



Click here or visit www.epicos.com

Volume 7 Number 35 – Wednesday, 02 September 2015

Part I: Japan

1. Japan: Future Defence Procurements
2. Japan: Defence Budget
3. Epicos "Industrial Cooperation and Offset Projects"
4. Development of mission critical rugged displays 8xs/10xs for military and tactical vehicles
5. High purity mobile Nitrogen generator for cooling homing heads of infra-red head missiles
6. News from our A&D Business Network

Part II: Epicos Newsroom

1. France submits Rafale purchase proposal to Malaysia
2. Britain announces investment in Scottish naval base
3. CIA, US special forces launch drone campaign in Syria
4. Lufthansa seeks to sell stake in Luxembourg's Luxair
5. Russia's Aeroflot set to buy competitor Transaero

Japan: Future Defence Procurements



Japanese armed forces are in a process of modernization and restructuring. The number of units and the structure of them will be reorganized in order to shape an army ready to be able to respond swiftly and deal effectively with an attack on offshore islands and various other situations that an army can face in the modern battlefield. In order to achieve this,

emphasis will be placed on the following capabilities: ISR capabilities; intelligence capabilities; transport capabilities; C3I capabilities, capabilities to response to an attack on remote islands; capabilities to response to ballistic missile attacks; capabilities to response to outer space and cyber space threats; capabilities to response to large-scale disasters; and finally capabilities to take part in international peace cooperation efforts.

As it is already mentioned, Japan will deliberately try to enhance their transport capabilities. In order to achieve this, the country's air force will strengthen its integrated transport capacity, while seeking collaboration with the civilian transport sector on a regular basis.

In order to enhance their communication capabilities the country will establish a command and control system that can manage units nationwide in a mobile, joint and integrated manner, new central headquarters to control all regional armies will be established within the Ground Self-Defense Force (GSDF), among other measures.

Finally, Japan will strengthen its engagement capability for the ensuring of maritime supremacy and air superiority, which is the prerequisite for an effective response. The national armed forces will strengthen the integrated capabilities to seek to interdict any attack on Japan's remote islands, and newly develop sufficient amphibious operations capability, which enables them to land, recapture, and secure without delay in the case of an invasion of any remote islands.

Kyriazis Vasileios,
Epicos Newsletter Head Editor

Japan: Defence Budget



According to the Japanese authorities, the country is striving to develop appropriate defense capabilities to protect the life and properties of its nationals and to defend the territorial land, sea, and airspace of Japan. Under this notion, on

Monday 31 August 2015, defence ministry made its biggest ever budget request, as they requested 5.09 trillion yen (\$42 billion) for the next fiscal year, with the focus on strengthening protection of a string of southern islands that stretch from Japan's mainland to waters near Taiwan. If the request is approved, then this will be the fourth straight annual defence budget increase and a 2.2% rise from the budget for the current fiscal year, which ends in March 2016.

The defence ministry is looking to buy several equipment, as in their shopping list there are among others, 17 SH-60K naval patrol helicopters, three Global Hawk drones, six hi-tech F-35 stealth fighters and 12 V-22 Osprey -- crossover aircraft.

Two are the main reasons why the authorities of the country decided to increase defence budget. The first and most important is the increasing/escalation of activities by China in the waters and airspace around Japan, including incursions into the Japanese territorial waters and airspace. The second reason is that North Korea, as it is still promoting the development of nuclear and ballistic missiles.

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

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

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

Mail at: g-menexis@epicos.com

News from our A&D Business Network**FINMECCANICA – SELEX ES to Provide Electronic Warfare Equipment Including SAGE, DAS to Brazil Navy**

Finmeccanica – Selex ES has received an order from prime contractor Finmeccanica – AgustaWestland to provide a suite of electronic warfare equipment for eight Lynx Mk21A aircraft used by the Brazilian Navy. The company will provide its SAGE electronic support measure (ESM) along with the company's defensive aid suite (DAS) controller and a third-party countermeasure dispensing system.

SAGE is an electronic warfare system for RF intelligence, surveillance and reconnaissance missions. In this installation, SAGE will provide a wideband radar warning capability that is primarily aimed at platform protection; the DAS controller will use this to cue countermeasures. In addition, SAGE will provide a narrowband fine angle of arrival and geolocation capability that is primarily used for surveillance/intelligence purposes. For the Lynx Mk21A, combining SAGE with the Selex ES DAS controller and a countermeasures system effectively provides a flexible and extremely affordable defensive capability for the helicopters.

SAGE has previously been provided to the Republic of Korea for the country's Maritime Operational Helicopter (MOH) programme and Indonesia for the Air Force CN-235 maritime patrol aircraft. It is also in use with the UK MoD. Interest in the SAGE system is high due to the increased recognition that in future conflicts, forces may have to face advanced radar-based threats employed by more advanced militaries. Due to Selex ES's heritage and experience in electronic warfare and its large product portfolio, the company is Europe's leader in the field and is poised to meet this demand.

As with all Selex ES electronic warfare equipment, the system will come packaged with electronic warfare operational support (EWOS) tools for mission data programming and replay. This will allow the Brazilian Navy to get the most out of SAGE, including having the ability to independently update the system to recognise new threats as they arrive in theatre.

For Further Information [Click Here](#)

Embraer Executive Jets Expands its Sales Network in Europe



Embraer Executive Jets today announced Atlas Air Service as its new Authorized Sales Representative (ASR) in Europe. The deal with the Germany-based company comprises marketing and sales initiatives for Embraer's entire business jet portfolio in Germany, Austria and Switzerland. "I would like to welcome Atlas Air Service and its 45 years of expertise in aviation that will support our sales team for continued success in the region," said Marco Tulio Pellegrini, President & CEO, Embraer Executive Jets. "Europe has the world's second-largest concentration of business jets. Through this agreement, we reaffirm our commitment to the European market, expanding our sales force network to offer customers best-in-class products."

Under the sales representation agreement, Atlas Air Service will work closely with Embraer's European sales team, in line with the Company's plan to increase its business jet fleet in this traditional market by introducing truly innovative products.

"We are proud to be named an Embraer Authorized Sales Representative," said Nicolas von Mende, CEO of Atlas Air Service. "Our heritage in the European business aviation sector meets all Embraer requirements for a long-term partnership. I look forward to introducing our customers to this award-winning product portfolio and to succeed in our markets with Embraer Executive Jets."

About Atlas Air Service

Atlas Air Service AG stands for 45 years of competence in business aviation services. The company employs 250 staff members at its five business locations in Germany, at Bremen, Ganderkesee, Paderborn, Stuttgart and Augsburg. The business units of Atlas Air Service include sales of Embraer Executive Jets, sales of pre-owned business jets and turboprops, sales of new and pre-owned helicopters, maintenance/repair/overhaul (MRO) for various aircraft types and sales of spare parts, airworthiness management (CAMO), non-destructive testing (NDT), pilot trainings (ATO), management and operation (AOC) of business jets.

About Embraer Executive Jets

Embraer is one of the world's leading executive jet manufacturers, having entered the business aviation market in 2000 with the Legacy jet, which led to the launch of Embraer Executive Jets in 2005. Its portfolio, the broadest in the market, consists of the entry-level Phenom 100E and the Phenom 300 light jet, the Legacy 500 midsize and Legacy 450 mid-light, the super midsize Legacy 600 and large Legacy 650, and the ultra-large Lineage 1000E. The Embraer Executive Jets global fleet exceeds 900 aircraft, which are in operation in more than 60 countries and are supported by the Company's global Customer Support and Services network of 76 owned and authorized service centers, complemented by a 24/7 Contact Center, at its headquarters in Brazil. For more information, please visit www.EmbraerExecutiveJets.com

Epicos NewsRoom



France submits Rafale purchase proposal to Malaysia

France has submitted a proposal to Malaysia for the purchase of 18 Rafale fighter jets, its defence minister said during a visit to Kuala Lumpur on Tuesday.

"We provided a full offer to the Malaysian authorities," Jean-Yves Le Drian said at a news conference with his Malaysian counterpart Hishammuddin Hussein.

"This offer will be studied by the authorities."

He added: "This proposal marks the beginning of formal discussions with Malaysia over the acquisition of 18 Rafale planes."

Malaysia has said it intends to replace its ageing fleet of Russian-made MiG aircraft, and along with the Rafale, the American F-18, Sweden's Gripen and the Eurofighter have been mooted as potential replacements.

But Hussein warned that Malaysia would have to judge whether any short-term plans to replace the fleet were affordable, with the country grappling with an economic slowdown and a sharp fall in its currency.

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

Britain announces investment in Scottish naval base

Scotland's Faslane naval base is to receive £500 million (\$770 million, 688 million euros) in investment over 10 years, the British government announced on Sunday.

The site of Britain's Trident submarine nuclear deterrent, Faslane is to receive investment in ship lifts, sea walls, jetties and other projects from 2017, with jobs at the base increasing to 8,200 by 2022 from 6,700, according to a statement.

"Today's announcement of more than £500 million demonstrates the UK government's commitment to investing in the infrastructure and capability to ensure that Faslane remains the centre of UK submarine operations for the next generation," finance minister George Osborne said in a statement.

The announcement of investment in the military, a key shared British institution, came as former prime minister Gordon Brown warned of risks to the centuries-old union of Scotland and England due to divisive politics.

"The Conservatives decided to play at the general election the English nationalism card," Brown told an audience in the Scottish capital Edinburgh. "They are pushing Scotland and England further apart."

The Conservative party increased its seats in England in the May election, helping return Prime Minister David Cameron with a majority, while the Scottish National Party surged in popularity to take almost every seat in Scotland.

Faslane's Trident nuclear system, up for a decision on renewal by next year, is a bone of contention between the British government and the SNP, which campaigns for it to be scrapped.

In response to Osborne's announcement, the SNP's Westminster defence spokesman Brendan O'Hara called for Faslane to be made into a "conventional base" rather than a nuclear hub.

"It seems the Treasury apparently has a limitless pot to keep an unwanted and obscene arsenal of nuclear weapons afloat," O'Hara said.

Scottish voters rejected independence from the rest of the United Kingdom by 55 percent to 45 percent in a 2014 referendum, but the SNP has said it will seek a second vote if Britain votes to leave the European Union in a referendum due by 2017.

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

CIA, US special forces launch drone campaign in Syria

The CIA and US special forces are carrying out a secret campaign using armed drones to target and kill Islamic State leaders in Syria, the Washington Post reported Tuesday.

The clandestine program is separate from America's wider military operations against IS fighters, the newspaper reported, citing unnamed US officials.

Among those so far killed is Junaid Hussain, a jihadist hacker from Britain who the Pentagon said was recruiting Islamic State sympathizers to carry out lone wolf attacks in the West.

Officials told The Post that the drone program has only resulted in a handful of strikes, which are being carried out by the Joint Special Operations Command (JSOC). The CIA's main role in the operation is identifying and locating senior IS leaders.

The officials said the program was focusing on "high value targets."

A decision to use the Central Intelligence Agency's Counterterrorism Center (CTC) and JSOC in the operation reflects rising anxiety about the spread of IS fighters, the Post reported.

The CTC led the hunt for Osama bin Laden and JSOC includes the elite Navy SEAL team that carried out the mission to kill the former Al-Qaeda leader in 2011.

Drone strikes are politically contentious in Washington and President Barack Obama wants the CIA to return to its core activity of spying, and away from paramilitary actions. Instead, he wants the Pentagon to take over the drone strikes.

But Senator Barbara Feinstein of California, the ranking Democrat on the Senate Intelligence Committee, has said she was not convinced the military could carry out drone strikes with the same "patience and discretion" as the CIA.

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

Lufthansa seeks to sell stake in Luxembourg's Luxair

German airline Lufthansa is looking to sell its 13-percent stake in Luxembourg's Luxair for an undisclosed sum, a company spokesman said on Tuesday.

"We regularly review our shareholdings to see if they are still compatible with our current strategy and we have decided to put the 13-percent stake up for sale," the spokesman told AFP.

He declined to provide any financial details, but said the price would be in line with "the usual conditions for comparable transactions."

Lufthansa acquired the stake in 1993 and it will first be offered to Luxair's other shareholders, the state of Luxembourg itself which holds 39 percent, and the country's savings bank Banque et Caisse d'Epargne de l'Etat (BCEE) with 21.8 percent.

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

Russia's Aeroflot set to buy competitor Transaero

Russia's state-controlled flagship airline Aeroflot is set to buy its struggling competitor Transaero, sources said Tuesday.

The decision to make an offer for 75 percent of the capital of Transaero was taken at a meeting led by First Deputy Prime Minister Igor Shuvalov and must now be finalised by Aeroflot's board, a source close to the government told AFP.

Aeroflot's press secretary Maxim Fetisov confirmed to Echo of Moscow radio station that "we can say it's true the possibility of consolidation with Transaero is being discussed."

Transaero confirmed that a meeting with Shuvalov took place.

The meeting backed "the consolidation of Transaero into the Aeroflot group," the airline said in a statement on its website.

The airline said the measure would be "in the interests of further development of civil aviation and to create one of the largest aviation groups in the world."

It would also be "in the interests of passengers, staff and partners of the airline," Transaero said, citing its shareholders.

Russian news agency Interfax reported that Aeroflot was planning to acquire Transaero for the symbolic price of one ruble (one US or euro cent), citing a source present at the talks with Shuvalov.

Aeroflot is 51 percent owned by the Russian government. It grew out of the Soviet monopoly of the same name.

Transaero, which began operating in 1991, is the second-largest Russian airline and the country's largest privately-owned carrier. In the first half of 2015, it carried 5.7 million passengers compared to 10.9 million who flew on Aeroflot.

Transaero has incurred massive debts in recent years as it modernised its fleet of mostly Boeing planes and was threatened with bankruptcy. It has no choice but to accept Aeroflot's offer in order to survive, wrote the Vedomosti business daily.

With a fleet of 106 planes, Transaero serves domestic destinations, most European capitals as well as long-haul destinations popular with Russian holidaymakers such as Thailand. It has particularly suffered as Russians have tightened their belts in the economic crisis and has been hit with serious financial losses in recent months.

Along with Russia's third-largest carrier UTair, Transaero had asked for a financial lifeline from the government but Russian media reported that officials were reluctant and Aeroflot

opposed aid on the grounds that the airlines had got into difficulties due to their excessive borrowing and slashing ticket prices.

The falling spending power of Russians has hit international carriers and pushed them to reduce their margins and to sell cut-price tickets to fill planes.

The ruble's plunge in value has also increased costs linked to the dollar, such as rental and maintenance of aircraft as well as paying back dollar-denominated loans.

Aeroflot has made huge strides in recent years to lay to rest its image as a disaster-plagued Soviet carrier, becoming a member of the Sky Team alliance along with Air France-KLM and winning international awards for its service.

It has resisted the crisis better than its peers, but still reported a net loss of 3.5 billion rubles (\$52.9 million) in the first half of the year. That loss was up 86 percent from the same period last year.

However Aeroflot increased its passenger numbers by 14 percent and its market share by 5.8 percent to 37 percent in the first half of this year thanks to boosting domestic flights and launching a low-cost airline, Pobeda.

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