

ABOUT US

CTO helps defence professionals make better and wiser decisions in the offset world. Sourcing offset intelligence amid supply chain disruptions and a changing security environment has never been more important, nor more difficult. Our customers rely on CTO for timely, verified, and relevant information.

Over the past few years, CTO has made strides to enhance our customers' experience. We have expanded our team, increased our conference presence, redesigned our website and products, and invested in new products and partnerships.



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Send us an email to find out more or share your feedback on our products.

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CTO NEWSLETTER

The CTO Newsletter (CTO) provides a complete overview of recent offset deals, policy changes, and new legal mechanisms.

CTO includes exclusive commentary and offers year round summaries of offset conferences.

Published twice a month, CTO is an essential resource for everyone active in the offset industry.

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Definitions

The following chapter provides a rapid overview of key terms and definitions. In summarising offsets so briefly, the text sometimes employs shortcuts or relies on simplifications for the sake of clarity. For a more detailed explanation of the meaning of these terms, please refer to the terms and premises used throughout the Quarterly Bulletin. We encourage offset professionals to rely on secondary and tertiary resources to complement this document's information.

WHAT IS OFFSET?

Broadly speaking, "offset" refers to compensation for the purchase of military equipment or services. When governments buy foreign equipment, governments may require firms that supply the equipment to offer offsets. These offsets are typically in the form of goods and services that offset the cost of the equipment. As contractual obligations, offsets are often signed either in a parallel document or as part of the main contract.

The Quarterly Bulletin divides offsets into three broad types:

Direct offset: Activity that is directly related to the sale. For example, firms are being paid for the delivery and assembly of the parts locally, or travel to the location to perform the assembly.

Indirect defense offset: Activity that is not in direct service being sold, but will occur within the same period. For example, if firms are being paid to manufacture parts for a defense contract, they will also be paid to manufacture parts for a civil program.

Indirect civil offset: Activity that is not in direct link to the production of being sold. By that, it refers to tourism, agriculture, and space programs. Some countries have laws that require all three types of offsets.

Across these three categories, other activities can include:

- Subcontracting
- Buy-back
- Local production
- Technology transfer
- Education and training

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QUARTERLY BULLETIN (QB)

QB is a unique compendium of offset guidelines for more than 80 countries. Country by country, we explain the thresholds, quotas, eligible products, multipliers, and penalties – even if they are not officially published – and provide exclusive insights straight from government officials and industry executives.

QB is updated every quarter. Our January 2026 edition includes updates on the offset policies of Argentina, Austria, Bahrain, Norway, Pakistan, Tunisia, and EU mechanisms, among others.

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CENTRAL AND EASTERN EUROPE (CEE) OFFSET REPORT

The CEE Offset Report examines offset trends and opportunities in 10 countries across Central and Eastern Europe. Since Russia's invasion of Ukraine, CEE nations are turning to offsets to improve self-sufficiency, strengthen partnerships, and support local industry. Our team has combed through over 10 years of CTO archives, government papers, and private interviews to answer your questions.

The November 2025 edition includes our exclusive CEE Offset Database, a unique record of offset deals in the CEE region over the past 10 years, as well as country-based infographics on defence spending, offset timelines, and industry partners.



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