

**MINISTRY OF DEFENCE & MILITARY VETERANS**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**2525. Mr AR McLoughlin (DA) to ask the Minister of Defence and Military Veterans:**

1. With reference to the cancelled contract with Airbus in respect of eight A400M military transport aircraft, the fact that Airbus agreed to refund the sum of €835 million to Armaments Corporation of South Africa (Armscor), and that an indemnity was subsequently provided to Denel by the Government, (a) why was an indemnity provided to Denel, (b) what were the respective obligations of Denel and Armscor to (aa) Airbus, (bb) each other and (cc) the Government in respect of the specified contract,
2. How many more such claims can be expected from Denel and (b) what are the (i) details of each one of the nine claims made to date by Denel in terms of the indemnity and (ii) what amount was paid to Denel in the respect of each claim;
3. Has oversight taken place in respect of each of the nine claims submitted by Denel; if not, why not; if so, in respect of each claim, (a)(i) when and (ii) where did such oversight take place, (b) who conducted such oversight and (c) has such oversight resulted in a reduction of the relevant claim;
4. what is the breakdown of the current R 63,1 million claim made by Denel?

**RESPONSE**

1. Armscor is not aware of an indemnity provided to Denel by Government. The contract between Armscor and Airbus was cancelled and Airbus duly refunded Armscor its advanced payments accordingly and therefore no obligations on the part of Armscor arose as a consequence of the cancellation. Armscor is not aware of Denel and Government’s obligations.
2. Armscor is not aware of the claims made by Denel and the amount paid for the claims. The query should be referred to Denel.
3. Armscor is not aware of whether an oversight has taken place in respect to Denel’s claims. The question should be referred to Denel.