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Israeli Defence Industry



The Israeli defence industry produces a wide range of products ranging from ammunition, small arms and artillery pieces to sophisticated electronic systems, UAVs and technological advanced tanks, such as the Metkava. At the beginning virtually all Israeli-

made military equipment was acquired by the Israel Defense Forces (IDF). The superiority of products manufactured drew the attention of customers worldwide and currently more than 70% of the defence industry products are exported. Main reason behind this success is that Israeli defence equipment is usually battle-tested and improved according to real-time feedback from results in the field.

The success of the Israeli technological base both in the military and commercial sectors are also attributed to the unmatched pool of highly skilled workers and the world-renowned research and academic capabilities that the country has.

The Israeli authorities encourage the establishment of centres of excellence, whereas the scientists and engineers working on them constantly struggle with the challenge of quickly developing new and innovative solutions.



The Israeli workforce has a high quality and professional workforce. The employees of the aerospace and defence industries have the plus that they have operational experience gained from serving in the Israel Defense Forces. Some of them continue to serve in the Army reserves. This symbiotic relationship between the Army and the senior defence-industry employees is the reason why the Israeli engineers are successful and close to the operational user, simply because they have the experience.

Additionally, the army plays the role of a “big school” as it actually performs a nationwide screening program through which identifies young people with talent in advance technologies and puts them through rigorous training via elite programs and other military functions. Furthermore, the army helps young people to establish personal networks that often form the basis for later partnerships in industry.

Kyriazis Vasileios,

Epicos Newsletter Head Editor

Interview with Ms. Tzipi Alster, Research Manager of the Israeli company WeCU Technologies Ltd.



WeCU Technologies Ltd.

Ms. Tzipi Alster, Research Manager of the Israeli company WeCU Technologies Ltd, gave an exclusive interview to Epicos, regarding the

position of the company in the international and national markets. Amongst others she stated that: "WeCU offers a selection of services and products, designed to meet challenging needs in the corporation and security markets. The WeCU technology has break-through biometric screening capabilities that can be utilized for detection of fraudulent employees, terrorists, criminals, fraud detection in banks, insurance firms, and other malice individuals under different circumstances".

1. Could you please describe the current place of WeCU Technologies Ltd. in the national and international market?

After more than 8 years of R&D, WeCU has gained experience in field operational systems. WeCU is accumulating successful field experience by selling its services to Israeli corporations and is now discussing projects with security and federal agencies in Israel.

Corporations, agencies and organizations from around the world expressed interest in the WeCU solution.

2. Could you please briefly describe the history of the company?

WeCU Technologies was incorporated in 2003. The company was established by a group of experienced experts in psychology, technological development and business, who came up with the unique idea of WeCU and since then they are leading the company. The technology of WeCU represents the high end of its kind.

3. Could you please describe the main services and products the company provides?

WeCU offers a selection of services and products, designed to meet challenging needs in the corporation and security markets.

The WeCU technology has break-through biometric screening capabilities that can be utilized for detection of fraudulent employees, terrorists, criminals, fraud detection in banks, insurance firms, and other malice individuals under different circumstances.

The WeCU invention generates the ability to find suspects or unreliable individuals based solely on their intent, in early stages as well, where there aren't any other seemingly suspicious indications.

The WeCU system does not need any a-priori information about a person's identity, or any other personal information that might be obtained via profiling methods or tracking.

All individuals, without any discrimination, are detected, regardless of their background, origin, looks, gender, habits, actions, belongings and such.

The detection procedure is non-intrusive, friendly, maintains privacy and blends with the routine environment.

The WeCU product line offers a selection of different configurations, supporting a variety of environments and needs.

4. Is the company currently investing in a new technology?

WeCU's vision includes two next generation platforms:

- Utilizing new-age low-cost cameras (3D, High Resolution) as an alternative biometric sensor (these cameras are anticipated to become standard equipment in upcoming models of laptops and mobile devices). This will allow WeCU to expand the deployment of systems, as well as provide solutions in the consumers market by using Emotion Feedback Protocol (EFP) for games, remote learning and user's authentication.
- Expanding WeCU's capabilities to distant, in-motion screening, to support future solutions for airports and other mass screening applications.

5. What are the next steps and priorities of WeCU Technologies Ltd.?

Following the fact that WeCU is having a full commercial and mature technology, we are seeking for the following business opportunities:

- Strategic partnership in the area of HLS and/or Anti-Fraud with a potential business\technology leader in the major markets.
- Strategic investor to lead WeCU into major market segments.
- Leading system integrators with access to different market segments.



The WeCU product line offers a selection of different configurations, supporting a variety of environments and needs

6. Is there a specific country or region WeCU Technologies Ltd. is planning to expand in the near future?

At the moment and due to lack of resources we are not aiming at any specific market. In any case our target markets will be mainly North America and central-west of Europe.

For Further Information contact:

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Epicos “Industrial Cooperation and Offset Projects”



Epicos “Industrial Cooperation and Offset Projects” provides a unique set of online tools enabling the structure, identification and implementation of comprehensive Offsets programs, through a searchable database. By introducing different offset projects and ideas proposed by local A&D industry it ensures the optimum cost for Prime Contractors and reassures that the priorities of local industry are fully met...

[For Further Information Press Here](#)

Provision of comprehensive engineering services for the design, development and serial production of special systems / solutions to be used in specific Defense programs



A company with extensive experience in designing, developing, manufacturing and supplying integrated turn-key systems and products for the Military, Defence and High Tech industry is proposing, in the frame of an offset program, collaboration with prime contractors or lower tier companies for the provision of comprehensive engineering services for the design, development and serial production of special systems to be used in specific Aerospace and Defense (A&D)

programs, including the ILS package.

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

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Advanced Ethernet encryption solution for Rapid Deployment Networks and Network Centric Operations



Over time, military means and methods have evolved as has also the related technology. In fact, warfare is undergoing essential changes nowadays. The threat to today's military is real. It's coming from the vast amounts of voice, data and video that need to be transmitted and shared in order to give troops a complete picture of the battlefield. A leading company in the design, development and production of networking infrastructure equipment for carrier and service provider networks, is proposing the

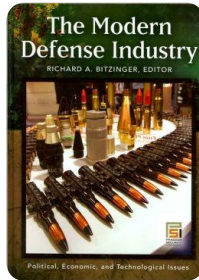
implementation of an advanced Ethernet encryption solution to be used in IP based technology Rapid Deployment (data on the move) Networks, as well as in backbone NCW systems. The unit will also provide data encryption in critical military and governmental installations, such as C2 Centers, Ministries, Embassies and other Institutions.

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

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The Modern Defense Industry: Political, Economic, and Technological Issues, by Richard A. Bitzinger



The global arms industry is a constantly changing phenomenon. It undergoes phases of growth and prosperity and phases of crisis and decline. Additionally, it involves thousands of players worldwide—from suppliers and producers to government and military procurers to shadowy figures that trade in the black market. This book is trying to explore, on a global scale, the various issues, concepts, problems, and controversies surrounding the rise of the modern defense industry. It addresses the period from 1945 to the present, covering the United States, Europe, Russia, China, Israel, and other important arms-producing and arms-procuring countries.

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. Superpower spending on weapons systems is widely analysed and discussed. But defence procurement in smaller industrial countries involves different issues which receive less attention. This book is trying to present a general framework for understanding smaller country defence procurement supported by country, industry and project studies. Additionally, is not trying to focus exclusively on issues in economics theory, but rather to give answer to a wide variety of questions that defence procurement practitioners and policy- makers usually face.



Japan to boost military spending as China row simmers

Japan said Tuesday it intends to boost military spending by five percent over the next five years, with a hardware splurge that will beef up defence of far-flung islands amid a territorial row with China.

The cabinet of hawkish Prime Minister Shinzo Abe agreed 24.7 trillion yen (\$240 billion) would be spent between 2014 and 2019, including on drones, submarines, fighter jets and amphibious vehicles, in a strategic shift towards the south and west.

The shopping list is part of efforts by Abe to normalise the military in Japan, which has been officially pacifist since defeat in World War II. Its well-equipped and highly professional services are limited to a narrowly defined self-defensive role.

It comes with the establishment of a US-style National Security Council that is expected to concentrate greater power in the hands of a smaller number of senior politicians and bureaucrats.

Fears are growing in Japan over the rising power of China, with the two countries embroiled in a dispute over the sovereignty of a group of islands in the East China Sea, and the perennial menace posed by an unpredictable North Korea.

New defence guidelines approved by the cabinet on Tuesday said Tokyo will introduce a "dynamic joint defence force", intended to help air, land and sea forces work together more effectively.

"China... is taking dangerous action that could draw unexpected contingencies," said the guidelines.

Under the mid-term defence programme, spending will be raised to 24.7 trillion yen over five years from April 2014, up from the present 23.5 trillion yen over the five years to March 2014.

However, this figure may be trimmed by up to 700 billion yen if the defence ministry can take "effective and rational" measures in its procurement.

New hardware would include three drones, 52 amphibious vehicles, 17 Osprey hybrid choppers and five submarines -- all designed to boost maritime surveillance and bolster defence of islands.

It will also mean two destroyers equipped with the Aegis anti-missile system and 28 new F-35 fighter jets, a stealth plane far superior to the F-15s that Japan currently has in service.

"The guidelines underscore a clear shift of Japan's major defence focus to the protection of its islands in the East China Sea," said Hideshi Takesada, an expert on regional security at Takushoku University in Tokyo.

During the Cold War, Japan's military was largely static, with the majority of resources in the north and east to guard against any invasion by Russia.

But changing dynamics and in particular the rise of China -- where double-digit rises in defence spending are the annual norm -- mean that Japan's armed forces need to be located further south and to be able to deploy to the country's many far-flung islands.

"The guidelines show Japan's readiness for practical defence if China's bluff turns to be real military action," Takesada said.

Regional tensions were ratcheted up last month when China abruptly declared a new Air Defence Identification Zone over the East China Sea, including over disputed Tokyo-controlled islands called Senkaku in Japanese and Diaoyu in Chinese.

Abe on Saturday denounced the declaration and demanded Beijing retract it immediately and unconditionally, after a summit with Southeast Asian leaders where a joint statement called for freedom of travel on the seas and in the air.

Beijing issued a sharp rebuke, singling out Abe for "slanderous remarks".

The guidelines also call for Japan to boost its missile defence system to counter "a grave and imminent threat" from North Korea.

Pyongyang conducted its third nuclear test in February, following a rocket test in December 2012.

The recent purging and execution of the uncle of leader Kim Jong-Un further set nerves on edge, with analysts warning the isolated nation had become even more unpredictable as it marks the second anniversary of the death of Kim's father.

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

US backs Philippines, warns China over air zone

US Secretary of State John Kerry warned China Tuesday against any move to declare an air defence zone in the South China Sea, as he affirmed defence ties with long-time ally the Philippines.

Kerry, in Manila for a two-day visit, criticised China for its declaration last month of an Air Defence Identification Zone (ADIZ) in the East China Sea including over disputed islands.

He warned Beijing against any similar move in the South China Sea, where it has overlapping claims with several Asian countries including the Philippines.

Kerry also announced that Washington had committed \$40 million to help the Philippines strengthen its sea defence capabilities.

The two sides are also in the final stages of hammering out a deal allowing more US troops, aircraft and ships to pass through the Philippines, where the last US bases closed in 1992.

"Today, I raised our deep concerns about China's announcement of an East China Sea air defence identification zone," Kerry said after meeting his Filipino counterpart Albert del Rosario.

"The zone should not be implemented and China should refrain from taking similar, unilateral actions elsewhere in the region, and particularly over the South China Sea," he told a joint news conference.

The Philippines had said last month that Beijing's announcement of its ADIZ in the East China Sea raised the prospect of it doing the same in the South China Sea.

China claims almost all the South China Sea but the Philippines, Vietnam, Malaysia, Brunei and Taiwan have overlapping claims.

Tensions between the Philippines and China have risen in recent years as Beijing becomes more aggressive in asserting its claims.

Earlier this year Manila took Beijing to a United Nations tribunal over the contested Scarborough Shoal, which has been controlled by Chinese government vessels since last year.

Beijing's East China Sea zone requires aircraft to provide flight plans when traversing the area, declare their nationality and maintain two-way radio communication, or face "emergency defensive measures".

The zone covers disputed Tokyo-controlled islands -- known as the Senkakus in Japan and the Diaoyus in China -- where ships and aircraft from the two countries already shadow each other.

"I told the (Philippine) foreign secretary that the United States does not recognise that (East China Sea) zone and does not accept it," Kerry said.

Kerry also threw his support behind the Philippines, calling it a "key treaty ally".

"The United States is committed to working with the Philippines to address its most pressing security challenges," he said.

"That is why we are negotiating a strong and enduring framework agreement that will enhance defence cooperation under our alliance, including through an increased rotational presence in the Philippines."

John Blaxland, a defence analyst at the Australian National University's College of Asia and the Pacific, earlier said Kerry's visit was meant to assure the region that America "is not just a fair-weather friend".

"Kerry's visit can be expected to act as a catalyst for change," Blaxland told AFP, and underscored the Philippines's important role as Washington embarks on its so-called pivot to Asia.

Kerry was expected to meet President Benigno Aquino Tuesday night, and visit the typhoon-ravaged central city of Tacloban Wednesday.

Kerry said the United States stood ready to assist the Philippines in the long road to rebuilding, more than a month after Super Typhoon Haiyan left more than 6,000 people dead and over four million homeless.

The United States provided massive humanitarian assistance, deploying an aircraft carrier and mobilising 1,000 Marines.

On Tuesday Kerry paid tribute to the "resilience" of the Filipino people, which he said had inspired the world.

Del Rosario said Kerry's trip underscored the "increased momentum" of bilateral and defence ties.

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

New London airport off shortlist for expansion

London should build new runways at its existing airports before building a new air hub to expand capacity, the British government's Airports Commission said on Tuesday.

Britain's politicians have spent years trying to decide how to expand capacity around London and compete with other international air hubs such as Amsterdam, Dubai and Istanbul.

In its interim report, the government-appointed commission recommended building a new, third runway at Heathrow, extending its existing northern one so it can operate as two separate runways, or building a second runway at Gatwick.

The commission said it did not shortlist the idea of a new hub airport in the River Thames estuary "because there are too many uncertainties and challenges surrounding them at this stage". However, it said it was not closing the door on the idea and would study the option further in the next six months.

A new estuary airport island, to the east of the city, is favoured by London Mayor Boris Johnson, who argues that a four-runway hub is needed if London is to keep its place as a European financial capital.

He told BBC radio that any expansion of Heathrow would be "consigning millions of people to extra noise pollution" in the west London suburbs.

"A new airport in the inner estuary is the only credible hub option left, and the only one that would uphold this country's claim to be the natural financial, commercial and economic capital of Europe," he claimed.

Heathrow is the world's busiest international passenger airport, while Gatwick, London's second airport, has the world's busiest single-use runway.

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

Qantas, Holden troubles not sign Australia struggling

Ratings agency Standard & Poor's on Monday said its downgrade of airline Qantas and a decision by Holden to stop making cars locally were not signs that the Australian economy was in trouble.

S&P downgraded national carrier Qantas to "junk" status this month after the airline issued a shock profit warning and slashed jobs.

The move, coupled with fellow iconic brand Holden deciding to stop manufacturing cars in Australia from 2017 with the loss of 2,900 jobs, raised fears about the economic impact on the nation.

But in a comment piece for Fairfax newspapers, the ratings agency said it should not be regarded as a sign that the nation's economy was struggling. The agency currently has a top-notch AAA rating on the economy, with a stable outlook.

S&P said downgrading Qantas reflected competition in the airline sector rather than changing consumer sentiment and, as such, did not reflect broader economic conditions.

"It was because competition in the domestic market is now much more intense than we have ever seen before, and Qantas needs to evolve its competitive strategy if it is to stay profitable," S&P said.

"When we lowered our ratings on Qantas ... we had not changed our opinion of Qantas' strong financial flexibility and good track record of responding to earnings pressures through cost-cutting and other measures."

S&P added that General Motors' decision to shut its Holden plants in Australia would not lead to a recession, citing the relatively small contribution the industry made to the broader economy.

"While no socially sensitive person would applaud the loss of jobs, from a credit perspective, such structural change may turn out to be a good thing for the economy, as generally it leads to more productive use of finite resources," it wrote.

"In our view, Australia has a flexible and dynamic economy that typically allows resources to move to where they're more valuable -- take the mining investment boom as a case in point."

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

China Airlines, Tigerair to set up Taiwan budget carrier

Singapore budget carrier Tigerair and Taiwan's China Airlines said Monday they would set up a new no-frills airline to tap growing demand for cheap travel in Asia.

Tigerair Taiwan will have a paid-up capital of Tw\$2 billion (\$67.5 million), with the Singapore-based carrier holding a 10 percent stake, the two airlines said in a statement.

China Airlines, Taiwan's leading airline by fleet size, will hold the remaining 90 percent.

Tigerair said in the statement the new airline will be managed as a standalone entity but will utilise its website as well as sales and distribution platforms.

"The new JV (joint venture) will allow us to extend our presence into the new untapped markets of Taiwan, Japan and Korea," said Koay Peng Yen, group chief executive of Tigerair.

Sun Hung-Hsiang, chairman of China Airlines, said: "China Airlines' knowledge of the Taiwan market coupled with Tigerair's expertise in the no-frills sector should stimulate demand in the civil aviation market here."

In a press conference at one of its hangars in Taiwan's Taoyuan airport, Sun said China Airlines had been considering investing in a low-budget carrier for four or five years.

He said the time was now right, given the improved relations between Taiwan and China and the "opening skies" of countries in the region.

Sun said the airline would benefit from Taiwan's location some four hours' flying time from Northeast Asia, Southeast Asia, Hong Kong, Macau and the Chinese mainland.

He said the joint venture was expected to become operational in 2014 with three A-320s, and the fleet would expand to 16 planes in 2016 or 2017.

He expected it to turn a profit in three years.

The formation of the new carrier comes just a month after TransAsia Airways, Taiwan's first private airline, secured government approval to set up a so-far unnamed budget subsidiary.

Demand for discount flying has been rising in Asia. Currently 12 foreign budget airlines, including Malaysia-based AirAsia and Japan's Peach Aviation, offer services to and from Taiwan. Singapore's Tigerair, which was previously known as Tiger Airways before a rebranding exercise this year, has been looking for expansion opportunities in Asia.

Last year it bought a 33 percent stake in beleaguered Indonesian carrier PT Mandala Airlines. In March, it raised more than Sg\$297 million (\$237 million) to fund its Asian expansion plans.

Its shares rose by 2.00 percent to Sg\$0.51 in mid-day trade Monday after the announcement.

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