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IATA: Global Passenger Demand by 2017



On December 10, 2013 the International Air Transport Association (IATA) released the Airline Industry Forecast for the period 2013-2017. The report forecasts that airlines will see a 31% increase in passenger numbers between 2012 and 2017. By 2017 the total passenger numbers are expected to rise to 3.91 billion, an increase of 930 million passengers over the 2.98 billion carried in 2012. The regions of Middle East and Asia-Pacific will see the strongest international passenger growth with *Compound Annual Growth Rate (CAGR)* of 6.3% and 5.7% respectively will see the strongest international passenger growth. Africa with 5.3% and Latin America with 4.5% will follow.

Tony Tyler, IATA's Director General and CEO stated: "The fact that the Asia-Pacific region - led by China - and the Middle East will deliver the strongest growth over the forecast period is not surprising. Governments in both areas recognize the value of the connectivity provided by aviation to drive global trade and development. Similar opportunities exist for developing regions in Africa and Latin America. To reap the benefit, governments in those regions will need to change their view of aviation from a luxury cash cow to a utilitarian powerful draft horse to pull the economy forward".

Asia-Pacific passenger traffic is estimated to grow at 5.7% CAGR for the forecasted period. Traffic within the Asia-Pacific region will represent 31.7% of global passengers in 2017, up from 28.2% in 2012. The Middle East region will report the strongest international passenger growth with 6.3% CAGR, whereas the North America and Europe will continue to see their share decline, from 26%, and 24%, respectively, to 24% and 23%.



Regarding the countries with the fastest growing markets for international passenger traffic, Uzbekistan with 10.3% CAGR has displaced Kazakhstan 9.0% CAGR from the first place. The remaining eight are: Russia (7.7% CAGR), Turkey (7.6% CAGR), Oman (7.5% CAGR), China (7.1% CAGR), Vietnam (6.9% CAGR), Saudi Arabia (6.9%), Azerbaijan (6.8% CAGR), and Pakistan (6.7% CAGR). The bottom five are all in Latin America: Brazil, Peru, Colombia, Mexico and Ecuador.

USA will be the largest single market for domestic passengers with 677.8 million passengers by 2017. China is estimated to come in second place with 487.9 million passengers, whereas Brazil will firmly establish itself as the third-largest domestic market after the US and China, with 122.4 million passengers.

Kyriazis Vasileios,
Epicos Newsletter Head Editor

Airlines: Global Traffic Results for October



During the first dates of December 2013 the International Air Transport Association (IATA) announced the global traffic results for October. According to the report the total passenger demand raised by 6.6% compared to October 2012 an improvement over the September increase of 5.2%. Capacity increases by 6.5%, while load factor was

78.9%. Tony Tyler, IATA's Director General and CEO stated: "October traffic results reinforce expectations for a strong fourth quarter traffic performance in line with rising business confidence and better economic performance in the major advanced economies".

The carriers of the Asian-Pacific region showcased a solid performance of a 7.8% rise in October 2013 compared to October 2012. This was mainly attributed to the better performance of major economies such as China and Japan. Capacity rose by 7.1% versus October 2012, while load factor rose by 0.5% points to 76.4%.

Regarding the European carriers, traffic was up by 5.4% in October compared to 2012. Capacity rose by 4.6%, while load factor were up by 0.6% points to 81%. In North America, demand was up by 3.6%, capacity by 4.6 and load factors declined by 0.8% point to 81.4%.



The Middle Eastern carriers showcased the strongest year-over-year traffic growth in October at 14.0%. Capacity raised by 13.9%, and load factor stayed flat compared to the year-ago period at 75.5%. The demand in Latin American airlines climbed by 8.3% mainly due to solid trade growth and business related travel. Capacity rose by 4.6% and load factor jumped 2.7% points to 79.7%. Finally, the African airlines' traffic climbed by 3.5% compared to October 2012. This was the slowest expansion rate between all the regions. Capacity rose by 8.7%, and load factors dropped by 3.3% to 66.1%.

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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Development of Fighter Aircraft Link-16 Data Link Training System



Fighter aircraft training requirements nowadays have evolved drastically since new and more complex systems have been added to the platforms driving the pilot to perform continuously more functions, in order to improve the man/machine effectiveness. However, these additional systems increased the already heavy workload of the operator. Thus, advanced and realistic training has become a necessity in order to ensure safer and more effective multi-system platform operation. In this direction, a leading avionics software development company is proposing the development of a Fighter Aircraft Link-16 Data Link Training System / Simulator. This system will provide the ability to train fighter pilots in Link-16 applications, using realistic operational scenarios including through live communication with real Link-16 equipped aircraft.

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

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Production of electromechanical parts and actuators for the aerospace and defence industry



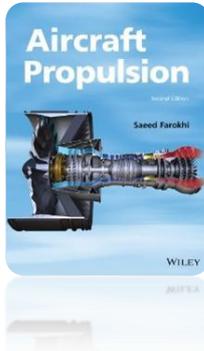
A company with extensive experience in the manufacturing of high-precision measuring systems and the design and development of electromechanical equipment for different markets, is proposing collaboration with a Prime contractor or a third party for the subcontracting of electromechanical parts and actuators for the aerospace and defence industry.

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Aircraft Propulsion, by Saeed Farokhi



Aircraft Propulsion, Second Edition is a comprehensive textbook covering aircraft gas turbine engine and rocket propulsion from the basic principles to more advanced treatments in engine components. Propulsion system integration with aircraft plays an important role in understanding propulsion and is addressed accordingly. Extensive review material and derivations are included to help the reader navigate through the subject with more ease. In every engine component, issues related to manufacturing, material properties, temperature limitations and cooling are included to give an appreciation for the broader scope of propulsion engineering than just aero-thermodynamics. Component matching and off-design analysis is detailed in a separate chapter to provide the physical and performance linkage between the components and their impact on aircraft engines. Principles of chemical rocket propulsion are presented in the context of single-stage to orbit propulsion needs of a rocket-based combined cycle vehicle.

Commercial Airplane Design Principles, by Pasquale M Sforza



Commercial Airplane Design Principles is a succinct, focused text covering all the information required at the preliminary stage of aircraft design: initial sizing and weight estimation, fuselage design, engine selection, aerodynamic analysis, stability and control, drag estimation, performance analysis, and economic analysis. The text places emphasis on making informed choices from an array of competing options, and developing the confidence to do so. Additionally, it shows the use of standard, empirical, and classical methods in support of the design process, explains the preparation of a professional quality design report and provides a sample outline of a design report.



Pentagon chief affirms Qatar, US defence ties

Pentagon chief Chuck Hagel reaffirmed US military ties with Qatar on Tuesday, during a regional tour aimed at shoring up Gulf alliances amid disagreements over policy on Iran and Syria.

Hagel met Qatar's Emir Sheikh Tamim bin Hamad Al-Thani and his minister of state for defence, Major General Hamad bin Ali al-Attiyah, in Doha where they renewed a defence agreement.

US air force commanders also gave Hagel a tour of the Combined Air Operations Centre, where officers oversee combat aircraft in Afghanistan and track air traffic across the volatile Middle East.

At the control centre, massive digital maps on screens lined the walls showing air traffic over conflict-hit Syria, the Gulf and Afghanistan.

Speaking to reporters after the tour of the base, Hagel acknowledged the US and its Gulf allies had some differences over tactics when it comes to Syria or Iran but agreed on the main objectives.

"We are not going to get disconnected from our allies in the region," he said. "We can have differences in our approach" but the ties with Qatar and other Gulf states remained strong.

Gulf Arab states worry that the United States is pulling back from the Middle East and that diplomacy with Shiite-dominated Iran could embolden Tehran, which is seen as a regional rival.

Several Gulf states also accuse the United States of turning a blind eye to the bloodshed in Syria, which has killed an estimated 126,000 people since March 2011.

Washington is concerned over the growing role of hardline Islamists among Qatar- and Saudi-backed mostly Sunni rebels battling Syrian President Bashar al-Assad's troops, which are backed by Iran.

Hagel on Tuesday reaffirmed the US position that Washington wants to support moderate opposition in Syria and concerns about extremists among the rebels.

During their meeting, Hagel and Attiyah renewed the United States-Qatar Defence Cooperation Agreement (DCA) which "governs the interactions between US and Qatari forces including training, exercises and other cooperative activities," said a statement by assistant press secretary Carl Woog.

"The agreement promotes cooperation and is a testament to the longstanding security partnership enjoyed by the United States and Qatar," said the statement.

"It underscores the close partnership between the US and its (Gulf Cooperation Council) GCC partners." Pentagon officials said the trip offered a chance for Hagel to reassure Gulf allies that Washington would maintain a major military presence in the region regardless of a diplomatic opening with Iran.

US bonds strong as ever

Hagel on Saturday assured Gulf states that the breakthrough nuclear agreement struck between major powers and Iran on November 24 will not affect the presence of some 35,000 US troops in the region.

He reiterated to Sheikh Tamim that the United States is committed "to preventing Iran from acquiring a nuclear weapon."

Washington's reluctance to intervene against Assad, a staunch ally of Tehran, as well as budget pressures and a US "rebalance" to Asia, have added to doubts among Gulf governments over America's staying power in the region.

But Hagel argued Saturday that bonds with the Gulf were as strong as ever, citing as evidence the more than \$75 billion in US arms sales to Gulf countries since 2007.

In Saudi Arabia on Monday, Hagel and the kingdom's crown prince and defence minister, Prince Salman bin Abdul Aziz, "agreed that the United States and Saudi Arabia are firmly committed to their strong defence relationship," said a statement by Woog.

They discussed Iran and means of "achieving security and stability in the region", as Hagel stressed that Washington was "fully committed to its security partnership with Saudi Arabia and seeks to deepen its cooperation even further."

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

Pentagon chief talks drones with Pakistan PM

Pakistani Prime Minister Nawaz Sharif told Pentagon chief Chuck Hagel on Monday that US drone strikes were "counter-productive" as Washington tried to ease tensions with Islamabad.

In the first visit by a US defence secretary for nearly four years, Hagel flew from Kabul to Pakistan to meet the premier and the country's new army chief, General Raheel Sharif.

Ties have been seriously strained over US drone strikes in Pakistan's tribal belt as well as over sanctuaries for Afghan Taliban insurgents inside Pakistan's borders.

Sharif "reaffirmed Pakistan's support for the Afghan peace and reconciliation process", a Pakistan government statement said after the talks.

"The Prime Minister also conveyed Pakistan's deep concern over continuing US drone strikes, stressing that drone strikes were counter-productive to our efforts to combat terrorism."

President Barack Obama has defended the drone strikes as an effective, lawful tool used with restraint to target suspected Al-Qaeda militants.

But human rights groups and Pakistani politicians say the missile attacks have killed innocent civilians and are a breach of sovereignty.

After greeting Sharif, Hagel said Pakistan and neighbouring Afghanistan had a "lot of common and mutual interests" and he looked forward to discussing regional issues.

Hagel was in Pakistan "in recognition of the tremendous support that Pakistan has provided in the war on terror", a senior US defence official told reporters.

The defence secretary wanted to affirm continued US military assistance, the official said.

"There is some friction in the relationship" and Hagel wished to tackle that "head on", he added.

The visit came as Hagel's deputies withdrew Sunday's statement that NATO shipments out of Afghanistan through Pakistan would resume due to the end of anti-drone protests.

In recent weeks activists opposed to the drone raids forcibly searched trucks in northwest Pakistan in a campaign to disrupt NATO supply routes through the Torkham gate border crossing.

The club-wielding protesters have prompted US officials to halt the shipments to protect the truck drivers.

Contractors were still concerned at the protests and the suspension had not been lifted, officials travelling with Hagel said.

Torkham gate is the main overland route used by the Americans and NATO to withdraw military hardware from Afghanistan as part of the troop pullout set to wrap up by the end of 2014.

US officials are anxious to forge a constructive dialogue with Pakistan's new army chief Sharif, who is expected to be at the centre of sensitive security decisions.

"Issues concerning (the) defence relationship, Pak-US bilateral ties and regional stability came under discussion," the Pakistan military said after Hagel met the army chief.

Since 2002, Washington has given Pakistan more than \$16 billion in security assistance and "coalition support funds", according to US officials.

Pakistan is seen as crucial to peace in neighbouring Afghanistan as it was a key backer of the hardline 1996-2001 Taliban regime in Kabul and is believed to shelter some of the movement's leaders.

Pakistan is also battling a homegrown Islamist insurgency, but US officials have long accused Islamabad's spy service of maintaining ties to the Afghan Taliban.

Hagel visited Pakistan after two days in Afghanistan, where he urged President Hamid Karzai to sign a much-delayed pact that will allow some NATO forces to stay in the country after 2014.

Hagel began his trip last week in Bahrain, trying to reassure Gulf allies that the United States would retain a robust military presence in the region despite an interim nuclear deal with Iran.

Hagel left Pakistan on Monday for Saudi Arabia and Qatar, where he was expected to renew his message of solidarity with the Gulf Arab states.

The Saudis in particular are wary of the diplomatic opening with Shiite-led Iran, which they see as a regional rival.

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

EADS to cut 5,800 jobs in Europe in restructuring

European aerospace giant EADS, the maker of Airbus aircraft, announced plans Monday to cut 5,800 jobs in its defence and space division over three years.

The job cuts, part of a major restructuring in the face of falling orders, will affect the group's workforce in Germany, France, Spain and Britain, the company said in a statement.

The news came after a meeting of its European works council with chief executive Tom Enders, whose bold plan to merge the conglomerate with Britain's defence group BAE Systems was torpedoed last year with a surprise veto by Germany.

"We need to improve our competitiveness in defence and space -- and we need to do it now," Enders said, according to the statement.

"With our traditional markets down, we urgently need to improve access to international customers, to growth markets. For that to work, we need to cut costs, eliminate product and resource overlaps, create synergies in our operations and product portfolio and better focus our Research and Development efforts."

He added: "That's what the restructuring and integration plan for our defence and space business is all about."

An industry source said about 2,600 of the job cuts would be in Germany, around 1,700 in France, 700 in Britain and another 600 in Spain.

However France's Labour Minister Michel Sapin insisted later that despite the thousands of defence job losses at EADS there would be no forced layoffs.

Speaking on French television he said that efforts would be made "to slide personnel who currently work in armaments towards the civil sector".

He assured that "there will be no layoffs. Not one single person is going to the unemployment centre as within the group itself there are jobs being created".

Anticipating fierce resistance from labour representatives, the company said it would do what it could to cushion the impact of the cuts, due to be completed by the end of 2016.

Furloughed employees will be offered redeployment in 1,500 jobs at the company's Airbus and Eurocopter divisions.

About 1,300 short-term contracts will not be renewed, and with voluntary measures, the company estimated final redundancies to come in at between 1,000 and 1,450 employees.

"The group also intends to enter into negotiations with its works councils to seek agreements on labour cost reductions which could help mitigate the social impact of the restructuring plan," it added.

EADS has previously announced that it is changing its name to Airbus to raise its public profile.

The overhauled defence and space division, to be called Airbus DS, will have a streamlined legal structure to cut costs and be up and running by January 1, the company said.

Shares in EADS rose 0.82 percent to 50.49 euros in Paris on the news.

But a French union, the FO Metalworkers' Federation, reacted angrily to the announcement, protesting that EADS on the whole "is doing well financially and its order books are in good shape".

It said the group's focus on improving its profit margin should not come at the expense of its staff and urged the French state as a major shareholder to fight to protect jobs.

"FO calls on EADS to avoid layoffs and appeals to its sense of responsibility and solidarity so that no employee will be left behind," it said.

Enders has stressed that the company cannot continue with business as usual while government clients are increasingly resorting to cuts to the military to shore up strained public finances.

He has cited lost orders worth several billion euros (dollars) in Germany alone that the company had thought were certain.

In November, Germany's biggest union IG Metall held industrial action as a warning against the company's expected restructuring plans.

IG Metall's Ruediger Luetjen, who is head of EADS' European works council, said in a statement the union was unhappy that forced redundancies had not been excluded from the restructuring plan.

These "aren't an option" when EADS is highly profitable, said Luetjen, adding, "competitiveness isn't increased when one loses highly qualified and motivated people".

But the overhaul is seen by management as unavoidable after the failed plan to merge with BAE.

That was shelved after objections from Germany, which had worried it would trigger major job losses.

The success of the Airbus division came after a radical restructuring in 2007 in a plan that originally called for 10,000 job cuts, but in the end cost 7,900 jobs.

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

New American Airlines emerges as world's top carrier

American Airlines emerged as the world's largest airline Monday, combining with US Airways after a hard-fought battle to overcome US competition concerns.

AMR Corporation, the parent of American Airlines, and US Airways Group announced they had completed the deal after AMR emerged from bankruptcy protection.

The new American Airlines Group is a goliath, providing nearly 6,700 daily flights to more than 330 destinations in more than 50 countries.

"Our people, our customers and the communities we serve around the world have been anticipating the arrival of the new American," said Doug Parker, chief executive of American Airlines and the former chairman and CEO of US Airways.

"We are taking the best of both US Airways and American Airlines to create a formidable competitor, better positioned to deliver for all of our stakeholders. We look forward to integrating our companies quickly and efficiently so the significant benefits of the merger can be realized."

The creation of a third giant carrier to compete with US rivals United and Delta cleared a major hurdle in November after the Justice Department announced a settlement to resolve antitrust concerns.

Under the agreement, AMR and US Airways are giving up slots and other rights at seven key airports to low-cost airlines.

The two airlines are abandoning a significant number of slots at two of the busiest airports on the East Coast -- 34 at New York's La Guardia and 104 at Washington's Reagan National.

The new American is committed to maintaining hubs in New York's Kennedy International, Los Angeles, Miami, Chicago's O'Hare, Philadelphia, Phoenix and Charlotte for three years.

The companies said Monday there would be no immediate change to their operations. The integration of the two companies to achieve a single operating certificate is expected to take 18 to 24 months.

As part of the combination, US Airways will exit Star Alliance on March 30 and will enter the next day the Oneworld Alliance, joining American with airlines including British Airways, Cathay Pacific, Japan Airlines and Qatar Airways.

"Customers will begin to see enhancements to their experience in early January, including the ability to earn and redeem miles when traveling on either American Airlines or US Airways, reciprocal American Admirals Club and US Airways Club benefits, and reciprocal elite recognition," the companies said.

Headquartered in Fort Worth, Texas, synergies from the merger are expected to generate more than \$1 billion a year in additional financial benefits by 2015, they said.

Flight attendants of both carriers cheered the merger.

"Christmas has come early," said Laura Glading, president of the Association of Professional Flight Attendants, the union representing the staff at American.

"It's been a long, tough slog, but today our hard work has paid off."

Roger Holmin, head of the Association of Flight Attendants unit at US Airways, said: "We proudly stand shoulder-to-shoulder with our new American flying partners and we cheer the end of the American bankruptcy."

Shares in American Airlines Group, trading under the ticker symbol AAL, debuted on the Nasdaq exchange at \$23.95.

The stock advanced to \$24.85 in late-afternoon trade, after hitting a low of \$23.45.

The \$11 billion merger was first announced in February, but was held up by an antitrust lawsuit from the US government and backed by several states, worried about the combined airline's potential monopoly power.

The lawsuit argued that the tie-up would mean four airlines -- which it said have a history of "tacit coordination" instead of competition -- would control more than 80 percent of the US commercial air travel market.

US Airways and American alone compete directly on more than 1,000 routes, it argued.

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

EU edges toward flight use of tablets, smartphones

Long overdue in an increasingly connected world -- or the end of a precious oasis of peace -- the European Union on Monday took a first step to allowing expanded use of smartphones and tablets on aircraft.

The EU's Aviation Safety Agency (EASA) judged airline passengers would now be able to use portable electronic devices if they are put in "Flight Mode," that is not transmitting, throughout the journey, from take-off to landing.

The next step would be for EASA to see if such devices can be put to full use and connected in transmission mode to the Internet, EU Transport Commissioner Siim Kallas said, adding that he had called for the review to be speeded up.

Up to now, airlines require all devices without exception to be switched off for take-off and landing to prevent possible interference with aircraft electronic systems, a safety risk.

Those devices equipped with "Flight Mode" can then be switched on but those without have to remain off.

"Today we are taking a first step to safely expand the use of in-flight electronics during taxiing, take-off and landing," Kallas said.

"Next we want to look at how to connect to the network while on board," he said, adding that new guidance should come next year.

The airlines will have to decide as an issue of service and passenger comfort whether to continue current practice or take the next step, which may not please everyone, he said.

"Is this the end of the last silent place in the world?" Kallas asked, noting: "After this change ... it is a new reality."

Air travel has increased almost as fast as has use of smartphones and tablets, driving demands that passengers be able to use them freely to stay connected to the Internet while travelling.

Die-hard opponents argue that airline travel provides one of the few havens from the onslaught of the modern interconnected world and should stay that way.

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