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## Denmark: Defence Budget and Future Developments for the Period 2010-2015



The total budget for 2012 for the Ministry of Defence in the 2012 Finance Act is DKK 23.2 billion. This amount will be progressively diminished and as of 2017 the defence must save 2.7 billion DKK annually in order to contribute to the coherence of the public finances. The annual defence expenditure will be reduced by 2.5 billion DKK in 2015, 2.6 billion in 2016, and 2.7 billion as of 2017. This is done by initiating streamlining measures already from 2013, and at the same time creating financial latitude for development initiatives. It is possible, though, to streamline the defence without having to slim down its ability to solve the operative core tasks.

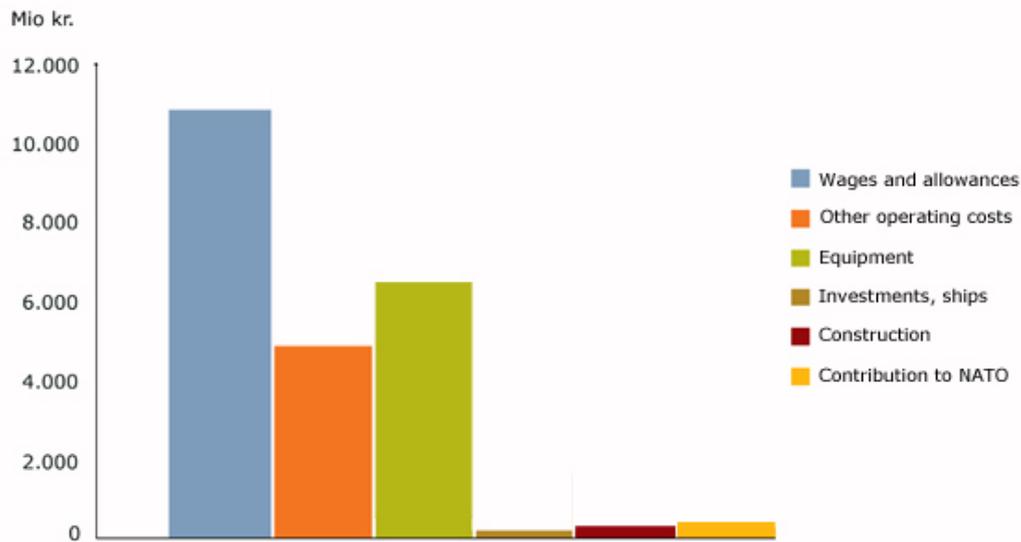
In the table below you can preview an overview of the Danish Defence expenditure for the period 2010-2015.

Organisation	2010	2011	2012	2013	2014	2015
Ministry of Defence	159,3	149,1	173,8	173,3	172,9	172,7
Defence Internal Audit	10,9	8,5	10,9	10,9	10,9	10,9
Reserve of budget regulation	-	-	-132,4	-263,6	-263,6	-2.263,6
Defence Command Denmark, including procurement and construction	20.149,4	20.874,8	21.268,4	21.271,6	21.271,8	20.644,4
Home Guard Command	463,6	482,0	498,6	495,4	495,3	495,3
Defence Intelligence Service	564,9	558,4	574,2	574,2	565,9	571,5
Maritime Safety Administration	274,8	276,0	-	-	-	-
Emergency Management Agency	532,7	521,6	507,3	504,8	494,0	494,1
Conscientious Objectors Administration	11,6	-	-	-	-	-

In order to slim down the defence expenditure, the Danish authorities have abolished administrations such as the “Conscientious Objectors Administration” and the “Maritime Safety Administration”. The first administration has been abolished since 31 December 2010 and its tasks have been transferred to the Defence Personnel Service pertaining to the Defence Command. The second administration has been abolished as an independent authority by Royal decree of 3rd October 2011 and its activities have been transferred to other ministries and administrations.

For the year 2012, the Ministry of defence budget was divided into the following categories: wages and allowances, equipment, investment and ships, construction, contribution to NATO and other operating costs. As it is depicted in the diagram below the majority of the

funds have been allocated to wages and allowances, whereas the category investment and ships absorbed the smallest amount of funds.



Nowadays, the operations that the Danish armed forces are taking part are different from the ones in the past. New tactical threats, greater intensity of missions, larger number of international operations and their big distance from Denmark, as well as the wide dispersal of the contingents within the specific mission areas are some of the new challenges the Danish Armed Forces are facing. Nevertheless, the Danish authorities have agreed that the defence must also contribute to the rationalization of the public sector and thus budget reductions must be made. It is essential that the budget reductions are made in such a way which Denmark still retains effective armed forces ready to fulfill their mission.

Kyriazis Vasileios,  
Epicos Newsletter Head Editor

## Danish Defence Forces, New Challenges



FORSVARSMINISTERIET  
MINISTRY OF DEFENCE

The operational needs of modern armies are constantly changing. Therefore, armies must continue to modernize and adapt to future tasks. In accordance with this, the Danish authorities

have as main priority to ensure an efficient, up-to-date army, while at the same time is geared to meet new challenges in the Arctic and in the cyber area, among others. Denmark will continue to have a well-equipped and well-trained defence forces, prepared for participation in international missions, whenever it is needed.

In conclusion, three are the main challenges which the Danish defence forces will face: the development in the Arctic, meet new challenges in the cyber area and, adapt to the new environment that will be created when the armed forces will be pulling out from Afghanistan (by the end of 2014).

Regarding the development in the Arctic, a joint services' Arctic Command has already been established in Nuuk. Several other things have been already planned such as the procurement of new ship-based helicopters and a new inspection vessel and the carry out of tests with drones and surveillance satellites.



After the events of 9/11 the term "Homeland Security" obtained a new and different perspective. From safeguarding the security of the nation's interior against possible enemy actions during a conflict, has transformed to the protection of the every-day social activities and the national transport, power, communication and health infrastructure, and finally the nation's natural resources. Under this context the responsible authorities for the implementation of Homeland Security has a different reality to face. Cyber and Data Security is one of the most important and sensitive domains of homeland security. Identifying this new reality the Danish authorities decided that a military capacity should be established, which will be able to carry out defensive and offensive military operations in cyberspace.

When Denmark pulls out its battle units from Afghanistan towards the end of 2014, the army will need to adapt to the new challenges and to be prepared for fast deployment, while at the same time maintaining the ability to carry out longer missions.

Kyriazis Vasileios,  
Epicos Newsletter Head Editor



## Defence and Intelligence Conference in London



The DGI (Defence Geospatial Intelligence) Conference & Exhibition brings together heads of defence geospatial intelligence, remote sensing, GIS data & mapping, satellite imagery and analysis within the military, governmental, and intelligence sectors. It attracts professionals who are responsible for using, and integrating, geo based capabilities in their operations and organizations.

DGI provides a unique forum for defence intelligence professionals to discuss and debate the development of geospatial intelligence capabilities. Over 700 senior defence and security executives from 46 countries attend the Defence Geospatial Intelligence (DGI) in Westminster, London, to discuss the future role of GeoInt, Data and Cyber Security in their organisations, to debate new strategies, future collaboration plans, and to find solutions to their current Geo challenges.

### Focusing On The Challenges That Most Affect Geo Professionals:

- **CONTINGENCY PLANNING** – Learn about the latest ideas and strategies for effective and interoperable defence and intelligence capability in the urban environment.
- **NATIONAL SECURITY** – Build your homeland security strategy based on experiences and tools from colleagues who are fighting terrorism the world over.
- **LITTORAL FOCUS** – develop an understanding of geospatial and intelligence support of operations and security missions in coastal waters around your country.
- **MARITIME DOMAIN** – get the latest insight into real time maritime surveillance of ships and environmental, defence and economic security
- **BIG DATA & CLOUD** – Tackle the challenges of big data storage, analysis and exploitation in intelligence and defense operations. Special focus on using and integrating open source data.
- **IT ARCHITECTURE** – develop an effective data and IT architecture to support interoperable and scalable intelligence functions
- **NORTH AMERICA DAY** – gain insight into cutting edge strategies used in intelligence and geospatial support capabilities in the USA and Canada.



- **ARCTIC FOCUS** – giving you insight into the challenges and opportunities of northern passage real time surveillance, environmental matters, maritime and littoral issues.

Supported by the UK MoD, the NGA, US Army, NATO, Australian DoD, the EU and many more international military and governmental organisations, DGI combines a high level conference, with a large exhibition hall, to combine unparalleled networking, benchmarking and learning opportunities into one event.

Find out more information: [www.dgjeurope.com](http://www.dgjeurope.com)

## 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](#)

### Nitrite free VCI Film for corrosion prevention of various aerospace and defence systems and subsystems



A company with many years of experience in the field of plastic bags development and production is proposing -to any likewise interested party- the use of a new generation Nitrite free VCI film for packaging/wrapping of aerospace and defense products which require particular protection from environmental elements. The associated VCI film complies with MIL-PRF-22019D specifications providing -environmentally safe- corrosion prevention for all product lines, ranging from steel rebar up to electronic circuit

assemblies.

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

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

### Rapid Prototyping services for steel and Aluminum casting parts designs for Aerospace applications



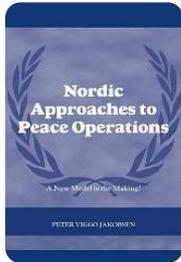
A company specialized in the manufacture of precision castings steel and aluminum parts using the Lost Wax Process for the defense and industrial sectors, is proposing, in the frame of an offset program, the collaboration with Aerospace and Defense (A&D) primes or lower tier companies for the provision of Rapid Prototyping services for new steel and Aluminum casting designs for specific Aerospace applications.

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

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



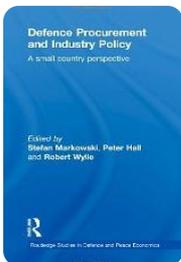
### **Nordic Approaches to Peace Operations: a New Model in the Making (Cass Series on Peacekeeping), by Peter Jakobsen**



During the Cold War the four Nordic countries (Denmark, Finland, Norway and Sweden) made a name for themselves in United Nations peacekeeping operations. After the end of the Cold War the politico-economical situation of Europe has seriously altered. In this new environment the Nordic countries are trying to delineate their position in the international peacekeeping missions. This book is examining the Nordic approaches to peace operations after the Cold War and it shows how the Nordic countries remain relevant for the study and practice of post-Cold War peace operations, and that they continue to have much to offer to both

academics and practitioners in this particular field.

### **Defence Procurement and Industry Policy: A small country perspective, by Stefan Markowski, Peter Hall, Robert Wylie**



Arms purchases are among the most expensive, technologically challenging and politically controversial decisions made by modern-day governments. This volume presents a general framework for understanding smaller country defence procurement supported by country, industry and project studies. The second part of the book focuses on defence procurement in seven smaller industrial nations with widely varying historical and political settings (Australia, Canada, Israel, Singapore, Spain, Sweden and The Netherlands), whereas the third part consists of two Australian case studies of the procurement issues raised in, respectively, the naval shipbuilding industry and in a major, complex defence project. The book addresses the needs of public and private

sector managers, military planners, procurement specialists, industry policy-makers, and defence procurement and industry educators.



### Singapore to acquire European surface-to-air missile system

Singapore is acquiring an advanced European air defence system as a replacement for its ageing US-made Hawk surface-to-air batteries, the defence chief said Monday.

Defence Minister Ng Eng Hen said the ASTER-30 Surface-to-Air Missile System, manufactured by European defence firm MBDA, will allow the city-state to counter multiple threats from fighter jets, helicopters, drones and precision guided missiles.

"The ASTER-30's capabilities are many times more potent than our I-HAWK ground-based air defence system," he told parliament. He did not reveal the cost of the system or when Singapore will make the acquisition.

The ASTER-30 system, used by countries like France and Italy, is expected to provide the city-state with an anti-missile and anti-aircraft range of up to 70 kilometres (43.5 miles), Singapore's defence ministry said. The current US-made I-Hawk system has a maximum effective range of 40 kilometres.

The tiny island-republic -- which is about 42 kilometres in length and 23 kilometres in breadth -- also has a shorter range "SPYDER" ground-based air defence system with a range of 15 kilometres.

Ng also said that Singapore is looking to upgrade its F-16 fighter jet fleet to "modernise their avionics and extend their lifespan".

He said the defence ministry was still evaluating the F-35 Joint Strike Fighter as a possible replacement for its older warplanes.

Singapore also has a fleet of F-15 fighter jets.

Singapore has the largest defence budget in Southeast Asia, thanks to public funds generated by its phenomenal economic growth.

It has set aside Sg\$12.34 billion (\$9.79 billion) for defence in 2013, up from Sg\$11.83 billion in 2012, according to official data. Surrounded by far larger neighbours, Singapore has pursued a robust defence strategy since its acrimonious split from Malaysia in 1965.

All able-bodied Singaporean men are required to devote two years of full-time military service upon turning 18, providing additional manpower on top of the estimated 20,000 armed forces regulars.

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

### Pakistan to privatise national carrier

Pakistan's new prime minister plans to sell off a 26 percent stake in ailing national carrier PIA and hand over management control in a bid to stem haemorrhaging losses.

Pakistan International Airlines (PIA) is one of the poorest performing state-run companies in the country and businessmen were quick to welcome the decision, announced late Thursday.

Prime Minister Nawaz Sharif, who has made repairing the weak economy his top priority, ordered PIA management to slash losses to make the company viable for sale.

The company has incurred heavy losses because of poor management, corruption and inefficiencies.

PIA officially lost \$320 million last year but the deficit would have been much larger if the state had not been pouring money into its coffers in a bid to keep it afloat.

The company has a staggering 18,000 employees for 42 planes, a ratio of more than 400 staff per aircraft, a PIA spokesman said.

"The government is fully committed to reforming and restructuring all ailing state enterprises, including PIA," Sharif said on Thursday.

Under the plan, 26 percent of PIA's shares will be offered to potential buyers along with the transfer of management control.

The auction is expected to attract international players and could be a milestone for the country's privatisation plan, analysts and businessmen believe.

Pakistan sold its state-run telecom company in mid-2000 by transferring 26 percent of its shares and management control. The government offloaded another 10 percent of PTC shares later on.

Arif Habib, chairman of Arif Habib Group of Companies and on PIA's board of directors until last month, said that the airline could attract an international buyer.

"If an investor injects some capital it could be turned around in a short span of time," said Habib, who is a former president of the Karachi Stock Exchange and a business tycoon.

"It would be a good public-private partnership model," he said.

Nevertheless the final sale is likely to face strong opposition from rival political parties and from employees.

Farrah Marwat, head of research at JS Capital Markets, said good financial packages and retirement benefits could help to defuse the complaints.

"We have a big market of 180 million people and no other sizable company to cater them so it would be a good attraction for the buyers," Marwat said.

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

### **Boeing Forecasts Growing Need for New Pilots in Asia Pacific Region**

Boeing [NYSE: BA] projects the Asia Pacific region will continue to lead the globe in demand for hundreds of thousands of new commercial airline pilots and maintenance technicians to support expanding demand for new airplane deliveries over the next two decades.

The 2013 Boeing Pilot & Technician Outlook, a bellwether industry forecast of aviation personnel demand, calls for 192,300 new commercial airline pilots and 215,300 new technicians in the Asia Pacific region through 2032.

"There is a very real, urgent demand for competent aviation personnel globally, and the Asia Pacific region is particularly impacted," said Bob Bellitto, global sales director, Boeing Flight Services. "While Boeing is investing in cutting-edge technologies to attract and retain young people interested in careers in aviation, this is an industry-wide issue that can only be solved with industry-wide solutions."

Leading the region in projected demand for new pilots and technicians:

- China – 77,400 pilots and 93,900 technicians
- Southeast Asia – 48,100 pilots and 50,300 technicians

Other parts of the region will also continue to see long-term demand in the tens of thousands of pilots and technicians:

- Southwest Asia will need 30,900 pilots and 28,500 technicians
- Northeast Asia will need 18,500 pilots and 25,500 technicians
- The Oceania region will need 17,400 pilots and 17,100 technicians

"Aviation is a great field to be in. We have a responsibility to make sure it's a viable career option for the world's youth," said Bellitto. "Tomorrow's aviation workforce is going to be very different than their present-day peers. We need to focus on their expectations for learning, moving away from paper and chalkboard-based techniques to incorporate tablets, eBooks, gaming technology and three-dimensional models."

The Pilot & Technician Outlook is closely tied to projections for new airplane deliveries around the globe. As it does with personnel demand, the Asia Pacific region also leads the

demand for new commercial airplane deliveries over the next 20 years, with 12,820 new airplanes needed by 2032 according to Boeing's 2013 Current

Market Outlook.

In April 2013, Boeing announced the decision to install two new full-flight simulators—a 777 and Next-Generation 737—at its Singapore training campus. The simulators are expected to be ready for training in early to mid-2014. The added 737 training capability will help meet demand as customers in Southeast Asia as well as, Japan, Korea and China take delivery of new airplanes. Airlines in China and Indonesia, as well as in the Middle East and Africa, will benefit from the increased 777 training capacity.

More information on the 2013 Pilot & Technician Outlook is available at

[http://www.boeing.com/commercial/cmo/pilot\\_technician\\_outlook.html](http://www.boeing.com/commercial/cmo/pilot_technician_outlook.html)

About the Boeing Edge

Boeing offers a comprehensive portfolio of commercial aviation services, collectively known as the Boeing Edge, bringing value and advantages to customers and the industry. Boeing Flight Services provides integrated offerings to drive optimized performance, efficiency and safety through advanced flight, maintenance and cabin safety training as well as simulator support and services through a global network of campuses on six continents.

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**Source:** Epicos, Boeing

### **Market opportunities for Gripen E**

During recent months the security and defence company Saab has met an increased interest in Gripen E, the next generation of its multirole fighter.

This is concurrent to the fact that Saab in February 2013 received an order from the Swedish Defence Material Administration (FMV) for the development of Gripen E and has started the assembly of the system.

Approximately 6000 fighter jets will need to be replaced on the world market during the coming 15-20 years (Source: IHS Jane's 360). Due to Swedish export restrictions and other prerequisites, Saab has access to approximately half of this market. Previously Saab estimated that Gripen potentially could capture about 10 per cent of this market over the coming 15-20 years.

Based on the increased interest for Gripen, for example in Asia, Europe, South America and Sub-Saharan Africa, Saab now pictures the potentials for future business with Gripen E more positive over the coming 15-20 years.

"The rising interest for Gripen reflects the long-term analysis of the market for Gripen E, as the most cost-efficient and modern state of the art multirole fighter jet system. The business opportunities seem to be quite promising", says Håkan Buskhe, President and CEO of Saab.

Saab's outlook for 2013 is unchanged. The long-term financial targets of 5 per cent annual organic sales growth on average over a business cycle, an operating margin of 10 per cent as an average over a business cycle and an equity/assets ratio exceeding 30 per cent are unchanged.

Saab serves the global market with world-leading products, services and solutions ranging from military defence to civil security. Saab has operations and employees on all continents and constantly develops, adopts and improves new technology to meet customers' changing needs.

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**Source:** Epicos, Saab

### **Raytheon awarded \$14 million for HARM Control Section Modification Lot 2 contract**

The U.S. Air Force awarded Raytheon Company (NYSE: RTN) a \$14 million Lot 2 contract to continue full rate production of High-Speed Anti-Radiation Missile (HARM) Control Section Modification (HCSM) upgrade units. The modification adds a GPS receiver and an improved inertial measurement unit (IMU) for precision navigation to the existing HARM. HCSM also features a digital flight computer that merges targeting solutions from navigation and seeker systems.

"HCSM upgrades to the HARM allow the enhanced weapon to precisely engage the target set," said Jack Roosa, HARM program director for Raytheon Missile Systems. "These

upgrades negate many counter tactics of sophisticated radar-directed defenses and add a stand-off, high-speed strike capability against time critical targets of known location."

Raytheon began modification of existing HARMs early this year. Delivery of HCSM units is scheduled for the fourth quarter of 2013. Raytheon has teamed with Honeywell, Rockwell Collins and others for the HCSM program. The contract was awarded in Raytheon's second quarter of 2013.

#### About HARM and HCSM

The AGM-88 High-Speed Anti-Radiation Missile is a key battlespace element to suppress or destroy surface-to-air missile radars, early warning radars and radar-directed air defense artillery systems. HARMs have made hostile airspaces worldwide safer for U.S. and allied warfighters. The missile resides in the inventories of eight countries.

- More than 4,000 HARMs have been employed in combat.
- HCSM adds GPS/IMU navigation accuracy, giving HARM the ability to engage time-critical targets.
- HCSM has new features that degrade counter-HARM tactics, while reducing the risk of fratricide or collateral damage.

#### About Raytheon

Raytheon Company, with 2012 sales of \$24 billion and 68,000 employees worldwide, is a technology and innovation leader specializing in defense, security and civil markets throughout the world. With a history of innovation spanning 91 years, Raytheon provides state-of-the-art electronics, mission systems integration and other capabilities in the areas of sensing; effects; and command, control, communications and intelligence systems; as well as a broad range of mission support services. Raytheon is headquartered in Waltham, Mass.

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**Source:** PR Newswire Association LLC, Raytheon