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Sweden: Future Defence Procurements



According to Swedish authorities a direct attack on Swedish territory is considered unlikely and threat assessment is focused mainly on regional conflicts and instability. Therefore, Swedish authorities have as main goal to create more functional armed forces that can be immediately deployed, wherever there is a need. In order to achieve this goal the Swedish armed forces should be well equipped. Ready-developed and proven equipment that is available

on the market will primarily be considered. Weapons development will be conducted when needs cannot otherwise be met. The annual budget for the procurement of new equipment should be calculated at approximately 20% of the total defence budget. It is indicative that for the year 2014, the total defence budget reached 40 billion Swedish Krona (approximately 4.9 billion USD) while for the procurement of new equipment 8.8 billion Swedish Krona (approximately 1 billion USD) were spent.

In the table below the major future Acquisitions of Swedish armed forces are showed.

Major Future Acquisitions		
	Delivery	Cost range
Mid-Life update CV 90	2015-21	1.6-2.2 Bn SEK (196-270 Mil. USD)
Medium Range Anti-Aircraft system	2018-23	2.0-3.0 Bn SEK (245-368 Mil. USD)
Heavy Trucks	2016-24	1.8- 2.1 Bn SEK (221-257 Mil. USD)
Next generation Submarine	2020-23	No estimation cost
Development of Gripen 39 E	2014-18+	No estimation cost
Serial production of Gripen 39E	2018-26	No estimation cost

Swedish armed forces are trying to provide, manage, prepare and employ defence capabilities that will match the needs of the country. The above is been provided through the proper management, provision, preparedness and employment of defence capabilities that are in line with the domestic and global needs of Sweden. This is illustrated by the fact that the country's authorities are allocating a significant amount of money to defence.

Kyriazis Vasileios,
Epicos Newsletter Head Editor

Sweden assumes Chairmanship of Nordic Defence Cooperation in 2015



Nordic countries have a long history of defence cooperation, as they agree that much can be gained from defence and security cooperation. In order to achieve that Nordic countries have formed several “structures/vessels” of cooperation. The current structure, the Nordic Defence Cooperation (NORDEFECO), established in 2009, includes cooperation and dialogue at military and political level. Sweden holds the Chairmanship of NORDEFECO in 2015. The Swedish Minister of Defence, Mr. Peter Hultqvist stated on the occasion: “This Nordic defence cooperation is a priority for Sweden. NORDEFECO aims to strengthen each nation's defence capability and promote our common security. Sweden is taking over the Chairmanship of NORDEFECO in 2015 with the ambition of deepening both Nordic and Nordic-Baltic defence cooperation”.

The main objectives of the Swedish Chairmanship are the following:

- To deepen security policy dialogue between the member states of NORDEFECO;
- Strengthen the “voice” of member state in the international fora;
- Review the potential for closer cooperation between member states on air and maritime surveillance;
- Establish principles for sustainable acquisition and through life management of materiel;
- Examine national legal frameworks in order to facilitate cooperation concerning defence equipment;
- Further develop Nordic exercise activities.

As it is clearly stated in NORDEFECO website, NORDEFECO is a cooperation structure, not a command structure. Cooperation activities initiated from top or bottom are facilitated and agreed within in the structure, but the actual realization and participation in activities remain national decisions. The main aim and purpose of NORDEFECO is to strengthen the participating nations’ national defence, explore common synergies and facilitate efficient common solutions.

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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Development of a new generation ballistic protection vest, integrated with a lightweight Microclimate cooling and heating system in order to meet Future Soldier requirements and applications



A company with extensive experience in the development and production of ballistic protection equipment is proposing the development of a new technology ballistic vest, integrated with an advanced lightweight microclimate cooling and heating system in order to mitigate Future Soldiers' heat stress, allowing them to operate safely and more effectively in all terrains and under extreme weather conditions.

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

Mail at: g-menexis@epicos.com

Development of an advanced Dynamic Noise Reduction (DNR) algorithm for hands-free communication devices used in mixed noise environments



A leading technology provider, designer and manufacturer of hands-free communication solutions for demanding use, is proposing the development of a universal Dynamic Noise Reduction (DNR) algorithm to be used in several hands-free communication devices, applied in several military and homeland security applications.

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

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Saab and Damen Team for Walrus Future Submarine Replacement Programme



Source: Damen Shipyards Group

Swedish defence and security company Saab is teaming with Dutch shipbuilder Damen Shipyards Group to explore future opportunities in the international submarine market. The companies have signed an exclusive teaming agreement to work together in pursuit of the potential Walrus-class submarine replacement programme for the Netherlands. In addition to this project, Saab and

Damen will also explore ways in which they might bid jointly on other submarine procurement programmes.

Through the acquisition of Kockums Saab has extensive experience in the design and manufacture of submarines and surface vessels for a global customer base, integrating advanced systems and using a range of ultra-modern materials and construction techniques. Key technology includes Saab's unique Air Independent Propulsion System based on the Stirling engine. In addition, Saab delivers many complex defence programmes in cooperation with governmental and commercial partners in customer nations worldwide.

Damen delivers about 160 vessels annually and is known for its unique ship-design concepts, due to its sharp focus on research and development, standardisation and modularisation. Its defence and security portfolio includes vessels ranging in size from 7 m to over 200 m. Damen Schelde Naval Shipbuilding (established in 1875) supplies major surface vessels to navies worldwide.

Saab and Damen, both independently-owned companies, are confident that their combined skills, expertise and substantial R&D capacity will accelerate submarine development.

"We are convinced that with Saab we have found the ideal partner to realise a successor to the present Walrus class; a vessel that will set a new standard for non-nuclear submarines. The complementarity of both our companies opens up the potential for a successful cooperation in more submarine programmes worldwide", says Hein van Ameijden, managing director of Damen Schelde Naval Shipbuilding.

"Saab Kockums is looking forward to cooperating with the experienced shipbuilders at Damen Schelde Naval Shipbuilding. We have the full support of our Swedish customer in broadening our customer base to include a new demanding high-end customer", says Gunilla Fransson, head of Saab business area Security and Defence Solutions.

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About SAAB

Saab serves the global market with world-leading products, services and solutions within military defence and civil security. Saab has operations and employees on all continents around the world. Through innovative, collaborative and pragmatic thinking, Saab develops, adopts and improves new technology to meet customers' changing needs. Damen Shipyards Group operates 32 ship- and repair yards employing 9,000 people worldwide. Damen has delivered more than 5.000 vessels to more than 100 countries and delivers approximately 160 vessels annually to customers worldwide. In addition to ship.

AAR Awarded 10-Year Search & Rescue Contract in the Falkland Islands by UK MOD



AAR announces its Airlift division has been awarded a contract by the United Kingdom Ministry of Defence for Search & Rescue (SAR) and Support Helicopter services in the Falkland Islands. The contract is valued at approximately

\$275 million (approximately £180 million).

AAR Airlift, together with British International Helicopters (BIH) and Air Rescue Systems (ARS), will provide a combined SAR and Support Helicopter service to the British Forces South Atlantic Islands (BFSAL) operations. The program will include AgustaWestland AW-189 SAR helicopters, Sikorsky S-61 support helicopters, flight operations, maintenance, logistics and facilities support at the Mount Pleasant Complex in the Falkland Islands and surrounding maritime region.

The mission includes all-weather SAR, helicopter emergency medical services, rescue hoist operations, passenger and cargo transfers, and night vision imaging systems. Readiness states vary from 15 minutes to 60 minutes response and require a 24/7/365 alert posture. Performance on the 10-year contract will begin in April 2016.

“This award presents a tremendous opportunity for AAR Airlift’s business as part of our strategy to diversify our capabilities and customer base,” said Randy J. Martinez, President & CEO, AAR Airlift Group. “We are thrilled that our exemplary record of safety, reliability and operational performance has earned us the confidence of the UK Ministry of Defence to deliver this critical service.”

Ian Craddock, Head of Helicopters 2 in the MOD’s Defence Equipment and Support department, said: “I have every confidence that AAR Airlift has the capability and experience to provide a search and rescue service that maintains the high standards set by the Royal Air Force, who we must thank for the service they have delivered to date.

“We will work closely with AAR through the period of transition, with the RAF continuing to provide search and rescue cover until the new service starts. I am also pleased that AAR will be sub-contracting British International Helicopters, who is already successfully providing support helicopter services in the Falkland Islands, to support delivery of the combined service.”

AAR Airlift provides expeditionary airlift services in support of contingency operations worldwide. The Company provides passenger and cargo transport, aeromedical services, night vision operations, search and rescue (SAR), airdrop and other special mission services. AAR Airlift’s fleet of fixed-wing and rotary-wing aircraft serves defense customers in Afghanistan, Africa, the Mediterranean, Indian Ocean and the Western Pacific.

About AAR

AAR is a global aerospace and defense contractor that employs more than 6,000 people in 17 countries. Based in Wood Dale, Illinois, AAR supports commercial, government and defense customers through two operating segments: Aviation Services and Technology Products. AAR’s services include inventory management and parts distribution; aircraft maintenance, repair and overhaul; and expeditionary airlift. AAR’s products include cargo systems and containers; mobility systems and shelters; advanced aerostructures; and command and control systems. More information can be found at www.aarcorp.com.

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**Air India to cut costs by \$226.6 million**

State-owned carrier Air India is attempting to cut annual costs by 14 billion rupees (\$226.6 million) after the government ordered the loss-making airline to improve its finances.

Air India said surplus staff should be identified and overtime and expenses slashed, while flights not meeting their fuel costs should be cut.

"The ministry of civil aviation has directed that a 10 percent cut be imposed..." said its chairman and managing director Robit Nandan in a circular to senior staff.

Staff travel and hospitality have also been restricted and "wage increases for local staff... will not be entertained" said the circular, dated January 15 and sent to AFP on Monday.

Air India, once the country's monopoly airline, has not reported an annual profit since 2007, and received a \$5.8 billion bailout package from the government in 2012.

The carrier now holds just 20 percent of the passenger market as once-loyal travellers fly nimbler private-sector rivals who last year were embroiled in a cut-throat price war.

Air India has also been keen to improve its reputation after a string of recent technical glitches, including in July last year when an India-bound flight from New Jersey in the US was forced to return when an engine caught fire.

Air India pared its financial losses last year thanks to a better all-round performance, reporting a net loss of 53.8 billion rupees (\$894 million).

All but one of India's main half-dozen carriers are losing money, smarting from fare rivalry, high fuel costs and hefty debts. Indigo is the exception.

Source: 2015 AFP, Agence France-Presse (AFP)

Job cuts likely at Air France-KLM despite cheap oil: analysts

Cheap fuel prices are doping the finances of airlines, but analysts say European giant Air France-KLM may still be forced to make further job cuts to cope with stiff competition and a sluggish economy.

Despite the company's assertions that no decisions have been taken, the leaders of Europe's second -argest airline have for months seemed to be preparing the ground for the inevitability it will have to shed further staff.

Last May, Air France chief executive Frederic Gagey said during a visit to Shanghai that the company aimed for an operating profit in 2014. Air France-KLM, which lost 1.8 billion euros in 2013, hasn't turned a profit since 2010. "If we were in the red we would be at more of a disadvantage, which would change the terms of social dialogue," Gagey told reporters.

He said the heavily indebted French flag carrier would make its decision solely on the basis of annual results to be announced on February 19, hinting that new red ink would lead to new job cuts.

Since then the airline has suffered a crippling strike and warned that results will fall short of targets. Unions are expecting bad news at a meeting with management on Thursday.

Under its Transform 2015 restructuring programme, Air France-KLM already cut 8,000 jobs in the three years to the end of 2014 -- through a voluntary departure scheme -- or 10 percent of a workforce today estimated at some 95,000. The French daily Le Figaro reported recently the French-Dutch group plans "in the coming months" to cut another 5,000 jobs.

But a company spokesman told AFP: "Nothing has been decided regarding a possible new voluntary departure plan; so it is completely premature to talk about one, either about whether it will happen in principle or about its size."

However Air France-KLM boss Alexandre de Juniac complained to investors last September of a "difficult" environment, with geopolitical instability in several markets. He called for "strict financial discipline" and stressed the need to maintain the pace of "reducing unit costs by 1.0 to 1.5 percent per year" through improved productivity.

- Productivity gains = job cuts? -

Air France-KLM has reduced its unit costs by 8 percent since 2012. But it's not enough, according industry experts, as Gulf and Asian airlines have unit costs 30 to 40 percent lower than their European rivals.

Analysts say productivity gains are often a code word for job cuts. "When you talk about productivity gains you are talking about excess manpower," said an aviation sector analyst

who asked not to be named. "So a voluntary departure plan is absolutely among the various measures that could be taken," he added.

Job cuts are not the only option open to the airline group. In December AirFrance-KLM financial director Pierre-Francois Riolacci said the group was thinking of freezing some investments and postponing the delivery of new aircraft. The intensely competitive air travel sector is especially saturated in Asia and North America, forcing companies to keep fares down, hurting revenues.

- Cheap fuel 'passing relief' -

Air France-KLM has also had to absorb the cost of September's strike by French pilots -- more than 400 million euros. The strike, combined with the economic doldrums of the past nine months, virtually wiped out the gains of the past two and a half years, according to some analysts, judging it unlikely that the group will be able to rein in its debt of some four billion euros.

The recent plunge in fuel prices will help the bottom lines of airlines, but only as long as they don't cut ticket prices to gain market share.

"We think falling kerosene prices (halved since June 2014) provide only passing relief as we see these competed away in still fragmented European markets," analysts at RBC Capital Markets noted recently.

They said pursuing further cost reduction would be helpful and given recent comments by airline executives it expected AirFrance-KLM would cut routes and aircraft.

"However, what AF-KLM really needs is better demand -- that only an improved GDP outlook for Europe can deliver," said the analysts.

Eurozone growth ground to a near halt in 2014, and only a tepid recovery is expected this year. Unions are concerned about the prospect of further job cuts.

The secretary general of Air France's CFDT union, Beatrice Lestic, said the figure of 5,000 job cuts cited by Le Figaro "seems totally disproportionate" and would cripple the French carrier.

Mehdi Kemoune of the CGT union said the Transform plan had "resolved nothing with regard to Air France's problems vis a vis the competition" as foreign airlines enjoy lower labour costs. Pilot unions had blocked one of the airline's efforts to improve its competitiveness by expanding its low-cost subsidiary Transavia with the costly strike last year.

Source: 2015 AFP, Agence France-Presse (AFP)

Ryanair vows to fight Italy customer service fine

Ryanair said Tuesday it would fight a 550,000-euro (\$637,000) fine imposed by Italy's anti-trust body for running customer service lines that charged premium rates but rarely resolved passengers' problems.

"We note the ruling and have instructed our lawyers to appeal," the Irish airline said in a statement.

The fine follows an investigation launched in June 2014 which resulted in the budget airline being given 90 days to end the "extreme difficulty" and high costs faced by passengers trying to reach a Ryanair employee to discuss their bookings.

The anti-trust body AGCM said most of the complaints it had received were from people who had found it difficult and unreasonably expensive to obtain reimbursements or alternative flights in the event of cancellations and get detailed bills for tax/expenses purposes.

Customers also complained that it was difficult to change bookings prior to flights and get information about arrangements for passengers in wheelchairs.

The competition authority acknowledged that Ryanair had partly addressed some of the issues raised by getting rid of a premium phone number for passengers requiring assistance with boarding, reducing the cost of its main customer service line and introducing customer support via online chat.

These steps were not deemed sufficient to avoid a fine although the authority said the amount imposed reflected Ryanair's efforts to improve customer service.

The fine is a setback for Ryanair's attempts to improve its reputation for customer service through its three-year Always Getting Better programme.

Launched last year, the initiative has seen the airline act to reduce the 'hassle' factor involved in its flights by introducing allocated seating, relaxing restrictions on cabin baggage and slashing charges for printing boarding cards at check-in desks.

The goal of such moves was famously summed up by company CEO Michael O'Leary when he said the airline had to "stop unnecessarily pissing people off."

The strategy has appeared to be working with Ryanair recently announcing a 32 percent increase in profit for the six month to September 2014.

O'Leary, who once described customers who forgot to print their own boarding cards as "idiots", ascribed the improvement to "being nicer to people."

It is the second time in less than a year that the Irish carrier has been fined by the AGCM. In February 2014 it was ordered to pay 850,000 euros for mis-selling travel insurance on its website.

The regulator ruled that the company was not providing would-be purchasers of coverage with sufficient information, offering a product with disproportionately high excess charges and imposing administrative fees for refunds which were greater than the insurance itself.

Source: 2015 AFP, Agence France-Presse (AFP)

Solar plane set for landmark round-the-world flight

A plane with the top speed of a homing pigeon is set to embark on a landmark round-the-world flight powered only by the sun's energy, organisers said Tuesday.

Solar Impulse 2, the first solar-powered plane to be able to fly for several days and nights, will land 12 times along its roughly 35,000 kilometre (22,000 mile) trip -- including a five-day stretch above the Pacific Ocean without a drop of fuel.

"We want to demonstrate that clean technology and renewable energy can achieve the impossible," said Solar Impulse chairman Bertrand Piccard, the scion of a dynasty of Swiss scientists-cum-adventurers.

"Renewable energy can become an integral part of our lives, and together we can help save our planet's natural resources."

The plane's route was unveiled Tuesday in Abu Dhabi, where it will begin the journey in late February or early March.

It will first stop at Muscat in Oman, to benefit from the Gulf's low-cloud conditions, before crossing the Arabian Sea to India and heading on to Myanmar, China, Hawaii and New York.

Landings are also earmarked for the midwestern United States and either southern Europe or north Africa, depending on weather conditions.

The longest single leg will see a pilot fly the plane non-stop for five days and nights across the Pacific between Nanjing in China and Hawaii -- a distance of 8,500 kilometres.

It will take around 25 days of total flying time for Si2 to complete its round-the-world journey.

- 'Virtually unlimited autonomy' -

Although groundbreaking in distance, the trip will not be undertaken at a lightning pace.

With flight speeds of 50-100 kilometres (30-60 miles) per hour, the entire round-the-world journey is expected to take five months to complete.

The plane is the successor of Solar Impulse, a pioneering craft which notched up a 26-hour flight in 2010, proving its ability to store enough power in lithium batteries during the day to keep flying at night.

This year's flight marks the culmination of 12 years of research and testing, organisers say.

Si2, whose makers claim it is the most energy efficient aircraft ever built, has a wider wingspan than a Boeing 747 but, thanks to its innovative design, weighs about as much as a family 4x4.

The carbon fibre, single seater plane has 17,249 solar cells built into its wings that will supply four electric motors and the rechargeable lithium batteries.

Speed at night will be limited to prevent the batteries from being run down too quickly.

Designers say the system gives Si2 "virtually unlimited autonomy".

Aviation enthusiasts will be able to watch a live video stream of the plane's progress once it sets off from Abu Dhabi on its pioneering voyage on the firm's website www.solarimpulse.com.

"Solar Impulse 2 must accomplish what no other plane in the history of aviation has achieved -- flying without fuel for five consecutive days and nights with only one pilot in the unpressurised cockpit," said Andre Borschberg, a former Swiss air force pilot and the company's co-founder and chief executive.

Source: 2015 AFP, Agence France-Presse (AFP)

Maldives president sacks defence minister

The Maldivian president Tuesday announced the sacking of his defence minister Mohamed Nazim, days after police carried out a pre-dawn raid on the former army officer's home.

"President Abdulla Yameen has today dismissed... Col Mohamed Nazim from the post of minister of defence and national security," the presidency said in a statement, without giving any reason for Nazim's removal.

Yameen had appointed retired army general Moosa Ali Jaleel, 54, as the new defence minister, the statement said.

Nazim's sacking comes after police were seen taking away unspecified documents during a raid early on Sunday, after reportedly obtaining a search warrant on suspicion that he was "harbouring weapons and explosives".

The sacked minister played a key role in toppling the country's first democratically elected leader, Mohamed Nasheed, who claimed he was the victim of a coup in February 2012.

Nazim, then a retired officer, sided with mutinous police and troops who forced Nasheed to step down. Nasheed later said he resigned because he feared violence.

Speaking to reporters after his sacking, Nazim insisted there was no grounds for the police to raid his home.

"In which country of the world do police kick down the door to a defence minister's home and proceed to destroy all doors and conduct a raid at 3:30 am while the defence minister is asleep," the local Haveeru news service quoted him as saying.

Nazim said he would not give up politics, and would hold the government to account by working with opposition parties.

The Maldives is known for pristine beaches and secluded coral islands popular with honeymooners, but the nation of 330,000 Sunni Muslims is plagued by rising religious intolerance and political unrest.

Source: 2015 AFP, Agence France-Presse (AFP)