

Arab Defense Industry Papers News Bulletin

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The Big Picture

Iran

Jane's Intelligence Weekly, 23 March 2018. "On 13 March 2018, Iran's Assembly of Experts, the body composed of 88 elected clerics and constitutionally tasked with selecting the next Supreme Leader, voted on its executive board for a two-year term. (...) The voting pattern suggests that the hard-line conservatives have now secured the support of enough clerics in the Assembly of Experts to ensure the selection of a successor acceptable to the hard-line clerical establishment and the powerful Islamic Revolution Guards Corps when Supreme Leader Ali Khamenei dies. This indicates that the centrist coalition led by President Hassan Rouhani has failed to gain the support of enough centre-leaning conservative clerics in the Assembly to force the selection of a compromise candidate" (<https://bit.ly/2uKG8d5>).

Associated Press via Defense News, 4 March 2018. "Iran's state-run IRNA news agency is reporting that a top military commander says Iran will negotiate over its missile program if the U.S. and Europe dismantle their nuclear programs. The (...) report quotes armed forces spokesman Gen. Masoud Jazayeri as saying "The precondition for negotiation over Iran's missiles is the dismantling of the U.S. and Europe's nuclear weapons and long-range missiles. It is the first time that Iran has made the remarks. Iran says its missile program is a conventional one aimed at deterrence and self-defense and is not negotiable" (<https://bit.ly/2pYTIol>).

Kuwait

Jane's Defence Industry, 20 March 2018. Ukraine and Kuwait have signed a cooperation agreement that provides the legal framework "for the development and implementation of appropriate programmes, joint research, joint production, and sale of defence equipment through the use of technologies" (<https://bit.ly/2Ikxh3C>).

Daily Sabah, 6 March 2018. "Kuwait's National Assembly on (6 March 2018) approved the second reading of a draft legislation that would, if passed, allow 'stateless people' – residents of Kuwait who do not have citizenship – to serve in the army" (<https://bit.ly/2uEhvyp>).

Qatar

Jane's Defence Weekly, 15 March 2018. "The Qatari Emiri Naval Forces (QENF) plans to have six naval bases by 2022, senior QENF officials told *Jane's* during the DIMDEX show held in Doha on 12–14 March. The largest QENF base will be the new one that is being constructed on reclaimed land next to Hamad Port, south of Doha. Called Umm al-Hull, this base is expected to be fully operational by 2022, with the first phase completed by 2019. This will be the future home of the QENF's larger ships, including the four corvettes and landing platform dock that have been ordered from the Italian shipyard Fincantieri" (<https://bit.ly/2JaQcz5>).

NATO, 7 March 2018. "NATO and Qatar signed an agreement allowing NATO forces and personnel to enter and transit Qatar, and to use the Al-Udeid Air Base" (<https://bit.ly/2tpA4Gd>).

Saudi Arabia

Al Arabiya, 9 March 2018. On the occasion of the UK visit by Saudi Crown Prince and Defense Minister Mohammed bin Salman, both countries announced a strategic partnership in a joint communiqué. In view of establishing Saudi's defense industrial base, para 4.4. of the communiqué is of particular interest: "The two nations have signed a number of MoU's to depend and broaden cooperation between them and enhance the Kingdom's industrial defense capabilities, noting that this was being achieved through technology transfer and capability development, training, and building a partnership in research and development on a national and industrial level, and providing technical advisory to the development program of the Ministry of Defense in Saudi Arabia" (<https://bit.ly/2GJlKj>).

Syria

Defence Blog, 28 March 2018. "A Russian Granat-4 UAV carrying communication intelligence payload crashed above Bosra, a town in southern Syria. According to the Syrian source, the Russian Granat-4 tactical UAV conducted signals and communication monitoring for reconnaissance and artillery spotting/targeting." The drone is said to be able to "detect the points of use of mobile phones, radio transmitters and transmit coordinates of enemy positions for an accurate strike" (<https://bit.ly/2uG931G>).

Turkey

Die Zeit, 9 March 2018; *Daily Sabah*, 29 March 2018. In an interview with the German weekly newspaper *Die Zeit*, Turkish Foreign Minister Mevlut Cavusoglu underlined the country's urgent need for a modern air defense system. He said Turkey was ready to buy U.S. Patriot systems of the U.S. administration could guarantee that Congress gave the greenlight. Echoing the Minister's statement, Volkan Bozkir, Chairman of the Foreign Affairs Committee of the Turkish parliament, said that the "S-400 missile defense system deal reached with Russia will not be affected if Turkey decides to purchase Patriot missiles from the United States," *Daily Sabah* reported (<https://bit.ly/2H3mnjl>; <https://bit.ly/2Gh0sIa>).

United Arab Emirates

Jane's Defence Weekly, 28 March 2018. Emirati construction work on Yemen's Mayyun island seems to have stopped, but work at a base near Berbera in Somaliland is continuing, *Jane's Defence Weekly* reported with reference to satellite images and ship-tracking data (<https://bit.ly/2Ie3MAk>).

Yemen

Jane's Defence Weekly, 27 March 2018. "Iran is smuggling Sayyad-2 surface-to-air missiles (SAMs) to Yemen's Ansar Allah (Houthis) rebel group, the spokesman for the Saudi-led coalition announced during a 26 March briefing" (<https://bit.ly/2GvjKW8>).

Defense Industry

Qatar

Barzan Holdings and Qatar Is Booming, 13 March 2018; *Fincantieri*, 14 March 2018. Qatar has established the local company Barzan Holdings as the key entity to establish and develop the local defense industry. Qatar's Minister of state for Defense Affairs, Dr Khalild bin Mohammed Al Attiyah, is the Chairman of Barzan Holdings. On the occasion of the 2018 DIMDEX defense exhibition, Barzan Holdings signed agreements with

- Italy's Beretta Holding to create the JV "Bindig" to produce pistols and rifles
- Italy's Fincantieri to study possible forms of cooperation in the coastal defense surveillance sector
- Raytheon to support the Qatar Cyber Academy
- Kongsberg to create the JV "BK Systems" with a focus on military communication systems, navigation systems and to manufacture weapons
- Qinetiq from the UK to create the JV "BQ Solutions" to provide strategic advice to the Qatari Emiri Navy
- Germany's Rheinmetall to create the JV "Rheinmetall Barzan Advanced Technologies" to produce ammunitions, provide security solutions for key events and critical infrastructure and to develop research capacities for unmanned ground vehicles and high energy laser technology
- U.S. company Wilcox for cooperation on weapons manufacturing

- Turkey's Aselsan and SStek to create the JV "Barq" to develop and produce electro optic equipment, crypto technology and research for remote weapon platforms
- Turkey's BMC, where Barzan Holdings is taking over the stake from the Qatar Armed Forces
- Turkey's Sur International to create the JV "QSur" to produce military uniforms
- Turkey's Undersecretariat for Defense Industries (SSM) to work on joint R&D projects

(<https://bit.ly/2GqzPk5>; <https://bit.ly/2q2tYGS>; <https://bit.ly/2HAHWH3>).

Saudi Arabia

Boeing, 30 March 2018. Boeing and Saudi Arabian Military Industries (SAMI) have formed a joint venture partnership. The goal is to localize more than "55% of the MRO services for fixed and rotary-wing military aircraft in Saudi Arabia." By 2030 the joint venture shall exceed revenues worth \$22bn and provide 6,000 jobs (<https://bit.ly/2GrxQvN>).

Jane's Defence Weekly, 5 March 2018. Antonov, Taqnia Aeronautics, and Wahai have signed an agreement to cooperatively manufacture the AN-132D multi-purpose transport aircraft. "A set of serial aircraft will initially be constructed at Antonov's facilities with the assistance of Taqnia and Wahaj, with the latter two responsible for constructing components and units for the aircraft" (<https://bit.ly/2JaUoPI>).

Aero Vodochody, 9 March 2018. Giuseppe Giordo, President and CEO of the Czech aerospace company Aero Vodochody, has been appointed to the board of the Saudi Arabian Military Industries (SAMI). He is joining Andreas Schwer (CEO) and Michael Ronald Cosentino, former President at Airbus Defence and Space (<https://bit.ly/2pXmQvT>).

Turkey

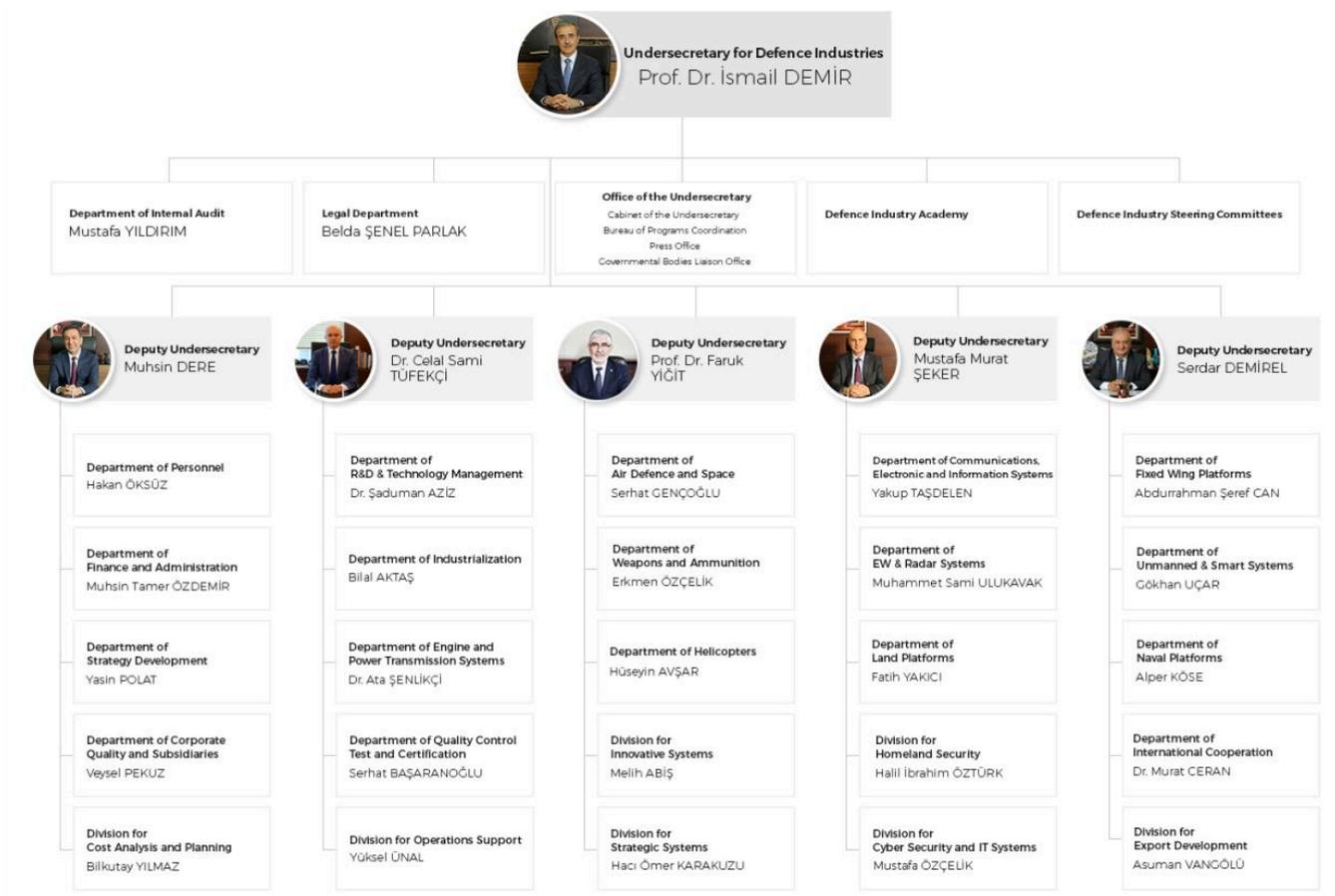
Jane's Defence Weekly, 27 March 2018. "Turkey has successfully test fired its first Gokdogan (Peregrine) and Bozdogan (Merlin) air-to-air missiles at a range close to the Black Sea town of Sinop, the state-owned Anatolia news agency reported on 25 March. The first ballistic tests of the missiles involved firing them from the ground" (<https://bit.ly/2JjHixY>).

Jane's Defence Weekly, 27 March 2018. "Test flights have been conducted with the Anka unmanned aerial vehicle (UAV) carrying electronic intelligence (ELINT) and a communication intelligence (COMINT) payload, the Undersecretariat for Turkish Defence Industries (SSM) tweeted on 24 March. The UAV had previously only carried a synthetic aperture radar, weapons, and electro-optical systems" (<https://bit.ly/2H1zCRs>).

Defence Blog, 25 March 2018. "Turkish source confirmed that new intelligence-gathering unmanned aerial vehicles, known as the Anka-I, has been used during the Turkish military operation in Syrian Afrin (...). But Turkish

officials said that new Anka-I unmanned aerial vehicle has only started tests at the Akinci Air Base on the northwest of Ankara" (<https://bit.ly/2pXrz7>).

C4Defence, 15 March 2018. The Undersecretariat for Defense Industries (SSM) has undergone organizational reform. The new organization chart is depicted below (<https://bit.ly/2q3X2i3>).



The New Organization Chart of the Turkish Undersecretariat for Defense Industries

Source: <https://bit.ly/2JalRAA>

Jane's Defence Weekly, 14 March 2018. "Aselsan has begun firing tests of its LGK-84 laser-guided bomb kits, moving closer to serial production, the company says in its annual report. LGK-84s will be mounted on MK-84 general purpose bombs, which continue to be produced" (<https://bit.ly/2GNw5Zl>).

Defense News, 6 March 2018. "Turkey seems set to further develop its portfolio of locally built unmanned systems. İsmail Demir, the country's chief defense procurement official, told a conference on unmanned systems on 22 February 2018, that "a new generation of (unmanned) vehicles – land, naval and aerial – will further strengthen our arsenal." According to *Defense News* upcoming unmanned systems include:

- UKAP: A remote-controlled firing platform under development by Katmerciler
- SARP: A remote-controlled weapon system under development by Aselsan

- Ejder Yalcin: A heavy armored combat vehicle with conventional and ballistic protection designed and developed by Nurol Makina
- Akinci: An advanced UAV able to carry up to four rocket or missile systems under development by Kale-Baykar
- BSI-101: A signals intelligence system for the Bayraktar UAV under development by Kale-Baykar

Defense News also reported that Turkey intended to develop an indigenous unmanned fighter jet under the TF-X program, but this statement could not be verified (<https://bit.ly/2EaWFGI>).

United Arab Emirates

Al Defaiya, 15 March 2018. "Abu Dhabi Ship Building PJSC (ADSB), a leading provider of construction, repair and refit services for naval, military and commercial vessels, has signed a strategic collaboration agreement with ADD Military Supplies LLC and Chantier Naval Couach (CNC), a major French marine services provider and shipbuilder of defense and rescue vessels, as well as luxury yachts. The partnership will effectively split scope in order to allow for know-how transfer and help fulfill UAE local content requirements " (<https://bit.ly/2H3gAdx>).

Defense Exports

Turkey

Jane's Defence Weekly, 2 March 2018. "Turkish defence engineering company STM has signed a contract amendment with Pakistan's Ministry of Defence for the mid-life upgrade of the second of three Khalid (Agosta 90B)-class diesel-electric attack submarines operated by the Pakistan Navy (PN)" (<https://bit.ly/2GZg0xf>).

Defense Modernization and Support

Iran

Al Defaiya, 30 March 2018. "Commander of the Iranian Air Force Brigadier General Hassan Shahsafi piloted a recently overhauled Northrop F-5 in a final flight test at Vahdati Airbase in Dezful, Khuzestan Province, *Fars News Agency* (FNA) reported. Brigadier General Shahsafi piloted a Northrop F-5 supersonic light fighter jet over an aviation exhibition at Vahdati Airbase in Dezful, Khuzestan Province. The F-5 fighter was recently overhauled by Iranian technical experts" (<https://bit.ly/2pZSMYw>).

Qatar

Al Defaiya, 19 March 2018. "Boeing, through its subsidiary Tapestry Solutions, announced it will implement an advanced Enterprise Resource Planning/Logistics Management Information System (ERP/LMIS) for the Qatar Armed Forces (QAF) that will maximize readiness for troops on land, air and

sea. Work will be performed under a five-year contract, which includes ongoing maintenance support" (<https://bit.ly/2GvxccM>).

Turkey

Jane's Defence Weekly, 8 March 2018. Turkish main battle tanks operating in Syria are to be upgraded with an active protection system said to be developed by Aselsan. However, the system is believed to be "based on an advanced version of Ukraine's Zaslon-L APS" (<https://bit.ly/2pVDhJm>).

Defense Procurement

Egypt

Jane's Defence Weekly, 18 March 2018. "Egypt is to acquire and field the Aero Vironment (AV) RQ-20B Puma II AE tactical unmanned aircraft system (UAS), the US Department of Defense (DoD) disclosed on 16 March. A FMS deal for an undisclosed number of systems valued at USD9.1 million has been awarded by the US Army, with the contract set to run through to 16 September 2020" (<https://bit.ly/2Gp5ClS>).

Israel

The Times of Israel, 11 March 2018. "The Ministerial Committee on Security Affairs approved the plan to purchase hundreds of Eitan armored fighting vehicles, developed by IAI, IMI and Rafael, and a new cannon, the ministry said in a statement. The upgrade is part of the five-year Gideon Plan, designed to make the army operationally more efficient and more cost effective (...). Starting in 2020, the eight-wheeled, lightweight Eitan vehicle will begin replacing the IDF's current M113 fully tracked APCs. It combines technology from the Merkava tank and the Namer APC, but at a cheaper price" (<https://bit.ly/2IntcMb>).

Iraq

Defence Blog, 22 March 2018. The Iraqi Army has received fist Goretz-M armored vehicles. The vehicles are equipped with NBC protection systems and provide Level 1 STANAG 4569 mine-blast and level 3 ballistic protection (<https://bit.ly/2q1QrDA>).

Jordan

Jane's Defence Weekly, 8 March 2018. "Jordan and Qatar are to procure the UTC Aerospace Systems (UTAS) DB-110 Tactical Reconnaissance Pod (TRP) to carry aboard their frontline combat aircraft fleets, it was disclosed on 5 March. Both countries were named in a US Department of Defense (DoD) USD51.2 million contract modification announcement for UTAS parent company Goodrich, that allows for the Middle Eastern nations to join the programme by 1 March 2021. Contract awards for the systems themselves will follow" (<https://bit.ly/2E4P0cR>).

Kuwait

U.S. Department of Defense, 30 March 2018. The DoD has awarded Boeing a \$1.165bn contract for the production and delivery of 22 F/A-18E and 6 F/A-18F Super Hornets to Kuwait (<https://bit.ly/2H4WcbV>).

Jane's Defence Weekly, 27 March 2018. "Kuwait will acquire 14 Harris AN/ALQ-214 A(V)4/5 aircraft radar countermeasures systems under a USD24.5 million contract announced by the US Department of Defense (DoD) on 26 March. The DoD said the contract is expected to be completed by May 2021, but did not identify the aircraft they will be fitted to" (<https://bit.ly/2uFXWWF>).

Qatar

Arabian Aerospace, 28 March 2018. Qatar has exercised the option to purchase 12 additional Rafale jets on 27 March 2018. Now Qatar has 36 Rafale jets on order (<https://bit.ly/2H3kNxR>).

Jane's Defence Weekly, 19 March 2018. During the 2018 DIMDEX defense show in Doha, Qatar and Turkey sealed several defense deals worth US\$700M. Turkey will deliver 6 Bayraktar TB2 UCAV, 50 Kirpi II MRAP vehicles and 35 4x4 Amazon multi-purpose armored vehicles from BMC as well as 214 NMS 4x4 armored vehicles from Nurol Makina (<https://bit.ly/2pVdrVK>).

Jane's Defence Weekly, 16 March 2018. During the 2018 DIMDEX defense show Fincantieri unveiled designs and capabilities for several vessels to be built for the Qatari Emiri Naval Forces. Among others the corvettes will be equipped with an anti-ballistic missile capability (<https://bit.ly/2GpEeE7>).

Jane's Defence Weekly, 15 March 2018. On the occasion of the 2018 DIMDEX defense show Qatar placed an order for 28 NH90 helicopters. Valued at around US\$3.7bn, these helicopters will also be equipped for ASW roles. In addition, MBDA signed a contract of "undisclosed value to deliver Marte ER anti-ship missiles to equip" the 12 NH90 NATO Frigate Helicopters" (<https://bit.ly/2E914JT>).

Jane's Defence Weekly, 13 March 2018. The 490 Nexter VBCI 2 vehicles that Qatar intends to buy will most likely be equipped with supply turrets and remotely operated weapon systems provided by Kongsberg. The US\$1.94bn contract remains to be finalized (<https://bit.ly/2H0sfjW>).

Jane's Defence Weekly, 13 March 2018. Turkey's Ares Shipyard is about to supply the Qatari coast guard with nine new vessels of different types, the commander of the Qatar Coast and Borders Security Department announced during the 2018 DIMDEX defense show (<https://bit.ly/2H2ND1d>).

Defense and Security Cooperation Agency, 8 March 2018. The State Department approved a FMS to upgrade the Air Operation Center of the Qatar Emiri Air Force worth US\$197M (<https://bit.ly/2Fyn3ie>).

TASS, 1 March 2018. According to Vladimir Kozhin, Russian presidential aide for cooperation in defense technologies, Russia and Qatar are in talks on possible supplies of Su-35 jets to the Qatar Emiri Air Force (<https://bit.ly/2pXeGDR>).

Saudi Arabia

Defense Security and Cooperation Agency, 22 March 2018. The State Department has made a determination approving several FMS to Saudi Arabia in particular for

- Up to 6,000 TOW 2B missiles (BGM-71F-Series) and 96 TOW 2B (BGM-71F-Series) fly-to-buy lot validation missiles including support services worth around US\$670M;
- A cooperative logistics supply support agreement to the benefit of the Royal Saudi Land Forces Ordnance Corps worth US\$300M;
- The continuation of maintenance support services to the benefit of the Royal Saudi Land Forces Aviation Command worth around US\$107M.

(<https://bit.ly/2ImsLLb>; <https://bit.ly/2JaAFiL>; <https://bit.ly/2H12ut7>).

Jane's Defence Weekly, 9 March 2018. During the state visit of Saudi Crown Prince and Defense Minister Mohammed bin Salman to London, a MOI for additional 48 Eurofighter Typhoon jets has been signed (<https://bit.ly/2q1gGdI>).

Jane's Navy International, 7 March 2018. The U.S. Naval Sea Systems Command (NAVSEA) has awarded Lockheed Martin a US\$481.7M FMS funding for "long-lead-time material" to construct four Multi-Mission Surface Combatant (MMSC) ships for Saudi Arabia. In October 2015, the U.S. government had approved the sale of these ships worth around US\$11.25bn (<https://bit.ly/2uDqZd9>; <https://bit.ly/2pVIGUS>).

United Arab Emirates

Defense Security and Cooperation Agency, 8 March 2018. The State Department approved a FMS to the UAE of 300 YIM-9X-2 Sidewinder Block II missiles with accompanying material, technical assistance and logistics support worth around US\$270M (<https://bit.ly/2G6SOgh>).

Military Cooperation and Training

Oman

ONA, 14 March 2018. U.S. Secretary of Defense met Sultan Qaboos bin Said Al Said to review regional matters and discuss ways to strengthen the bilateral military-to-military relationship (<https://bit.ly/2uF3P6j>).

Saudi Arabia

Arab News, 1 April 2018. The four-day military exercise Gulf Shield 1 has been kicked off. Organized by the Saudi Ministry of Defense, the exercise involves ground, air, naval, air defense, and special forces from 23 participating

nations such as Bahrain, Egypt, Jordan, Kuwait, Pakistan, the UAE and the United States. The focus is on irregular warfare, coastal defense, CSAR, and naval warfare (<https://bit.ly/2pVhZeZ>).

United Arab Emirates

WAM, 28 March 2018. "LtGen Hamad Mohammed Thani Al Rumaithi, Chief-of-Staff of the UAE Armed Forces, received Admiral Valter Girardelli, Chief of the Italian Navy (...). During the meeting they discussed issues of mutual interest and ways of enhancing cooperation especially in the military, defense and maritime fields, as well as expertise exchange" (<https://bit.ly/2EdDo7d>).

WAM, 27 March 2018. UAE's Minister of State for Defense Affairs, Mohammed bin Ahmed Al Bowardi, has received his South Korean counterpart to review bilateral issues (<https://bit.ly/2Gv05pw>).

WAM, 26 March 2018. Mohammed bin Ahmed Al Bowardi, UAE Minister of State for Defense Affairs, has commended the strong and friendly relations between the UAE and Islamic Republic of Pakistan across all fields," while attending Pakistan's National Day in Islamabad on 23 March 2018 (<https://bit.ly/2Grd67B>).

Gulf News, 18 March 2018. Guided missile frigate INS Gomati and guided missile destroyer INS Kolkata of the Indian Navy took part in the inaugural UAE-Indian naval exercise Gulf Start, which took place from 17 to 22 March 2018 (<https://bit.ly/2uIFXie>).

Cybersecurity and Space

Saudi Arabia

Spacewatch Middle East, 29 March 2018. "The Azeri ambassador to Saudi Arabia, Shahin Abdullayev, has told reporters that Azerbaijan seeks to enter into cooperative agreements with Saudi Arabia in satellite technology, petrochemicals, energy, agriculture, and tourism" (<https://bit.ly/2Il66Wg>).

Ashraq Al-Awsat, 24 March; Arab News, 22 and 25 March 2018. During the visit of Crown Prince and Defense Minister Mohammed bin Salman to the United States, the Saudi Cyber Security and Programming Federation has signed MoU's to strengthen local cyber security capacities with Raytheon, Lockheed Martin and Northrop Grumman. In addition, the Federation also signed an MoU with Draper University, a California-based education institution, to provide scholarships for 15 Saudi nominees to be sent to the institution. (<https://bit.ly/2pXDfQX>; <https://bit.ly/2I3Jklz>; <https://bit.ly/2ucz7kW>; <https://bit.ly/2GsJuCE>).

Popular Mechanics, 14 March 2018. According to Anatoly Zak, a Russian space journalist, Saudi Arabia might be funding a hypersonic spaceplane concept under development by Yuzhnoye, a Ukrainian space company. The

spaceplane would be able to launch small satellites into low-Earth orbit (LEO), he wrote (<https://bit.ly/2uHHoNO>).

Critical Infrastructure Protection and Border Security

Iraq

Jane's Country Risk Daily Report, 28 March 2018. "IHS Markit has recorded 100 attacks perpetrated by the Islamic State in Iraq between 1 January and 26 March, with all but one of these occurring either in central or northern Iraq. Al-Tamim and Ninewa provinces recorded the highest number of instances of terrorist attacks (27 and 21, respectively) and counter-terrorism operations specifically against the Islamic State (91 and 96, respectively). The Islamic State is increasingly targeting energy infrastructure following a lull since October 2017" (<https://bit.ly/2GpyYQT>).

About the ADIP News Bulletin

The Arab Defense Industry Papers (ADIP) is a new professional series focusing on the role of the defense industry in Algeria Bahrain, Egypt, Iran, Iraq, Jordan, Kuwait, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, Turkey, and the United Arab Emirates. The focus of the series is on the establishment of national defense industrial bases in these countries and joint collaborative defense projects as well as defense exports. The ADIP News Bulletin complements the analytical papers by providing information about current and upcoming developments relevant for the Arab defense industrial establishment. The ADIP News Bulletin is available by subscription. ADIP and the ADIP News Bulletin are joint initiatives of Borchart Consulting & Research AG and Verocy. For more information about ADIP, see: <http://www.arabdefenseindustry.com>.

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