

**Part I: Ukraine**

1. **Ukraine: Defence Spending**
2. **Ukraine: Defence Industry**
3. **Epicos “Industrial Cooperation and Offset Projects”**
4. **Radiological Field Food Tester Turn Key solution**
5. **Non-destructive Testing (NDT) services for the aerospace and defence industry**
6. **News from our A&D Business Network**

**Part II: Epicos Newsroom**

1. **France – C-130J Aircraft**
2. **Japan's first passenger jet makes maiden test flight**
3. **Vietnam's Vietjet orders 30 Airbus A321s**
4. **CAE signs commercial aviation training solutions contract with Saudi Arabian Airlines' Prince Sultan Aviation Academy**
5. **Cobham Receives \$157.5M in Missile Electronics Orders**

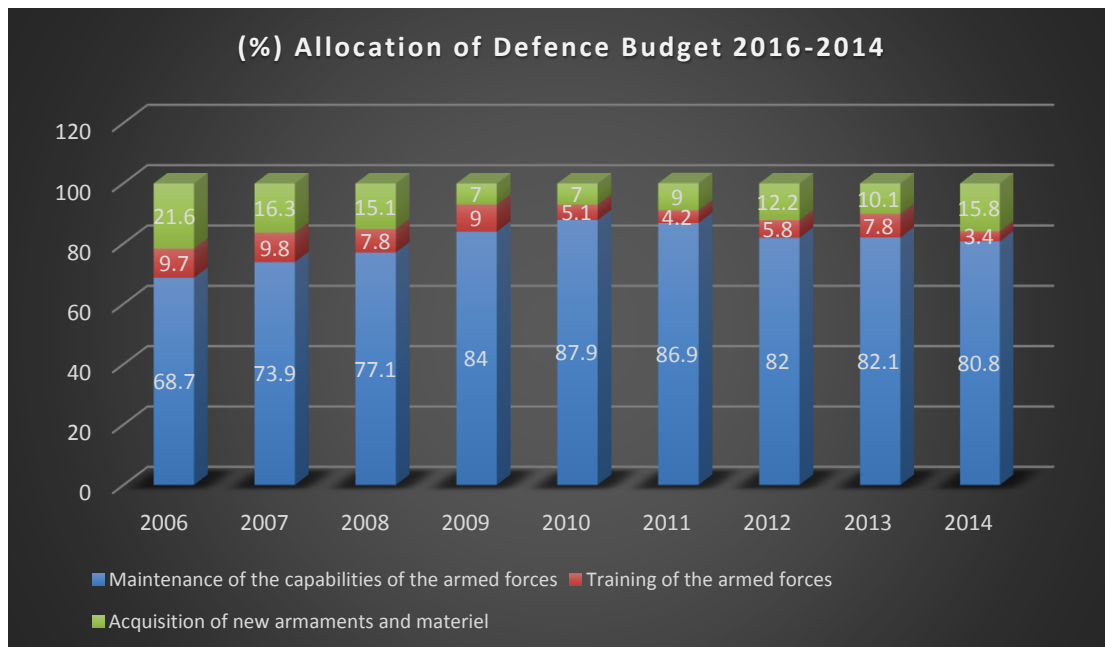
## Ukraine: Defence Spending



After the dissolution of the Soviet Union and the declaration of independence in 1991, Ukraine inherited one of the most powerful Armed Forces in Europe, equipped with nuclear weapon and modern types of typical armament and defense technology. It is indicative that the country inherited a rocket army, three armies of combined forces and two tank armies, one army corps, four Air Force armies, separate Air Defence army and the Black Sea fleet. Nevertheless, Ukraine had to diminish the number of the armed forces as it was rather difficult and costly to maintain them. Part of this process also included the modernization of the army. Nevertheless, this trend has been diversified in 2014 when the Crimean crisis began. In 2014 the defence budget of Ukraine was increased by 11.8 billion UAH (approximately 522 million US dollars), reaching 27 billion UAH (approximately 1.2 billion US dollars), equaling 1.78 of the GDP.

The allocated resources were directed towards the following areas:

- Maintenance of the capabilities of the armed forces - UAH 21.8 billion UAH (approximately 964 million US dollars) equaling to 80.8% of the total budget;
- Training of the armed forces - UAH 911 million UAH (approximately 40 million US dollars) equaling to 3.4% of the total budget;
- Acquisition of new armaments and materiel - UAH 4.25 billion UAH (approximately 188 million US dollars) equaling to 15.8% of the total budget.



As it is clearly depicted to the diagram above, expenditure is mainly focused on supporting personnel and making urgent steps to restore the technical readiness of military materiel and armament.

As of 2014 the Ukrainian army totaled 250.000 personnel (204.000 military personnel and 46.000 administrative staff), increased by 85.000 compared with 2013 (120.900 military personnel and 44.600 administrative staff).

Year	2012	2013	2014
Military Personnel	139.000	120.900	204.000
Administrative Staff	45.000	44.600	46.000
Total	184.000	165.500	250.000

During 2014 Ukraine acquired a variety of defence equipment. For the land forces the country, among others acquired the following:

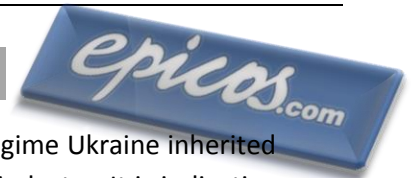
- 9 "Bulat" tanks
- 18 2S1 SP vehicles
- 12 BTR4 APCs
- 20 BTR3 APCs
- 70 KRAZ63221, 6322, 6446 vehicles

For the air force Ukraine acquired:






- 1 Su-25UBM1 aircraft
- 3 Su-25UM1 aircraft
- 1 Mi-24PU1 combat aircraft
- 3 Mi8MSBV landing transport aircraft

Kyriazis Vasileios,  
Epicos Newsletter Head Editor

## Ukraine: Defence Industry



After the fall of the communist regime Ukraine inherited a vast part of the Soviet defence industry. It is indicative that in the end of the 90s Ukraine housed 30% of the Soviet defence industry, and it was home to approximately 750 factories and 140 scientific and technical organizations. Over the coming decade, Russia and Ukraine signed several agreements in order to encourage cooperation in the industrial sector, thus trying to keep the production of defence equipment unaffected. Nevertheless, this was not achieved as cooperation between the two countries defence industries declined significantly. Currently Ukraine retains a rather extensive defence industry, with capabilities in several domains. Ukroboronprom, a state owned conglomerate, is placed in charge of the military-industrial complex in the country and comprises of almost 100 companies. Companies-members of Ukroboronprom hire approximately 80.000 people, some of which have high academic degrees in engineering, applied mathematics, physics, etc.

	Armoured Vehicles, Artillery Armament, Automotive Vehicles, Engineering and Special Equipment	31
	Shipbuilding and Marine Equipment	13
	Aircraft UAV and related equipment sector	29
	Radar, Radio Communication and Air Defence Systems	32
	High Precision Armament and Ammunitions	22

According to the Ukroboronprom there are 31 companies with capabilities in the Armored Vehicles, Artillery Armament, Automotive Vehicles, Engineering and Special Equipment sector, 13 with capabilities in the Shipbuilding and Marine Equipment, 29 with capabilities in the Aircraft UAV and related equipment sector, 32 in the Radar, Radio Communication and Air Defence Systems sector and 22 in the High Precision Armament and Ammunition sector.

Ukraine exports a fair amount of weapons. China, India and Russia are some of the most important traditional market for Ukrainian military products. Nevertheless, In March 2014, during the Crimean crisis, Ukroboronprom banned all exports of weaponry and military equipment to Russia.



As it is clearly depicted in the map above, exports from Ukraine are not limited in their geographical preference as the country exports in Europe, Africa, Middle East, Asia and South America.

Kyriazis Vasileios,

Epicos Newsletter Head Editor

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## 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](#)

### Radiological Field Food Tester Turn Key solution



A company with significant experience in the development and production of chemical defence instruments and nuclear reconnaissance systems, is proposing representation of its Turn Key Solution Radiological Field Food Tester, to foreign companies, specializing on NBC systems, in order to gain access to new markets.

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

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

### Non-destructive Testing (NDT) services for the aerospace and defence industry



A company excelling in the area of Non-destructive Testing (NDT) is proposing collaboration, with a Prime Contractor or a third party, for the provision of NDT related services domestically and abroad.

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

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

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*News from our A&D Business Network***Lebanese Air Force selects A-29 Super Tucano for Close Air Support role**

The Republic of Lebanon today confirmed the acquisition of six A-29 Super Tucano turboprop aircraft from Embraer Defense & Security and Sierra Nevada Corporation. The contract includes logistics support for aircraft operation as well as a complete training system for Lebanese Air Force pilots and mechanics. The sale was approved in June by the U.S. State Department.

The aircraft sale is part of a larger, more comprehensive package, including infrastructure improvements that will be fulfilled by other parties not involved in the Embraer/SNC partnership. The planes, which are currently in operation with 10 Air Forces around the world, will be built in the Jacksonville, Florida.

“The selection of the A-29 by the Lebanese Air Force is a great testament to the superiority of the Super Tucano and its ability to meet the challenges of the operating theater in the Middle East,” said Jackson Schneider, president and CEO of Embraer Defense & Security. “The Super Tucano is the best and most capable aircraft in the market with a proven record of success with Air Forces around the world.”

The A-29 Super Tucano is a durable, versatile and powerful turboprop aircraft capable of carrying out a wide range of light air support (LAS) missions, even operating from unimproved runways. Due to its original concept design, high speed and excellent maneuverability, the Super Tucano is the only aircraft in its class to present superb cockpit visibility, extremely high efficiency and low vulnerability in the close air support role. The blend of advanced, robust and redundant systems allows the aircraft to outmaneuver and outperform nearly any competitor in its class.

“We are excited at the opportunity to provide Lebanon with these aircraft, which are proving to be an innovative and cost-effective solution for demanding military organizations around the world. It is ideal for the missions and operational environment faced by Lebanon and a host of other nations. We look forward to helping the Lebanese achieve a modern Air Force through use of the A-29 Super Tucano,” said Taco Gilbert, vice president of business development for SNC’s ISR business area.

After more than 10 years in service, the Super Tucano has gained an excellent performance record, earning Embraer more than 230 firm orders. With more than 140 certified load configurations, it is equipped with advanced electronic, electro-optic, infrared and laser system technologies, as well as secure radio systems with data links and unrivalled munitions capacity.

About Embraer Defense & Security

Leader in the aerospace and defense industry of Latin America, Embraer Defense & Security offers a complete line of integrated solutions such as C4I (Command, Control, Communication, Computers and Intelligence Center) applications, leading edge technologies in the production of radars, advanced information and communication systems, integrated systems for border monitoring and surveillance, as well as military and government transportation aircraft. With a growing presence on the global market, Embraer Defense & Security products are present in more than 60 countries.

For Further Information [Click Here](#)



## SAAB Receives Order for New Advanced Airborne Surveillance Systems from UAE



Defence and security company Saab has signed a contract with the United Arab Emirates (UAE) to expand and enhance the Emirates' airborne surveillance capabilities. Saab will deliver a new airborne Swing Role Surveillance System (SRSS) incorporating a new version of the Saab Erieye radar system. The order value amounts to approximately USD1.27 billion.

The new SRSS for the UAE uses the Global 6000 aircraft from Bombardier as a platform. The Swing Role Surveillance System is capable of simultaneous detection and tracking of multiple targets in the air, on land and at sea. It is the latest evolution of the Erieye system that incorporates Saab's many decades of radar capabilities across all domains.

"The new version of Erieye is without a doubt the most capable airborne early warning and control system on the market. Saab's capability to develop high technology solutions for customers shows that our focus on research and development is the right way to ensure continued competitiveness on the defence market," says Håkan Buskhe, President and CEO of Saab.

"Saab understands the vital importance of advanced airborne surveillance and we have a family of products that play a key role in defence and civil security. The UAE's selection of Saab's solution confirms our strong position regarding airborne surveillance and systems integration," says Micael Johansson, head of Saab Business Area Electronic Defence Systems.

The work will be carried out at Saab's facilities in Gothenburg, Linköping, Järfälla, Arboga and Luleå.

For further information, please contact:

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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.



### France – C-130J Aircraft

The State Department has made a determination approving a possible Foreign Military Sale to France for C-130J aircraft and associated equipment, parts and logistical support for an estimated cost of \$650 million. The Defense Security Cooperation Agency delivered the required certification notifying Congress of this possible sale today.

The Government of France has requested a possible sale of:

#### Major Defense Equipment (MDE):

- Two (2) C-130J aircraft with Rolls Royce AE-2100D Turboprop Engines
- Two (2) KC-130J aircraft with Rolls Royce AE-2100D Turboprop Engines
- Four (4) Rolls Royce AE-2100D Turboprop Engines (spares)

#### Non-Major Defense Equipment (Non-MDE):

- Six (6) AN/ALE 47 Electronic Countermeasure Dispensers (1 per aircraft, plus 2 spares)
- Six (6) AN/AAR-47A(V)2 Missile Warning Systems (1 per aircraft, plus 2 spares)
- Six (6) AN/ALR-56M Radar Warning Receivers (1 per aircraft, plus 2 spares)
- Ten (10) Embedded Global Positioning/Inertial Navigation Systems (2 per aircraft, plus 2 spares)
- Ten (10) AN/ARC-210 Radios (2 per aircraft, plus 2 spares)
- Ten (10) AN/ARC-164 UHF/VF Radios (2 per aircraft, plus 2 spares)
- Two (2) HF Voice Radios
- Ten (10) KY-100 Secure Voice Terminals (2 per aircraft, plus 2 spares)
- Ten (10) KYV-5 Secure Voice Equipment Units (2 per aircraft, plus 2 spares)

Also provided are support and test equipment; publications and technical documentation; personnel training and training equipment; U.S. Government and contractor engineering, technical, and logistics support services; and other related elements of logistical and program support. The estimated MDE value is \$355 million. The total overall estimated value is \$650 million.

This proposed sale will contribute to the foreign policy and national security of the United States by improving the capability of a NATO ally. It is vital to U.S. national interests to assist the French Air Force to increase its airlift, air refueling, and air drop capabilities. These aircraft will provide these capabilities and will be used to support national, NATO, United Nations, and other coalition operations. Providing these aircraft to the French Air Force will greatly increase interoperability between the U.S. Air Force and the French Air Force, as well as other NATO allies.

The C-130Js will provide critical transport, airdrop, and resupply to thousands of French troops in support of current and future operations. The KC-130Js will provide crucial air refueling capability to France's fighter aircraft, light transport aircraft, and helicopters. France will have no difficulty absorbing these aircraft into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

France requests that Lockheed Martin be the sole source provider for the C-130J aircraft. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale may require multiple trips for U.S. contractor representatives to France and potentially to deployed locations to provide initial launch, recovery, and maintenance support.

This notice of a potential sale is required by law and does not mean the sale has been concluded.

All questions regarding this proposed Foreign Military Sale should be directed to the State Department's Bureau of Political Military Affairs, Office of Congressional and Public Affairs, [pm-cpa@state.gov](mailto:pm-cpa@state.gov).

For Further Information [Click Here](#)

**Source:** Defense Security Cooperation Agency

### Japan's first passenger jet makes maiden test flight

Japan's first passenger jet made its maiden test flight Wednesday, a landmark in a decade-long programme to launch the plane aimed at competing with Brazilian and Canadian rivals in the global market for smaller aircraft.

About half a century after the last Japanese-made commercial plane took to the skies, the Mitsubishi Regional Jet (MRJ), painted with dark blue, red and beige stripes, took off from Nagoya airport under clear skies for a 90-minute trip.

After being barred from developing aircraft following World War II, Japan -- and its MRJ jet -- is competing with other regional passenger jet manufacturers such as Brazil's Embraer and Canada's Bombardier. The two-engine MRJ -- developed by Mitsubishi Heavy Industries -- marks a new chapter for Japan's aviation sector, which last built a commercial airliner in 1962 -- the YS-11 turboprop that was discontinued about a decade later.

The MRJ is approximately 35-metres (115-feet) long, has a pointed nose and will seat about 80 passengers.

Developer Mitsubishi Aircraft, a subsidiary of Mitsubishi Heavy, boasts that the fuel-efficient MRJ will offer more passenger comfort with lower operating costs, eyeing the booming regional jet sector.

Mitsubishi Heavy would not disclose how much of the aircraft consists of Japanese components, but the aircraft is powered by two next-generation engines developed by Pratt & Whitney of the United States.

The company said the US parts are key and have helped it slash operating costs by about 20 percent.

- 'Japan's pride!' -

The maiden flight by the Japanese passenger jet stirred excitement at home.

"We very much welcome the success of the first flight as it is a new beginning for the Japanese aircraft industry," Chief Cabinet Secretary Yoshihide Suga told reporters.

"We hope that development for delivery of the first plane will go steadily and both public and private sectors will continue to work towards the success of this project."

On the live streaming website for the flight, one user tweeted: "This is a great achievement."

Another excited user simply wrote: "Japan's pride!"

Firms in Japan were banned from developing aircraft by US occupiers following the country's defeat in World War II.

Mitsubishi Heavy, a military contractor, built Japan's legendary "Zero" World War II fighter jet.

But the country slowly started rebuilding its aviation industry in the 1950s, starting with carrying out repair work for the US military. It went on to expand its scope to start licensed production of US-developed aircraft for Japan's military.

Japanese firms have also long supplied parts to plane manufacturer Boeing.

Mitsubishi Heavy unveiled the jet in October last year and has received more than 400 orders.

It plans to make the first delivery to Japan's All Nippon Airways in 2017.

Mitsubishi's short-to-medium-haul regional jet was backed by the Japanese government and a consortium of major firms including Toyota.

Automaker Honda is also developing a small private jet in the United States, which was first unveiled in Japan earlier this year.

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

### Vietnam's Vietjet orders 30 Airbus A321s

Vietnamese carrier Vietjet signed a deal with Airbus at the Dubai Airshow on Tuesday to buy 30 single-aisle A321 planes worth a total of \$3.6 billion.

The order is for nine A321ceo and 21 A321neo, said a statement issued by the airline at the signing ceremony, saying the deal was "worth a total of US\$3.6 billion."

"I can confirm this is a firm order," said Airbus's chief operating officer for customers, John Leahy after inking the deal. He said the client "did not pay the catalogue price," but did not disclose the discount.

Vietjet CEO Nguyen Thi Phuong Thao said the "order for additional A321s responds to our growth strategy and to the need for additional seat capacity on both domestic and international routes."

Vietjet first took to the skies at the end of 2011 and currently operates a fleet of 29 A320 family aircraft including three A321s, it says.

With Tuesday's announcement, Vietjet has placed firm orders with Airbus for a total of 99 A320 family aircraft.

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

## CAE signs commercial aviation training solutions contract with Saudi Arabian Airlines' Prince Sultan Aviation Academy

CAE announced today at the 2015 Dubai Airshow that it has signed a training equipment contract including the sale of two full-flight simulators (FFS) --a Boeing 777 and a Boeing 787- - and two flight training devices to support Saudi Arabian Airlines' training needs in the region.

"We are delighted to have CAE as our long-standing training solutions partner of choice," said Capt. Badr A. Alolayan - Managing Director Prince Sultan Aviation Academy. "We are confident that CAE will continue to provide state-of-the-art training equipment to support crews training in the region."

"We are proud to expand our training relationship with Saudi Arabian Airlines, supporting the Prince Sultan Aviation Academy with its aviation training requirements," said Nick Leontidis, CAE Group President, Civil Aviation Training Solutions. "We are proud to continue offering state-of-the-art training equipment to airlines, worldwide."

The B777 simulator is a CAE 7000XR Series FFS, while the B787 simulator is a CAE 7000 Series FFS. The training devices include one Boeing 777 and one Boeing 787 CAE 500XR Series flight training devices. The complete training suite will be delivered and installed at Prince Sultan Aviation Academy (PSAA) training centre in Jeddah, Kingdom of Saudi Arabia in 2016.

Saudi Arabian Airlines has been a CAE customer for more than ten years.

### About PSAA

Prince Sultan Aviation Academy (PSAA) is the largest aviation training complex in the Kingdom of Saudi Arabia. PSAA became a Strategic Business Unit (SBU) of Saudia on the 7th of April 2010 that provides professional Aviation Advanced Training to Regional and Global commercial air carriers. PSAA has the latest Flight Training equipment including Full Flight Simulators, Fixed Training Devices, Computer Based Training work stations / classrooms, Cabin Emergency Evacuation Trainers, and Door Trainers.

PSAA operates EMB-170, A320-200, B777-200, A330/A340, and B747-400 simulators, covering some of the most widely operated fleet types in the world; fitted to industry-leading specifications that permit training on most variants and sub-types.

Based on 56 years of extensive training and management experience, PSAA provides professional and quality training to commercial air carriers in compliance with regulations of the Kingdom of Saudi Arabia, General Authority of Civil Aviation [GACA] and International Standards.

### About CAE

CAE is a global leader in the delivery of training for the civil aviation, defence and security, and healthcare markets. CAE designs and integrates the industry's most comprehensive training solutions, anchored by the knowledge and expertise of 8,000 employees, of world-leading simulation technologies and a track record of service and technology innovation spanning seven decades. CAE global presence is the broadest in the industry, with 160 sites and training locations in 35 countries, including joint venture operations, and the world's largest installed base of flight simulators. Each year, CAE trains more than 120,000 civil and defence crewmembers, as well as thousands of healthcare professionals. [www.cae.com](http://www.cae.com)

**Source:** Epicos, CAE

### **Cobham Receives \$157.5M in Missile Electronics Orders**

Cobham recently received a series of orders from a leading missile manufacturer for electronic components for several missile programs totaling \$157.5M. The work will be performed by Cobham Microelectronic Solutions, a business unit of the Cobham Advanced Electronics Solutions sector.

Cobham is a key supplier of radio frequency (RF) electronics that enable a missile's guidance and processing. Cobham hardware spans RF converters, synthesizers, and transmitters, otherwise known as Integrated Microwave Assemblies (IMAs). The building blocks of these IMAs are based on Cobham's innovative intellectual property for mixers, filters, and custom Monolithic Microwave Integrated Circuits (MMICs). Cobham's world class RF production facility is enabled through assembly, inspection, and test automation processes that drive Cobham's electronics to a very high level of reliability.

"For over 25 years, Cobham has partnered with leading defense primes and the Department of Defense for important missile programs," said Jill Kale, President of Cobham Advanced Electronic Solutions. "We are proud to support their exceptional record of excellence through continuous measureable improvements and block upgrades. We look forward to continuing to support these critical programs."

For Further Information [Click Here](#)

**Source:** Epicos, Cobham