

INDONESIAN NAVY MODERNISATION: Ongoing Acquisition Programmes

Faced with an increasing spectrum of maritime threats, the **Indonesian Navy (Tentara Nasional Indonesia - Angkatan Laut: TNI-AL)** has embarked on an unprecedented modernisation effort. This report aims to summarise major acquisitions projects that are expected to be formalised soon.

Besides conventional adversaries, the **TNI-AL** is increasingly being shouldered with the responsibility to protect Indonesian waters from asymmetric threats including maritime piracy, irregular human migration, humanitarian assistance and disaster relief (HADR), and seaborne terrorism.





FRIGATES

Essential to tackling these diverse range of threats is a good multi-purpose surface combatant programmes such as the SIGMA frigates.

The service is currently anticipating the delivery of two SIGMA 10514 Perusak Kawal Rudal (PKR) frigates that have been built in collaboration between Indonesian shipbuilder PT PAL and Netherlands-based Damen. Once in service, the ships will be the most advanced surface combatants in TNI-AL's arsenal.

The Indonesian Navy is largely expected to call a tender for two follow-on ships in the class in an arrangement that it largely believed to take on the same collaboration model as the first two ships - a foreign shipbuilder transferring technology to local company PT PAL.

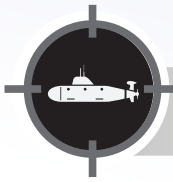
Although Damen is naturally assumed to be the lead contender for this programme given its previous experience with the first and second of class, sources within the industry confirmed that the Indonesian government is indeed looking at alternative vendors for this acquisition.

A company that has expressed its interest in the project is French shipbuilder DCNS. The company is proposing the Gowind 2500 design for this requirement, and has said that it is open to a technology transfer arrangement with the Indonesian government.

Chinese shipbuilders such as CSIC are also said to be contenders for this programme, and given their recent successes in Thailand and Malaysia, and Indonesia naval contract might not be too far in the making.

The Indonesian Ministry of Defence has reportedly allocated a sum of USD220 million for this acquisition.

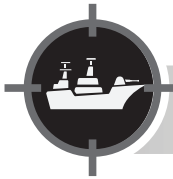




SUBMARINES

The Indonesian Navy is currently expecting the delivery of three new Type 209/1400 diesel-electric submarines from South Korean shipbuilder DSME, and is exploring the possibility of acquiring between five and seven more boats to fulfill objectives under the Minimum Essential Force framework.

Although the country is reportedly considering the Kilo class (Project 636) for this requirement, the Indonesian Ministry of Defence is currently in the midst of a study to determine the possibility of operating a mixed fleet of littoral and ocean going submarines to safeguard the vast archipelago.



OPVS

To mitigate against the costs of deploying more sophisticated surface combatants, the TNI-AL has made a request to the Indonesian government to acquire two new offshore patrol vessels (OPVs) that can undertake mission sets that are usually associated with frigates.

Similar to the build arrangement for its SIGMA 10514 frigates, a teaming arrangement between a foreign shipbuilder and an Indonesian company is expected to be selected for this programme due to complex nature of the systems that are meant to go onboard the OPVs.

Among missions that may be undertaken by the new platform include anti-submarine warfare (ASW), unmanned air and surface vessels operations, and extended exclusive economic zone (EEZ) patrols.

Among platforms that are being considered for this role is the Scorpene 1000 design by French shipbuilder DCNS, who have also indicated their willingness to participate in technology transfer arrangements with the Indonesian should it be selected.

The government has allocated a sum of USD1.6 billion for this acquisition.

A company that is known to have positioned its product for this requirement is French shipbuilder DCNS, who is offering its OPV 90 design. The company has again, offered to work with an Indonesian shipyard for this project, although it has not been disclosed which company this may be.

The amount that has been allocated for this procurement is believed to be about USD110 million for two vessels.





MCMVS

The Indonesian House of Representatives has in mid-2016 approved a sum of USD216 million to procure at least two new mine countermeasures vessels (MCMVs) to replace the TNI-AL's ageing Pulau Rengat-class minesweepers.

The approval covers the costs of building the new vessels, as well as related MCM systems such as remotely operated vehicles (ROVs), minehunting sonars, and various other apparatus capable of conducting interventions in minesweeping operations.

The TNI-AL has also indicated plans to double up these new MCMVs as hydrographic vessels to map the country's vast underwater landscape, in anticipation of more frequent submarine operations. As such, there may be a requirement to acquire marine survey equipment for the new-build MCMVs.



MARINE CORPS

A service within the TNI-AL's umbrella is the Indonesian Marine Corps, which is also embarking on an unprecedented modernisation effort since it was established in 1945.

To achieve the service's ambition of bolstering its at-range strike capabilities, the Indonesian government has approved a sum of USD24 million, and USD20 million to procure 40mm and 30mm cannons, respectively.

The service has also received a USD176 million approval to procure infantry fighting vehicles (IFVs) that are capable of conducting amphibious operations, similar to the BTR-4 tanks that it recently acquired from Ukraine.

Based on previous acquisitions of similar equipment like these, a transfer of technology arrangement is not expected to be required given the relatively smaller contract amounts.





ORDNANCE

A number of major acquisitions that have been conducted over the past five years, including the SIGMA 10514 frigates, are fitted-for-but-not-with (FFBNW) in nature. As such, the government has allocated a sum of about USD90 million to procure suitable weapon systems, such as anti-air and anti-

surface missiles, launch and fire control systems, and torpedoes for these platforms. These acquisitions are expected to take place over the 2017 and 2019 time period, and in consultation with primary contractors such as Damen.



DIVERSIFICATION

The Indonesian government is expected to greatly diversify its sources of defence material, in line with the national policy to never depend on any one single country for its military needs. Over the past decade Indonesia has acquired major military platforms and systems from various countries including Russia, the United States, China, South Korea, Ukraine and Israel.

This diversification is expected to continue given various memorandums of understanding that have been signed with countries such as South Africa, Turkey, and the Czech Republic. As such, Indonesia is expected to be a lucrative market for defence contractors the world over in the coming years.



SECURING INDONESIA'S MARITIME SURVEILLANCE & SECURITY THROUGH ASSET MODERNISATION & TECHNOLOGICAL INNOVATIONS



- **Conference Dates:**
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- **Location:**
Jakarta, Indonesia

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