



2003 AND 2004 NATIONAL CONVENTIONAL ARMS CONTROL COMMITTEE'S (NCACC) ANNUAL REPORT (S)

- Appendix A: 2003 Statistics on Permits Issued.*
B: 2003 South Africa's Statistics for Conventional Arms.
C: 2004 Statistics on Permits Issued.
D: 2004 South Africa's Statistics for Conventional Arms.

INTRODUCTION

1. Section 23 (1) (c) of the National Conventional Arms Control Act (Act 41 of 2002) provides that the National Conventional Arms Control Committee (NCACC) should provide an annual report on all conventional arms exports conducted during the preceding year. In accordance with the legislative requirement cited above, the NCACC presents the NCACC's 2003 and 2004 annual reports.
2. This 2003 and 2004 NCACC annual report (s) provides information on the conventional arms exports conducted by South Africa in the two stated calendar years.

NCACC'S LEGISLATIVE FRAMEWORK AND MANDATE

3. The 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, which 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.
4. 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 appointed by the President. The Chairpersonship and Deputy Chairpersonship positions of the NCACC are held

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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.

5. In order to provide for secretariat 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 serve as the line of communication between the NCACC, the defence related industry and all other relevant stakeholders.

6. Prior to the National Conventional Arms Control Act (Act 41 of 2002) coming into being in 2003, the conventional arms sector regulation was conducted under the Armaments Development and Procurement Act (Act 57 of 1968). This Act has since been repealed and replaced by the current National Conventional Arms Control Act (Act 41 of 2002).

NCACC ACTIVITIES OVER THE PERIOD 2003 TO 2004

7. Since the reporting period covers two calendar years, this report will, firstly, deal with 2003 activities and later with the 2004 activities.

PERIOD 2003

8. **NCACC Membership.** During this period, the NCACC comprised of the following membership:

- a. Prof A.K. Asmal (Chairperson).
- b. Minister R. Kasrils (Deputy Chairperson).
- c. Minister M.G. P. Lekota.
- d. Minister J.T. Radebe.
- e. Minister A. Erwin.
- f. Minister L.N. Sisulu.
- g. Minister N.C. Dlamini-Zuma.
- h. Minister B. S. Ngubane.
- i. Deputy Minister N. Madlala-Routledge.

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- j. Deputy Minister A.G. Pahad.
- k. Deputy Minister V.J. Matthews.
- l. Deputy Minister M.B. Mphahlela

9. **Legislative Developments.** In May 2003, the National Conventional Arms Control Act (Act 41 of 2002) came into force thus totally repealing the Armaments Development and Procurement Act (Act 57 of 1968), which had become outdated. The National Conventional Control Act (Act 41 of 2002) thus constitutes a new regulatory framework under which the NCACC business is conducted. In order to provide for more details to the provisions of the said new Act, a process was started at this period to draft Regulations to this Act.

10. **Promotion of Administrative Justice.** The Promotion of Administrative Justice Act (Act 3 of 2000) entrenches individuals' rights to be subjected to procedurally fair administrative actions. In terms of this Act, individuals have legal rights to be furnished with reasons pertaining to administrative decisions taken against them.

11. In the context of conventional arms control, individuals or companies whose applications have been turned down by the NCACC have a legal basis to request reasons for such decisions. Taking into account the sensitivity and confidentiality of some cases that the NCACC deals with, it is not always possible to provide reasons for all permit applications turned down. In view of this, the NCACC decided to request an exemption from the full application of this Act. This request was based on Section 1 of the Act, which provides that the Minister of Justice has the power to exempt administrative institutions from the application of the Act.

12. **Amendment of Cabinet Memorandum No 4 of 1997.** In 1997 a Cabinet Memorandum was prepared on the destruction of small arms and ammunition. This Cabinet Memorandum had specific recommendations for Cabinet approval. On the basis of that Cabinet Memorandum, Cabinet took a decision that *"disposal should be by means of destruction, of all redundant, obsolete, unserviceable and confiscated semi-automatic and automatic weapons and purpose-built sniper rifles of a caliber smaller than 12,7 (50-inch) as well as all ammunition for them held in stock by the Department of Defence and other Government department and parastatals"*.

13. During the implementation of this decision there was, however, interpretation confusion. There was confusion on whether the Cabinet decision included small arms of a 12,7 mm caliber or it excluded such caliber. In order to address this interpretation confusion, a need arose for the Cabinet Memorandum on which the

Cabinet decision was based to the amended. The process to amend the said Cabinet Memorandum commenced at this period but was to culminate in 2004.

14. Regulation of Foreign Military Assistance. In the period under review, the NCACC considered two applications for rendering military assistance in foreign countries. These applications were submitted in terms of the Regulation of Foreign Military Assistance Act (Act 15 of 1998). The NCACC denied permits to both these applications.

15. In the same period, the NCACC referred two cases to the National Director of Public Prosecutions for consideration and possible prosecution. This was due to the fact that in the view of the NCACC and the South African Police Service, the provisions of the Regulations of Military Assistance Act (Act 15 of 1998) were violated. The National Director of Public Prosecutions, however, indicated that he could not prosecute the persons involved in the case due to difficulties in obtaining the necessary evidence for the cases.

16. Permit Applications. As its primary function, the NCACC considers 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 presented to it on the basis of its own merits. In the period under review, the NCACC considered the following categories of permit applications:

- a. Marketing Permit Applications, 47.
- b. Contracting Permit Applications, 326.
- c. Export Permit Applications, 1 988.
- d. Import Permit Applications, 978.
- e. Transit Permit Applications, 42.

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

18. Compliance Matters. Section 9 of the National Conventional arms Control Act (Act 41 of 2002) provides that a Conventional Arms Control Inspectorate be established for purposes of ensuring that the defence industry and all other relevant role players comply with the laid down conventional arms control regulations. In terms of the said section of the Act, the Inspectorate reports directly to the NCACC.

19. In the period under review, the Inspectorate conducted inspections and audits on a large number of companies both locally and internationally.

20. Other Matters. The NCACC exercises control over the Arms Control & Non-Proliferation Fund.

PERIOD 2004

21. NCACC Membership. During this period, the NCACC membership remained similar to that of 2003 as reflected earlier in this report. This NCACC membership was, however, changed in April 2004 due to the general elections held and the appointment of new Cabinet members. From April 2004 to date the membership of the NCACC is as follows:

- a. Minister F.S. Mufamedi (Chairperson).
- b. Minister B.P. Sonjica (Deputy Chairperson).
- c. Minister M.G.P. Lekota.
- d. Minister A. Erwin.
- e. Minister N.C. Dlamini-Zuma.
- f. Minister M.B. Mphahlela.
- g. Minister R. Kasrils.
- h. Minister C. Nqakula.
- i. Minister M.A. Mangena.
- j. Deputy Minister A. Pahad.
- k. Deputy Minister M.E. George.
- l. Deputy Minister J. Moleketi.

22. Legislative Development. On 28 May 2004, the Regulations to the National Conventional Arms Control Act (Act 41 of 2002) came into force. These Regulations are based on the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies.

23. Amendment of Cabinet Memorandum No 4 of 1997. The process of drafting an amendment to the 1997 Cabinet Memorandum on small arms and ammunition destruction resulted into a Draft Amendment. In view of the coming

into force of the Conventional Arms Control Regulations referred to in the previous paragraph, the NCACC decided that the amendment to the 1997 Cabinet Memorandum was no longer necessary. This was due to the fact that the issues addressed in the Draft Amendment were already adequately covered in Section 4 (2) of the new Regulations.

24. Regulation of Foreign Military Assistance. In the period under review, the NCACC considered and referred three cases to the National Director of Public Prosecutions for possible prosecution in terms of the Regulations of Military Assistance Act (Act 15 of 1998). The National Director of Public Prosecutions declined to prosecute for reasons of difficulty in obtaining sufficient evidence.

25. Permit Applications. In 2004, the NCACC considered the following categories of permit applications:

- a. Marketing Permit Applications, 52.
- b. Contracting Permit Applications, 388.
- c. Export Permit Applications, 2 237.
- d. Import Permit Applications, 1466.
- e. Transit Permit Applications, 23.

26. Details on these applications in terms of approvals, countries and categories of equipment involved are contained on Appendix C and D of this submission.

- a. **Compliance & Verification Matters.** In line with its statutory function, the Conventional Arms Control Inspectorate conducted compliance and verification exercises both in South Africa and internationally.

27. Other Matters. The NCACC exercises control over the Arms Control & Non-Proliferation Fund.

CONCLUSION

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

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APPENDIX A

(2003 Statistics on Permits Issued)

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STATISTICAL INFORMATION WITH REFERENCE TO

IMPORT & EXPORT CONTROL

DATE: 2005/07/25

ENTRY GROUP.: GEOGRAPHICAL: NO: 0
 APPLICANT GROUP.: SUPPLIER NAME: CLASS:
 PRODUCT CODE.: NAME:
 CHEMICAL DIV.: TECHNICAL DEP.:
 RIOD: 2003/01/01 TO 2003/12/31

A.1.	Number of Marketing Applications received	:	47
A.2.	Number of Marketing Permits issued	:	45
A.3.	Average number of days used for issuing this permit:	:	44
B.1.	Number of Contracting Applications received	:	326
B.2.	Number of Contracting Approvals Issued	:	326
B.3.	Total value of contracts approved.	:	R16,050,443,881
B.5.	Total number of countries applicable	:	70
B.4.	Average number of days to issue	:	48
C.1.	Number of Export Applications received	:	1,988
C.2.	Number of Export Permits issued	:	1,941
C.3.	Total value of exports	:	R 3,038,181,844
C.4.	Total number of countries exported to	:	77
C.5.	Average days for issuing this permit	:	9
D.1.	Number of Import Applications received	:	978
D.2.	Number of Import Permits issued	:	962
D.3.	Total value of imports	:	R 294,757,230
D.4.	Total number of countries imported from	:	53
D.5.	Average days for issuing this permit	:	2
E.1.	Number of Transit Applications received	:	42
E.2.	Number of Transit Permits issued	:	37
E.3.	Total value of transits	:	R 0

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APPENDIX B

(2003 South Africa's Statistics for Conventional Arms)

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***SOUTH AFRICAN EXPORT STATISTICS FOR
CONVENTIONAL ARMS***

2003

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EXPORT STATISTICS FOR CONVENTIONAL ARMS 2003

COUNTRY	TYPE	2003
AFGHANISTAN <small>Note 1</small>	G	3,360,000
ALGERIA	A	230,559,000
	C	171,035,000
	G	1,229,000
ARGENTINA	A	3,000
AUSTRALIA	A	896,000
	B	2,761,000
	C	7,365,000
AUSTRIA	A	23,753,000
BAHRAIN	B	40,000
BELGIUM	A	2,821,000
BOTSWANA	B	66,000
	D	132,000
BRAZIL	A	1,835,000
	B	1,873,000
	C	2,961,000
CAMEROON	C	3,646,000
CANADA	A	6,872,000
	C	1,129,000
CHILE	A	7,036,000
	C	891,000
COLOMBIA	A	171,074,000
	B	78,950,000
	C	439,000
	D	6,083,000
DENMARK	A	34,000
EGYPT	A	413,000
	C	964,000
	G	4,591,000
FRANCE	A	3,049,000
	B	49,000
	C	14,876,000
GERMANY	A	7,749,000
	B	11,869,000
	C	67,458,000
GHANA	A	24,497,000
	C	4,623,000
GREECE	A	4,329,000
	B	1,140,000
	C	3,965,000

1. NOTE 1 : Demining Services

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COUNTRY	TYPE	2003
GUINEA (REPUBLIC OF)	A	12,516,000
HUNGARY	A	319,000
	B	5,000
INDIA	A	445,779,000
	C	83,845,000
	G	2,625,000
HUNGARY	A	51,200
INDIA	A	269,268,110
	C	208,627,567
	G	63,283
INDONESIA	A	465,000
IRELAND	A	38,000,000
	D	1,625,000
ITALY	A	5,139,000
	C	18,488,000
	G	1,051,000
IVORY COAST	C	2,866,000
JORDAN	A	185,089,000
	B	6,707,000
KENYA	C	1,184,000
KUWAIT	B	1,238,000
	C	184,000
LESOTHO	C	236,000
MALAYSIA	A	119,245,000
	B	6,182,000
	C	1,884,000
	G	1,884,000
MEXICO	C	7,587,000
MOZAMBIQUE	A	7,700,000
	C	7,699,000
	D	9,840,000
NEPAL (NOTE 2)	C	19,117,000
NETHERLANDS	C	4,540,000
NIGERIA	A	1,647,000
	D	2,132,000
OMAN	A	9,060,000
	B	28,932,000
	C	78,365,000
	D	1,071,000
	G	570,000
PAKISTAN	A	8,134,000
	C	49,195,000
PEOPLES REPUBLIC OF CHINA	C	16,794,000
	G	11,813,000

2. NOTE 2: Communication Equipment

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COUNTRY	TYPE	2003
PHILIPPINES	A	6,000,000
	B	1,691,000
QATAR	A	2,630,000
REPUBLIC OF KOREA	A	5,637,000
	C	246,000
REPUBLIC OF SERBIA	A	3,780,000
ROMANIA	C	235,000
RUSSIAN FEDERATION	C	7,075,000
SAUDI ARABIA	A	18,213,000
	B	23,873,000
SINGAPORE	A	104,497,000
	B	3,251,000
	C	8,486,000
SWAZILAND (NOTE 3)	C	237,000
	D	2,759,000
SWEDEN	C	38,419,000
	D	463,000
SWITZERLAND	A	9,052,000
	C	16,483,000
	G	410,000
TAIWAN	A	19,064,000
	B	6,709,000
	C	1,183,000
	G	271,000
THAILAND	A	1,358,000
	C	424,000
UNITED ARAB EMIRATES	A	109,392,000
	B	70,000
	C	175,202,000
	D	55,453,000
	G	43,495,000
UNITED KINGDOM	A	15,075,000
	B	40,482,000
	C	39,349,000
	G	1,000
UNITED STATES OF AMERICA	A	17,562,000
	B	550,000
	C	12,207,000
	D	330,000
VIETNAM	C	600,000
ZAMBIA	C	60,335,000

3. NOTE 3: Communication Equipment & Public Order Vehicles

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INTERNATIONAL HUMANITARIAN ORGANISATIONS	A	6,355,000
	C	1,168,000
UNITED NATIONS OPERATIONS	A	7,277,000
	C	4,834,000
	D	4,223,000
	G	26,234,000

2003

Type A :	1,492,343,881
Type B :	171,423,882
Type C :	1,003,346,982
Type D :	73,946,824
Type G :	51,418,948
<u>TOTAL:</u>	<u>2,792,480,517</u>

APPENDIX C

(2004 Statistics on Permits Issued)



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STATISTICAL INFORMATION WITH REFERENCE TO

IMPORT & EXPORT CONTROL

DATE: 2005/07/25

ENTRY GROUP.: GEOGRAPHICAL: NO: 0
 PELLER GROUP: SUPPLIER NAME: CLASS:
 PRODUCT CODE...: NAME: TECHNICAL DEP:
 TECHNICAL DIV.:
 PERIOD: 2004/01/01 TO 2004/12/31

A.1.	Number of Marketing Applications received	:	52
A.2.	Number of Marketing Permits issued	:	57
A.3.	Average number of days used for issuing this permit:	:	45
B.1.	Number of Contracting Applications received	:	388
B.2.	Number of Contracting Approvals Issued	:	315
B.3.	Total value of contracts approved	:	R13,054,862,010
B.5.	Total number of countries applicable	:	74
B.4.	Average number of days to issue	:	51
C.1.	Number of Export Applications received	:	2,237
C.2.	Number of Export Permits issued	:	2,191
C.3.	Total value of exports	:	R 2,735,812,713
C.4.	Total number of countries exported to	:	76
C.5.	Average days for issuing this permit	:	6
D.1.	Number of Import Applications received	:	1,466
D.2.	Number of Import Permits issued	:	1,446
D.3.	Total value of imports	:	R 3,804,427,865
D.4.	Total number of countries imported from	:	58
D.5.	Average days for issuing this permit	:	2
E.1.	Number of Transit Applications received	:	23
E.2.	Number of Transit Permits issued	:	25
E.3.	Total value of transits	:	R 506,600

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APPENDIX D

(2004 South Africa's Statistics for Conventional Arms)

***SOUTH AFRICAN EXPORT STATISTICS FOR
CONVENTIONAL ARMS***

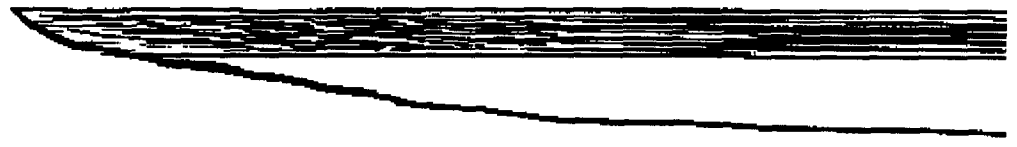
2004

EXPORT STATISTICS FOR CONVENTIONAL ARMS 2004

COUNTRY	TYPE	2004
ALGERIA	A	203,817,961
	C	71,796,525
	G	15,000
ANGOLA	D	25,000,000
AUSTRALIA	A	186,195,453
	B	2,349,009
	C	27,274,690
BAHRAIN	A	86,034
BANGLADESH	C	900,000
BELGIUM	A	4,204,196
BOTSWANA	A	54,540
	C	174,240
BRAZIL	A	3,102,415
	B	1,470,805
	C	556,234
CANADA	A	2,373,972
	C	3,700,327
CHILE	A	4,075,780
	B	543,594
CHINA (PEOPLES REPUBLIC)	C	6,945,550
	G	38,000,000
COLOMBIA	A	142,000,798
	B	61,278,811
	C	6,521,955
	G	1,430,284
CYPRUS	A	1,569,678
DENMARK	A	7,610,569
	C	2,554,147
ECUADOR	A	20,000,000
EGYPT	A	145,000
	C	389,598
ESTONIA	C	5,000,000
FINLAND	A	8,355,174
	C	78571768
	G	313,000
FRANCE	A	3,553,767
	C	18,505,159
	G	1,555,203

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COUNTRY	TYPE	2004
GERMANY	A	22,797
	C	73,603,139
	G	1,030
GHANA	A	16,241,124
	C	1,681,066
	D	10,500,000
GREECE	A	7,292,105
	B	1,395,566
	C	6,250,078
HUNGARY	A	51,200
INDIA	A	269,268,110
	C	208,627,567
	G	63,283
INDONESIA	A	9,143,965
IRELAND	A	2,410,150
	C	637,500
ITALY	C	23,357,149
	D	12,612,000
JORDAN	A	173,861,563
	C	3,715,000
KENYA	C	630,000
REPUBLIC OF KOREA	A	11,315,850
	C	2,806,056
LESOTHO	C	57,867
MALAYSIA	B	55,200
	C	5,335,123
MEXICO	C	9,887,473
	G	71,400
MOZAMBIQUE	A	150,000
	C	35,000
NAMIBIA	C	768,000
NEPAL (NOTE 1)	A	12,000,000
	C	12,000,000
NETHERLANDS	C	13,870,614
NIGERIA	D	946,624
NORWAY	C	136,000
OMAN	A	5,441,192
	B	7,692,240
	C	59,411,059
	G	40,570

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COUNTRY	TYPE	2004
PAKISTAN (NOTE 2)	A	5,468,698
	C	95,886,133
POLAND	C	7,615,885
PORTUGAL	A	592,000
RUSSIAN FEDERATION	C	540,000
RWANDA	C	873,000
SAUDI ARABIA	A	1,092,000
	B	27,885,000
	C	3,579,723
SINGAPORE	A	41,902,525
	B	10,429,044
	C	6,278,912
	G	3,531,936
SLOVAK REPUBLIC	A	3,456,760
SOUTH KOREA	C	2,806,056
SPAIN	A	19,868,238
	C	2,048,168
SWEDEN	A	7,695,593
	C	63,805,973
	G	4,371,435
SWITZERLAND	A	69,720
	C	50,893,721
TAIWAN	A	4,158,318
	B	12,756,132
TANZANIA	A	416,000
THAILAND	C	1,241,525
	G	38,392
TURKMENISTAN	C	749,000
UGANDA	A	4,875,000
	C	605,000
UNITED ARAB EMERATES	A	245,048,579
	B	17,414,707
	C	52,891,801
	D	20,216,976
UNITED KINGDOM	A	17,372,670
	B	28,153,774
	C	40,557,951
	G	485,000
UNITED STATES OF AMERICA	A	35,365,914
	C	23,870,405
	D	3,551,224
	G	784,415
VENEZUELA	A	5,908,080
	G	686,000
VIETNAM	C	3,111,411

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INT HUMANITARIAN ORG	A	3,543,609
UNITED NATIONS OPERATIONS	A	1,166,784
	C	3,039,490
	D	1,120,000
	G	32,000

2004

Type A: 1,492,343,881

Type B: 171,423,882

Type C: 1,003,346,982

Type D: 73,946,824

Type G: 51,418,948

TOTAL: 2,792,480,517

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INTERNATIONAL HUMANITARIAN ORGANISATIONS	A	6,355,000
	C	1,168,000
UNITED NATIONS OPERATIONS	A	7,277,000
	C	4,834,000
	D	4,223,000
	G	26,234,000

2003

Type A : 1,492,343,881

Type B : 171,423,882

Type C : 1,003,346,982

Type D : 73,946,824

Type G : 51,418,948

TOTAL: 2,792,480,517