

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 1259**

**DATE OF PUBLICATION: 6 MAY 2016**

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| **1259.     Mr E J Marais (DA) to ask the Minister of Public Enterprises:**  (1)     Whether, with reference to the unveiling of a new arms factory in the Kingdom of Saudi Arabia on 27 March 2016 in partnership with South Africa, (a) the National Treasury and/or (b) Parliament were advised of the new arms merger between Denel SOC Ltd and the Saudi Military Industries Corporation; if not, why not, in each case; if so, on which dates in each case;  (2)     whether (a) she and/or (b) Denel SOC Ltd (i) notified and/or (ii) consulted the SA National Defence Force for recommendations prior to the specified merger; if not, why not; if so, what are the relevant details;  (3)     (a) which countries will use the armaments produced by the specified factory, (b) how much money was put forward by South Africa towards this merger and (c) what is the estimated financial return that this merger will generate?                                                                                      NW1407E |

**REPLY:**

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|  | (a)(b) No merger or any kind of joint venture has been formed between Denel SOC Ltd, its subsidiaries or associated companies and the Military Industries Corporation (MIC) in relation to the new arms factory in the Kingdom of Saudi Arabia. However, Rheinmetall Denel Munition (Pty) Ltd, an associate of Denel, has designed and built the plant on a turnkey solution basis, as part of the supplier customer transaction arrangement. Therefore, there was no need to either inform or seek approval from Government or Parliament. |
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|  | (a)(b)(i)(ii) As indicated above in (1)(a) and (b), there was no requirement to notify or consult the SANDF. |
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|  | 1. Denel is not privy to the information. |
|  | 1. No funds from South Africa were put into the project. |
|  | 1. See (1) and (2) above. |