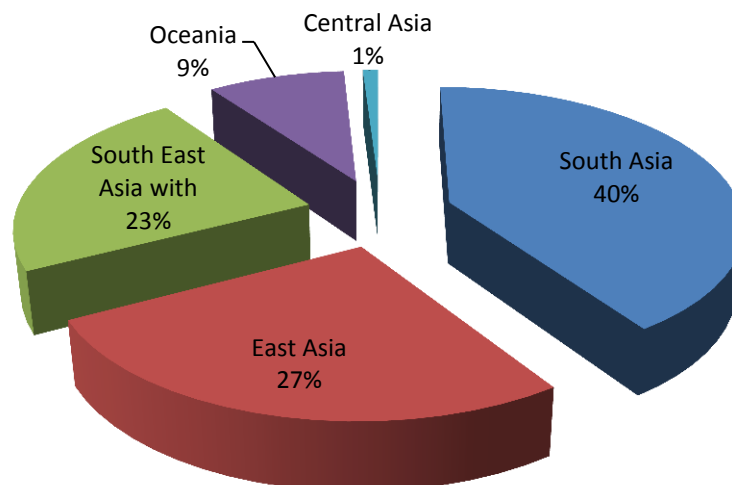
Defence Spending in Asia and Oceania: India on the Lead



According to the Stockholm International Peace Research Institute (SIPRI), Asia and Oceania was the region with the biggest volume of arm imports for the period 2008-2012, increased by (35%) between the periods 2003-2007 and 2008-2012. The main recipient sub-region was South Asia with the (41%) of transfers to the region, followed by East Asia with (27%), South East Asia with (23%), Oceania and Central Asia with (9%) and (1%) respectively. India was the world's largest importer of major conventional weapons during the period 2008-2012. The country's arm imports, accounting for (12%) of global imports, and they were (109%) higher than those of China, the second biggest arms importer.



Sub-regions' Imports



The Indian authorities are deliberately trying to change the aforementioned situation as one of their main objectives regarding defence equipment is the achievement of self-reliance in defence production. Currently the country is far from achieving this goal as according to estimations, nearly (70%) of the defence requirements are met through imports, with only (30%) being met through domestic production. India's stated aim is to reverse this trend and manufacture (70%) or more of its defence needs indigenously.

The second biggest importer of the region, China, during the period 2003-2007 was by far the largest importer of major weapons, though during the period 2008-2012 fell to the second place as its imports fell by (47%). This can be largely attributed to the fact that the country revealed several new domestically produced weapon systems. However, we must not fail to mention that new Chinese weapons continue to incorporate significant foreign components. The first Chinese aircraft carrier is a good example of this trend as it is based on a design and hull imported from Ukraine.

The region of South East Asia accounted for the (23%) of the total conventional arms imported to Asia, being the third biggest spender of the region. It is indicative that deliveries to South East Asian states during the period 2008-2012 increased by (169%) compared to 2003-2007 period. This is mainly due to the tension in the region over maritime borders, primarily between China and Vietnam or the Philippines. Thus, weapon systems with maritime role or a dual maritime and over-land role, accounted for the majority of imports.

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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New generation of Tactical Vests for Military, Police and Law Enforcement applications able to stop 7.62x39 rounds without additional ballistic protection plates



A leading company in the development and manufacturing of personal protective equipment, including tactical vests, concealed ballistic vests, riot control equipment and related training equipment, is proposing the development and production of a new generation of personal ballistic protection systems able to stop 7.62 x 39 rounds without inserting additional ballistic protection plates thus reducing the overall vest weight.

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

Mail at: g-menexis@epicos.com

Installation of an Integrated Data link System on Unmanned platforms for military and civil applications



A company with extensive experience in providing advanced wireless communication and data links solutions for various applications is proposing the collaboration in the frame of an offset program, for the installation of an Integrated Data link System (IDLS) on Unmanned Airborne, Ground or Surface Platforms (vehicles) for military and/or civilian applications. The proposed installation will be based on an existing Integrated Data Link System for Bi-Directional Air-to-Ground or Ground-to-Ground Wireless Data Link System turnkey

solutions already developed by the company.

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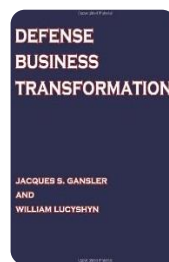


The Economics of Defence Spending (Routledge Revivals): An International Survey, by Keith Hartley, Todd Sandler



First published in 1990, this is an authoritative account of defence spending and policy in both developing and developed countries. The book provides case-studies and comparative material for policy-makers, civil servants, and military staffs throughout the world. It will also be of great use to students of economics, politics, international relations, and policy studies.

Defense Business Transformation, Jacques S. Gansler, William Lucyshyn, National Defense University



The Department of Defense (DoD) is the largest organization in the world, with operations that span a broad range of agencies, activities, and commands. With an annual budget over \$500 billion, DoD employs millions of people that operate worldwide and maintains an inventory system that is an order of magnitude larger than any other in the world. Transformation of business systems and process will not only reduce costs and improve performance, it is critical for improving warfighter support. Recognizing this, former Defense Secretary Donald Rumsfeld began a business transformation initiative in July 2001. This report is divided into two parts.

Part I evaluates DoD's business systems transformation effort, identifies lessons learned, and make recommendations to improve the prospects for success of the current business transformation effort. Part II includes several cases studies of business systems transformation in the federal public sector, at the Business Transformation Agency (BTA), and in the Military Services. Each case describes a specific transformation initiative and identifies lessons learned from the experience.



Ryanair says orders 175 Boeing 737s worth \$15.6 bn

Irish low-cost airline Ryanair on Tuesday announced that it has ordered 175 Boeing 737-800 airplanes worth \$15.6 billion (12.1 billion euros) at catalogue prices.

"Ryanair ... today signed an agreement with the Boeing Company to purchase 175 new Next Generation 737-800 airplanes," the Dublin-based carrier said in a statement.

The deal was signed by Ryanair chief executive Michael O'Leary and Boeing Commercial Airplanes boss Ray Conner in New York, where they will hold a joint press conference at 1415 GMT.

"When finalised, the deal will be worth nearly \$15.6 billion at current list prices, and will allow Ryanair to grow its airline to more than 400 airplanes, serving more than 100 million passengers per year across Europe by the end of the delivery stream in 2018," the statement continued.

Ryanair added that it was Boeing's largest order to date so far this year, and would support "thousands" of jobs in the United States.

"Upon approval by Ryanair's shareholders, the purchase will become Boeing's largest deal to date in 2013 and will be the largest ever aircraft order from a European airline," the Irish company said.

"It will sustain thousands of skilled manufacturing jobs in Boeing and its supplier companies and will represent the largest ever capital investment by an Irish company in US manufacturing and US jobs."

The news came one day European aviation giant Airbus -- Boeing's fierce rival -- announced a record order worth 18.4 billion euros (\$23.8 billion) from Indonesia's Lion Air for 234 medium-range A320 jets.

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

Taiwan to privatise sole aircraft maker AIDC

Taiwan said Tuesday it would privatise its sole aircraft maker Aerospace Industrial Development Corporation (AIDC) as part of a government drive to offload large state-owned assets.

Economic minister Chang Chia-chu told parliament Monday that he would agree to a plan submitted by the firm to sell at least half the government's 100 percent stake.

While no timeline has been set, Wu Fong-sheng, an official at the economic ministry in charge of the sale, said he expects the company to be listed on the local stock exchange next year.

Privatisation plans have swirled since the mid-1990s after the firm produced the last of its Indigenous Defence Fighters (IDF) -- the island's only locally designed fighter -- as the air force moved to the US-made F-16.

AIDC has since become a supplier of commercial parts, producing components for several aerospace giants including Boeing, Airbus and Sikorsky while keeping maintenance contracts from the air force.

"Evidently the company's competitive edge has been boosted over the past few years," Wu told AFP.

The 44-year-old firm turned a profit for first time only in 2007 and has since stayed in the black.

The company registered Tw\$1.25 billion (\$42.1 million) in net profit in 2012, up from Tw\$1.12 billion the previous year.

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

Denmark to renew fighter jet fleet

Denmark plans to renew its fleet of fighter jets to replace ageing US-built F-16s and has set up a working group to choose a manufacturer, Defence Minister Nick Haekkerup said.

"Our F-16s can fly until 2020, possibly until 2024, but then they'll need to be displayed in the aviation museum and in history books," Haekkerup told AFP.

"We need to replace them now and the choice will be between four models," he said, citing Boeing's F-18 Super Hornet, Lockheed Martin's F-35, Saab's JAS Gripen and the Eurofighter

Typhoon. Denmark has not yet decided how many aircraft it will acquire, nor the amount of money allocated for the purchase, Haekkerup said.

The choice of manufacturer will be made by June 2015 at the latest. Denmark, a NATO member, currently has 30 F-16s in operation.

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

Airport security sector still expected to soar despite US turbulence

The airport security sector is still expected to soar despite US budget cutbacks as air traffic grows and the threat of terrorism persists, analysts say.

Screening passengers and baggage as well as surveillance at airports is a business that has boomed as countries radically tightened security in the wake of the September 11 attacks.

While airport security is one of the areas to be hit in the United States by mandatory budget cuts, the expected growth of air travel is expected to drive increased spending on security.

"Airport security is a market niche which is outperforming that of the aviation" sector said Didier Brechemier, an expert at the Roland Berger consultancy.

"It grows along with the volume of passengers which is growing itself by five to six percent per year," he added.

According to the International Air Transport Association (IATA) more than 3 billion passengers will travel by air this year, almost double the number that flew in 2001. It expects another doubling of passenger traffic by 2030.

The airport security screening market is worth some \$10 billion (8 billion euros) annually, according to Philippe Nguyen, president of the IPE investment fund which is in the process of acquiring ICTS Europe, one of the leaders in the sector.

If physical security at and around airports is included the market is worth over \$22 billion, according to the Visiongain business information service.

Visiongain notes that national governments are increasing spending on developing new airport facilities and expanding existing ones to meet increasing air travel, with spending on enhancing security also rising.

"Contract sizes and financial data released by companies involved in the industry indicate this and would suggest that the market will continue to expand," said Visiongain.

While the US and European markets are the biggest airport security markets, the Asia Pacific region is expected to see the biggest growth as the aviation sector there booms.

China alone is expected to inaugurate 70 new airports in the next decade.

"The market is promising for a number of reasons, including growth in passenger travel, the emergence of major hub airports, the increasing aircraft order books, legislative changes and the drive from airports to deliver a better passenger journey," said the British group G4S, one of the top companies in the sector.

Relaxation of restrictions on carrying aboard airplanes certain items, such as small knives in the United States or plans by the EU to change its rules on liquids, should be a further boost for security companies.

A change by the EU liquid policy would lead to "an increase in controls to analyse these liquids before authorising them onboard," said Xavier Gondaud, head of the airport security department at Securitas, another top company in the sector.

The changes are coming amongst growing recognition that airport security is becoming too cumbersome and threatens to become an impediment to growth of air travel.

IATA chief Tony Tyler said at a recent aviation security conference that a right balance needs to be struck between risk and regulation.

"If we don't find the right balance soon we will lose the goodwill of our passengers and shippers, clog our airports, slow world trade, and bring down the level of security that we have worked so hard to build-up," said Tyler.

The effort to improve airport security will likely provide plenty of commercial opportunities as it is expected to rest heavily on new technologies.

In addition to new types of screening equipment, the drive to better target screening by use of information on travellers available to border control agencies will rely heavily on technology and data gathering.

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

German defence minister to visit troops in Mali

German Defence Minister Thomas de Maiziere is due in Mali on Monday where he is to meet German soldiers deployed to support French and African troops fighting Islamist rebels.

After first visiting German forces stationed in neighbouring Senegal where the minister arrived late Sunday, De Maiziere was headed to the Malian capital Bamako, his ministry confirmed.

He told journalists in Senegal, where Germany provides logistical and plane refuelling support to French forces, that it was "in Europe's interest that terrorism doesn't spread in Mali".

Germany has approved the deployment of up to 330 soldiers to Mali to participate in an EU-led training mission and give logistical support to French troops.

Up to 180 German soldiers have been earmarked for the European Union Training Mission -- 100 of them to provide logistical and administrative support in areas such as water and energy supplies.

Additionally 150 German soldiers are to provide logistical backup to the French deployment in Mali via help with transport and the refuelling of planes.

No German combat troops are planned.

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