

**Part I**

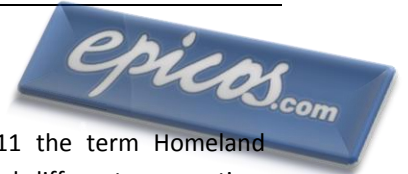
**Special Focus: Israel**

1. Israeli Homeland Security Industry
2. Interview with Mr. Levy Zruya Chief Scientist of the company MAGNA BSP LTD.
3. Epicos “Industrial Cooperation and Offset Projects”
4. Complete aerostat based (blimps) day and night surveillance system for military and homeland security applications
5. Multi spectral representation device (target) for Dry and Live training
6. Epicos - Amazon

**Part II**

**Epicos Newsroom**

1. Vietnam jet deal boosts Asian role in global aviation
2. Taiwan defence minister visiting Singapore
3. Turkey vows to build new airport despite court order
4. Asia-Pacific needs nearly 13,000 new planes by 2032: Boeing
5. Lufthansa says passenger numbers higher in January

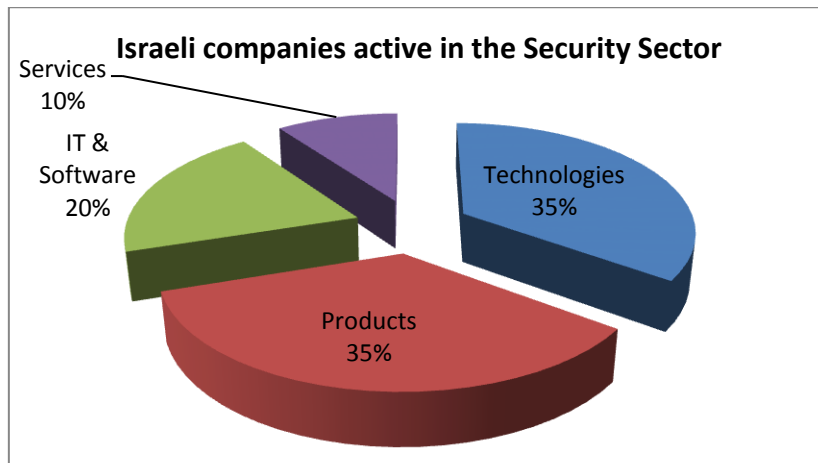
**Israeli Homeland Security Industry**

Following the events of 9/11 the term Homeland Security has obtain a new and different perspective. From safeguarding the security of the nation's interior against possible enemy actions during a conflict, it 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. The main focus of the preparation for the confrontation of a crisis has shifted from the actual crisis to the implementation of measures for the deterrence of the crises and to the creation of the proper structures that will minimize the effects of it. This alternation has also affected the industry that has also shifted its attention and started to develop new systems suitable for the new tasks.

Israeli industry is rather successful when it comes to Homeland Security. The success of Israeli companies is highlighted by the amount of exports they achieve every year. In 2010 Israel's defense industry totaled a \$7.2 billion in exports in 2010, an increase in comparison to the \$6.9 billion achieved in 2009. Apart from exporting Israeli companies are also selling a percentage of their production to Israel. For 2010 Israeli defense companies sold military hardware worth \$9.6 billion in 2010, \$2.4 billion of it to Israel's military.

Additionally, it is worth mentioning that the Israeli homeland industry is diversified. From the 600 Israeli companies active in the security sector, they are broken down as follows: 35% Technologies, 35% Products, 20% IT & Software, 10% Services.



One of the reasons that the Israeli homeland security is excelling is the highly advanced academic research platform and high-tech capabilities which the country has developed. Another essential ingredient is the high quality and professionalism of its workforce.

Kyriazis Vasileios,

Epicos Newsletter Head Editor

## Interview with Mr. Levy Zruya Chief Scientist of the company MAGNA BSP LTD.



Mr. Levy Zruya, Chief Scientist of the Israeli company MAGNA BSP Ltd, gave an exclusive interview to Epicos, regarding the position of the company in the international and national markets. Among others he stated that: "MAGNA was founded about 13 years ago, as a start-up company, in the HLS field. In this framework, we developed a passive electro-optic radar, based on stereoscopic detection, achieving an almost 100% probability of detection, while keeping an ultra-low false alarm rate. This technology has been patented in Israel and in the USA, and was approved by the IDF for military applications. Up to now, more than 7 M\$ were invested, mainly by Israeli MOD, the Israeli Chief Scientist office, and other private investors".

### 1. Could you please describe the current place of MAGNA B.S.P in the national and international markets?

"Due to our unique and patented technology, MAGNA is actually providing highly reliable detection systems for borders protection, perimeter defense, sensitive sites protection, and other applications in the national and international market. As a matter of fact, our systems are actually installed in all Israeli borders, they protect and provide safety to our international airport and finally they are installed in a very sensitive area: the old city of Jerusalem, protecting the holy sites. On the international scale, MAGNA systems were purchased by several countries, among them Japan (sensitive sites protection), Singapore (a civilian prestigious site), Russia (civilian site protection) and Mexico (harbors protection)".

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



Portable Quadrosopic Unit, during demo for the IDF

MAGNA was founded about 13 years ago, as a start-up company, in the HLS field. In this framework, we developed a passive electro-optic radar, based on stereoscopic detection, achieving an almost 100% probability of detection, while keeping an ultra-low false alarm rate. This technology has been patented in Israel and in the USA, and was approved by the IDF for military applications. Up to now, more than 7 M\$ were invested, mainly by Israeli MOD, the Israeli Chief

Scientist office, and other private investors.

Actually, MAGNA is providing systems in Israel and abroad, and we are developing new R&D applications.

**3. Could you please name the main customers of MAGNA B.S.P?**

The main customers of MAGNA are:

- a. in Israel : the Israeli MOD and IDF (Israel Defense Forces), the international Ben-Gurion airport , the Israeli Police Authority.
- b. abroad : Japan, Russia, Mexico, Singapore, and negotiations are conducted with other countries.

**4. Could you please describe the main services and/or products the company provides?**

MAGNA is actually providing a highly reliable turn-key solution for intruders' detection, perimeter protection, sensitive sites protection, flight safety and security, and other civilian and military applications according to customers' requirements (budget and technical requirements).

**5. Is the company currently investing in a new technology?**

Actually, our R&D group is working on new applications, and on enhancing the actual technology so as to perform better and to cost less



An installation of a Magna sensor

**6. What are the next steps and priorities of MAGNA B.S.P?**

The next steps of the company are to find new markets, new applications and to develop parallel and complementary technologies.

**7. Is there a specific country or region MAGNA B.S.P is planning to expand in the near future?**

In the future, we are planning to penetrate the US market, which requires much more efforts and investments than the others.

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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](#)

### Complete aerostat based (blimps) day and night surveillance system for military and homeland security applications



A company with many years of experience in providing innovative surveillance solutions using various platforms is proposing the utilization of aerostat technology in order to provide day and night high quality surveillance using tactical aerostat systems. The architecture of the proposed system supports parallel direct communication to any C4I center providing complete networking capabilities.

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

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

### Multi spectral representation device (target) for Dry and Live training



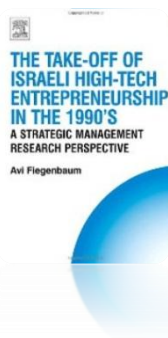
A technology start-up company with registered patent applications in the area of visual products used for day & night forces training, based on technologic platforms which include targets, identification & marking products for the fighting forces is proposing to partner with another company in a targeted country. The partnership can include the provision of a cost effective training solution and a knowledge transfer of the company’s multi spectral representation device (target) for Dry and Live training.

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

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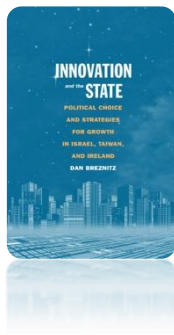


**The Take-off of Israeli High-Tech Entrepreneurship During the 1990's: A Strategic Management Research Perspective (Technology, Innovation, Entrepreneurship and Competitive Strategy), by Avi Fiegenbaum**



What are the five factors that contributed to Israeli high-tech success? This is what this book is trying to describe and explain. Within less than a decade, during the 1990s, the state of Israel established its global high tech sector. The number of startups rose to almost 3,000. Total venture capital available reached approximately \$ 3 billion. Israeli firms trading on NASDAQ climbed to 120 with aggregate market value of approximately \$120 billion, twice the Israeli GNP. This book emphasizes the multilevel nature of this development from a strategic management perspective.

**Innovation and the State: Political Choice and Strategies for Growth in Israel, Taiwan, and Ireland, by Dan Breznitz**



The 1990s brought surprising industrial development in emerging economies around the globe. Firms in countries not previously known for their high-technology industries moved to the forefront in new Information Technologies (IT) by using different business models and carving out unique positions in the global IT production networks. In this book Dan Breznitz asks why economies of different countries develop in different ways, and his answer relies on his exhaustive research into the comparative experiences of Israel, Taiwan, and Ireland—states that made different choices to nurture the growth of their IT industries. Another goal of this book is to highlight the role of the state in economic development. It offers a new way of thinking about state-led rapid-innovation-based industrial development that takes into account the ways production and innovation are now conducted globally.



### Vietnam jet deal boosts Asian role in global aviation

Fledgling carrier VietJetAir on Tuesday ordered 63 Airbus A320 jets with a list price of \$6.4 billion in a massive expansion programme that underscores Asia's central role in the future of world aviation.

The deal, signed on the opening day of the Singapore Airshow, also covers rights to acquire or lease 38 more A320s, potentially boosting the budget carrier's current fleet of 11 A320s tenfold.

"The A320 has proven to be extremely efficient in service with VietJetAir and is a favourite with our passengers," the firm's managing director Luu Duc Khanh said in a press statement issued by Airbus.

The Vietnamese airline, founded only in 2011, plies domestic routes as well as services to Bangkok, Seoul and Kunming in China with its current fleet of leased planes.

"We look forward to developing our business across the Asia Pacific region," Luu said, adding that Airbus would be a "strategic partner" in its regional expansion.

Fabrice Bregier, the president and chief executive of Airbus, said the order "reinforces the A320 family's position as the preferred choice in the single aisle market, both for full service and low cost carriers."

"We look forward to working with VietJetAir as it brings ever more affordable air travel to the fast growing South East Asian market," he said in the statement.

In addition to the 63 A320s on firm order, VietJetAir has rights to buy 30 more and lease another eight from third parties for a total of 101 new planes.

'Rising star'

Bregier said at a media briefing that the carrier may need even more orders because of the explosive growth in passenger traffic in Vietnam.

"In Asia, we expect a (passenger traffic) growth year-on-year of close to 6.0 percent for the next 20 years. In Vietnam, it will be close to 30 percent year-on-year. This is really impressive."

He described VietJetAir as a "rising star" in Southeast Asia's low-cost carrier market.



There have been more than 10,100 orders and 5,900 deliveries of the A320s since it hit the market to over 300 customers and operators, making it the world's best-selling single-aisle aircraft, according to Airbus.

Nguyen Thanh Hung, VietJetAir vice chairman, said that in just two years of operation, the airline already has 26.2 percent of the domestic market and has carried 4.3 million passengers.

The carrier says that on average it fills 90 percent of all available seats.

Chu Viet Cuong, a member of VietJetAir's board of directors, told AFP the airline will fund the purchases with money arranged by international financial institutions.

French bank BNP Paribas will arrange financing for the first three aircraft deliveries, he said.

Airbus, in a long-term forecast for the industry, said the Asia-Pacific region will lead the global demand for aircraft over the next 20 years.

Airlines from the region will take delivery of 10,940 passenger and cargo planes with a value of \$1.8 trillion in the same period.

This will represent 37 percent of all new aircraft deliveries, Airbus said in a statement.

The passenger market fleet of Asia-Pacific carriers is forecast to more than double from 4,960 planes currently to over 12,130 aircraft by 2032.

Its US rival Boeing earlier said the Asia-Pacific will require almost 13,000 new airplanes worth \$1.9 trillion over the next 20 years.

Myanmar's national carrier Myanma Airways earlier Tuesday signed a deal to lease 10 Boeing aircraft worth nearly \$1 billion as the once-reclusive country opens up to the world.

The total value of deals during the biennial Singapore Airshow's 2012 edition reached \$31 billion, up threefold from 2010, organisers said.

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



## Taiwan defence minister visiting Singapore

Taiwan's defence minister is visiting Singapore to shore up military relations which were reportedly damaged after his predecessor's visit in 2012 was publicly disclosed, a military source and local media said Tuesday.

Yen Ming arrived in the city-state Monday at the invitation of Singapore's authorities, a military source said.

Aside from visiting the ongoing airshow, Yen will call on military authorities as part of efforts to "promote military cooperation", the United Evening News reported.

Taiwan's defence ministry declined comment, unlike in 2012 when it confirmed a rare visit to Singapore by the then-defence minister Kao Hua-chu.

Local media reported at the time that Singapore authorities had protested to Taiwan's defence ministry, claiming publicity surrounding the visit violated the tacit understanding it would be kept secret.

Taiwan does not have formal diplomatic ties with Singapore but has provided training venues for its artillery, armoured vehicles and infantry units.

Singapore, like most countries, officially recognises China and is said to be keen on keeping its military exchanges with Taiwan as low-profile as possible.

In the past, visits by top Singaporean officials to Taiwan triggered strong protests from China.

China still claims Taiwan as part of its territory awaiting unification, by force if necessary, even though ties have improved markedly since Taiwan's current Beijing-friendly government came to power in 2008.

In the Chinese city of Nanjing, the two sides Tuesday held their first government-to-government talks since they split 65 years ago after a civil war.

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

## Turkey vows to build new airport despite court order

Turkey vowed Tuesday to press ahead with the construction of what could become one of the world's busiest airports despite a court order halting work.

A court last month suspended work on Istanbul's third airport after local residents and environmental groups filed a lawsuit, arguing that the operations caused serious damage to the environment, the Hurriyet newspaper reported.

But Transport Minister Lutfi Elvan said the suspension was temporary and that it would not interfere with construction of the airport, which Turkey estimates will handle 150 million passengers when complete.

"This was a decision only for a temporary suspension pending the environmental impact approval report. In no way will it affect the construction of the airport," he told reporters.

Turkey's General Directorate of State Airports Authority (DHMI) also said construction would continue.

"The said court decision does not halt operations carried out in accordance with the New Istanbul Airport contract signed in May 2013," it said. "Processes regarding the project continue as planned."

The court requested an expert report on construction plans and is expected to make a final decision on the fate of the project within one year.

Cengiz-Kolin-Limak-Mapa-Kalyon Consortium, a Turkish joint venture, won a tender for the project last May after bidding 22 billion euros (\$30 billion) for a 25-year lease to build and operate the planned airport.

The first stage of the construction would be completed in four years and the airport would eventually be able to handle about 150 million passengers annually.

It aims to rival Dubai's Al Maktoum International airport, which opened in October last year and is expected to eventually accommodate 160 million passengers a year.

The announcement of the plans to build a third airport in the north of Turkey's biggest city was greeted with anger by many groups. It came amid the mass protests last year which started as a local environment campaign to save an Istanbul park from redevelopment and evolved into a nationwide anti-government movement.

At the time, the transport ministry estimated that around 2.5 million trees would be cut down to make way for the project.

Prime Minister Recep Tayyip Erdogan's government is frequently criticised for its ambitious construction plans for the bustling city of 16 million people -- which also include a third bridge across the Bosphorus and a canal parallel to the international waterway to ease traffic congestion.

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

### **Asia-Pacific needs nearly 13,000 new planes by 2032: Boeing**

Asia-Pacific airlines will need almost 13,000 new planes worth \$1.9 trillion over the next two decades as rising wealth in the region fuels demand for air travel, Boeing said Monday.

The US plane maker said on the eve of the Singapore Airshow that 12,820 extra aircraft would be needed by 2032, and the region would account for 36 percent of global deliveries of passenger and freight planes during the period.

It also estimated the total Asia-Pacific airplane fleet would reach 14,750 in that time compared with 5,090 in 2012.

Boeing's European rival Airbus had said last year that Asia-Pacific carriers would take delivery of 9,870 new passenger and cargo aircraft valued at \$1.6 trillion over the next 20 years.

Airbus will have its own press briefing at the Singapore Airshow on Tuesday, but on Monday it invited journalists to a display of its latest plane, the A350-XWB, which is expected to come into service later this year.

"Over the next 20 years, nearly half of the world's air traffic growth will be driven by travel to, or from within, the region (Asia)," Boeing said in a statement.

Randy Tinseth, Boeing's vice president for marketing, said: "New low-cost carriers and demand for intra-Asia travel have fuelled the substantial increase in single-aisle planes."

Single-aisle planes such as Boeing's next-generation 737 and the 737 MAX will represent 69 percent of new airplanes in the region, the US aircraft maker said, driven by a rise in the number of budget carriers.

Budget airlines from Indonesia, India, Thailand and Malaysia accounted for over half of global low-cost carrier seat capacity growth last year, according to a study by travel technology company Amadeus.

Demand for travel in the region is soaring thanks to a fast-growing middle class in emerging economies such as China and India along with Southeast Asian countries.

Over the next 20 years, Boeing expects Asia-Pacific gross domestic product to grow 4.5 percent annually, much faster than the projected global average of 3.2 percent.

Passenger traffic in the region is likely to expand by 6.3 percent annually in the same period and cargo at 5.8 percent, also faster than the global rates.

Tinseth said the number of people worldwide who travelled by air exceeded three billion for the first time last year, and the figure was expected to approach 6.5 billion by 2032.

The cargo business remains weak but is recovering, he said.

"As the world economy improves, as trade improves, we expect that market to continue to strengthen," he said.

Tony Tyler, director-general of the International Air Transport Association, said Sunday that the profit margins of the world's top airlines are being eroded by the struggling air cargo business.

Tinseth however said that airlines this year are expected to report better profits than in 2013 thanks to stable fuel prices and robust passenger traffic growth.

Boeing and Airbus are among the key participants at the Singapore Airshow, Asia's top aerospace and defence exhibition. Both commercial and military manufacturers use the event to boost sales in the region, where defence spending is also on the rise at a time of festering territorial disputes.

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

### **Lufthansa says passenger numbers higher in January**

Lufthansa, Germany's number one airline, said on Tuesday that its passenger numbers rose again in January.

Lufthansa said in a statement it carried 6.943 million passengers in last month, 2.0 percent more than during the same month last year.

At the same time, the airline reduced the number of flights by 1.2 percent.

That meant the so-called seat-load factor, which measures the number of seats filled on flights, increased by 0.8 percentage point to 75.6 percent in January.

"The airlines of Lufthansa group improved the load factors for their aircraft once again in the new year," the statement said. In addition to the Lufthansa brand, the group also owns SWISS and Austrian Airlines.

The volume of freight transported by its Lufthansa Cargo unit increased by 1.2 percent to 116,000 tonnes in January, the statement added.

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