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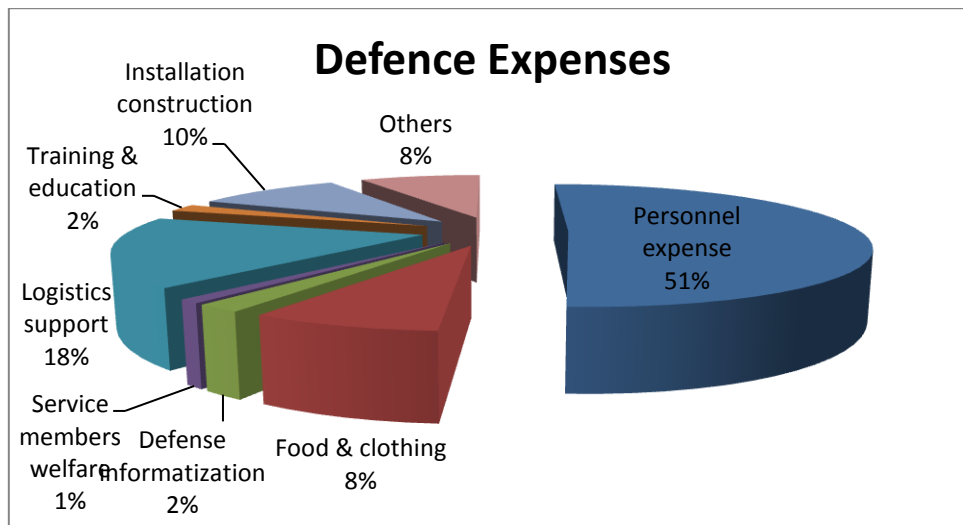
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## Republic of Korea: Defence Budget



The Ministry of National Defence of Republic of Korea is deliberately trying to transform the national armed forces into an information and technology intensive military structure and raise the efficiency of national defense organization and management to match the standards of the changing security environment and future warfare requirements. In order to achieve this, a significant amount of funds have been allocated. Under this concept the total sum of military spending is projected to rise to 35,706 billion KRW (approximately 31.9\$ million) in 2014 from 34,345 billion (approximately 30.4\$ million) that it was in 2013 reaching a 3.5% increase. Nevertheless, the defence budget, as a percentage of the national Gross Domestic Product (GDP) remained unchanged to 2.53%.

From this amount 70.6% is allocated to maintenance programs and the remaining 29.5% to improvement programs. More analytically 36% of the maintenance programs will be allocated to personnel expenses, 5.5% to food and clothing, 1.4% to defence informatization, 0.7% to service members welfare, 12.7% to logistics support, 1.4% to training and education, 7% to installation and construction and 5.9% to other categories.



The country's authorities are deliberately trying to enhance the armed forces and in order to achieve this, a significant amount of funds are allocated in improving its capabilities, a fact that is depicted in the defence budget of 2014.

Kyriazis Vasileios,  
Epicos Newsletter Head Editor

Indonesia: Defence Budget and Future Purchases



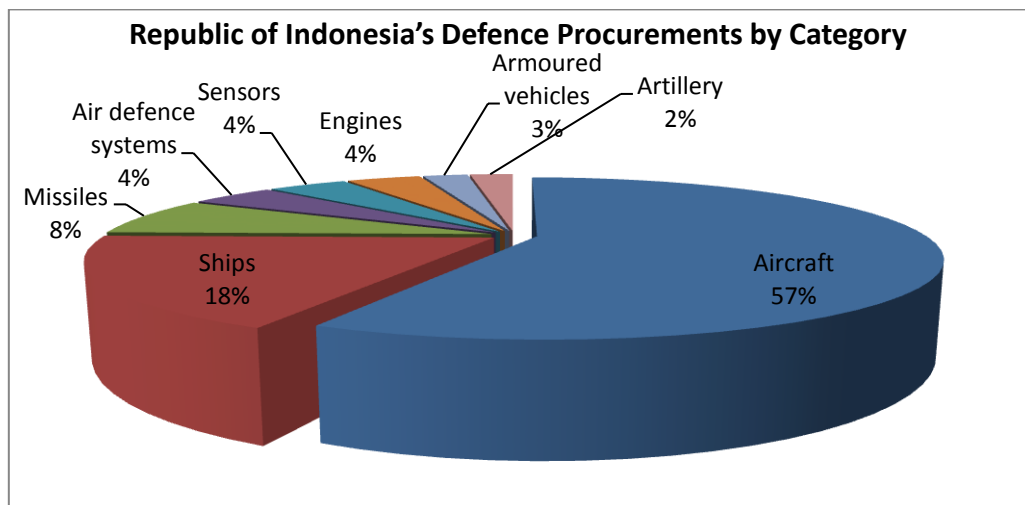
Ministry of Defense

The volume of major weapons deliveries in Asia and Oceania increased by 24% during the period 2007-2011 while compared to 2002-2006 period. The Republic of Indonesia followed this trend as deliveries rose by 144%. In 2009, the total military expenditure of the county was according to the Stockholm International Peace Research Institute (SIPRI), 4,336 billion US dollars, in constant 2011 prices, whereas in 2013, it reached 8,356 billion US dollars (again in constant 2011 prices), exhibiting an increase of more than 90% over the concerned period. This trend is due to continue, as the Republic of Indonesia’s President Susilo Bambang Yudhoyono announced on August 16<sup>th</sup> 2013 that the 2014 defence budget will increase by 9% over the previous year.

Defence Spending	2009	2010	2011	2012	2013
US \$ billion (at constant 2011 prices and exchange rates)	4,336	5,092	5,838	7,975	8,356
Share of GDP (%)	0.6	0.7	0.7	0.9	0.9

In the past, the Republic of Indonesia purchased a variety of defence equipment. Aircraft were the predominant area of imports for the period 2009-2013, constituting the 57% of the total imports over the period. The 2<sup>nd</sup> most important imports category was that of ships (constituting 18% of total imports), whereas other areas such as missiles, air defence systems, sensors and engines follow.

Russia played a leading role in the Republic of Indonesia’s armament imports. Apart from Russia, other important countries that exported arms to Indonesia, in the last five years, were South Korea, the Netherlands, China and France.



The Republic of Indonesia's government is currently working towards the expansion and modernization of its armed forces with the outmost goal of reaching a Minimum Essential Force (MEF) in 2024.

Under this context, Indonesian authorities plan to create a 274-ship 'green-water' navy by 2024, consisting of 110 surface combatants, 66 patrol vessels and 98 support ships. It also seeks to operate 12 new diesel-electric submarines.

Currently the country operates a 213-ship navy, comprising 11 major surface combatants, 72 patrol and coastal combatants, 11 ships for mine warfare and mine countermeasures, 5 major amphibious ships, 26 landing ships, 54 landing craft, 2 submarines and 32 logistics and support vessels.

Among the most important procurements the country concluded regarding its Navy, was that of 1 SIGMA-105 Frigate, purchased in 2012 from the Netherlands. The total amount of the procurement reached \$220 m and includes the production of components and the assembly in the Republic of Indonesia. Delivery is scheduled in 2017. Additionally, the country procured 3 Type-209/1200 Submarines from South Korea. More specifically, Daewoo won a contract to build three 1,400-ton Chang Bogo-class submarines for \$1.4 billion. Deliveries will be carried-out in 2015-2016.

Regarding the Air Force, Indonesia aims to operate 10 fighter squadrons by 2024. Additionally, the country wants to enhance its tactical transport capabilities and seeks to invest in tactical unmanned aerial vehicles, thus modernizing/updating its inventory.

In this direction, Indonesia has become a partner in the development of the Korean Aerospace Industries KF-X/IF-X aircraft. It joined the program in June 2010 and is to bear 20% of the associated development costs.

The Republic of Indonesia's Army retains 13 territorial commands across the country and is by far the largest force of the country. Indonesian authorities have set as a primary goal for their Land Forces to develop a more agile and rapidly deployable force that will be able to cope with the challenges of the modern battlefield.

Kyriazis Vasileios,  
Epicos Newsletter Head Editor

## Romania to Raise Defence Budget



Currently, Romania faces a rather serious geopolitical threat as tensions continue to rise in neighboring Ukraine. In order to tackle this new problem the country raised the 2014 budget of the defence ministry by some 700 million lei (\$216.6 million USD/€158 million Euro), equivalent to 0.2% of GDP, in order to upgrade the country's military capabilities.

According to the Romanian Prime Minister Mr. Victor Ponta, these funds will be mainly used to upgrade the technical equipment of Romanian troops, which according to data released by the European Defence Agency (EDA) are currently 69,000. Upgrades will be mostly done in Romanian defence plants.

According to Romanian media sources the country's defence ministry notified local manufacturers of military equipment that there is a possibility that orders from the country's armed forces may triple this year.

During the previous years, Romania faced a significant problem in creating effective defence capabilities, the economic crisis. The government was forced to cut the national defence budget in order to tackle fiscal problems. It is indicative that in 2010 the defence budget went down from 2.5% of GDP in 2009 to 1.3% of GDP, representing a 13% cut. The Balkan country aims to gradually increase defence spending so that it would reach 2.0% of gross domestic product (GDP) by 2017, in line with NATO standards.

Like Poland and other Baltic States, Romania has urged NATO to strengthen its forces in the region as the tension in neighboring Ukraine deepens.

Romania has deliberately tried to augment its defence capabilities and to enhance its place in the international scene. This has been diverted by the economic problems that the country is facing. Nevertheless, this is due to change according to official commitments. It remains to be seen if these commitments will be fulfilled.

Kyriazis Vasileios,  
Epicos Newsletter Head Editor

## Serbian Defence Budget and Priority Areas



In 2009 the total military expenditure of Serbia according to the Stockholm International Peace Research Institute (SIPRI), was 65843 million Dinars (approximately \$1059 m. US Dollars in constant 2011 prices), whereas in 2013, reached 78437 million Dinars (approximately \$919 m. US Dollars in constant 2011 prices). Given the limited funds allocated on defence, the Serbian authorities try to supply the armed forces with weapons and military equipment through research, development and acquisition of new assets and systems and modernization of existing, promising weapon systems.

In this process the technological and industrial capacity of the country is primarily used. In procurement of assets from abroad, priority is given to joint projects with foreign partners, primarily those involving technology transfer and engagement of business capacities in the country.

Serbia	2009	2010	2011	2012	2013
Mil. Dinars	65843	67806	72377	75096	78437
In constant (2011) US\$ m	1059	1028	987	954	919
Share of GDP	1.4%	1.3%	1.3%	1.4%	1.3%

In order to fulfill its full potential with the amount of funds that is allocated for defence, a set of priorities has been set, the most important being:

- Supply with telecommunications and IT equipment for the integrated system of communications,
- Development and supply with equipment of the Centre for the Airspace Sovereignty Control,
- Providing radar stations with surveillance radars 3D and computer network for data processing and equipping the army units following M21 model,
- Equipping with multi-purpose combat aircraft and trainer aircraft for basic training,
- Modern reconnaissance means,
- Air defence medium-range missile system,
- Wheeled armed combat vehicles,
- Trainers and simulators of complex weapon systems,
- Procurement of unmanned aerial vehicles for reconnaissance units.

Regarding the modernization of defence equipment the following are the priorities of the Serbian authorities:

- Modernization of tanks,
- Combat vehicles and self-propelled artillery weapons,
- Helicopter and Air-craft, radars and,
- Missile systems and ships' weapons systems.

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](#)

### Development of mission critical rugged displays 8xs/10xs for military and tactical vehicles



A company that designs and produces industrial computers and displays for use in the most demanding environments and also designs industrial displays and produces neural network software and automation solutions is proposing the provision of CEF 8xs/10xs type military displays to be used in an offset project or in an upgrade program.

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

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

### High purity mobile Nitrogen generator for cooling homing heads of infra-red head missiles



infra-red head missiles.

A company specializing in the production of PSA Oxygen Generators, Nitrogen Generators and Cylinder Filling Stations, is proposing the design; manufacture and final testing of a mobile Nitrogen generator of High Purity, for cooling homing heads of

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#### **International Conference on Defence and Security Technology 2014**

The Asia Pacific Conference on Defence & Security Technology (DSTC2014) is the second international conference in Malaysia that brings forward the theme of security and defense.

<http://www.epicos.com/Portal/Main/Home/Pages/ItemDetails.aspx?sw1S1IEN8B0sH00u5I7IWAl0unNz6bFrHSUD7niPIVE%3d>

#### **Airfield Engineering and Asset Maintenance Asia 2014**

Growing traffic volumes, huge fleet additions and close to USD 12 billion investment into airfield capacity expansions demand a critical evaluation of airside design, engineering, construction and maintenance strategies.

<http://www.epicos.com/Portal/Main/Home/Pages/ItemDetails.aspx?sw1S1IEN8B2h6Vsb2gD4tt3xJKriBQhsMcMjP2E4GOI%3d>

#### **In-Depth Security Conference 2014 Europe**

The DeepSec IDSC is an annual European two-day in-depth conference on computer, network, and application security. DeepSec IDSC 2014 will be held from November 18th to 21th 2014 at the Imperial Riding School Vienna.

<http://www.epicos.com/Portal/Main/Home/Pages/ItemDetails.aspx?sw1S1IEN8B3MnOpOPGgg7riPEX0dcTbTQjxrDzMUqkk%3d>

#### **All - Energy Australia 2014**

All-Energy Australia is an annual, free-to-delegate, business-to-business conference and networking forum hosted alongside an impressive exhibition showcasing renewable energy, clean energy, sustainable transport and energy efficiency.

<http://www.epicos.com/Portal/Main/Home/Pages/ItemDetails.aspx?sw1S1IEN8B1Xjd%2blmvbmBABrnh9Nqol5eiEFmqNyLg%3d>

#### **International Engineering Fair (MSV) 2014**

The International Engineering Fair (MSV) is the leading industrial trade fair in Central Europe with annual participation reaching more than 1500 exhibitors and 75000 visitors from 59 countries worldwide. More than a third of the exhibitors are from abroad.

<http://www.epicos.com/Portal/Main/Home/Pages/ItemDetails.aspx?sw1S1IEN8B0HWSA%2fM245xHLUlfIgROlv63qhLXlrzps%3d>