

Part I

Special Focus: French Defence Industry

- 1. French Defence Industry: Exports**
- 2. DCNS and Piriou Won the Contract for Three Multi-mission Vessels**
- 3. Epicos “Industrial Cooperation and Offset Projects”**
- 4. Incorporating state of the art SIGINT software in Electronic Warfare systems, whether for existing systems enhancement or for new package purchases**
- 5. Space optimized fuel tank made of stainless steel or aluminum for various military vehicles**
- 6. Epicos - Amazon**

Part II

Epicos Newsroom

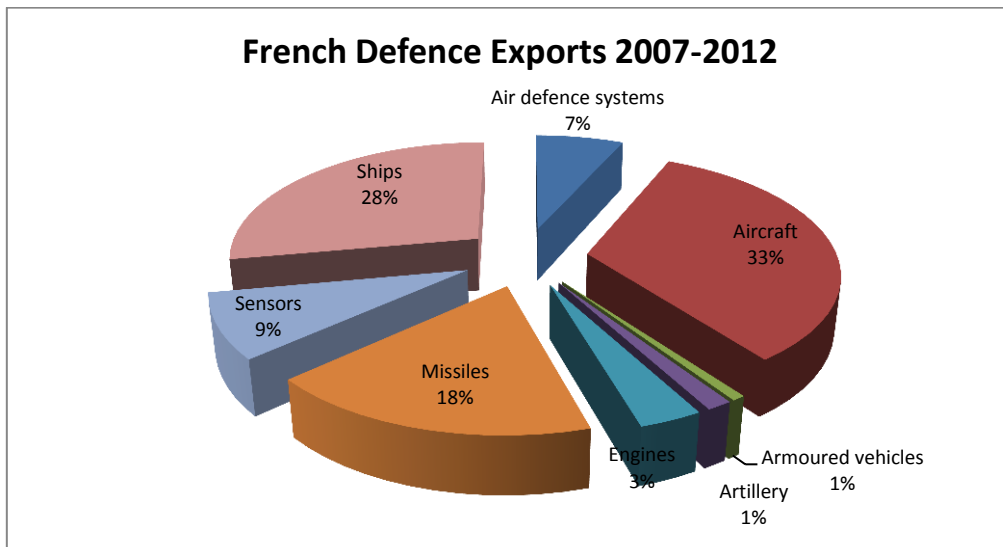
- 1. US to sell Israel six Osprey military aircraft**
- 2. Swiss regulator fines airlines for freight rate cartel**
- 3. Airbus beats Boeing with record sales in 2013**
- 4. Swiss could vote in May on fighter deal**
- 5. Defence Avionics: New INTRACOM Defence Electronics Contract Award for the Global Market**

French Defence Industry: Exports



French companies have already managed to establish themselves in the international arms market. French arms exports are rather diversified in its geographical structure and range of exported items. Almost (60) countries imported defence equipment from France. The first five (5) countries, based on the amount of funds allocated are: Singapore, China, Greece, Morocco and the United Arab Emirates. This actually denotes that France is exporting in four (4) different continents, Europe (Greece), Asia (Singapore and China), Middle East (United Arab Emirates) and Africa (Morocco).

The diversification of the geographical allocation of the French exports is in consistency with the broad spectrum of exported items. Aircraft are the predominant area of exports for the period 2007-2012 covering the 33% of total exports. The 2nd most important sector is that of ships covering the 28% of the total exports whereas other areas such as missiles, sensors and air defence systems follow.



One of the last “successes” of the French defence industry is that on the beginning of January 2014, French shipyard DCNS offered India (2) Scorpene submarines. The company was cleared by the French government to make the offer.

France is one of the most important exporters of military equipment. It exports a wide variety of products to several different countries throughout the world. For the period 2007–12 France continued a long tradition of defence exports.

Kyriazis Vasileios,
Epicos Newsletter Head Editor

DCNS and Piriou Won the Contract for Three Multi-mission Vessels



In a joint statement on January 9th 2014, DCNS and Piriou announced that they together won the contract for the supply of three multi-mission ocean-going vessels, with an option for a fourth, and the associated maintenance services. The program was awarded by the French defence procurement agency DGA. Mr. Pascal Piriou, Chairman and CEO of the group, declared: "This order was fundamental for us.

First in practical terms, as we needed it to avoid a dip in workload in 2014, but also of course in strategic terms, since it gives substance to our collaboration with DCNS, which is boosted into orbit with excellent prospects for the future, particularly for export. I am extremely happy that our collaboration is bearing fruit so rapidly, thanks to a perfect understanding between our teams".



Source: Piriou

The contract is part of the B2M multi-mission ship program. It covers the design and construction of three multi-purpose ocean-going ships, 65 meters long and displacing around 1500 tons, to be delivered in 2015 and 2016. The ships are intended for operation overseas. The new ships will have a top speed of 12 to 15 knots and will be able to operate for 30 days without refueling. The ships will be deployed abroad with the scope of fulfilling sovereignty and public service missions.

The total value of the contract was not revealed.

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...

[For Further Information Press Here](#)

Incorporating state of the art SIGINT software in Electronic Warfare systems, whether for existing systems enhancement or for new package purchases



A software company with extensive experience in the design and development of systems for the defense industry, along with side software solutions for Electronic Warfare (EW) systems, is offering collaboration in the frame of an offset program, for the enhancement of Electronic Warfare systems capabilities, as well as cooperation in the design and sales of new EW systems, through incorporating an off the shelf state of the art SIGINT software application developed by the company.

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

Mail at: g-menexis@epicos.com

Space optimized fuel tank made of stainless steel or aluminum for various military vehicles



A company specializing in the production of metal products and rubber bonded to metal products for military vehicles (especially tracked vehicles and wheeled vehicles), is proposing the design, development and production of a customized fuel tank made of stainless steel or aluminium. This design will have two main advantages: on the one hand it will prevent corrosion and on the other, the design will take account for the limited vehicle inner space while maximising the total fuel capacity.

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

Mail at: g-menexis@epicos.com



Military Economics: The Interaction of Power and Money, by Ron Smith



Money has always being an important matter for the military. Money is needed to finance fighting and desire to acquire it is often the motive for fighting. Additionally, fighting matters for the economy, since military power and conflict have shaped economic development throughout the history of mankind. Nevertheless, defense economics has long been incomprehensible to many students of security and the military. This book is trying to delineate the issue and must be regarded as a long needed book on the complex and important issues of military economics.

Enterprise Sustainability: Enhancing the Military's Ability to Perform its Mission, by Dennis F.X. Mathaisel, Joel M. Manary, Clare L. Comm



Military supply chains are unique because what is supplied to the end user is routinely returned to the supply chain for maintenance, repair, and overhaul (MRO). Offering a blueprint for transforming military depot workload and processes into those of high-performance commercial facilities, Enterprise Sustainability: Enhancing the Military's Ability to Perform its Mission provides a powerful system of concepts and tools for enhancing the ability of the military to perform MRO on its weapon systems. These concepts and tools are applicable to any enterprise, military or commercial.



US to sell Israel six Osprey military aircraft

The Pentagon plans to sell six tilt-rotor Osprey aircraft to Israel in a long-planned deal worth \$1.13 billion, officials said Tuesday.

Israel will become the first foreign country to be allowed to purchase the V-22 Osprey, which can take off like a helicopter and fly like a turboprop airplane.

US officials had announced plans to sell the Osprey to Israel last year but the Pentagon unveiled details of the arms package Tuesday in a formal notification to Congress, which has 15 days to raise any objections to the sale.

Apart from the V-22s, the package includes radar, missile warning systems, radios, night vision goggles, navigation systems and other equipment for the Ospreys, according to the Defense Security Cooperation Agency.

"The proposed sale of V-22B aircraft will enhance and increase the Israel Defense Forces' search and rescue and special operations capabilities," the agency said in a statement.

"The V-22B provides the capability to move personnel and equipment to areas not accessible by fixed wing lift assets."

The US Marine Corps has pioneered the use of the Osprey and commanders have touted the aircraft as able to move troops faster and over longer distances than a helicopter. The Osprey was plagued by accidents and technical problems in its early years but has been heavily used by the Marines in Afghanistan. The Air Force also uses the Osprey for its special operations forces.

The United States has committed itself to maintaining Israel's "qualitative military edge" and provides about \$3 billion in grants every year, representing about 20 percent of Israel's defense budget.

The planned arms sale coincides with strains in US-Israeli relations over Washington's support for an interim agreement on Iran's nuclear program and diplomatic efforts for Middle East peace.

US officials expressed anger after Israel's defense minister Moshe Yaalon complained about US Secretary of State John Kerry's shuttle diplomacy, suggesting his efforts were futile and naive.

Source: 2014 AFP, Agence France-Presse (AFP)

Swiss regulator fines airlines for freight rate cartel

Switzerland's competition authority said on Friday that it had fined 11 airlines for fixing the freight market a decade ago, with Air France-KLM hit with the highest penalty.

"Between 2000 and 2005 several airlines agreed on certain elements of the price for air freight transport," it said in a statement.

"The investigation of the Competition Commission revealed that the airlines had agreed on freight rates, fuel surcharges, war risk surcharges, customs clearance surcharges for the US and the commissioning of surcharges," it added.

Such behaviour constituted a "serious infringement" of anti-cartel laws, it underlined.

The 11 carriers were fined a total of 11 million Swiss francs (9.16 million euros, \$12 million).

The penalty for Franco-Dutch company Air France-KLM was 3.9 million Swiss francs, which the competition authority noted was a "substantial reduction" on the potential sanction, after the carrier submitted a leniency application.

American Airlines was ordered to pay 2.2 million francs, and United Airlines, 2.1 million.

Also sanctioned were British Airways, Korean Air Lines, US company Atlas Air, Nordic carrier SAS, Japan Airlines, Singapore Airlines, Hong Kong's Cathay Pacific Airways, and Luxembourg-based Cargolux.

Like Air France-KLM, British Airways, Cathay Pacific, Japan Airlines, and Cargolux also received reduced sanctions after asking for leniency.

The competition authority said that the case was opened after Germany's Lufthansa opted to reveal the market fixing, in which it was itself involved.

As a result of having turned itself in, Lufthansa was granted immunity from any sanctions, along with its subsidiary Swiss International Air Lines which also took part in market collusion.

The competition authority said that the US Department of Justice and authorities in the European Union -- of which Switzerland is not a member -- had also investigated and fined various airlines involved in the case.

Source: 2014 AFP, Agence France-Presse (AFP)

Airbus beats Boeing with record sales in 2013

European aircraft maker Airbus beat US rival Boeing with record sales and orders last year but came second in terms of finished airliners delivered, figures from the company showed on Monday.

Airbus said that in 2013 it took 1,503 net orders, allowing for cancellations. This compares with 1,355 orders taken by Boeing. Total orders taken by Airbus is a record for the whole industry.

Airbus also said that at the end of last year it had record orders to build 5,559 aircraft, equivalent to eight years of production. Results published by Boeing on January 6 showed that the US firm had a total order book for 5,080 aircraft.

However, last year Airbus delivered 626 planes, trailing behind Boeing which delivered 648 aircraft.

In 2012, Boeing had beaten Airbus in terms of orders and deliveries.

For 2014, Airbus chief executive Fabrice Bregier said that the company is targeting booking at least 626 orders, and that it had increased its catalogue prices for aircraft by 2.6 percent as of January 1.

Airbus' parent company Airbus Group, formerly known as EADS, publishes its annual results on February 27.

Ramping up A320

Bregier said that the company was considering increasing production of its best-selling plane, the Airbus A320 which is popular with low-cost airlines, to satisfy global demand for medium-range aircraft.

"If the market remains positive, if the customer needs more aircraft, I think we would be silly not to ramp up again," he told journalists.

Airbus is producing 42 A320 aircraft per month and had said that it did not want to increase this rate of production until it had converted to producing the latest, more fuel-efficient version, the A320neo.

The first A320neo is due to be delivered in 2015.

With the passenger air traffic growing by five percent per year and greater fuel economy promised by the A320neo and a new versions of Boeing aircraft, there has been strong demand from airlines to update their fleets.

"We believe there is a potential to go higher than (the) rate 42. There is an upside and we are studying it. Some upside that we will confirm in the coming months," Bregier said.

"I would like to ramp up but be in a position to remain steady," he said. After 2018, "when we have moved to the neo aircraft, we know that we will ramp up again, whatever we do now or not, we know that we will ramp up again."

Airbus won orders for 377 A320 planes last year and has taken more than 1,000 orders since it announced at the end of 2010 the launch of the A320neo.

Boeing plans to increase the rate of production of its 737, the competitor to the A320, from 42 per month currently to 47 in 2017, an unprecedented tempo.

Airbus chief operating officer John Leahy said the company was also considering offering more fuel-efficient engines for its best-selling long-range aircraft, the A330, as a number of airlines including low-cost airline Air Asia has recently urged.

Bregier said no new engines were currently being offered to clients, and even without them updates being made to the plane would keep it competitive.

The company has two variations of the aircraft in development.

One, to be delivered from 2015, will be able to carry more fuel to give it longer range, and has already been ordered by US airline Delta,

The second, a regional version aimed at the Chinese and Indian markets, reduces the range but increases the seats to 400. Airbus says this A330 should cost the same as a medium-range aircraft but have twice the number of seats.

Bregier says new engines were heavier than current models and cost more to maintain, so they were not completely advantageous.

Leahy said the Airbus was also looking at increasing the passenger capacity of its new long-haul A350, which is due to be delivered to the first clients later this year.

A small increase from 276 passengers would put the aircraft in the same category as Boeing's 787-9, which carries up to 290 passengers.

Swiss could vote in May on fighter deal

The Swiss public could vote in May on a deal to buy 22 fighter planes from Sweden, after opponents Tuesday submitted over 100,000 signatures seeking a referendum.

The goal of the campaigners is to block the purchase of the Gripen fighters, which would cost the Alpine country 3.13 billion Swiss franc (\$3.47 billion, 2.45 billion euros).

Under Switzerland's system of direct democracy, citizens can have the last word on a huge array of issues if campaigners muster enough signatures from voters in order to force a plebiscite.

Polls have shown that a majority of voters oppose the Gripen deal.

Approved by the government in 2011 and backed by parliament last year, it cannot be blocked as such.

But opponents have been able to contest the law that allows the purchase to be funded by drawing an annual 300 million Swiss francs from the army's budget over 10 years.

The coalition campaigning against the deal is steered by the left-leaning Socialists and Greens, as well as anti-militarists, but also includes economic liberals opposed to the price tag.

The opponents also argue that the model of Gripen chosen by the authorities only exists on paper, as its maker, Sweden's Saab, is still developing it.

Last month, Saab's Gripen beat the Rafale, made by France's Dassault, and the F/A 18 Super Hornet built by US company McDonnell Douglas in the race to sell 36 planes to Brazil.

The estimated value of the Brazil deal is \$5.0 billion.

The air force of neutral Switzerland currently has 32 Super Hornets in service, purchased in 1996.

There are currently 166 Gripen fighters in service globally, with 100 in Sweden, 26 in South Africa, 14 each in the Czech Republic and Hungary, and 12 in Thailand, according to Saab.

Defense Avionics: New INTRACOM Defense Electronics Contract Award for the Global Market

Koropi, 14 Jan. 2014: New \$3.7 million contract awarded to INTRACOM Defense Electronics (IDE) by Northrop Grumman (NYSE: NOC) for defense avionics for the global market to be implemented by June 2015.

The agreement confirms IDE consolidation in the production of high-tech avionics applications. At the same time Northrop Grumman remains a loyal customer, recognizing and utilizing IDE production capacity and high level of human resources.

This IDE recent success demonstrates that even in a tough financial environment, sound and consistent domestic technological value remains in companies that continue to show significant success amidst international competition. Also, such companies have been supporting and contributing to the Greek economy, enjoying the trust of world-leading defense industries over a number of years.

About INTRACOM Defense Electronics

INTRACOM Defense Electronics (IDE), Greece's largest defense electronics systems provider, is a subsidiary of Intracom Holdings, one of the largest multinational technology groups in Greece. IDE possesses unique know-how in design, development and manufacturing of products that incorporate state-of-the-art technology in tactical military communication systems, encryption devices, command, control and communication systems (C³I), surveillance, reconnaissance and security systems, hybrid electric power and electric energy storage systems, missile electronic components, software for military applications and testing equipment.

IDE participates in international development and production programs, as well as in international cooperations for the production and export of defense equipment and is a registered member on NATO's vendors list. The Company's products and services are deployed in Cyprus, England, France, Germany, Luxemburg (NSPA), Libya, Sweden and the USA.

For more information please visit: www.intracomdefense.com

Source: Epicos, INTRACOM