



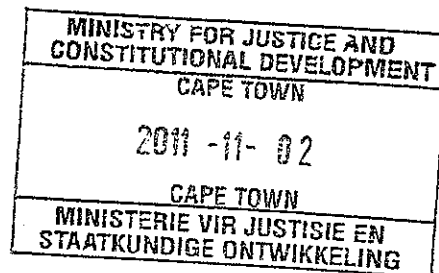
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NATIONAL CONVENTIONAL ARMS CONTROL COMMITTEE
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Reference: AC 5/1/9A

November 2011

Speaker: National Assembly
Parliament of the Republic of South Africa
P.O. Box 15
CAPE TOWN
8000



Dear Speaker

**2011 NATIONAL CONVENTIONAL ARMS CONTROL COMMITTEE (NCACC)
THIRD QUARTERLY REPORT**

Appendix A: July to September 2011 Statistics on Permits Issued.

B: July to September 2011 South Africa's Statistics for Conventional Arms Exports.

C: July to September 2011 South Africa's Statistics on Permits Issued for Peacekeeping/Military Exercises/Humanitarian Aid and Military Training.

INTRODUCTION

Section 23 (1) (d) of the National Conventional Arms Control Act, (Act 41 of 2002) provides that the National Conventional Arms Control Committee (NCACC) must make quarterly reports to the Cabinet and a committee of Parliament determined by Parliament on all conventional arms exports conducted during the preceding quarter. In accordance with the legislative requirement cited above, the NCACC wishes to present this 2011 Third Quarterly Report to the National Assembly.

This 2011 Third Quarterly Report provides information on conventional arms exports conducted by South Africa over the period July to September 2011. The Quarterly Report presents this information in a manner consistent with the provisions of the National Conventional Arms Control Act (Act 41 of 2002). To that end, the following categories of information are covered by the report:

- Names of importing countries (countries where conventional arms were exported to).

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- Types of conventional arms exported.
- Rand value of the exports.
- Reasons for temporary transfers.

NCACC'S LEGISLATIVE FRAMEWORK AND MANDATE

The National Conventional Arms Control Committee (NCACC) is a Committee established in terms of law to regulate the conventional arms sector in South Africa. Section 3 of the National Conventional Arms Control Act (Act 41 of 2002) provides for the object and mandate of the NCACC. Section 4 of this Act provides for the functions of the NCACC. These could be summarized as the regulation of development, manufacturing and transfer of conventional arms in South Africa. The regulations to the National Conventional Arms Control Act (Act 41 of 2002) dated 28 May 2004 provides details on how the regulation of the conventional arms sector is conducted in South Africa.

Section 5 of the National Conventional Arms Control Act (Act 41 of 2002) provides for the membership of the NCACC. Members of the NCACC are Cabinet Ministers and Deputy Ministers specifically appointed by the President. The positions of the Chairpersons of the NCACC are held by Cabinet Ministers who do not have line function interests in the conventional arms business. This has been done for purposes of ensuring the NCACC's objectivity in the conduct of its business.

In order to provide for secretariat and administrative support to the NCACC, Section 8 of the National Conventional Arms Control Act (Act 41 of 2002) provides for the establishment of the Directorate Conventional Arms Control (DCAC). This Directorate is located within the Department of Defence (Defence Secretariat). This Directorate has a specific function as provided for in the Act. Briefly, this function is to provide for an administrative mechanism to prepare documentation for the NCACC and to serve as the line of communication between the NCACC, the Defence Industry and all other relevant stakeholders. This Directorate also ensures the execution of the NCACC's decisions and policies.

As a further support structure to the NCACC Section 9 of the National Conventional Arms Control Act, (Act 41 of 2002) establishes the Inspectorate. The purpose of the Inspectorate is to ensure that trade in conventional arms is conducted in compliance with the provisions of the Act. The Inspectorate also ensures that the internal regulatory processes of the Committee are complied with.

The NCACC has ensured that all the necessary institutional mechanism and structures prescribed by the Act to support the efficient regulation of conventional arms are in place. The NCACC is supported by other government departments and agencies. These include the Department of International Relations & Cooperation, Department of Defence, Department of Trade and Industry, National Intelligence Agency, South African Secret Service and the South African Police Service. Over and above these, the NCACC can be assisted by any other relevant institutions of government as and when required.

2011 MEMBERSHIP OF THE NCACC

In the period under review, the NCACC comprised of the following Cabinet Ministers appointed by the President in terms of the provisions of the National Conventional Arms Control Act (Act 41 of 2002):

- Minister J.T. Radebe (Chairperson)
- Minister G.N. Pandor (Deputy Chairperson)
- Minister L.N. Sisulu
- Minister R. Davies
- Minister S. Cwele
- Minister M. Nkoana-Mashabane
- Minister N. Mthethwa
- Deputy Minister T.S.P. Makwetla
- Deputy Minister E. Ebrahim
- Deputy Minister N.M. Nene

LEGISLATIVE DEVELOPMENTS

The NCACC administers both the National Conventional Arms Control Act (Act 41 of 2002) and the Prohibition of Mercenary Activities and the Regulations of Certain Activities in a Country of Armed Conflict Act (Act 27 of 2006). This Act is not in operation yet pending the approval of its Regulations.

The National Conventional Arms Control Amendment Act was assented to by the President in April 2009. The process to draft the Regulations to the Act has been finalised during the period under review. Once the Regulations have been promulgated the National Conventional Arms Control Amendment Act will come into operation.

PERMIT APPLICATIONS

As its primary function, the NCACC considers the defence industry's permit applications and issues or denies such permits. In executing this important function, the NCACC considers all relevant factors as stipulated in Section 15 of the National Conventional Arms Control Act (Act 41 of 2002). The NCACC considers each and every permit application submitted on the basis of its own merits in line with the *case-by-case principle* as contemplated in the Act.

In the period under review, the NCACC considered and approved the following categories and numbers of permit applications:

- Registration Permit Applications, 37.
- Marketing Permit Applications, 7.
- Contracting Permit Applications, 107.
- Export Permit Applications, 1,177.
- Import Permit Applications, 746.
- Conveyance, 1

For the same period, the NCACC considered and denied 1 Contracting Permit Application.

Details on these applications in terms of approvals, countries, values and categories of equipment involved are contained in Appendices A, B and C of this report.

COMPLIANCE AND VERIFICATION MATTERS

As indicated above, Section 9 of the National Conventional Arms Control Act (Act 41 of 2002) provides that Conventional Arms Control Inspectorate be established for the purposes of ensuring that the Defence Industry and all other relevant role players comply with the laid down conventional arms control regulations. In line with its statutory function, the Conventional Arms Control Inspectorate has conducted various activities.

CONCLUSION

In the period under review, the NCACC conducted all the activities indicated above in pursuance of its functions as contemplated in the National Conventional Arms Control Act (Act 41 of 2002). In conclusion, it is important to note that the activities of the NCACC, over the reporting period, have contributed significantly to the strengthening of the country's arms control regime thus positioning South Africa firmly in the international arena.

Yours faithfully

J. Radeg. 02/11/11
(J.T. RADEBE)

CHAIRPERSON: NATIONAL CONVENTIONAL ARMS CONTROL COMMITTEE (NCACC)

APPENDIX A

2011

3rd Quarterly Report **Permits Statistics**

**STATISTICAL INFORMATION ON TYPES AND QUANTITIES OF
PERMITS ISSUED**

PERIOD: 01/07/2011-30/09/2011

REGISTRATION

Number of companies registered	37
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MARKETING

Number of Marketing Permits Issued	7
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CONTRACTING

Number of Contracting Applications Approved	107
Number of Contracting Applications Denied	1
Total Value of Contracts Approved	R12,498,292,974.00
Total Number of Countries Contracted with	45

EXPORT

Number of Export Permits Issued	1177
Total Value of Exports	R1,924,489,621¹
Total Number of Countries Exported To	64

IMPORT

Number of Import Permits Issued	746
Total Value of Imports	R1,223,857,728.00
Total Number of Countries Imported From	44

CONVEYANCE

Number of Import Permits Issued	1
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¹ NB: Number of permits issued and values may vary from time to time due permit cancellations, expiry, contractual value increase/decrease and import/export quantity increase/decrease.

APPENDIX B
2011
3rd Quarterly Report
Summary of Exports

SUMMARY OF EXPORT PERMITS ISSUED PER COUNTRY

COUNTRY	CATEGORY	ZAR VALUE	(NON MONETARY EXPORTS) REASON(S)
ALGERIA	A	2,122,945.00	Repairs and sales
	C	191,471,966.00	Repairs and sales
	G	5,289,142.00	Repairs and sales
	SUB TOTAL	198,884,053.00	
ANGOLA	A	12,500,000.00	Sales
	SUB TOTAL	12,500,000.00	
ARGENTINA	A	37,350.00	Sales
	C	11,720,806.00	Sales
	SUB TOTAL	11,758,156.00	
AUSTRALIA	C	291,000.00	Repairs and sales
	SUB TOTAL	291,000.00	
AUSTRIA	A	0.00	Evaluations
	SUB TOTAL	0.00	
AZERBAIJAN	C	10,867,738.00	Demonstrations, repairs, tests and sales
	G	1,047,675.00	Sales
	SUB TOTAL	11,915,413.00	
BELGIUM	A	0.00	Repairs
	SUB TOTAL	0.00	
BRAZIL	A	91,080.00	Sales
	C	0.00	Tests
	SUB TOTAL	91,080.00	
CANADA	A	0.00	Demonstrations and tests
	C	5,370,126.00	Evaluations, tests and sales
	D	17,910,000.00	Sales
	SUB TOTAL	23,280,126.00	
CENTRAL AFRICAN REPUBLIC	A	0.00	Donation
	C	0.00	Donation
	SUB TOTAL	0.00	

COUNTRY	CATEGORY	ZAR VALUE	(NON MONETARY EXPORTS) REASON(S)
CHILE	C	30,714.00	Sales
	SUB TOTAL	30,714.00	
COLOMBIA	A	10,788,708.00	Sales
	C	4,843,776.00	Evaluations and sales
	SUB TOTAL	15,632,484.00	
ECUADOR	C	156,147,026.00	Demonstrations and sales
	SUB TOTAL	156,147,026.00	
EGYPT	A	30,959,422.00	Sales
	C	66,661,342.00	Sales
	G	1,900,000.00	Sales
	SUB TOTAL	99,520,764.00	
FINLAND	A	0.00	Demonstrations
	B	722,556.00	Sales
	C	0.00	Repairs and tests
	G	10,000.00	Sales
	SUB TOTAL	732,556.00	
FRANCE	A	0.00	Repairs
	C	21,845,385.00	Repairs, tests and sales
	D	0.00	Evaluations
	G	0.00	Exhibitions
	SUB TOTAL	21,845,385.00	
GABON	A	264,900.00	Sales
	G	0.00	Replacements
	SUB TOTAL	264,900.00	
GERMANY	A	160,000.00	Evaluations, tests, repairs and sales
	C	34,998,075.00	Demonstrations, repairs and sales
	SUB TOTAL	35,158,075.00	

COUNTRY	CATEGORY	ZAR VALUE	(NON MONETARY EXPORTS) REASON(S)
GHANA	C	218,000.00	Sales
	SUB TOTAL	218,000.00	
INDIA	A	520,244.00	Demonstrations, evaluations and sales
	B	0.00	Demonstrations
	C	35,678,613.00	Demonstrations, evaluations and sales
	G	0.00	Evaluations
	SUB TOTAL	36,198,857.00	
INDONESIA	A	0.00	Demonstrations
	C	3,712,500.00	Demonstrations and sales
	SUB TOTAL	3,712,500.00	
IRELAND	C	547,289.00	Demonstrations and sales
	SUB TOTAL	547,289.00	
ITALY	C	91,000.00	Demonstrations, repairs, tests and sales
	G	0.00	Repairs
	SUB TOTAL	91,000.00	
JAPAN	C	0.00	Demonstrations
	SUB TOTAL	0.00	
KENYA	A	92,272,722.00	Sales
	C	9,133,424.00	Repairs and sales
	D	10,690,909.00	Sales
	SUB TOTAL	112,097,055.00	
KUWAIT	A	0.00	Tests
	B	0.00	Evaluations
	C	0.00	Evaluations
	SUB TOTAL	0.00	
LESOTHO	B	85,523.00	Sales
	D	63,846.00	Sales
	SUB TOTAL	149,369.00	

COUNTRY	CATEGORY	ZAR VALUE	(NON MONETARY EXPORTS) REASON(S)
MALAWI	C	21,440,280.00	Sales
	SUB TOTAL	21,440,280.00	
MALAYSIA	A	10,636,840.00	Demonstrations and sales
	C	8,500,000.00	Sales
	SUB TOTAL	19,136,840.00	
MEXICO	C	1,127,484.00	Sales
	SUB TOTAL	1,127,484.00	
NETHERLANDS	A	7,773,146.00	Evaluations and sales
	C	0.00	Repairs
	SUB TOTAL	7,773,146.00	
NEW ZEALAND	C	0.00	Repairs
	SUB TOTAL	0.00	
NIGERIA	A	10,330,250.00	Sales
	C	4,621,008.00	Sales
	SUB TOTAL	14,951,258.00	
OMAN	A	433,504.00	Repairs and sales
	C	356,500.00	Demonstrations, repairs and sales
	G	66,453.00	Sales
	SUB TOTAL	856,457.00	
PAKISTAN	A	0.00	Repairs
	C	3,012,898.00	Demonstrations, repairs and sales
	G	261,245.00	Repairs and sales
	SUB TOTAL	3,274,143.00	
PEOPLES REPUBLIC OF CHINA	A	178,617.00	Sales
	C	250,000.00	
	SUB TOTAL	428,617.00	
PHILIPPINES	A	20,223,300.00	Sales
	SUB TOTAL	20,223,300.00	

COUNTRY	CATEGORY	ZAR VALUE	(NON MONETARY EXPORTS) REASON(S)
POLAND	A	0.00	Evaluations
	SUB TOTAL	0.00	
PORTUGAL	C	5,563,638.00	Loan, repairs and sales
	SUB TOTAL	5,563,638.00	
REPUBLIC OF CONGO	C	5,901,413.00	Sales
	G	101,550.00	Sales
	SUB TOTAL	6,002,963.00	
REPUBLIC OF KOREA	A	17,080,000.00	Sales
	C	3,746,409.00	Repairs and sales
	G	0.00	Warrantee spares
	SUB TOTAL	20,826,409.00	
ROMANIA	C	3,545,650.00	Repairs and sales
	SUB TOTAL	3,545,650.00	
RUSSIAN FEDERATION	A	0.00	Demonstrations
	SUB TOTAL	0.00	
SAUDI ARABIA	A	0.00	Demonstrations and evaluations
	B	37,652,207.00	Sales
	C	32,034,966.00	Demonstrations, repairs and sales
	SUB TOTAL	69,687,173.00	
SENEGAL	A	2,387,999.00	Sales
	SUB TOTAL	2,387,999.00	
SINGAPORE	A	0.00	Demonstrations
	B	0.00	Replacements
	C	0.00	Demonstrations and repairs
	SUB TOTAL	0.00	
SLOVENIA	A	0.00	Repairs
	SUB TOTAL	0.00	
SPAIN	A	3,926,928.00	sales
	C	8,481,060.00	Repairs and sales
	G	0.00	Replacements

COUNTRY	CATEGORY	ZAR VALUE	(NON MONETARY EXPORTS) REASON(S)
	SUB TOTAL	12,407,988.00	
SWEDEN	A	310,145.00	Repairs and sales
	C	16,284,311.00	Demonstrations, evaluations, repairs and sales
	G	0.00	Repairs and tests
	SUB TOTAL	16,594,456.00	
SWITZERLAND	A	0.00	Evaluations and repairs
	C	613,853.00	Evaluations, repairs, tests and sales
	G	276,562.00	Repairs
	SUB TOTAL	890,415.00	
TAIWAN	A	3,021,897.00	Sales
	SUB TOTAL	3,021,897.00	
THAILAND	C	1,674,086.00	Demonstrations, tests and sales
	SUB TOTAL	1,674,086.00	
TURKEY	B	3,000,000.00	Sales
	C	240,000.00	Repairs and sales
	SUB TOTAL	3,240,000.00	
UGANDA	C	0.00	Repairs
	SUB TOTAL	0.00	
UKRAINE	A	242,760.00	Sales
	C	34,650.00	Sales
	D	73,500.00	Sales
	G	11,900.00	Sales
	SUB TOTAL	362,810.00	
UNITED ARAB EMIRATES	A	21,937,443.00	Demonstrations and sales
	C	13,886,240.00	Demonstrations, repairs, trials and sales
	G	608,000.00	Repairs and sales
	SUB TOTAL	36,431,683.00	

COUNTRY	CATEGORY	ZAR VALUE	(NON MONETARY EXPORTS) REASON(S)
UNITED KINGDOM	A	645,000.00	Demonstrations, exhibition, tests and sales
	B	2,827,938.00	Sales
	C	43,624,290.00	Demonstrations and exhibition repairs and sales
	D	0.00	Demonstrations and exhibition
	G	0.00	Demonstrations and exhibition
	SUB TOTAL	47,097,228.00	
UNITED STATES OF AMERICA	A	755,136.00	Evaluations, exhibition, demonstrations and sales
	B	0.00	demonstrations
	C	370,149,109.00	Demonstrations, evaluations, repairs and sales
	D	487,324,097.00	Exhibitions, tests and sales
	G	163,116.00	Demonstrations and sales
	SUB TOTAL	858,391,458.00	
VENEZUELA	C	4,294,525.00	Sales
	SUB TOTAL	4,294,525.00	
VIETNAM	C	0.00	Demonstrations and repairs
	SUB TOTAL	0.00	
ZAMBIA	C	0.00	Repairs
	D	1,791,916.00	Demonstrations
	SUB TOTAL	1,791,916.00	
GRAND TOTAL		1,924,489,621.00	

APPENDIX C

2011

3rd Quarterly Report

**PEACE-KEEPING/MILITARY
EXERCISES/HUMANITARIAN AID
AND JOINT TRAINING REPORT**

PEACE-KEEPING/MILITARY EXERCISES/HUMANITARIAN AID AND JOINT TRAINING REPORT

COUNTRY	CATEGORY	NON-MONETARY EXPORTS REASON(S)	NAME
BOTSWANA	B	Joint Military Exercise	Exercise Stalwart 2011
CENTRAL AFRICAN REPUBLIC	A	Capacity Building	Operation Vimbezela
MALAWI	A & B	Joint Military Exercise	Exercise Good Tidings
NAMIBIA	B	Joint Military Exercise	Exercise Stalwart 2011
UNITED STATES OF AMERICA	B	Joint Military Exercise	Exercise Shared Accord