

MINISTER OF DEFENCE AND MILITARY VETERANS



***NATIONAL ASSEMBLY**

***QUESTION FOR WRITTEN**

QUESTION NO: 639

**REPLY RECOMMENDED BY:
MINISTER OF DEFENCE AND MILITARY VETERANS:MP**

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 639

Mr. S J F Marais (DA) to ask the Minister of Defence and Military Veterans:

(1) Whether Project Hoefyster has been cancelled; if not, (a)(i) why not and (ii) with what funding will Project Hoefyster be pursued and (b) what will be the (i) budget and (ii) time frame for delivery; if so,

(2) whether the replacement of the Ratel Infantry Fighting Vehicle (IFV) will still be pursued; if not, (a) why not and (b) will she procure a replacement from other capable SA Defence Industry (SADI) manufacturers given that SADI manufacturers are world-renowned for the best possible prime mission equipment; if so, what are the relevant details;

(3) What is the position of her department on the need to replace the Ratel IFV in order to support the SADI and Operation Phakisa, given that the President of the Republic, Mr M C Ramaphosa, and relevant Ministers have stated the importance of the SADI in growing the economy and creating jobs and emphasised the importance of Operation Phakisa?

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REPLY:

(1) (a)(i) Denel, by their own written admission, has conceded that they cannot complete Project Hoefyster within specification, budget or timescale. Over the past three years, there has been virtually no progress on the project, due to financial and capacity constraints within Denel. As a responsible Acquisition Agency, the Board of Directors of Armscor resolved during December 2021 to cancel the Project Hoefyster industrialisation and production contract on Denel in principle, conditional on engagement with all relevant stakeholders.

Based on a recommendation by the SA Army, Armscor submitted to the DOD Acquisition Forums that Project Hoefyster be deferred upon completion of Phase 1 (Development) by Denel. Completion of Phase 1 would imply that a baseline would be established for the future industrialisation and production of the range of vehicles, should funding become available and sufficient capability within the domestic Defence

Industry exist. Completion of Phase 1 and establishing an acceptable baseline, would imply that the cost of development would not be regarded as fruitless and wasteful.

(1) (b) (i). The budget to complete the Development Phase (Phase 1) is estimated at Rm200 (R200 000 000). The budget to complete the Production Phase (Phase 2) is estimated at Rbn9 (R 9 000 000 000). Indicated R values are for 2021.

(1)(b) (ii) The estimated time frame to complete the Development Phase (Phase 1) is 36 months. The estimated time frame to complete the Production Phase (Phase 2) is 72 months.

(2) In lieu of the intended delivery of the Project Hoefyster Infantry Fighting Vehicles (ICV's) to the SA Army, the requirement for a capable ICV would remain. The Ratel ICV dates back to 1974 and has become largely obsolete and costly to maintain. During the consideration of the cancellation of Project Hoefyster, Armscor considered various alternate options which could potentially satisfy the requirement of the SA Army. These options include inter alia the possible upgrade of the Ratel ICV by utilising the goods packages (engines, gearboxes, etc.) that were procured under Project Hoefyster. Once the cancellation of Project Hoefyster is confirmed, Armscor will investigate the most appropriate and cost effective solution to meet the requirement of the SA Army. The capabilities of the SADI will be maximally utilised with the investigation into the feasibility of alternative options as well as with the possible implementation of the selected and affordable option.

(3) The Department of Defence supports the pursuance of a replacement for the Ratel ICV in order to stimulate and support the SADI and to maintain the specialised capabilities established within the SADI. The pursuance of the acquisition of a replacement or upgrade of the Ratel ICV would however be subject to sufficient funds being allocated to the DOD to meet this requirement.

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(T.R. MODISE)

MINISTER OF DEFENCE AND MILITARY VETERANS: MP

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