

**MINISTRY OF DEFENCE & MILITARY VETERANS**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**158. Mr G Mackay (DA) to ask the Minister of Defence and Military Veterans:**

What (a) plans and (b) strategies have been put in place for the (i) Armaments Corporation of South Africa and (ii) South African defence industry to benefit from the predicted growth in total sector revenues of the global aerospace and defence industry in 2016? NW158E

**REPLY:**

Armscor’s Strategy departs from the premises as indicated below and contains objectives as indicated.

1. The SANDF is Armscor’s client and as such Armscor must firstly focus on the SANDF’s requirements as defined and scheduled by them.
2. Armscor is, however, also sensitive to the greater socio-economic issues that come into play with defence expenditure. In this regard Armscor had studies conducted to assess the socio-economic impact of different types of acquisition programs related to the requirements of the Defence Review.  The insights from these studies are used to advise the SANDF, to try and position the local defence industry for optimal socio-economic impact in the RSA or to define the required characteristics of agreements with international suppliers where necessary, for example to protect the balance of payments and to transfer skills to the RSA.
3. Armscor is also in consultation with the Departments of Science and Technology and Trade and Industry to optimize possible defence expenditure with their departmental initiatives.
4. Armscor is not the representative body for the local defence industry (AMD), but it is cooperating with the body to define and implement initiatives to strengthen the local defence industry.
5. In addition to existing support to marketing events such as the upcoming Africa Aerospace Defence (an international and continental) event, Armscor reacts to opportunities as they show themselves within the relevant oversight policies. The approach is not only reactive but also proactive as Armscor Research and Development is involved in forums that are aimed at optimizing the continent’s military output through improved logistic support and interoperability. Armscor Research and Development is also providing insights to the focusing of technology development to ensure an ability to react to opportunities.

**SUBMITTED ON: 15 MARCH 2016**