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**Argentine Defence Procurements; New Developments**



The Argentine military is a well-organized force that was constrained for years by the prolonged economic hardship that the country experienced. In the late 1990's the defence budget of Argentina reached a peak, but declined in subsequent years due to severe economic problems which was facing, resulting in postponing the majority of defence modernization plans. Currently, Argentina has revived these plans. It is indicative that according to the 2014 Budget, the country's authorities will allocate 11.346 billion pesos (approximately 1.433 billion US dollars) in order to update and acquire military equipment for the next five years.

According to estimations Argentina spent about 0.8% of the national GDP on the military last year, whereas the World Bank reports spending of 0.9% of GDP as an average for the 2009-2013 period. The neighboring countries allocate a bigger share of their national GDP on defence as Brazil spends 1.5%, Chile 2.0%, Uruguay 1.9%, Peru 1.3%, Colombia% 3.3 and Ecuador 2.8%.

USA is the most important military partner of Argentina. For the period 2008-2013, Argentina imported military equipment from USA of 145 million US dollars total value expressed at constant (1990) prices. Spain is the next country from which Argentina procures defence equipment based on the amount of funds allocated. For the period 2008-2012 this amount reached 14 million US dollars expressed at constant (1990) prices. Russia follows with the same amount. Germany and China are the next two countries based on the amount of funds allocated with 2 and 1 million US dollars at constant (1990) prices respectively.

	2008	2009	2010	2011	2012	2013	2008 - 2013
China			1				1
Germany						2	2
Russia				14			14
Spain	7	3	3				14
United States	16	13	9	32	36	39	145
<b>Total</b>	<b>23</b>	<b>16</b>	<b>14</b>	<b>46</b>	<b>36</b>	<b>41</b>	<b>176</b>

Argentina, tries to enhance its defence capabilities and by using an augmented defence budget is trying to modernize armament and keep participating in international missions, fostering its place in the international scene.

Kyriazis Vasileios  
Epicos Newsletter Head Editor

**Argentina Considering Buying Israeli Kfirs**

According to a report published by IHS Jane's, Argentina is considering buying 14 Israel Aircraft Industries (IAI) Kfir C.10 fighters. The fighters have about 40 years of service a fact that is a setback but it will be updated and modernized. The price is estimated to be around 1.6 and 2.2 Argentine Pesos (USD 200-280 millions). Even if Argentina finally opts not to buy the Israeli Kfir the country must decide upon buying a fighter aircraft as its last Dassault Mirage III and V are near the end of their life span. This is the reason why the Minister of Defense Mr. Agustin Rossi is analyzing prices from other countries.

The Israel Aircraft Industries Kfir is an Israeli-built all-weather, multirole combat aircraft based on a modified French Dassault Mirage 5 airframe, with Israeli avionics and an Israeli-built version of the General Electric J79 turbojet engine. The aircraft is now in service with the national air forces of Israel, USA, Colombia, Ecuador and Sri Lanka. This means that already two countries from Latin America use Kfir.

Currently the air force of Sri Lanka operates two TC.2s, two C.7s and six C.2s acquired in 1995-1996, in 2000 and 2005. Ecuador started procuring Kfirs in 1981 when the Latin American country signed a sales agreement with Israel for ten refurbished ex-IAF Kfir C.2s and two TC.2s. In 1996, the Ecuadorians acquired four additional Kfirs (three C.2 and one TC.2). Colombia bought in 1989 a batch of 12 ex-IAF Kfir C.2s and one TC.2. In February 2008, the country signed a deal with the Israeli government for an additional 24 ex-IAF Kfir aircraft.

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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**Advanced modeling and analysis of UAV thermal signatures for management and optimization of thermal signature reduction**

A company with extensive expertise in the space and nuclear fusion industries, specialized in thermal design, modeling and analysis, proposes to implement existing technology and know-how to analyze UAV thermal signatures and to develop solutions for managing and reducing such signatures.

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

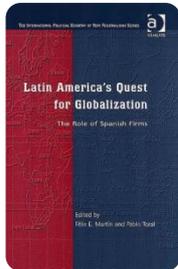
Mail at: [g-menexis@epicos.com](mailto:g-menexis@epicos.com)

**Truth verification and emotion identification software system for military and homeland security applications**

A leading provider of voice analysis and emotion detection technologies, for the defence and civilian markets, is proposing to partner with another company in a targeted country. The partnership can include the provision of an advanced software turnkey solution and a knowledge transfer of the company’s truth verification and emotion identification software system. The proposed software platform is used across a multitude of application areas, including governments and security organizations, law enforcement agencies and immigration authorities.

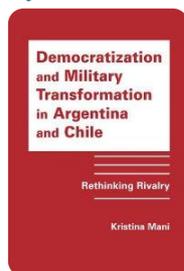
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**Latin America's Quest for Globalisation: The Role of Spanish Firms, by Felix E. Martin, Pablo Toral**

Foreign Direct Investment (FDI) is an important indicator for the economy of a country. In Latin America investments by Spanish firms have grown since the early 1990s. Several Spanish companies took over many of the state-owned firms that were put out to tender. Second only to the United States, these investments make Spain one of the largest markets of foreign direct investment for Latin America. The author of this book is trying to focus on the emergence of Spanish multinational enterprises in this region. Furthermore, it analyzes the sociological and political consequences of these investments and exhibits several theoretical and methodological approaches that make the book a must read for those who want to understand structural reforms, their consequences and the international

impact of economic reform.

**Democratization and Military Transformation in Argentina and Chile: Rethinking Rivalry, by Kristina Mani**

Is there a relationship between the consolidation of democracy and the ending of rivalries with neighboring states? Can internationalist foreign policies be useful in reprogramming militaries to accept civilian authority? Addressing these questions, Kristina Mani examines the dynamic connection between democracy building and security cooperation in Argentina and Chile in the 1990s. Her thoughtful analysis reveals how the international relations of democratizing states are both the product of domestic political goals and a potentially powerful shaper of domestic politics.



### **Indian arms imports almost triple China, Pakistan**

India remains the biggest buyer of arms in the world, importing nearly three times as many weapons as its nearest competitors China and Pakistan over the last five years, a Swedish think tank said on Monday.

The total volume of arms sales was up 14 percent in 2009-13 compared to the previous five years, according to the Stockholm International Peace Research Institute (SIPRI).

Indian imports of major weapons rose by 111 percent in the last five years compared to 2004-08. Its share of total global arms imports increased from 7 to 14 percent, SIPRI said.

India replaced China as the world's biggest arms buyer in 2010. With its domestic defence industry struggling to manufacture high-tech arms, India is in the midst of a defence spending binge as it struggles to keep up with better-equipped Chinese forces and a range of military challenges in its volatile neighbourhood.

The main supplier of arms to India in 2009-13 was Russia, accounting for 75 percent of all imports -- reflecting India's need to upgrade and modernise weapons systems dating back to their close relationship during the Cold War. India has lately sought to diversify its sources, looking particularly to the United States.

Figures from IHS Jane's released in February showed that India became the biggest buyer of US weapons last year -- with total imports worth \$1.9 billion, and a string of large-scale purchases including Boeing's C-17A transport aircraft and P-8I Maritime Patrol Aircraft.

In 2009-13, however, the US still accounted for only 7 percent of India's purchases according to SIPRI. India's traditional rival Pakistan increased its weapons acquisitions by 119 percent, growing from 2 percent of the global total to 5 percent during that period.

The five largest arms suppliers worldwide between 2009 and 2013 were the United States (29 percent of global exports), Russia (27 percent), Germany (7 percent), China (6 percent) and France (5 percent).

They collectively accounted for 74 percent of total arms exports, SIPRI said. The world's top five arms importers were now India, China, Pakistan, the United Arab Emirates and Saudi Arabia.

"Chinese, Russian and US arms supplies to South Asia are driven by both economic and political considerations," said Siemon Wezeman, senior researcher with the SIPRI Arms Transfers Programme.

"In particular, China and the USA appear to be using arms deliveries to Asia to strengthen their influence in the region," Wezeman said.

Arms exports to Africa between 2004-08 and 2009-13 jumped 53 percent. The three largest importers in the region were Algeria, Morocco and Sudan. Imports by European nations decreased by 25 percent between 2004-2008 and 2009-13.

Britain was the largest importer of major weapons in Europe (receiving 12 percent of deliveries), followed by Azerbaijan (12 percent) and Greece (11 percent).

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

### **Airlines scale back Venezuela operations**

International airlines have scaled back their operations in Venezuela amid a dispute over dollar payments with the government, it was reported here Monday.

Ultimas Noticias said 11 of the 26 airlines operating in the country have either reduced the frequency of their flights or were using smaller aircraft to service Venezuelan routes.

The report linked the shrinkage to the government's failure to reimburse airlines some \$3.7 billion, according to the International Air Transport Association.

In Venezuela, airlines are required to sell tickets in bolivars under an arrangement in which the government later converts the local currency to dollars. But IATA says the government has made no dollar payments to the airlines since October.

Tony Tyler, who heads IATA, said Wednesday: "Airlines certainly cannot sustain operations indefinitely if they can't get paid."

Venezuela's President Nicolas Maduro responded on Saturday, warning airlines of "severe measures" if they reduced their operations. "The company that leaves the country will not return while we hold power," Maduro said.

Ultimas Noticias said Aruba-based Tiara Air had reduced the number of seats on offer by 78 percent, while Colombia's Avianca has cut its by 66 percent.

Air France, Lufthansa, Iberia, Air Europe, American Airlines, Air Canada, Copa and Lan Peru have reduced the frequency of their flights or the size of their aircraft flying Venezuelan routes, with the drop in available seats ranging from 15 to 35 percent, the report said.

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

### Britain's official trade deficit worsens in January

Britain's trade deficit for goods grew in January, hit by falling exports of products including aircraft and chemicals, data showed on Friday.

The overall deficit rose to £9.8 billion (\$16.3 billion, 11.7 billion euros) from £7.7 billion in December, the Office for National Statistics (ONS) said in a statement.

Exports of goods fell by 4.0 percent in January from December to £24.2 billion, while imports grew 3.4 percent to £34.0 billion.

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

### Ukraine PM says no plans to join NATO

Ukraine's new Western-backed prime minister said Tuesday that the ex-Soviet country had no plans to join NATO following last month's fall of a pro-Kremlin regime.

Prime Minister Arseniy Yatsenyuk delivered a special address to the nation designed to ease tensions between Ukrainian nationalists who spearheaded three months of protests against the pro-Moscow authorities and Russian speakers who view the new pro-European government in Kiev with mistrust.

"For the sole purpose of preserving the (social) unity of Ukraine, the issue of (Ukraine's) accession to NATO is not on the agenda," Yatsenyuk said in remarks delivered in Russian and intended specifically for the southeastern parts of his culturally splintered nation of 46 million. "The country will be defended by a strong and modern Ukrainian army," he said.

Ukraine signed up to a partnership deal with NATO in 1997 after the fall of communism and the end of the Soviet Union but it is not a full member of the military alliance.

Moscow this week unveiled its own plan for settling the Ukrainian crisis that included a provision for its neighbour to assume "a neutral political and military status" whose sovereignty would be guaranteed by Russia as well as the European Union and the United States.

Russian President Vladimir Putin -- in Moscow speaking to both houses of parliament about the worst East-West crisis since the Cold War -- said he remained firmly against NATO's encroachment on his country's western frontier.

"We are not against cooperating with NATO," Putin said in his own live national television appearance.

"We are against (NATO) making itself at home near our fence, near our home and on our historic lands."

Russia and NATO signed a landmark post-Cold War agreement in 1997 in which the two military rivals agreed that they no longer viewed each other as enemies.

But Moscow has been outraged by the Western military bloc's expansion in the past two decades into countries that were once considered Soviet satellite states.

Ukraine's new premier -- in power since the February 22 ouster of president Viktor Yanukovich -- is still due to sign in Brussels on Friday the political portion of a landmark EU pact whose rejection in November sparked the protests that led to the old government's fall.

### **'Artificial conflicts'**

Yatsenyuk said he had decided to postpone signing the economic portion of the EU Association Agreement because he feared that its tough free-trade terms would negatively affect the factories dotting Ukraine's industrial southeast.

But he also accused Russia of taking aim at Ukrainian regions near its border after pressing ahead with widely condemned plans to absorb the flashpoint Black Sea peninsula of Crimea.

Putin has reserved the right to use force in Ukraine to "protect" ethnic Russians across the vast country.

"Unfortunately, Crimea is not the only region of indivisible Ukraine where foreign forces are trying to destabilise the situation, foment artificial conflicts, organise disturbances and provoke an armed aggression under the pretext of a so-called defence of Russian speakers," Yatsenyuk said.

Yatsenyuk also conceded there were ethnic Russians "who sincerely attend" pro-Kremlin protests and stressed that "we hear and listen to them, especially since they are knocking at an open door."

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

### **Airbus wins Saudi contract for 4 A320s**

European aerospace giant Airbus said Monday it had won an order worth some \$375 million from a new Saudi Arabian airline for four A320 jets.

The planes will be delivered at the beginning of next year, Airbus said.

SaudiGulf is expected to start flights in early 2015 and will operate initially out of Dammam, then Jeddah and Riyadh.

"The A320 is the ideal machine for our company, offering a perfect combination in terms of performance, reliability ... as well as a high-level of comfort for passengers," said Tariq Abdel Hadi Al Qahtani, president of the holding group that owns the airline.

Since the A320 came into service in 1988, 6,000 jets have been delivered to more than 400 airlines, making it the second best-selling machine after the Boeing 737.