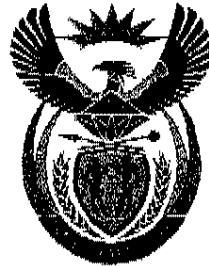


NATIONAL CONVENTIONAL ARMS CONTROL COMMITTEE

Telephone : (012) 355-6230
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Enquiries : Mr C.S. Maseko



AC/R/5/2/1
Conventional Arms Control
Private Bag X910
Pretoria
0001
27 August 2009

Mr M. Booï
Chairperson: Portfolio Committee on Defence & Military Veterans
National Parliament
P.O. Box 15
CAPE TOWN
8000

Dear Mr M. Booï

SUBMISSION TO PORTFOLIO COMMITTEE ON DEFENCE AND MILITARY VETERANS: 2008 NATIONAL CONVENTIONAL ARMS CONTROL COMMITTEE'S (NCACC) ANNUAL REPORT

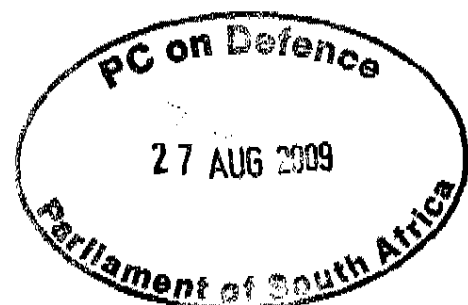
1. Section 23 (1) (c) of the National Conventional Arms Control Act (Act 41 of 2002) provides that the National Conventional Arms Control Committee (NCACC) should provide to Parliament an annual report on all conventional arms exports conducted during the preceding year. In accordance with the legislative requirement cited above, the NCACC wishes to present this 2008 NCACC Annual Report to Parliament.

2. This is 2008 NCACC Annual Report covers the arms transfer transactions that were authorised between January 2008 and December 2008. It has to be noted that this reporting period falls within the area of responsibility of the previous NCACC. The information provided in the 2008 NCACC Annual Report covers the following aspects as determined by the Act:

- a. Names of importing countries (countries where conventional arms were exported).
- b. Types of conventional arms exported.
- c. Rand value of the exports.

3. The NCACC avails itself of this opportunity to present its 2008 annual report to Parliament if Parliament deems appropriate.

Kind regards.



**SUBMISSION TO PORTFOLIO COMMITTEE ON DEFENCE AND MILITARY
VETERANS: 2008 NATIONAL CONVENTIONAL ARMS CONTROL
COMMITTEE'S (NCACC) ANNUAL REPORT**

J. Raabe

(JT RADEBE)

CHAIRPERSON: NATIONAL CONVENTIONAL ARMS CONTROL COMMITTEE

DATE: 27/08/09

CONFIDENTIAL

CONVENTIONAL ARMS CONTROL DIRECTORATE

Enquiries: Mr S.D. Dladla
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May 2009

2008 NATIONAL CONVENTIONAL ARMS CONTROL COMMITTEE'S (NCACC) ANNUAL REPORT

Appendix A: 2008 Statistics on Permits Issued.
B: 2008 South Africa's Statistics for Conventional Arms Exports.

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 to Parliament an annual report on all conventional arms exports conducted during the preceding year. In accordance with the legislative requirement cited above, the NCACC wishes to present this 2008 annual report.

2. This 2008 NCACC annual report provides information on conventional arms exports conducted by South Africa over the period 01 January to 31 December 2008. The annual 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:

- a. Names of importing countries (countries where conventional arms were exported).
- b. Types of conventional arms exported.
- c. Rand value of the exports.

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NCACC'S LEGISLATIVE FRAMEWORK AND MANDATE

3. 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.

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 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.

5. 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.

6. 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 a manner compliant and consistent with the provisions of the Act.

7. 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 Foreign Affairs, 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.

2008 MEMBERSHIP OF THE NCACC

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

- a. Minister F.S. Mufamadi (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

LEGISLATIVE DEVELOPMENTS

9. 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.

10. The NCAC Amendment Act was assented to by the President in April 2009. The process to draft the Regulations to this process will commence very soon. Once the regulations have been promulgated the NCAC Amendment Act will come into operation.

PERMIT APPLICATIONS

11. 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 presented to it on the basis of its own merits in line with the *case-by-case principle* as enshrined in the Act.

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

- a. Marketing Permit Applications, 54.
- b. Contracting Permit Applications, 370.
- c. Export Permit Applications, 2965.
- d. Import Permit Applications, 1639.
- e. Conveyance Permit Applications, 9.

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

COMPLIANCE AND VERIFICATION MATTERS

14. 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.

15. In line with its statutory function, the Conventional Arms Control Inspectorate has conducted various activities.

CONCLUSION

16. 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.

APPENDIX: A

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

PERIOD: 01/01/2008-31/12/2008

REGISTRATION

Number of companies registered

111

MARKETING

Number of Marketing Permits Issued

45

CONTRACTING

Number of Contracting Permits Issued

370

Total Value of Contracts Approved

19,586,678,455.00

Total Number of Countries Contracted with

90

EXPORT

Number of Export Permits Issued

2,895

Total Value of Exports

5,898,235,912.00

Total Number of Countries Exported To

88

IMPORT

Number of Import Permits Issued

1,635

Total Value of Imports

6,361,458,385.00

Total Number of Countries Imported From

61

APPENDIX: B

SUMMARY OF EXPORT PERMITS ISSUED PER COUNTRY

Country	Category	ZAR Value	Reason(s) (Non monetary exports)
ALGERIA	A	30,190,309.00	
	C	90,602,303.00	Evaluations, repairs, demonstration
	G	17,562,582.00	Evaluations, repairs
	SUB TOTAL	138,355,204.00	
ANGOLA	A	984,990.00	
	B	551,587.00	
	C	250,312.00	
	SUB TOTAL	4,996,864.00	
ARGENTINA	C	0.00	Repairs, trials, replacements
	SUB TOTAL	0.00	
AUSTRALIA	C	6,927,139.00	Repairs, trials
	G	0.00	Demonstrations
	SUB TOTAL	6,927,139.00	
AUSTRIA	A	52,116,197.00	Evaluations, demonstrations, training, tests
	C	0.00	Evaluations
	SUB TOTAL	52,116,197.00	
AZERBAIJAN	A	3,049,309.00	
	SUB TOTAL	3,049,309.00	
BANGLADESH	A	0.00	Evaluations
	C	0.00	Replacements, training
	SUB TOTAL	0.00	
BELGIUM	C	9,344,000.00	Repairs, evaluations, replacements
	G	0.00	Repairs
	SUB TOTAL	9,344,000.00	
BOTSWANA	A	4,407,800.00	Evaluations

Country	Category	ZAR Value	Reason(s) (Non monetary exports)
	C	8,100,000.00	Demonstrations, test, evaluations
	SUB TOTAL	12,507,800.00	
BRAZIL	A	4,581,800.00	Demonstrations, evaluations
	C	345,000.00	
	D	0.00	Demonstrations, replacements
	SUB TOTAL	4,926,800.00	
BRUNEI	A	0.00	Evaluations
	SUB TOTAL	0.00	
BULGARIA	A	0.00	Demonstrations
	SUB TOTAL	0.00	
BURUNDI	A	9,474,190.00	Peace-keeping Operations
	B	0.00	Peace-keeping Operations
	C	5,705,000.00	
	SUB TOTAL	15,179,190.00	
CANADA	A	0.00	Demonstrations
	C	152,679,378.00	
	D	2,414,278.00	
	SUB TOTAL	155,093,656.00	
CENTRAL AFRICAN REPUBLIC	A	0.00	Peace-keeping Operations
	B	0.00	Peace-keeping Operations
	C	0.00	Peace-keeping Operations
	SUB TOTAL	0.00	
CHAD	C	15,234,400.00	
	SUB TOTAL	15,234,400.00	
CHILE	A	1,272,960.00	Show, exhibition
	B	0.00	Show
	C	53,900.00	Exhibition, demonstrations, show
	D	1,051,680.00	

Country	Category	ZAR Value	Reason(s) (Non monetary exports)
	SUB TOTAL	2,378,540.00	
COLOMBIA	A	162,577,799.00	Demonstrations, evaluations, replacements
	B	52,024,017.00	Demonstrations
	C	33,716,732.00	Demonstrations, evaluations
	SUB TOTAL	248,318,548.00	
CROATIA	C	0.00	Evaluations
	SUB TOTAL	0.00	
CZECH REPUBLIC	A	0.00	Evaluations, demonstrations
	C	0.00	Demonstrations
	SUB TOTAL	0.00	
DEMOCRATIC REP OF CONGO	A	0.00	Peace-keeping Operations
	C	0.00	Peace-keeping Operations
	G	0.00	Peace-keeping Operations
	SUB TOTAL	0.00	
DENMARK	B	3,316,150.00	
	C	0.00	Demonstrations, rework
	SUB TOTAL	3,316,150.00	
DJIBOUTI	B	0.00	Exercise
	SUB TOTAL	0.00	
EGYPT	A	1,322,550.00	Replacements, evaluations
	B	0.00	Demonstrations
	C	54,349,916.00	Demonstrations, repairs, replacements
	G	2,853,943.00	
	SUB TOTAL	58,526,409.00	
ESTONIA	C	450,000.00	
	SUB TOTAL	450,000.00	

Country	Category	ZAR Value	Reason(s) (Non monetary exports)
FINLAND	A	25,585,548.00	Evaluations
	C	1,520,089.00	Repairs,
	G	60,700.00	
	SUB TOTAL	27,166,337.00	
FRANCE	A	200,000.00	Repairs, demonstrations, exhibitions, integrations, demonstrations
	C	8,408,089.00	Evaluations, repairs, calibration, loan, tests, demonstrations, replacements
	G	6,349,176.00	Spares, flight tests, demonstrations, exhibitions, replacements
	SUB TOTAL	14,957,265.00	
GABON	A	4,440,000.00	
	C	763,930.00	
	G	16,000.00	
	SUB TOTAL	5,219,930.00	
GEORGIA	C	1,442,780.00	
	SUB TOTAL	1,442,780.00	
GERMANY	A	1,274,880.00	Evaluations, tests, training, calibration, demonstrations
	B	0.00	Evaluations
	C	101,213,495.00	Demonstrations, repairs, evaluations, replacements
	G	2,488,683.00	Repairs, evaluations
GHANA	SUB TOTAL	104,977,058.00	
	B	45,030.00	
	SUB TOTAL	45,030.00	
GREECE	A	0.00	Rework
	C	0.00	Exhibition
	SUB TOTAL	0.00	

Country	Category	ZAR Value	Reason(s) (Non monetary exports)
GUINEA	D	0.00	Sample
	SUB TOTAL	0.00	
INDIA	A	109,263,980.00	Evaluations, exhibition,
	B	0.00	Demonstrations
	C	120,946,648.00	Exhibition, flight tests, repairs, demonstrations,
	D	0.00	Exhibition
	G	2,071,606.00	Exhibition
	SUB TOTAL	232,282,234.00	
INDONESIA	A	40,181,470.00	
	B	911,211.00	
	C	25,327,240.00	Demonstrations, training, loan, show
	SUB TOTAL	66,419,921.00	
IRAQ	C	14,820,000.00	Replacements
	SUB TOTAL	14,820,000.00	
IRELAND	A	1,279,263.00	Demonstrations
	D	0.00	Replacement
	SUB TOTAL	1,279,263.00	
ITALY	B	865,000.00	Exhibition
	C	21,138,729.00	Repairs, replacement, demonstrations
	G	409,429.00	
	SUB TOTAL	22,413,158.00	
JAPAN	C	1,086,170.00	Exhibition, demonstrations
	SUB TOTAL	1,086,170.00	
JORDAN	A	15,312,923.00	Exhibition, evaluations
	B	0.00	Show
	C	3,422,460.00	Exhibition, integration, repairs
	G	0.00	Exhibition

Country	Category	ZAR Value	Reason(s) (Non monetary exports)
	SUB TOTAL	18,735,383.00	
KAZAKHSTAN	A	520,000.00	
	SUB TOTAL	520,000.00	
KENYA	C	0.00	Repairs
	SUB TOTAL	0.00	
KUWAIT	A	7,010,338.00	
	SUB TOTAL	7,010,338.00	
LESOTHO	B	1,999,785.00	
	C	1,330,350.00	
	D	883,890.00	
	SUB TOTAL	4,214,025.00	
LIBYA	A	0.00	Demonstrations, exhibition
	B	0.00	Exhibitions
	C	0.00	Evaluations, exhibition
	G	0.00	Exhibition
	SUB TOTAL	0.00	
MADAGASCAR	C	0.00	Donation
	SUB TOTAL	0.00	
MALAWI	A	9,805,000.00	
	C	4,725,000.00	
	SUB TOTAL	14,530,000.00	
MALAYSIA	A	21,328,286.00	Exhibition, demonstrations, show, training, repairs
	B	15,422.00	Replacements, show
	C	117,134,740.00	Exhibition, demonstrations, show, repairs
	D	0.00	Demonstrations, demonstration
	G	59,099.00	Exhibition

Country	Category	ZAR Value	Reason(s) (Non monetary exports)
	SUB TOTAL	138,537,547.00	
MAURITIUS	C	0.00	Donation
	SUB TOTAL	0.00	
MOZAMBIQUE	C	230,000.00	Donation
	SUB TOTAL	230,000.00	
NEPAL	C	13,686,857.00	Repairs
	SUB TOTAL	13,686,857.00	
NETHERLANDS	C	11,184,329.00	Repairs, demonstrations
	SUB TOTAL	11,184,329.00	
NIGER	C	7,600,000.00	
	SUB TOTAL	7,600,000.00	
NIGERIA	A	13,643,050.00	
	C	37,386,395.00	Demonstrations, repairs
	SUB TOTAL	51,029,445.00	
NORWAY	C	0.00	Evaluations, repairs
	SUB TOTAL	0.00	
OMAN	A	22,099,781.00	
	C	1,140,000.00	Repairs, demonstrations
	G	95,724.00	
	SUB TOTAL	23,335,505.00	
PAKISTAN	A	6,862,636.00	Replacements, flight test, exhibition,
	B	0.00	Exhibition, evaluations
	C	13,806,497.00	Repairs, flight test, exhibition, repairs,
	D	0.00	Samples, exhibition,
	G	8,953,151.00	Replacements, flight test,
	SUB TOTAL	29,622,284.00	

Country	Category	ZAR Value	Reason(s) (Non monetary exports)
PEOPLES REPUBLIC OF CHINA	C	81,852,000.00	Demonstrations, repairs
	G	889,600.00	
	SUB TOTAL	82,741,600.00	
PERU	A	1,590,000.00	
	SUB TOTAL	1,590,000.00	
PHILIPPINES	A	2,944,200.00	
	SUB TOTAL	2,944,200.00	
POLAND	C	6,142,000.00	Repairs
	SUB TOTAL	6,142,000.00	
PORTUGAL	C	32,616,200.00	
	SUB TOTAL	32,616,200.00	
REPUBLIC OF KOREA	C	22,772,071.00	Tests, repairs, demonstrations, exhibitions
	G	0.00	Repairs
	SUB TOTAL	22,772,071.00	
RUSSIAN FEDERATION	C	0.00	Demonstrations, competition
	SUB TOTAL	0.00	
RWANDA	C	3,678,000.00	
	G	1,015,500.00	
	SUB TOTAL	4,693,500.00	
SAUDI ARABIA	A	25,864,320.00	Evaluations
	C	6,069,845.00	Demonstrations, testing, repairs
	D	4,200,000.00	
	G	0.00	Evaluations
	SUB TOTAL	36,134,165.00	
SENEGAL	A	22,568,700.00	
	C	10,120,500.00	

Country	Category	ZAR Value	Reason(s) (Non monetary exports)
	SUB TOTAL	32,689,200.00	
SINGAPORE	A	2,750,725.00	Tests
	B	12,628,675.00	Evaluations
	C	4,040,410.00	Repairs, demonstrations
	D	7,313,600.00	
	SUB TOTAL	26,733,410.00	
SLOVAK REPUBLIC	A	5,250,166.00	
	C	120,625.00	
	SUB TOTAL	5,370,791.00	
SLOVENIA (EX YUGOSLAVIA)	C	6,175,000.00	
	SUB TOTAL	6,175,000.00	
SPAIN	A	246,765,080.00	Evaluations
	C	25,030,216.00	Evaluations, repairs, flight tests, demonstrations, trials
	SUB TOTAL	271,795,296.00	
SUDAN	A	64,025,000.00	
	B	0.00	Peace-keeping
	C	0.00	Peace-keeping
	SUB TOTAL	64,025,000.00	
SWAZILAND	A	0.00	Demonstrations, exhibition, donation
	B	983,800.00	Demonstrations, exhibition
	C	1,085,940.00	Donation,
	SUB TOTAL	2,069,740.00	
SWEDEN	A	0.00	Loan, repair
	C	82,535,435.00	Tests, repairs, evaluations, demonstrations
	D	4,500,000.00	
	G	5,895,857.00	Demonstrations,

Country	Category	ZAR Value	Reason(s) (Non monetary exports)
	SUB TOTAL	92,931,292.00	
SWITZERLAND	A	3,073,156.00	Evaluations
	C	1,382,092.00	Exhibition, repairs, evaluations
	D	0.00	Evaluations
	SUB TOTAL	4,455,248.00	
TAIWAN	C	605,720.00	
	SUB TOTAL	605,720.00	
TANZANIA	A	11,245,500.00	
	SUB TOTAL	11,245,500.00	
THAILAND	A	196,514,551.00	
	C	1,008,800.00	Repairs
	SUB TOTAL	197,523,351.00	
TUNISIA	A	300,000.00	
	SUB TOTAL	300,000.00	
TURKEY	A	26,190,000.00	
	B	0.00	Military exercise
	C	28,464,400.00	Evaluations, repairs
	SUB TOTAL	70,634,936.00	
UGANDA	A	0.00	Peace-keeping operation
	C	2,150,000.00	
	SUB TOTAL	2,150,000.00	
UKRAINE	C	1,440,000.00	Demonstrations
	SUB TOTAL	1,440,000.00	
UNITED ARAB EMIRATES	A	8,272,653.00	Evaluations, exhibition
	B	0.00	Exhibition
	C	98,505,258.00	Repairs, tests, demonstrations, evaluations, exhibition
	D	7,826,070.00	Exhibition

Country	Category	ZAR Value	Reason(s) (Non monetary exports)
	G	70,636,195.00	Tests, exhibition
	SUB TOTAL	185,240,176.00	
UNITED KINGDOM	A	199,693,413.00	Repairs, evaluations,
	B	180,452,323.00	
	C	76,207,107.00	Evaluations, repairs, exhibition, show, demonstrations, flight tests,
	G	316,830.00	Tests
	SUB TOTAL	456,669,673.00	
UNITED STATES OF AMERICA	A	1,880,637,438.00	Evaluations
	C	55,524,574.00	Repairs, demonstrations, evaluations, tests, show, exhibition
	D	748,900,399.00	
	G	0.00	Evaluations, repairs
	SUB TOTAL	2,685,062,411.00	
VENEZUELA	A	0.00	Demonstrations
	B	0.00	Evaluations
	C	24,246,192.00	Demonstrations, evaluations
	SUB TOTAL	24,246,192.00	
VIETNAM	C	5,254,175.00	Demonstrations, repairs
	SUB TOTAL	5,254,175.00	
ZAMBIA	C	18,920,000.00	Donation, demonstrations, repairs
	SUB TOTAL	18,920,000.00	
GRAND TOTAL		5,898,235,912.00	