**THE NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**Question 161**

**Mr D W Macpherson (DA) to ask the Minister of Trade and Industry:**

What (a) plans and (b) strategies have been put in place by **the dti** for (i) Armscor and (ii) the SA Defence Industry in order to benefit from the predicted growth in total sector revenues of the global aerospace and defence industry in 2016?

Response:

1. **& (**b) (i) (ii) **the dti** is working closely with the South African Aerospace, Maritime and Defence Industry Association, Armscor, Denel and a range of private sector companies in the aerospace and defence (land and marine) industry.The purpose of this work is to build upon existing domestic value added manufacturing capabilities to increase high value manufacturing both for domestic and export demand; broaden the supplier base; increase employment and contribute to economic growth.

Subject to strategic and confidentiality considerations this work includes stronger deployment of localisation criteria for domestic procurement; the inclusion of aerospace and defence companies in the Manufacturing Competitiveness Enhancement Programme (MCEP); provision of export support through the Aerospace and Defence Export Council; establishment of Supplier Incentive Scheme for the Aerospace and Defence Industry to further broaden the supplier base and strengthen its integration into the global supply chains and the incorporation of state-owned Aerospace and Defence National Strategic Testing Facilities into the Critical Infrastructure Programme of which the majority are owned by Armscor .

In addition to the above **the dti** has an Aerospace Industry Support Initiative hosted at and managed by the CSIR. Its intent is to accelerate government strategic objectives such as industrialisation of technologies with stronger emphasis on technology transfer; job creation and industry transformation.