

Part I**Special Focus: Indonesia**

1. Indonesia: Procurement of Defence Equipment
2. Embraer Delivers the First Four A-29 Super Tucanos to Indonesia
3. Epicos “Industrial Cooperation and Offset Projects”
4. Provision of mechanical and aeronautical engineering services for the design of structural parts and components for specific Unmanned Aerial Vehicle (UAV) system program
5. Provision of surface treatment and painting services for small and medium-size metal parts
6. Epicos - Amazon

Part II**Epicos Newsroom**

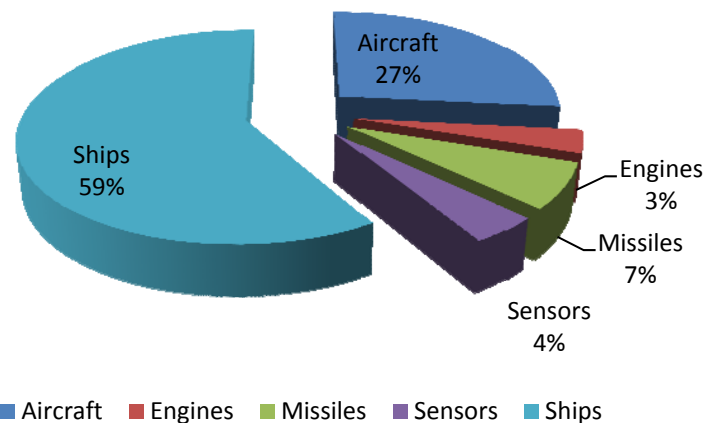
1. Virgin Atlantic to enter short-haul market
2. Ethiopia receives Africa's first Boeing 787 Dreamliner
3. BAA agrees to sell Stansted airport near London
4. NFNL Conducts Naval Exercise
5. Philippines in the Market for ASW Helicopters

Indonesia: Procurement of Defence Equipment



The volume of deliveries of major weapons to states in Asia and Oceania increased by 24% between the period 2002-2006 and 2007-2011. Indonesia followed this trend as deliveries rose by 144%. In 2007 total military expenditure of the country was according to Stockholm International Peace Research Institute (SIPRI) 4,073 million US dollars in constant 2010 prices whereas in 2011, reached 5,220 million US dollars. Ship vessels were the predominant area of imports for the period 2007-2011 with a total amount of 963 US\$ m. at constant (1990) prices. The 2nd most important sector is that of aircrafts with 437 US\$ m. at constant (1990) prices whereas other areas such as missiles, sensors and engines follow.

Arms Imports to Indonesia by category, 2006-2009



The Netherlands has a leading role in the Indonesian armament imports. Apart from the European country, other important countries that export arms to Indonesia the five last years are Russia, South Korea and France. Imports are rather limited in their geographical structure as (3) of the (4) first countries that export arms to Indonesia, based on the amount of funds allocated are European.

Imports (expressed in US\$ m. at constant 1990 prices)

	2007	2008	2009	2010	2011	Total
Netherlands	297	149	149	-	-	594
Russia		41	165	180	65	450
South Korea	176	5	90		100	370
France	46	21	32	46	8	154

Source: SIPRI Publications, Arms Transfers Database

The Netherlands is in the first place of arm exports to Indonesia mainly due to the fact that the Indonesian Navy has procured 1 SIGMA-105 Frigate in 2010. The total amount of the procurement reached 220 US dollars and deliveries are to start in 2014. Additionally, Indonesia procured 6 Su-30MK/Flanker FGA aircraft. Deliveries will be materialized during the period 2012-2014 and will reach the total amount of 470 million US dollars.

Finally, the country procured eight Super Tucanos on June 9, 2011. The procurement also included ground support stations and an integrated logistics package. On July 2012, Indonesia has completed the procurement of eight more Super Tucanos. The order also included a flight simulator that will be used for instructing and training Indonesian pilots. Indonesia will be the first operator of Super Tucano in the Asia-Pacific region.

Indonesia will replace the fleet of OV-10 Broncos with the Super Tucanos. The new aircraft will carry out a broad range of missions, including light attack, surveillance, aerial intercepts, and counter-insurgency.

Kyriazis Vasileios,

Epicos Newsletter Head Editor

Embraer Delivers the First Four A-29 Super Tucanos to Indonesia

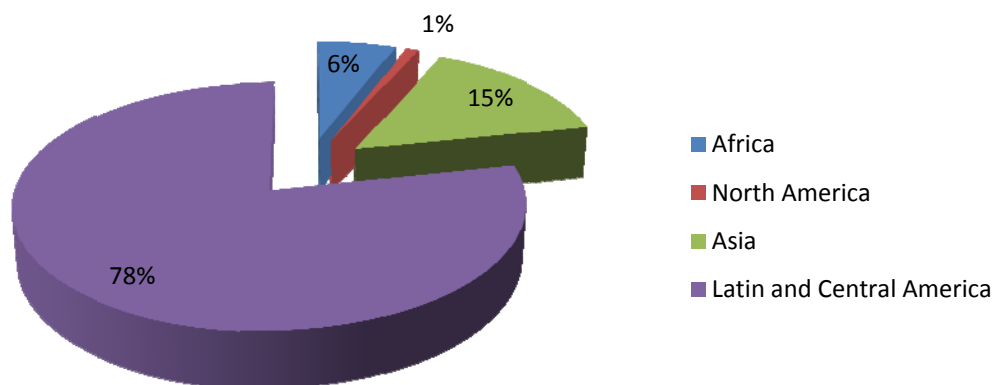


On August 6, 2012, Embraer delivered four light attack and tactical training A-29 Super Tucanos to Indonesia's Air Force at a ceremony held in the company's facility in Gaviao Peixoto, Sao Paulo, Brazil. The aircraft are set to first touch their wheels on the ground of Indonesia in early September. The procurement of eight Super Tucanos by the Indonesian Air Force was effectuated on June 9, 2011. The procurement also included ground support stations and an integrated logistics package. On July 2012, Indonesia

has signed a second contract with Embraer for eight more light attack and tactical training aircraft. The order also includes a flight simulator that will be used for instructing and training Indonesian pilots. Indonesia will be the first operator of Super Tucano in the Asia-Pacific region.

Super Tucano is mainly operated by the air forces of Latin American countries. In Colombia the aircraft is used for intense internal security operations. In Dominican Republic, the aircraft is providing internal security and helping combat illegal activities. In Brazil, Super Tucano is providing border security and helping combat illegal activities. In Ecuador Super Tucano is flying advanced training and operational missions, whereas in Chile is providing tactical training and intelligence, surveillance and reconnaissance missions.

Super Tucanos Operated by Continent



Nevertheless, with the exception of Europe and Australia, countries from all the other continents are currently operating or they will in the near future operate Super Tucano. Yet, the Brazilian aircraft may enter the European market as Sweden is willing to replace the

Saab 105 Trainer aircraft are currently using with Super Tucanos, if Brazil chooses to buy Gripen NG.

Super Tucanos will replace the fleet of OV-10 Broncos in Indonesia. The procurement is part of the equipment modernization program the country is implementing for the years 2009 – 2014. Super Tucano will carry out a broad range of missions, including light attack, surveillance, aerial intercepts, and counter-insurgency.

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](#)

Provision of mechanical and aeronautical engineering services for the design of structural parts and components for specific Unmanned Aerial Vehicle (UAV) system program

A company providing Mechanical and Aeronautical Engineering Design Services to the aeronautical sector is proposing, in the frame of an offset program, the cooperation with aerospace prime contractors for the provision of engineering services for the design of structural parts and components in the frame of a specific Unmanned Aerial Vehicle (UAV) system program.

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

Mail at: g-menexis@epicos.com

Provision of surface treatment and painting services for small and medium-size metal parts

A company with significant experience in light sheet-iron works, surface treatment and painting is proposing to cooperate with a Prime contractor or lower tier company for the provision of surface treatment and painting services for small and medium-size metal parts that will be used in specific aerospace programs.

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

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Epicos- Amazon**The Politics of Military Reform: Experiences from Indonesia and Nigeria, by Jurgen Roland, Maria-Gabriela Manea, Hans Born**

This volume seeks to explain why democratization and military reforms stagnate in newly democratizing countries. The contributions blend historical, ideational, cultural and structural explanatory factors to analyze the trajectories of military reform in Indonesia and Nigeria, two major regional powers that share many structural commonalities. In the tradition of the literature on security sector reform (SSR), the book not only scrutinizes executive initiatives toward military reform, but also provides ample coverage of societal actors.

Naval Institute Guide to World Naval Weapon Systems, by Norman Friedman

Written by one of the world's leading naval analysts, World Naval Weapon Systems is recognised as one of the most comprehensive references on the domain of naval weapon systems. It describes the weapons currently in service in ships, submarines, and naval aircraft around the world and examines the crucial relationship between them. Additionally, it provides a thorough analysis of the development that the naval weapons have undergone in order to tackle with the strategic challenges that international naval forces are facing today. World Naval Weapon Systems is probably the most complete and up-to-date source about weapons in every navy in the world and it is an essential work that, in effect, can serve as a textbook of modern naval technology.



Virgin Atlantic to enter short-haul market

Richard Branson's Virgin Atlantic on Tuesday said it would enter the short-haul market with the launch of a London-Manchester flight following rival British Airways' takeover of bmi.

"Virgin Atlantic Airways Ltd today announced plans to fly from London Heathrow to Manchester Airport (in northwest England) from March 2013 -- providing competition to BA's short-haul service.

"The new route is the airline's first foray into domestic flying; signaling the start of a new network which will provide regional feed to its long-haul service," the company added in a statement.

Virgin Atlantic chief executive Steve Ridgway added: "Flying between Heathrow and Manchester is just the start for Virgin Atlantic's new short-haul operation.

"We have the means to connect thousands of passengers to our long-haul network as well as to destinations served by other carriers. Our new service will provide strong competition to omnipresent BA; keep fares low and give consumers a genuine choice of airline to fly to Heathrow and beyond."

British Airways earlier this year bought regional carrier bmi from Germany's Lufthansa -- angering Virgin Atlantic which said the deal would lead to fewer flights and fare hikes.

Virgin Atlantic's long-haul routes include flying from London and Manchester to the United States and the Caribbean. It also flies between London and Africa, Asia and Australia.

The airline's announcement Tuesday comes after Branson's Virgin Rail Group last week lost a long-held deal with the British government to run a major route linking London with Glasgow via Manchester.

British tycoon Branson hinted that losing Virgin Group's only railway franchise could see him exit the trains business.

Source: 2012 AFP, Agence France-Presse (AFP)

Ethiopia receives Africa's first Boeing 787 Dreamliner

Ethiopian Airlines received Africa's first Boeing 787 Dreamliner on Friday, making Ethiopia the only country aside from Japan to operate the innovative aircraft.

"As a continent this shows how much we are making progress as Africans... competing on the global stage and changing our image," Ethiopian Airline CEO Tewolde Gebremariam told reporters at Addis Ababa's Bole International Airport.

The plane arrived from Dulles airport in Washington, DC, home to the largest Ethiopian diaspora population globally.

State-owned Ethiopian Airlines -- Africa's fastest growing carrier -- has purchased ten 787 Dreamliners from Boeing. Each has an official list price of some \$207 million, although airlines rarely pay such figures, especially for bulk orders.

It is expected to operate the aircraft on routes throughout Africa and Europe, including Accra, Lagos, Rome and London.

Tewolde said the delivery of the Dreamliner, dubbed "Africa First," is an achievement for all of the continent.

The aircraft is constructed with lightweight carbon, as opposed to heavy aluminium found on other planes, consuming 20 percent less fuel.

Transport Minister Deriba Kuma said the delivery of the 787 was especially notable given the financially strained climate.

"This achievement of Ethiopian Airlines is all the more remarkable given the very bad global context for the airline industry," he said.

Despite the fanfare at the landing ceremony, Deputy Prime Minister Hailemariam Desalegn said the country expects greater achievements from the airline in the future.

"My people and my government are expecting to see Ethiopian Airlines as one of the best airlines in the world, not only in Africa," said Hailemariam, who is also Foreign Minister.

Ethiopian Airlines was established in 1945 and now operates to 86 cities throughout Africa, Europe, Asia and North America.

In 2011 Ethiopia had a GDP per capita of \$374, according to the World Bank, but has showed strong economic growth of 11%, according to the government, and 7% according to the International Monetary Fund.

Only Japan Airlines and ANA (All Nippon Airways) operate the Dreamliner so far.

Source: 2012 AFP, Agence France-Presse (AFP)

BAA agrees to sell Stansted airport near London

Spanish-owned airports operator BAA on Monday said it had finally agreed to sell Stansted airport near London after losing an appeal against a competition ruling that it must offload the hub.

"Having carefully considered the Court of Appeal's recent ruling, BAA has decided not to appeal to the Supreme Court and is now proceeding with the sale of Stansted Airport," BAA said in a statement.

British competition watchdog the Competition Commission in 2009 ordered BAA to sell both Stansted and Gatwick airport, also close to London, plus either its Edinburgh or Glasgow hubs in Scotland.

BAA, which has managed to hold onto London's Heathrow airport, subsequently sold its Gatwick and Edinburgh hubs to the US investment fund Global Infrastructure Partners.

"We still believe that the Competition Commission ruling fails to recognise that Stansted and Heathrow serve different markets," BAA added on Monday.

BAA's owner, Spanish construction firm Ferrovial, meanwhile last week said it would sell 10.62 percent of its stake in the airports operator to investment fund Qatar Holding for 478 million pounds (607 million euros, \$750 million).

Source: 2012 AFP, Agence France-Presse (AFP)

NFNL Conducts Naval Exercise

The Naval Forces Northern Luzon (NFNL), the operational Command of the Philippine Navy in Northern Luzon has just concluded the conduct of a small-scale Naval Exercise code-named SAGEX 02-12 last August 14 to 16, 2012 at the waters of West Philippine Sea.

The Naval Exercise aims to test the capability of naval vessels under NFNL in conducting naval operations at sea under adverse and heavy weather and sea conditions to accomplish its Territorial Defense Mission in protecting Philippine territorial waters.

The scenario is based on the concept of maneuvers along critical sea lanes of the West Philippine Sea and it involved the conduct of Patrol, Simulated Tracking of Targets and Interdiction and capped by live firing exercises.

More than one hundred (100) Sailors and Marines, and three (3) naval vessels namely the BRP GREGORIO DEL PILAR (PF15), BRP RAJAH HUMABON (PF11) and BRP LIBERATO PICAR (PG-377), participated in the exercise under Naval Task Force (NTF) 11.

Source: 2012 AFP, Agence France-Presse (AFP)

Philippines in the Market for ASW Helicopters

MANILA — As part of its efforts to improve the capabilities of the naval service, the Armed Forces of the Philippines (AFP) announced that it will be acquiring four anti-submarine warfare (ASW) helicopters for the Philippine Navy (PN) within the period 2013 to 2017.

Col. Arnulfo M. Burgos, Jr., AFP spokesperson, said the decision to acquire ASW assets for the PN is part of country's Medium Term Defense Acquisition List for the next four years.

The ASW choppers will be assigned to the BRP Gregorio Del Pilar and the soon-to-come BRP Ramon Alcaraz and hopefully to the two "Maestrale" class missile-firing frigates from Italy being eyed by the Department of National Defense (DND) for acquisition by 2013.

Burgos declined to identify the manufacturer of the proposed ASW helicopters but said studies are now undergoing to identify the best and most affordable aircraft for the Philippines.

DND Secretary Voltaire Gazmin earlier announced that the Philippine Air Force (PAF) will be getting 10 brand-new units of Eurocopter attack choppers to boost its fleet.

He added that this contract is worth P3.2 billion.

Gazmin said that the DND has already presented it to the government policy and procurement board for evaluation.

This was after the defense department recommended acquisition approval for the above-mentioned helicopters.

And should the contract be signed anytime this August, the DND chief said that the first four units will be delivered within the year.

"All these choppers are brandnew and fitted with weapons, navigation and sensor equipment," Gazmin stressed.

The body of the Eurocopter is made from 80 percent carbon fiber reinforced polymer and kevlar, 11 percent aluminum, and six percent titanium.

The rotors are made from fiber-plastic able to withstand combat damage and bird strikes.

Protection against lightning and electromagnetic pulse is ensured by embedded copper/bronze grid and copper bonding foil.

Eurocopter's armor can withstand 23 mm autocannon fire.

The helicopter can be equipped with a variety of air-to-ground weapons, rockets, and even air-to-air missiles and state-of-the-art sensor and navigation systems.

Source: Epicos