

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 1935**

**QUESTION:**

**1935.    Mrs M O Clarke (DA) to ask the Minister of Public Enterprises:**

(1)       What is the total number of technically skilled staff members that (a) Denel Vehicle Systems has lost in the past three financial years and (b) are currently employed at Denel Vehicle Systems.

(2)       What (a) are the full details of the tenders that Denel Vehicle Systems finalised in terms of due process in the past three financial years and since 1 April 2021, (b) is the total monetary value of each specified tender and (c) are the full details of successful bidders in respect of each tender;

(3)       (a) what contract is currently being finalised by Denel Vehicle Systems, (b) what is the value of the specified contract, (c) how does Denel Vehicle Systems intend to finance the specified contract in light of its financial constraints and (d) what is the current financial status of Denel Vehicle System;

(4)       whether Denel Vehicle Systems will be able to raise the capital to finance the specified contract that is currently being finalised; if not, what is the position in this regard; if so, what are the relevant details                 NW2068E

**REPLY:**

**According to the information received from Denel:**

1(a) Technically Skilled lost in past 3 Financial years = 173

1(b) Total number of technically skilled currently employed = 157

2.(a)- (b) details of the tenders that Denel Vehicle Systems (DVS) finalised in term of due process in the past financial years are mentioned in Annexure 1.

3. The business has existing contracts with customers and are at the different stages. These are shown in Annexure 2: DVS Existing contracts. Along with these are the opportunities at varying stages:

(a) DVS has submitted a number of proposals to various potential clients but none are at the stage of being finalised;

(b) The new opportunities are valued at R700 million;

(c) DVS would seek project financing from corporate office, alternatively it would be asking clients to pay for material directly to suppliers where possible.

(d) The business is financially strained and cannot meet short to medium term financial obligations.

4. Financing of Programmes

(a) DVS is not in a position to raise any capital to finance these contracts due to liquidity challenges;

b) DVS is seeking external sources to finance existing programmes as well as the potential contracts.