



ANNUAL REPORT **2023**



AMD ANNUAL REPORT 2023



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THE SOUTH AFRICAN DEFENCE INDUSTRY



The South African Defence Industry, (SADI), is a cluster of South African private and public sector organizations that are involved in the design, development, manufacture and maintenance of landwards, aerospace and maritime defence systems as well as the provision of mission specific systems and sub-systems along with the required enabling capabilities like training, modelling and simulation.

Recently recognised as a strategic industrial sector of the South African economic landscape, the SADI's

uniqueness is further entrenched by the fact that this sector is an integral part of the South African National Defence Force's (SANDF) capabilities especially in relation to the support, maintenance, repair and overhaul of operational systems as well as being subject to stringent governmental regulations on non-proliferation and conventional arms control.

The SADI's competitive advantages include not only price and quality of their products and systems, but also other considerations that count in its favour. One of

the key characteristics of the SADI is its jealously guarded 'independence' as a defence industrial capability that can offer a viable alternative to non-aligned / non-NATO defence clients who value access to a reliable supply of defence equipment and services. Second, the size, ingenuity and interdependence of the SADI allow it to respond swiftly and flexibly to new requirements with some developments reaching fruition in 6 to 9 months from inception. Lastly, the SADI's key and primary client, the SANDF, operates in the diverse

and exacting climatic and geographical conditions of the African continent. This means the SADI's offering is designed to function optimally in all these conditions and is thus ideal for most defence applications virtually anywhere in the world. All these factors are then made even more worthwhile by the strong defence electronics bias within the SADI making it an ideal partner that is able to offer systems design, engineering and integration capabilities in upgrading and customising foreign defence systems for third-party markets.



INTERNATIONAL INVESTORS





AMD is the Aerospace, Maritime and Defence Industries Association of South Africa and has as its primary objective the representation of the industry in matters of mutual interest and the promotion of a profitable, sustainable and responsible industry.

The Association is acknowledged as the only trade association of the South African defence industry (SADI) and is mandated by its members to promote and champion the collective interests of the industry. It comprises of a cluster of leading companies in the South African private and public sector engaged in industrial and trade processes of defence-related material, products and services.

AMD assists and provides guidance in harnessing the collective effort of the SADI as these companies play a key role in the defence acquisition and supply chain. This ensures that cost effective and sustainable solutions are offered to its broad client base that meets the most stringent technical requirements, comparing or even exceeding international standards.

AMD member companies supply products and services to the Department of Defence (DOD), government organisations and other contractors, both locally and internationally, in the defence and security market place. As the SADI is one of the cornerstones of a stable and growing South African economy, AMD is responsible for ensuring that a world-class indigenous defence industry capability is maintained in a sustainable manner. Providing high-tech solutions at competitive prices is a constant requirement to secure export orders, which in turn lead to skills development, job creation and retention. This also assists the South African government in executing its foreign policy imperatives and agreed upon international responsibilities in the region and African continent.

AMD'S VISION

"To create an enabling environment for SADI to ensure long-term sustainability locally and internationally".



AMD'S MISSION

"AMD is a credible and legitimate representative of SADI that contributes optimally to national security, industrial and technology objectives".

SADI COMMON INTEREST

- Profitability and sustainability.
- Certainty of planning (content and horizon).
- Home market advantages (including R&D, preferential access).
- Government Support for Export (Political support); and
- Responsible corporate citizenship.

CHAIRPERSON'S REPORT



Nombasa Ndhlovu
CHAIRPERSON



Welcome to the AMD Annual Report for 2023, I am pleased to bring you up to speed with the Associations' activities of the past financial year.

The report will be structured as follows:

- I will first outline the key highlights of the financial year under review and discuss the outlook for the remainder of the year.
- The Executive Director will in the subsequent report provide detailed feedback on AMD activities of past financial year.

This will be followed by my closing address. I would like to use my address to touch on some of the key challenges/Highlights that AMD has dealt with in the past financial year, as well as outline what I think are the key future focal areas. Amongst the Highlights and challenges I would like to reflect upon are:

Highlights

- AMD is in a much better financial standing post AAD 2022, the success of which has managed to restore the Association's main revenue stream (60% from AAD).
- The much-improved relationship with DCAC and NCACC
- Export Permits of some of the countries that we could not export to in the past were approved, namely; Mali, Turkey and Burkina Faso.
- The permanent appointment of the Executive Director of AMD and office bearers.
- The collapsing of the SAAMDEC and AMD office structure has assisted to having a more agile structure that is manageable and focused to the serious needs of both associations.

Challenges

- The operation days of DCAC with no access for Industry members on Fridays.

- The Poland export permits that are still pending (legislative requirement)
- The AMD membership fees that are not inflation related.
- NDIC issue still pending since the resignation of the Chairperson
- Transformation still an issue in the sector with SMME's closing down their companies

The AMD office, with your support, will continue to address the above issues and drive for their expedient implementation/resolution in a manner that strengthens the Association and the industry. Based on the challenges that will continue to plague the industry, it is my submission that the following will and must be areas of focus for AMD and the SADI if either is to survive:

- **Exports** – significantly grow these which means a renewed focus on SAAMDEC, the SADID and all promotional platforms like DEFCOMS, trade missions, shows and exhibitions;

- **Localisation and designation** to enable fleet procurement across industry and capability areas especially in relation to the requirements of the national security cluster.

Partnerships – being an industry steeped the provision of unique electronic sub-systems, it is now very important that the SADI goes into strategic partnership with other industries that have potential to complement and supplement its capabilities.

Achievements of the Association under the leadership to date:

- 1) **The leadership of AMD as lead partner on a successful Post-Covid19 AAD2022**
The AAD2022 Policy Committee Chairpersonship was

automatically transferred to the AMD Chairperson due to Association being the leading partner for AAD 2022. Furthermore, with AMD at the helm of organisation of AAD2022, SADI members could clearly witness what the association could deliver and encouraged more SADI members to join AMD. This has led to a much-needed increase in membership and with AMD as a lead partner, our members also led Excom and Fincom.

2) The meeting with the NCACC Chairperson, Minister Gungubele

This meeting led to the initiation of Cabinet discussions regarding the challenges faced by AMD/ SADI members on Export permits and resulted in positive outcomes and a better understanding by the Chairperson of NCACC of the Defence Industry challenges.

3) The AMD 30th Celebration

During the course of AAD 2022, AMD had its 30th anniversary celebration that was well attended by the members of the security cluster and other pertinent stakeholders. As an Association, we also got an opportunity to bid farewell to Mr Simphiwe Hamilton who tirelessly served AMD for more than a decade.

4) The South African Women in Defence Event at AAD2022

South African Women in the Defense industry (SAWID) was established in 2014, to possibly aide in the needs, obstacles as well as concerns faced by women in the industry. SAWID is a Non-Profit Organisation established to create a platform for networking and development of women who contribute to national defence and security across South Africa. In light of this, an event was organized by the AMD office to celebrate the role and contribution of women in Defence. This event was well attended with the Minister of Defence and Military Veterans Ms Thandi Modise as the keynote speaker. The Secretary of Defence, Ambassador Kudjoe and her counterpart from Lesotho were also key participants this event. The event received significant local media coverage.

5) The DCAC Roadshow with the head of the Secretariat Advocate attended both Durban and Cape Town

This roadshow was specifically organised to attend to the needs of the decision makers (Director/ CEO) of AMD members. We would like to thank Reutech for hosting of this roadshow for both Durban and Cape Town. In Cape

Town the Chairperson of NCACC Minister Gungubele was meant to address AMD members but unfortunately duty called and as a result, Minister Gungubele could not be part of this roadshow. Furthermore, we would like to thank Advocate Jele as the head of the Secretariat, as he led the roadshow with much integrity and with the assistance of his office members. This event was a major success.

6) The Sovereign Security Conference on 11 August 2022

This event was major a success which was also well attended by SADI members. The conference sought to address South Africa's national security challenges, cyber-crime risk, porous borders and border security problems and solutions.

Closing

Although we face new challenges every year in this dynamic industry, we continue to take the blows in stride, working tirelessly with all stakeholders to ensure the sustainability and survival of the sector and I urge you as members to stand together as we go through every hurdle.

On behalf of the Board, I want to acknowledge and appreciate the outstanding efforts of our ED, Mr Sandile Ndlovu for his leadership, commitment and resilience during this past year that presented its fair share of challenges. I would also like to thank the AMD Office staff for their hard work and dedication.

I would also like to thank fellow members of the AMD for the sacrifices, contributions and invaluable and voluntary support you have made, and continue to make, in fulfilling the roles as the custodians of the Association. I very much appreciate the opportunity to serve as Chairperson of the AMD board, it continues to be a challenging, yet fulfilling and rewarding journey.

We look to the future with much enthusiasm and optimism. Lastly, thank you to our members and every stakeholder for your continuing support.

I thank you.

Ms Nombasa Ndhlovu
AMD Chairperson



INTERIM EXECUTIVE DIRECTOR'S REPORT

A very good welcome to ALL our Members, Export Council Board, and to our esteemed stakeholders – the DTIC, Armscor and DOD.

We commence this report under very different circumstances than those of the previous year. While the worst may be over, we still have multiple challenges that we must still overcome.

We have had quite an eventful year, as the Chairperson has reported. We managed to soldier through and deliver the best that we can, with the resources at our disposal.

But there is no time to rest, nor do we have any respite. While a lot has been achieved, a lot more still needs to be done.

It is my great pleasure to present to you some of our programs and activities that will consume our time, efforts and resources in the year that we are in.

1. Re-organisation of Industry Structures

Ladies and gentleman, In June 2022, the SAAMDEC and AMD Boards commissioned a task team under the leadership of Mr Peter v/d Bijl, a veteran of our industry. The primary purpose of the Task Team was to review (and confirm) the relevance of both AMD and SAAMDEC seeing that AMD has been in existence for 30 years. They were further mandated to engage and consult with all our critical stakeholders so as to ensure that we get to find out what our stakeholders are saying about us.

The outcome was a (re)confirmation of the relevance of our Industry Structures. However, there were recommendations of how the working of these two structures could be improved in order to promote efficiency, effectiveness and also reduce costs.

Another recommendation was around the primary purpose of the existence of our Organisations – that is the purpose of Lobbying. AMD and SAAMDEC are primarily lobby organisations. It was therefore recommended that Industry should consider appointing a person of Stature who can carry out this task. These two recommendations are aimed at improving how we deliver value to you, as Members. They are aimed at ensuring that we remain relevant to all our stakeholders and should thus be supported.



2. Africa Focus – DIRCO COMED (Co-ordination Mechanism for Economic Diplomacy)

For the longest of time we have been lobbying for government political support. Finally, our pleas seem to have fallen on fertile or receptive ground. Under the Minister of International Relations and Cooperation, a coordination structure for Economic Diplomacy has been established.

This structure is composed of relevant government departments and entities to enable trade. As Aerospace and Defence, we are Members of this structure.

We intend to use our Membership of this structure to ensure that we pursue the mandate we have been given by our Members, and that is to open up foreign markets for Industry.

We are not there yet, but we are surely moving in the right direction. We are hoping that with the establishment of this structure, we will start to see deliberate and concerted efforts of business expansion and promotion –

with government leading from the front.

3. Market Intelligence

If we are to make effective use of the DIRCO established structure we need to be very selective and direct in our approach. Not all markets are likely to yield positive results for us.

We therefore need to make use of Market Intelligence to guide us where to apply our efforts. We are in advanced stages in our engagements with the Department of Economic Development in Gauteng, to assist us secure

SANDILE NDLOVU
INTERIM EXECUTIVE DIRECTOR

“ To reposition the Sector will not be possible unless we can mobilise the support of all our stakeholders. ”



such a platform.

The envisaged Market Intelligence platform will be accessible to ALL our Members, and will be used to identify opportunities per continent, region and even country. It will be a system that will allow companies to search for opportunities globally.

4. Expansion of the Export Advocates and Ambassadors programme

With opportunities identified we will still require additional assistance in converting those opportunities to orders. The uniqueness of our sector compels us to not only rely on a single layer of support.

Over five years ago, we introduced for the first time Ambassadors and Advocates for our exports. These are retired Diplomats and Senior Officers who have availed themselves to work with our companies to open up markets, particularly on the African continent.

We have gone on to expand this group to include retired intelligence officers. This we have done, looking at the diverse nature of our product offerings.



Of course, we understand the sensitivities and complications that accompany such arrangements, and we leave it to each company to decide on how best to utilize the capacity and support that we have put in place. These individuals remain available upon activation by a requirement.

To ensure that they deliver value to us, as SADI, we have decided to deal with individuals who have direct access to Senior Military, Intelligence and Political Leadership of African countries. We deal with individuals who have the ability to take companies directly to decision makers and not to create another layer of facilitators. We encourage SAAMDEC members to make use of this facility.

5. Industry Lekgotla

The Minister for Defence and Military Veterans has directed that an Industry Lekgotla be convened as a matter of urgency. She has mandated Armscor to oversee the process of arranging the Lekgotla. AMD has been invited by Armscor to form part of the planning and steering committee.

We can therefore report that the postponed Lekgotla from April 2022 will be convened in the coming months, if not weeks.

Industry has been asked to provide inputs in as far as issues that the Lekgotla must address. We have received those inputs and in relation to exports, the following issues received the most support;

- NCAC Act amendment;
- DCAC operational efficiencies; and
- Government political support (President and MOD)

These are the issues we will take with us to the planning committee. We cannot guarantee that they will make the final cut because the Minister will have the final say on the agenda. But we will lobby for their inclusion. We do not foresee any resistance when it comes to incorporating these issues into the agenda for Lekgotla.

6. Repositioning of the Sector

We also plan to use the Lekgotla to commence a process of repositioning our sector. There can be no doubt that not everyone sees our Sector in the way that we see it. This misalignment requires that we, as the Export Council together with AMD, address it. If left un-addressed we will continue to be confronted with the same issues that we are faced with now.

To reposition the Sector will not be possible unless we can mobilise the support of all our stakeholders. As an ecosystem we suffer from a common problem – lack of understanding and full appreciation of true value. We will need your support as Members, to help us achieve this repositioning.

Let us begin to write our own stories, let us begin to communicate on our own behalf. Leaving in the shadows is no longer an option for us, if we are realise our full potential. And as a regulated sector, we cannot realise this potential without the full support of our government. And government cannot give us their full support if they do not understand us.

It is our responsibility to make them understand us, it is our responsibility to make them see value in protecting and supporting this industry.

7. Strategic Partnerships (GGDA)

We are fortunate in that the Gauteng and Western Cape Provinces have designated Aerospace and Defence is sectors that are critical for growth and development. In the case of Gauteng Province they have gone on to seek strategic partnerships with key players in the Aerospace and Defence Sector. As SAAMDEC we will be entering into a strategic partnership with GGDA, which will have as its primary purpose the assistance of Gauteng based companies with business expansion opportunities.

This relationship will serve as a precursor of similar relationships that we will seek with Western Cape and KZN. We have already commenced engagements with TIKZN – Trade and Invest KZN.

Members, with such relationships we seek to deliver value added services to you, which are tailor-made for your specific environments. By partnering with GGDA we will be able to assist companies in addressing issues that are hindering them from expanding and exporting. Naturally, we are very excited about such partnerships.

Conclusion

As I conclude allow me to state that what I have presented is an extraction from our Business Plan. This is not the only thing we will be doing but some of the things. As Members can see, we have a lot on our plate. And for us to achieve all that we have set out, we need their full support.

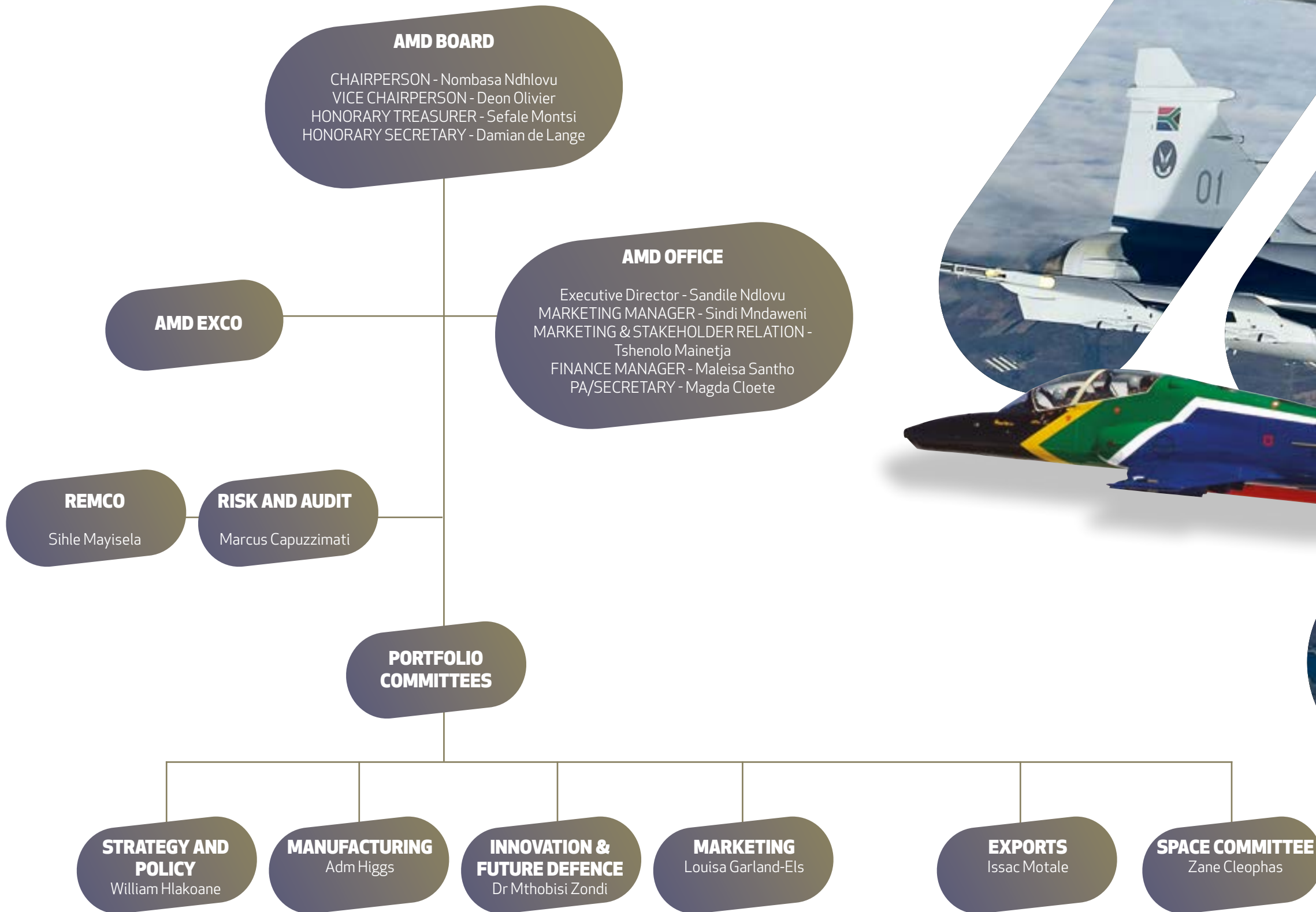
Allow me to end by thanking the Board for their leadership and guidance; our DTIC colleagues from the Sector Desk and also the Export Council Support Team for all that they continue to do for us. Let me take this opportunity and also that the AMD/SAAMDEC office for their continue support despite the numerous challenges that we face.

Last, but by no means, the least, please allow me to thank our Members for their continued support and the confidence that they continue to place on us.

I thank you.

Sandile Ndlovu
Interim Executive Director

AMD ORGANISATIONAL STRUCTURE



AMD BOARD OF DIRECTORS

AMD is governed by a Board of Directors of company representatives who are elected by the membership of the Association for a two-year period. The Board meets four times a year to discuss matters of policy and strategy as well as to provide guidance and oversight whilst ensuring accountability of all AMD activities and is supported by four member-run committees, who focus on specific activities. The Board is further supported by the Executive Committee which consists of the Chairperson, Vice Chairperson, Honorary Treasurer, Honorary Secretary, the Executive Director and Chairpersons of the Committees.

NAME	POSITION
Ms Nombasa Ndhlovu	Chairperson
Mr Deon Olivier	Vice Chairperson
Sefale Montsi	Honorary Treasurer
Brig Gen (ret) Damian de Lange	Honorary Secretary
Ms Idah Mabaso	Chairperson NIP/DIP committee
Mr Sandile Ndlovu	ED SAAMDEC / Interim AMD ED
Mr Mark Minnies	Vice Chairperson: Policy and Strategy Committee
Mr Shafiek Hendricks	GRIMMS Group
Adm (ret) Rusty Higgs	Chairperson: Manufacturing committee
Mr Zane Cleophas	Chairperson: Space committee
Mr Andre Olivier	Representative (OTT Solutions)
Mr Marcus Capuzzimati	Chairperson: Risk and Audit committee
Mr Sihle Mayisela	Chairperson: REMCO
Mr Ratilal Rowji	Representative (GC2T)
Mr Isaac Motale	Chairperson: Exports Committee
Ms Nadine Rynners	Representative (ICP - REVA)
Brig Gen (ret) Chris Gildenhuis	Representative (OTT Technologies)
Ms Louisa Garland-Els	Chairperson: Marketing committee
Mr Cornelius Grundling	Representative (DCD)
Mr Rob Kihn	Representative (Paramount Group)
Mr Trevor Raman	Representative (Reutech)
Mr Jan-Patrick Helmsen	Representative (RDM)
Mr Nico Troostheide	Representative (GAC Lacer)

AMD ACTIVITIES

The association participated in various engagements with stakeholders and companies within the defence sector with the singular aim of revitalising the Association into a credible and effective representative of the SADI. AMD remains in the centre stage of all crucial matters relating to the future of the defence industry and is stronger now despite the negative impacts from the COVID-19 pandemic.

The Association remains focused on the achievement of its goals as encapsulated in the 2022/2023 Programme

of Action elements of which will be reviewed in the messages by the Chairperson and the Interim Executive Director and are reported upon in the relevant sections of this Annual Report. The Programme of Action is a tool that is used by the AMD Excom to guide the activities of the Association and by the Board to measure progress in each of the designated areas. The Programme of Action goals have been implemented and some reached completion and will, based on upcoming assessment and review by the Board, subsumed into future versions.

DEFCOMS

COUNTRY	DATES	LOCATION
DCAC work sessions	01 and 03 February 2023	KZN and Cape Town
MOD & MV visit to Uganda	03 - 08 February 2023	Uganda
Industry Advisory Panel discussions	09 March 2023	CSIR ICC
4th Sitting of the Joint Trade and Investment Committee (JTIC) between SA and Benin	13 - 15 March 2023	Benin
Foreign study visits from UAE National Defence College	11 - 18 March 2023	Pretoria
Presentation: the dtic app	14 March 2023	Bedfordview
Visit of Chief Defence DRC to SADI	17 March 2023	SADI companies in SA
RSA-Brazil Defcom: 22 - 23 March 2023	17 March 2023	Pretoria
Belgian - SA Business forum on building sustainable partnerships	23 March 2023	Pretoria
Departmental Preparatory Meeting for the upcoming visits: Qatar; Malaysia; Senegal; Thailand; Algeria; Tanzania; Jordan	On-going	

CONFERENCES AND SEMINARS

The AMD Office assisted in arrangements of, participated in and/or coordinated industry involvement in the following conferences and seminars:

EVENT	DATE	LOCATION
Export Workshop	01 and 03 February 2023	KZN and Cape Town
Standing Maritime Conference	09 March 2023	CSIR ICC
Chief Army Golf Day	13 – 15 March 2023	
AFCFTA Business Forum	16 – 18 April 2023	Cape Town
SAMDEX Consultative conference	20 April 2023	
SACU-AFCFTA-UNDP- information sharing workshop	01 June 2023	
Defence and Security Industry Advisory Panel	20 June 2023	Pretoria
Minister Pandor engagement with business Africa:	21 June 2023	Pretoria
Sovereign security conference	August 2023	Pretoria
AMD Conference	September 2023	Pretoria
Maritime Security conference	November 2023	Cape Town

EXHIBITIONS & SHOWS

COUNTRY	DATES	LOCATION
IDEX	20 – 24 February 2023	Abhu Dabi
SAAF Museum Airshow	06 May 2023	Swartkops
IDEF	25 – 28 July 2023	Turkey
DSEI	12 – 15 September 2023	London
EDEX 2023	December 2023	Egypt



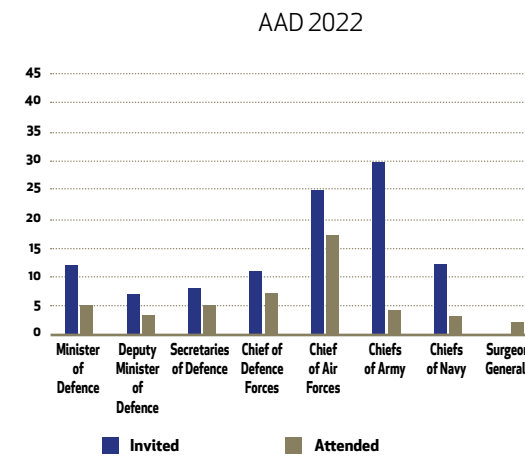
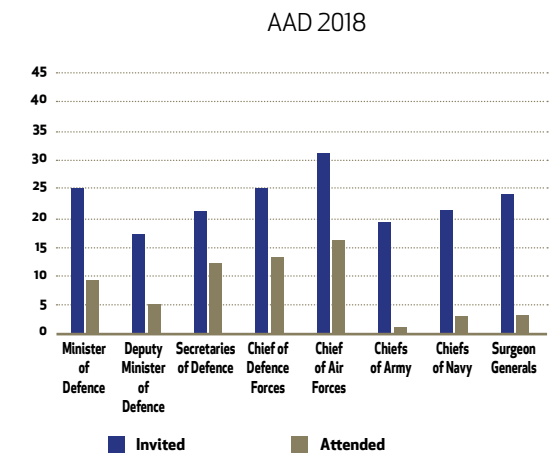
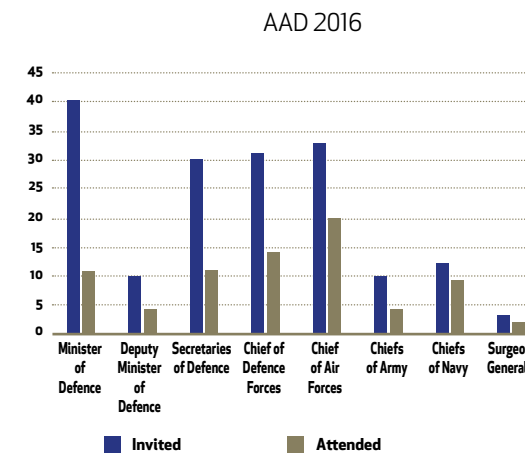
AAD 2022

Arranged in partnership by AMD, Armscor and the Commercial Aviation Association of Southern Africa (CAASA) with significant assistance from the SA government especially the SA DOD, AAD is the biggest aerospace and defence exhibition on the African continent and AAD 2022 represented the twelfth edition of this event. Held over the 21st – 23rd of September 2022 at Air Force Base Waterkloof in Centurion, South Africa -

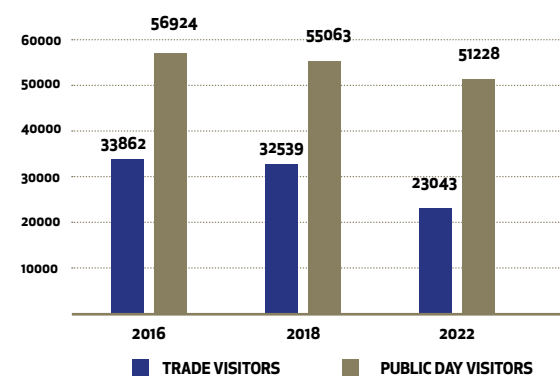
AAD2022 EXHIBITION AND AIR SHOW STATISTICS

	AAD2018	AAD2022
Official delegations	60	40
Exhibitors	486	203
Number of Trade visitors	32 538	23 043
General public visitors	55 063	51 228
Accredited local and international media	287	176
Military and Civilian aircraft	926	65
Exhibition space	30 129m2	
National Pavilions	15	9

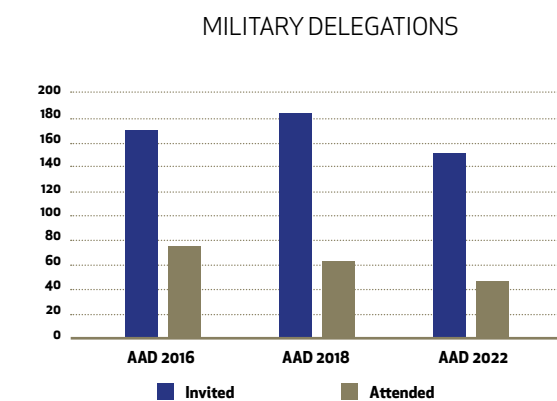
Delegation Attendance



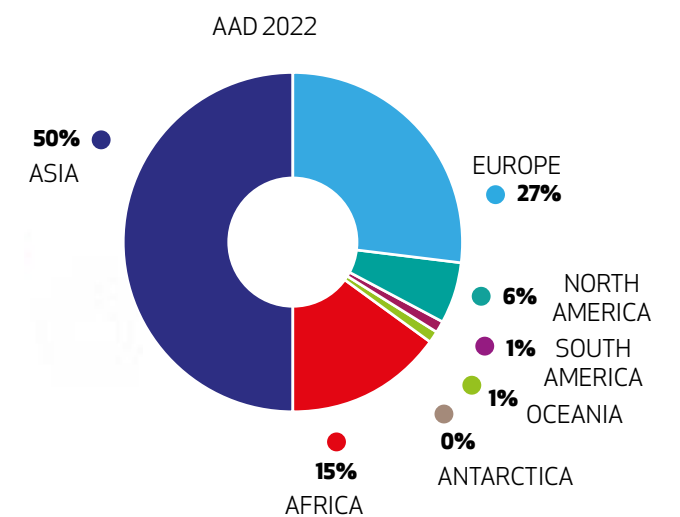
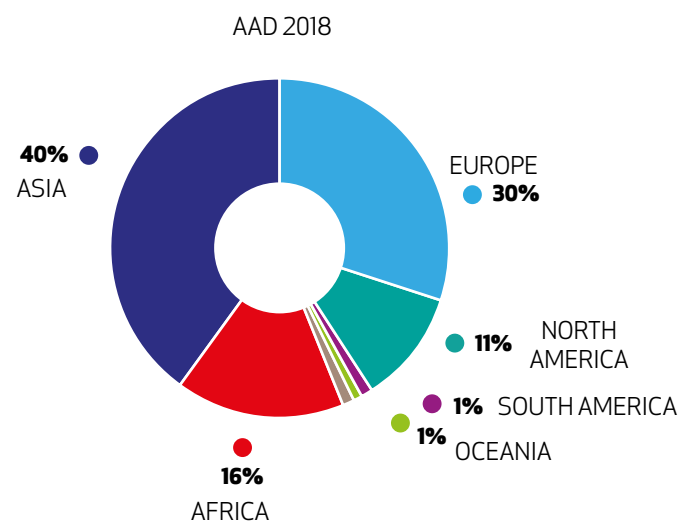
Number of Trade and Public Visitor



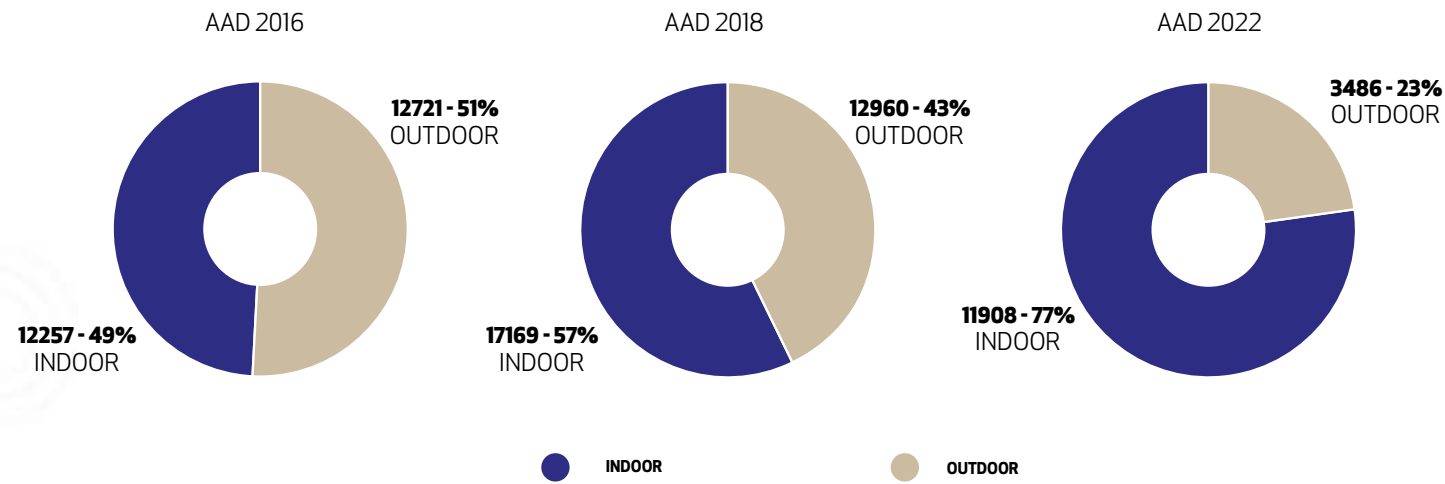
Delegation Attendance



Visitors per Continent



Exhibition Space Comparison



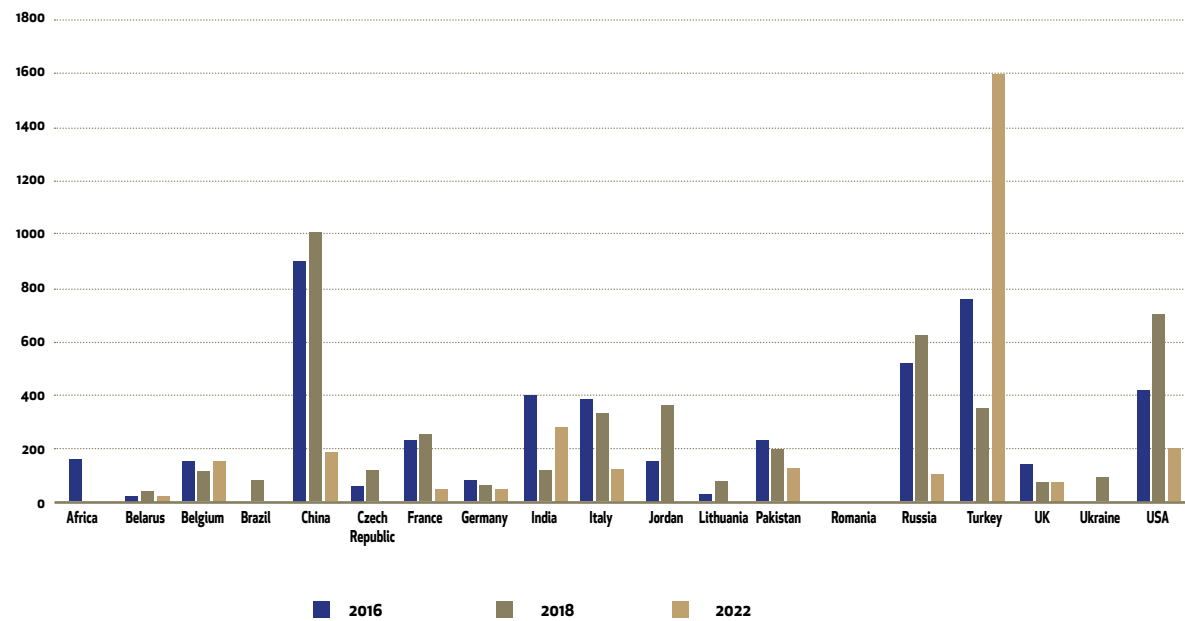
AMD FINANCIAL STATEMENTS

AMD's financial statements have been completed and audited by PKF Auditors. The results thereof have been reviewed by the AMD Risk and Audit Committee. The Association has been found to be in good financial health and declared a going concern making it possible for us to continue and serve members.

AMD MEMBERSHIP

Membership of the Association is voluntary and is open to any South African registered company, body, organization, society, association, research and educational institute, person and official representative of a foreign registered company. The AMD Board of Directors may prescribe who, in its opinion, has a substantial operation in South Africa who will add meaningful value to the material and services supplied to the defence, aerospace, maritime and landwards sectors, locally and internationally and thus determine their involvement in AMD activities.

Pavilion Participation



CATEGORY	NUMBER	MINIMUM TURNOVER
Class A	11	Turnover exceeding R250 million per year
Class B	5	Turnover between R50 and R250 million per year
Class C	6	Turnover between R25 and R50 million per year
Class D	8	Turnover between R10 and R25 million per year
Class E	24	Turnover less than R10 million per year
Special Members	8	Research/Educational Organisations /institutes (non- profit)
Associate member	0	
TOTAL	62	

AMD MEMBERSHIP

“ At inception, the Association had only 39 members, today the Association has 62 members from the South African Defence Industry ”

Areta Holdings
Tel: 012 003 3240
www.aretaco.za

Armiger (Pty) Ltd
Tel: 012 650 2028
www.armiger.co.za

Bohlabela Wheels
Tel: 013 753 6000
www.brabys.com

Clear Bec Group
Tel no: 079 955 8066
Email:

Cobra Aviation (Pty) Ltd
Tel: 011 395 1473
www.cobraaviation.co.za

Compliance and Security Advisory Services (Pty) Ltd
Tel: 011 518 3700
www.csas.co.za

Cybicom Atlas Defence
Tel no: 021 786 2035
www.cadefence.com

Damen Shipyards
Tel no: 021 447 1714
www.damen.co.za

DCD Protected Mobility
Tel no: 011 281 7300
www.dcd.co.za

Defencetek CSIR
Tel: (012) 841-3139
www.csir.co.za

Denel SOC
Tel: (012) 671 2938
www.denel.co.za

DIRTT Africa (Pty) Ltd
Tel no: 011 472 6649

Emzansi Engineering Consultants
Tel no: (012) 345 3383
www.emzansi.com

FIMM Tech Pty) Ltd
Tel no: 083 2359 647
idahm@fimmtech.co.za

GAC Laser International Logistics
Tel no: 012 345 5109
www.gaclaser.co.za

GEW Technologies (Pty) Ltd
Tel no: 012 421 6212
www.gew.co.za

Global Command and Control Technologies
Tel no: 087 0949009

Grimms Group
Tel no: 021 510 1383
www.grimms.co.za
www.gc2t.com

Hensoldt SA (Pty) Ltd
Tel no: 012 674 0012
www.hensoldt.net

Hlamalane Projects (Pty) Ltd
Tel no: 010 020 1883
www.hlamalaneprojects.co.za

Imperial Armour
Tel no: 031 700 2650
www.imperial-armour.com

Katlego Global Logistics
Tel no: 011 315 8125
www.katlegoint.co.za

Lorris Duncker Consultancy & Services (Pty) Ltd
Tel no: 082 902 1127
armscontrol@lduncker.com

Milkor (Pty) Ltd
Tel no: 012 333 3134
www.milkor.com
MN Group (Pty) Ltd
Tel no: 083 591 7271
sicolon@mngroup.co.za

M-Tek
Tel: (012) 653 2528
www.mtek.co.za

Mzansisat (Pty) Ltd
Tel no: 083 655 1715

Natcom Group
Tel no: 012 804 1148
www.natcom.co.za

Natco SA International Transport (Pty) Ltd
Tel no: 011 608 2340
www.natco.co.za

North Park Group (Pty) Ltd
Tel no: 087 720 1345
www.northparktelecoms.com

Offsets and Consulting Services
Tel no: 084 500 5060

Optronics Africa cc
Tel no: 082 454 8733
www.optronics.co.za

Osprea Logistics SA (Pty) Ltd
Tel no: 021 300 3000
www.osprea.com

OTT Solutions
Tel no: 082 539 2793
www.otsolutions.co.za

OTT Technologies
Tel no: 012 802 8700
www.ott.co.za

Paramount Group
Tel no 011 086 6800
www.paramountgroup.com

Pearl Coral 1173 t/a TFASA
Tel no: 044 272 2825
www.tfasa.co.za

RCSA
Tel no: (012) 671 1010
www.rcssa.com

Reutech Ltd
Tel no: (011) 652 5555
www.reutech.co.za

REVA (Integrated Convoy Protection (Pty) Ltd)
Tel no: (012) 811 8600
www.icp.co.za

RGC Engineering
Tel: (011) 887 0800
www.rgcengineering.co.za

Rheinmetall Denel Munition
Tel no: 021 850 2004
www.rheinmetall-denelmunition.com

Richard Harper Logistics
Tel no: 082 900 1653
www.harperlogistics.com

Rippel Effect Systems
Tel no: 012 803 4346
www.rippeleffect.com

Saab Grintek Defence
Tel: 012 492 2968
www.saabgroup.com

AMD MEMBERSHIP

Sandock Austral Shipyards

Tel no: 031 274 1810
www.sda.co.za

SAP Africa Region

Tel no: 011 235 6000
www.saps.com

Siemens Energy (Pty) Ltd

Tel no: (031) 710-4120
www.siemens-energy.com

Simteq Engineering (Pty) Ltd

Tel no: 012 004 1362
www.simteq.co.za

Snode Technologies

Tel no: 012 880 0989
www.snode.com

Special Vehicle Innovation

Tel no: 012 999 3082
www.svi.co.za

Swatek Electronics (Pty) Ltd

Tel no: 012 644 1085
www.swatek.co.za

TAU Aerospace

Tel no: 011 397 6260
www.tauaerospace.co.za

Thales SA Systems

Tel no: 011 313 9123
www.thalesgroup.com

TMi Dynamics

Tel: (012) 844 0310
www.tmi-za.com

Twiga Services & Logistics

Tel no: 012 345 5109
www.twiga-africa.com

Umkhombe Marine (Pty) Ltd

Tel no: 012 003 8053
www.umkhombemarine.co.za

Vepac Electronics

Tel no: 011 454 8053
www.vepac.co.za

WSP Group Africa (Pty) Ltd

Tel no: 011 361 1402
www.wsp.com

ZD Investment t/a ZD Utilities

Tel no: 012 348 5338
www.zdutilities.co.za

Zebra Armour

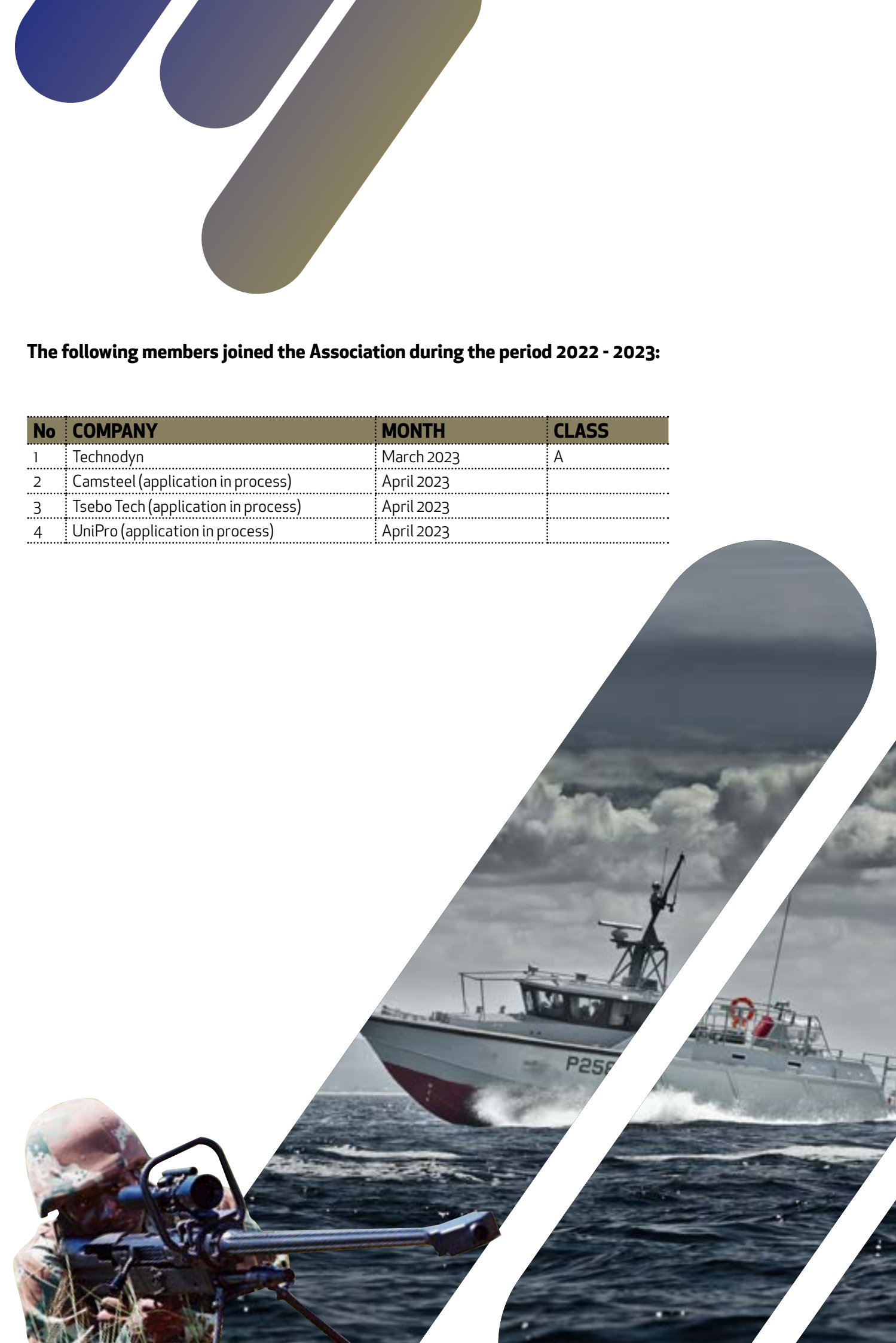
Tel no: 031 700 8077
www.zebraarmour.com

Zutari

Tel no: 076 260 7340
www.zutari.com

The following members joined the Association during the period 2022 - 2023:

No	COMPANY	MONTH	CLASS
1	Technodyn	March 2023	A
2	Camsteel (application in process)	April 2023	
3	Tsebo Tech (application in process)	April 2023	
4	UniPro (application in process)	April 2023	





EXPORT COUNCIL ANNUAL REPORT
SAAMDEC YEAR: 2023/2024

FOREWORD FROM THE SAAMDEC CHAIRPERSON



Mr Cornelius Grundling
SAAMDEC Chairperson

We as the Board, must account fully to you, as Members, on all the activities of the organisation.

Accountability is the cornerstone in which our organisation is built. It is therefore very important that we must take seriously the requirement to account. We account not only to our Members, but also to our Stakeholders, especially the dtic.

We, therefore, take this opportunity to give a full account of how your resources were utilised also to outline what we plan to do for the coming year. I will account for the previous year and our CEO will outline our plans for the coming year.

RESUMPTION OF INTERNATIONAL ENGAGEMENTS

During the period under review, we saw an uptake in activities. With the scourge of covid-19 now, fully behind us there was a resumption of international engagements. The sudden increase in the number of international engagements that we were involved in, does demonstrate the, undeniable, fact that South Africa remains politically relevant to most countries. As the Defence Industry we must take real advantage of this desirable state of affairs.

DEFCOMS

When it comes to Defence Committee meetings, there was a large number of these that took place from April 2022 to March 2023. This was due to the fact that covid-19 had disrupted many of these. In as far as geographical breakdown of these engagements, the majority of them were with African countries. For us, as the Defence Industry, we welcome this bias towards Africa. We continue to view Africa as our primary market and we thus appreciate, any and all, efforts to open this market for us.

Looking at how this current financial year has started, we are also going to be quite busy in the current financial year. The conflict in Ukraine has created opportunities that would have otherwise not been there. We are taking guidance from our government on how to capitalise from these.



We are eternally grateful to the DOD for providing this opportunity for us. We must make full use of the opportunity to engage on a bilateral level with our potential clients. In the absence of a well-established government to government framework, Defence Committee meetings provide the next best platform of engagement, with potential clients.

NATIONAL PAVILIONS

After a break, enforced by covid-19, we managed to return to international exhibitions with the support of the dtic. During the period under review we had two National Pavilions – in AAD 2022 and IDEX 2023. AAD deserves special mention therefore allow me to start with IDEX 2023.

IDEX was the first international exhibition we have attended since 2020. Despite the fact that IDEX coincided with Armed Forces Day 2023, in Richards Bay, we are happy to report that we were supported by the Minister of Defence, CSANDF, Chief of the Army, Chairperson and CEO of Armscor. We were thus, fully supported during this event. I wish to express our gratitude, on behalf of SAAMDEC

Members, to the dtic and the entire DOD leadership for their support.

AAD 2022

I think we will all agree that AAD 2022 was, by far, the most successful AAD in years. What makes this even more so for us, is that it was organised with Industry as the Lead Partner. The success of this Show is brought into context even more, when one looks at the prevailing circumstances around which the Show was organised. Once again, South Africans showed their resilience and spirit by having the ability to present a good show, in all respects.

We need to build on this momentum for AAD 2024.

There were many firsts that were achieved during this instalment of AAD. This was the first show to see the full participation of the South African Police Service; it was the first show to be attended by over five Cabinet Ministers and Deputy Ministers; it was the first show to see the full participation of UAV's and it was the first show to see the participation of a Former Head of State, with the Former President of Botswana attending the show.

We need to work with, and support, the organisers as they plan and prepare for AAD24. Of course, we also need to engage them so as to ensure that AAD continues to deliver value for our Members. We need to engage the organisers on how the Show could best be improved and what issues need to be addressed for AAD24.

UN TECHNOLOGY SYMPOSIUM ON PEACEKEEPING

In the period under review, we were also very fortunate to have the United Nations Technology Symposium on Peacekeeping hosted in South Africa. This symposium presented SADI with an opportunity to once again showcase our capabilities. Working together with Armscor and DOD we were able to do exactly that, through an exhibition that ran parallel to the event. We also had an opportunity to present a UN Procurement Seminar together with the UN Procurement Office based in New York. The primary purpose of the Seminar was to present urgent procurement opportunities within the UN environment that can be satisfied by South African companies.

The UN remains one of the most diverse and well-resourced entity that procures a myriad of goods and services. The fact that most of these, even though used within the African continent, continue to be procured outside Africa, is the point that we need to work hard to change.

CHANGING NARRATIVE

Even though ours is a good story to tell, it is often not a story understood, let alone told. We need to take it upon ourselves to tell our story. We need to make sure that ours is a story well understood and well told. When our story is told correctly, I have no doubt that the entire ecosystem will be better for it. Once our value to this country is fully understood and appreciated, we will see a better resourcing of the SANDF, we will see much greater political support for our efforts.

To ensure that we change the way people view us, as Industry, we need to start by re-positioning ourselves. While we may have started as a strictly defence industry,



the reality is that we have now morphed into a security industry. This is because by and large we have started producing dual-use products and technologies. While defence remains our core business, in this day and age, it is no longer our only business. We need to tell that story and tell it well.

CHALLENGES

While progress has been made on many fronts, it would be entirely inaccurate to paint a picture that does not have challenges. We have moved forward in most areas but, unfortunately, there has also been instances where progress has been elusive.

● Export Permits

We remain, by far, an export focused industry. We rely heavily on an efficient and effective regulatory regime. We also rely on the transparency and predictability of that regime for us to conduct our business. In cases where the

regime is not transparent, not predictable and is neither efficient nor effective, we suffer.

While we have made commendable progress from where we were two years ago, there is still more that must be done. We need to bring our regulatory regime into the digital age, we need to commence with the process to review and amend, where necessary, the NCAC Act, we need to advocate for the full capacitation and resourcing of DCAC. If we do not do any of these things, we are likely to be faced with the same challenges in the years to come.

● Aerospace and Defence Masterplan

The Aerospace and Defence Masterplan was adopted with much fanfare in October 2020. When the plan was adopted it brought with it much hope, anticipation and great expectations from the entire Aerospace and Defence Industry. In our case, and under the leadership

of AMD, we even went as far as adopting the Program of Action that was aligned to the key deliverables of the Masterplan.

However, we were all disappointed to see that there was no movement on the side of government in as far as implementation was concerned. So as we speak now, almost two years since the plan was adopted, there has been no movement on the part of government. Once again, we have a good plan that was developed but is now failing through lack of implementation. The provisions of the plan remain relevant, and as such, we must find ways of ensuring that they are implemented.

● Government Support

Ours is a highly regulated sector and success in our sector is as much a function of politics as it is a function of good product and pricing. It is therefore important that we, as private companies, are always supported politically. Our biggest competitors have well established government support mechanisms that allow them to access any political office that is necessary for their success. Unfortunately, we do not have the same support. We need to work on this support, we need to find ways of convincing our political principals on the necessity of this support.

While we do enjoy limited support, we need to institutionalise government support for Industry so that this support is widely accessible, within defined parameters.

● CONCLUSION

As I conclude, we need to be bold in our actions. We need to be deliberate in our efforts. The time for half-measures and incremental steps is over. Time is the luxury we do not have.

In its eighth year of existence, SAAMDEC has managed to achieve much. But this is not the time to relent, we need to push on until we arrive at a situation where our Sector receives all the support that it rightly deserves. As the Board we are prepared to fight the fight, and I can assure you that we will give it our all.

Let me end by thanking the SAAMDEC members, the Board, the CEO and the entire support office for the work that they all continue to put in. We are all in this together.
I thank you!

Mr Cornelius Grundling
SAAMDEC Chairperson



“ The SADI’s competitive advantages include not only price and quality of its products and systems, but also other key considerations that count in its favour. **”**

1. BACKGROUND OF THE SECTOR

1.1 Overview of the Sector and Performance Environment

The South African Defence Industry (SADI) is a cluster of South African private and public sector organisations that are involved in the design, development, manufacture and maintenance, repair and overhaul of landwards-, aerospace- and maritime defence systems as well as the provision of mission specific systems and sub-systems along with the required enabling capabilities such as training, modelling and simulation.

Most of the companies are recognised as original equipment manufacturers (OEM’s) in their own right, while the sector also includes a number of small-, micro- and medium enterprises (SMME’s). Although the majority of SADI companies are South African owned, the sector has a few companies that are registered in South Africa and provide significant employment opportunities to South Africans whilst they may have majority foreign shareholding/equity ownership.

SADI is recognised as a strategic industrial sector within the South African economic landscape and has a unique

distinction of forming, an integral part of the South African National Defence Force’s (SANDF) capability portfolio as the sector provides essential technical support in the form of engineering, maintenance, repair overhaul, qualification and certification capabilities for operational systems within the ambit of stringent governmental regulations on non-proliferation and conventional arms control regimes.

The sector invests roughly R500 million (down from R7bn at the height of SADI investments) in own technology development/R&D (Research & Development) annually, and has consistently provided meaningful skilled employment opportunities to about 12,500 highly skilled engineers, technicians and artisans – many of them contributing to key national projects in space, transportation, rail safety, mining, construction, power generation and telecommunications. Conservatively, the sector is estimated to have multiplier factor of 1:4 in terms of direct additional job opportunities in the wider manufacturing and associated services sector, thus supporting at least 60,000 further skilled jobs in the economy.

2. SOUTH AFRICAN DEFENCE INDUSTRY (SADI)

The SADI’s competitive advantages include not only price and quality of its products and systems, but also other key considerations that count in its favour. One of the main characteristics of the SADI is its jealously guarded ‘independence’ as a defence industrial capability that can offer a viable alternative to non-aligned / non-NATO defence clients who value access to a reliable and unfettered supply of defence equipment and services.

In making this fundamental statement it needs to be noted that all exports of military goods and services are reviewed and authorized by the National Conventional Arms Control Committee, using the United Nations Security Council resolutions and international protocols on the control of conventional arms as well as the non-proliferation of weapons of mass destruction as their primary guidelines to ensure that no South African company will breach these protocols and formal sanctions.

Secondly, the size, ingenuity and interdependence of the SADI allow it to respond swiftly and flexibly to new client requirements with some developments reaching fruition in 6 to 9 months from inception. This ability is based on

the niche skills of its engineering and artisan workforce, supported by a balanced skills development regime and innovative spirit that is recognised internationally.

Lastly, the SADI’s primary client, the SANDF, operates in the diverse and exacting climatic and geographical conditions of the African continent. This means the SADI’s offering is designed to function optimally in all these challenging environmental conditions and is thus ideal for most defence applications virtually anywhere in the world. All these factors are made even more worthwhile by the strong defence electronics bias within the SADI, making SADI an ideal partner that is able to offer systems design, engineering and integration capabilities for upgrading and customising foreign defence systems for third-party markets or integrating South African defence equipment on foreign platforms.

Expected growth in the industry sector is envisaged to be in the areas of cyber security, unmanned aerial vehicles, and protection systems – (both passive and active) as well as providing sub-system through integration into the global supply chain.

3. KEY CURRENT ISSUES, CHALLENGES AND OPPORTUNITIES IN THE SECTOR

Over and above the stringent technical and performance standards that are associated with high tech nature of defence products and services- the SADI's competitiveness is severely restricted by a number of issues which are critical for its success. Top amongst these being the following:

- Market attractiveness and market selection:
 - a. **Market size and demand:** whilst defence budget and spend globally may be on the rise, the local defence fiscal constraints continue to be a key challenge to the SADI as this means investment in much needed R&D has declined and the anchor client status and role of the SANDF has been gravely compromised particularly in relation to providing support to SADI exports as well as in terms of the development of future systems since most exports are a product thereof;
 - b. **Political stability:** typical political changes both locally and abroad are continuously threatening SADI export prospects particularly the geo-strategic realignment in the Middle East and the evolving political realignment driven by changing US politics especially in South America. The Ukraine/Russia conflict has presented numerous opportunities for countries such as ours. European countries are now embarking on major armaments acquisition drives. This, inevitably, means there will be more market demand. Russia, is likely to be absent on the market, particularly, the African market. This will also present an opportunity for South Africa to exploit. Traditional, Russian allies, the PRC and Turkey are currently the only two countries, outside Eastern Europe, who are supplying the Russians with armaments. This means their presence is likely to be reduced on the African continent. South Africa must move with speed to take advantage of these opportunities.
 - c. **Sound financial structures for payment:** the need for reliable and stable financial instruments (including bartering) and export credit guarantee for the SADI is a key requirement for SADI export support;

- d. **Regulatory environment:** the dependability and predictability of the issuance of permits, DCAC capacity and effectiveness and the requirements related to EUC's are key constraints in the current trading environment;
- e. **COVID-19:** has now been brought under control, somewhat, with movement once again possible and life beginning to return to a semblance of reality – pre covid-19.

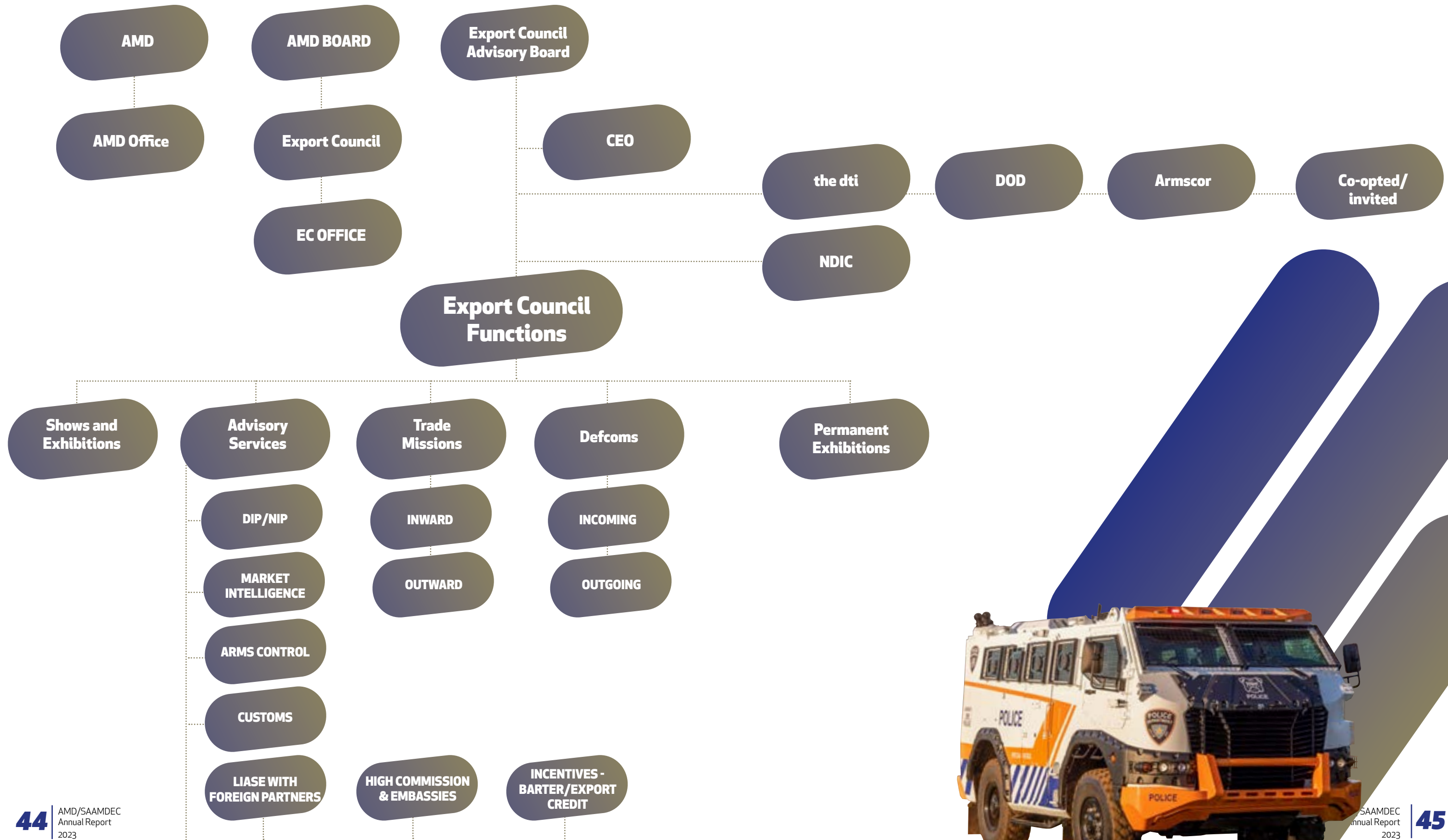
- Competitiveness within the market
 - a. Being biased towards the production of electronic subsystems means the **SADI has to compete with and dislodge established players in a foreign OEM's supply chain** and this is often viewed as a major risk by the OEM's while also conflicting with possible national security/industry considerations;
 - b. By its nature, the creation of Defence products and capabilities demands **high and constant R&D investment** for the creation of new science and technologies and equipment destined for a demanding client environment. Within a South African context this fundamental aspect of a viable and sustainable local Defence industry is impaired by lack of adequate funding and availability of suitable skills;
 - c. Time frames to secure orders are quite substantial, usually taking anything up to 60 months. Companies with limited cash flows or liquidity often struggle to cope with such prolonged turnaround times;
 - d. Marketing and networking are quite expensive and extensive in this sector. This means only companies that can afford to market themselves stand a chance of getting business.
- Market Access
 - a. The impact of **rigorous Arms Control processes** that often lead to delays in the issuing of permits and thus to customer frustration with SADI as a reliable service provider;
 - b. **Defence business is inherently political** and as such there is a crucial need for deliberate and



- Government support to enhance exports
 - a. A common and shared understanding of the sector is crucial and also how exports work within the sector will assist in better measuring metrics being developed, and agreed to, between the dtic and
 - b. focused political support to SADI transactions in new as well as established export markets;
 - c. The continued influence of former colonizers on their former colonies also inhibits access to these markets for South African companies.

- Key Projects
 - a. SADI Repositioning;
 - b. Aerospace and Defence Masterplan;
 - c. Defence Export Advocate and Ambassadors;
 - d. SAAMDEC Agenda 2024 – Africa Focus.
- Improved DIRCO and dti support in African countries;
- Improved measurement and tracking of statistics at a government level

4. GOVERNANCE OF THE EXPORT COUNCIL



a. Changes to the Board of the Organisation

List of Board Members

NAME & SURNAME	DESIGNATION	ORGANISATION	DATE JOINED
Mr Cornelius Grundling	Chairperson	DCD Protected Mobility	08 June 2017
Mr Sihle Mayisela	Vice-Chairperson	Hensoldt Optronics	01 August 2019
Ms Phindile Skosana	dtic Representative	the dtic	01 August 2019
Mr Phemelo Mokumo	the dtic ex-officio representative	the dtic	01 September 2019
Mr Sandile Ndlovu	SAAMDEC CEO	SAAMDEC	01 October 2015
Mr Peter Lebelo	DOD Representative	DOD	26 November 2021
Ms Segomotso Tire	Representative	Armscor	01 August 2022
Mr Jan-Patrick Helmsen	AMD Representative	RDM	01 July 2020
Mr Buti Ramfelo	AMD Representative	Black Capital Holdings	23 June 2022 Resigned 1 Mar 2023
Mr Isaac Motale	AMD Representation	ILC Lerumo	01 March 2023
Ms Sureija Adams	Co-opted AMD representative	Denel Land Systems	01 March 2023

Changes to the Board of the Organisation

- The following changes took place:
 - Resignation of Mr Buti Ramfelo on 01 March 2023;
 - Appointment of Mr Isaac Motale as AMD representative 01 March 2023
 - Appointment as co-opted member Ms Sureija Adams on 01 March 2023

b. Board Meetings and AGM

The SAAMDEC Board meeting took place on the 19th of January 2023 and a Special SAAMDEC Board on 13 March 2023. Minutes of the meeting are available on request.

c. Executive Management

- There are no changes to the Executive Management; Mr Sandile Ndlovu remains the Chief Executive Officer and the only employee by the Export Council.

HIGHLIGHTS

d. General Overview/ Summary of the Progress Report and Highlights Industry/Sector Developments

Industry Development (Re-imagined Industrial Strategy (RIS) and Sector Master Plans)

Implementation of the Aerospace and Defence Sector Master plan – AMD in collaboration with SAAMDEC established the following new sub-committees which include various experts within the sector to implement the aerospace & defence master plan key priorities;

- Innovation and Future Defence;
- Manufacturing;
- Exports;
- Monitoring and Evaluation;
- Marketing;
- Space;
- NCACC.

Committee meetings took place during February and March 2023 and Programmes of Actions were compiled and aligned with the Aerospace & Defence Master plan.

Industry Development (IPAP)

SAAMDEC IT Project is an IPAP Project.

The project seeks to develop IT systems that will allow the Aerospace and Defence Sector to be competitive, particularly in the export environment. The three systems that are being developed are the following:

Market Intelligence Platform: The objective of this project at SAAMDEC is to implement marketing and competitive intelligence platforms that will provide a single source of accurate information that will:

- Gather market intelligence in order to develop commercially successful business deals;
- Receive detailed contractor product, services and capability descriptions;
- Assess opportunities and threats in new and existing markets;
- Enable narrow segmentation of contractors to provide more tailored solutions;
- Profile potential customers and identify opportunities as support to the industry.

5. SADI REPOSITIONING TASK TEAM

The purpose of the Task Team will be seized with the task of analysing the current environment under which the entire sector exists, identifying areas where improvements and changes are required and making recommendations to the Boards of AMD and SAAMDEC. The SADI Task Team completed their report and made this available to the AMD Board. During a Special AMD Board held on 22 August 2022 the Board's approval was sought for the establishment of a SADI Implementation sub-committee. The committee was to review the recommendations and propose the implementation approach for each recommendation. This was to be ready to be presented at the AMD Strategy Session. The sub-committee members are:

- Mr Deon Olivier, Deputy Chair (as the Chair of the Committee);

- Mr I. Motale (as the Vice-Chair of the Committee)
- Brig Gen (ret) Damian de Lange, Honorary Secretary;
- Ms S. Montsi, Honorary Treasurer;
- Mr S. Mayisela, REMCO Chairperson;
- Mr S. Ndlovu, ED of AMD.

Final presentations on the recommendations were presented by the Vice-Chairperson, Mr Deon Olivier, to the AMD and SAAMDEC Boards on 27 February 2023 and 13 March 2023 respectively to adopt the recommendations made; the recommendations were adopted by both Boards.

Meetings by SADI Implementation Sub-committee:

06 February 2023;
13 March 2023

6. NCACC TASK TEAM

The NCACC Task Team was established by the AMD Special Board on 09 July 2020 with the purpose of assisting the SADI on Arms Control matters relating to End User Certificates (EUC's) and Export Permits. The Task Team consists of the following AMD/SAAMDEC members:

Representative	Company
Ms Nombasa Ndhlovu (Committee Chairperson)	Umkhombi Marine
Adm Higgs	RDM
Mr Sandile Ndlovu	AMD
Mr Isaac Motale	Reutech

Exports remain a critical revenue driver for the South African Defence Industry and the task team has worked tirelessly with the DCAC office to ensure that the permit backlog was resolved and that permits were issued. To date, a number of the Arms Control issues mainly to the Middle East were resolved. AMD/SAAMDEC issues a survey to members on a monthly basis for the task team to address various issues with the DCAC Office. A presentation by the Task Team was presented to Minister Gungubele on 18 March 2022.

- Resolved issues relating to EUC's with Kuwait. Issues with Oman were still on-going.
- The Dep MOD & MV was assisting with resolving the export permits to Turkey.
- Several meetings took place with stakeholders regarding the litigation issue of Open Secrets against the NCACC. This matter is still being resolved.

Two workshops were held on 01 February 2023 and 03 February 2023 in KwaZulu Natal and was well attended by SADI.

Capability Mapping Platform: The purpose of a capability mapping system is to provide all SADI players (exporting or not) with a platform where they can clearly tabulate and codify their capabilities. This will allow other stakeholders, such as government, to have a clear understanding of the capabilities that are present within the sector. This will ensure that there is informed planning and that the allocation of resources and support programs is informed by what is required.

Export Portal Platform: The SADI Export Portal shall

seek to support ALL exporters in the defence sector by providing them with a platform where they can promote their products and services. The Portal will also act as a nodal access point to potential clients by providing them with information on all exporters and their capabilities. Finally, the portal will also assist exporters by identifying business opportunities for them through a Decision Support Model.

PROGRESS ON ANNUAL BUSINESS PLAN TARGETS

1 BRIEF OVERVIEW OF THE QUARTER

1.1 Major Achievements on Objectives

1.1.1 Growing Exports

The Export Council's role and activities in facilitating and promoting exports can be categorised into the following:

- Shows and exhibitions
- Industry engagements and meetings as per regulatory requirement e.g. quarterly Board meetings.
- Industry engagements.
- Defence Committees.
- Round table discussions/Workshops
- Trade Missions

1.1.2 Growing the Export Base

- SAAMDEC has more than 60 active exporters.
- There is an active plan to broaden our export base by participating and partnering in initiatives that are aimed and bringing in new players and products into the sector.

1.1.3 Diversifying the Export Base

- There is on-going recruitment of SMME's from designated groups.
- OEM's are being engaged to assist their small suppliers so that they grow to being companies in their own right.

1.1.4 Diversifying Export Markets

Export Council participated in the following Defence Committees (Defcoms) and other bilateral and multilateral engagements, which are in principle in lieu of archetypical trade missions:

e. Promotion of Exports

- The following activities are scheduled to take place this financial year (2023/2024)
- DEFCOMS: Over and above providing focused and industry-driven briefing notes to the DOD as an when requested, SAAMDEC will – under the auspices of AMD as the Association – actively participate in most of the bilateral / bi-national Defence to Defence engagements between the RSA and like-minded nations at the specific request of the SA DOD. Referred to as Defence Committees, these engagements will allow

SAAMDEC to partake in state-level discussions in which the government as the potential buyer of Defence and security equipment makes its requirements visible in a fairly secure and confidential environment knowing that though commercial interests are represented, such deliberations occur under the auspices of the SA DOD. Such information is shared as required with likely service providers in the SADI who then respond directly to the clients or via the SA DOD, depending on what arrangements we put in place to protect required levels of confidentiality.

COUNTRY	DATES
MOD & MV visit to Uganda	03 – 08 February 2023
Foreign study visit from UAE National Defence College	11 – 18 March 2023
4th Sitting of the Joint Trade and Investment Committee (JTIC) between SA and Benin	13 – 15 March 2023
Visit of Chief Defence DRC to SADI	17 March 2023;
RSA-Brazil Defcom:	22 – 23 March 2023
Departmental Preparatory Meeting for the upcoming visits: Qatar; Malaysia; Senegal; Thailand; Algeria; Thailand and Jordan	

- **SADID:** on behalf of the SADI, AMD is the owner and co-publisher of the SADID which is issued on a biennial basis. This authoritative publication provides insight into the competencies and capabilities of SADI members as well as that of non- members who choose to place their profiles in the publication.

Promotion of Intra Africa Trade and Implementation of the AFCTA.

Africa, without a doubt, remains our critical market. SAAMDEC will resuscitate the Africa Focus Group to promote Intra- African Trade. The theme will be **"African Solutions to African Challenges"**. The SADI needs to dominate this market with the AfCFTA having come into effect in January 2021. SAAMDEC will look at penetrating the following countries through outward trade missions:

- Kenya
- Ethiopia
- Ghana
- Tanzania
- Mozambique
- Angola
- Ivory Coast
- DRC
 - Bartering System
 - Collaboration and partnering

The purpose of the Task Team will be seized with the task of analysing the current environment under which the entire sector exists, identifying areas where improvements and changes are required and making recommendations to the Boards of AMD and SAAMDEC. The SADI Task Team completed their report and made this available to the AMD Board. During a Special AMD Board held on 22 August 2022 the Board's approval was sought for the establishment of a SADI Implementation sub-committee. The committee was to review the recommendations and propose the implementation approach for each recommendation. This was to be ready to be presented at the AMD Strategy Session.

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- Ms S. Montsi, Honorary Treasurer;
- Mr S. Mayisela, REMCO Chairperson;
- Mr S. Ndlovu, ED of AMD.

Final presentations on the recommendations were presented by the Vice-Chairperson, Mr Deon Olivier, to the AMD and SAAMDEC Boards on 27 February 2023 and 13 March 2023 respectively to adopt the recommendations made; the recommendations were adopted by both Boards.

Meetings by SADI Implementation Sub-committee:

- 06 February 2023;
- 13 March 2023

CONFERENCES AND SEMINARS

The Export Council participated in and/or coordinated industry involvement in the following conferences and seminars:

EVENT	DATE
DCAC work sessions	01 and 03 February 2023
29th Standing Maritime Committee conference	07 – 08 March 2023
Industry Advisory Panel discussions	09 March 2023;
Presentation: the dtic app	14 March 2023
Belgian – SA Business forum on building sustainable partnerships	23 March 2023
AISI Industry day: Aerospace and Defence (virtual):	23 March 2023
Virtual Export Councils Briefing Session	27 March 2023
ECIC stakeholder engagement session 2023	29 March 2023
Joint engagement session with ACSA, AMD and SAAMDEC	29 March 2023

- **Shows and Exhibitions:** In 2023/24 SAAMDEC and SADI plans to participate in the following international exhibitions pending approval of the dtic National Pavilion 2023/24

COUNTRY	DATES	LOCATION
Miami International Sailboat show	15 – 19 February 2023	USA
IDEX	20 – 24 February 2023	Abhu Dabi
SAAF Museum Airshow	06 May 2023	Swartkops
IDEF	25 – 28 July 2023	Turkey
DSEI	12 – 15 September 2023	London
EDEX 2023	December 2023	Egypt
AAD 2024	18 – 22 September 2024	Pretoria

f. Expand the Export Base

- Expanding the Export Base is one of the key activities that we, as the Export Council, take very seriously. The Aerospace and Defence Sector is one of the sectors that are lagging behind, in as far as transformation – or participation by previously marginalised groupings such as woman, youth and people with disabilities. We are hopefully that the recently gazetted Defence Industry Charter – and other instruments (DIF) – will assist in the promotion of new participants in the sector, especially from the identified groupings.

Key Performance Indicator	Output	Quarterly Target	Quarter 3 reporting
MEETINGS			
AGM		1 AGM	AGM took place on 09 June 2022.
Quarterly Board meetings for 2022/2023	Ensure the growth and sustainability of the Export Council. To oversee the work of the Council. To decide on key issues and make recommendations to the AGM.	1 Board meeting	Board meeting took place on 19 January 2023; Special Board meeting took place on 13 March 2023.
Annual Audit	To ensure that the financial reports are free from material mis-statements.		Audit has not yet been done, audit will only start during April 2023
SAAMDEC Strategic Planning Session	To develop a common program of action for the Export Council and its members. To identify areas of common interest for SADI exports. To identify new markets and strategies for SADI exports	Strategic Planning Session	Did not take place. Will happen after the Task Team completed their work.
SA Defence Industry Day			Did not take place due to COVID19
MAAC Day			Attended the following: Czechia Shooting day 2023;
Defence Attaché's (DA) Day			The following meetings took place with DAs: Meetings Andrey N. Donskikh, Russia Federation; Nick Rice, Consolite (query from an ADS member); Johnson Hsu, Korea.

Key Performance Indicator	Output	Quarterly Target	Quarter 3 reporting
NATIONAL PAVILIONS FOR 2023			
Targeted country engagements, based on the intel from RSA Defence Attachés			
African trade delegation visits to SADI.		As per DOD calendar and foreign requests	Visit of Chief DRC to SADI;
		8 companies to participate	
DoD Supplier Day		DoD supplier day to be attended 10 members to participate	
Targeted recruitment	Embark on a drive to increase and diversify Export Council membership by targeting HDI owned companies Target in particular, black industrialist	Recruit 1 company per quarter	Visits to Technodyne IFS and Tsebo Tech as possible new members. The following companies terminated their membership: TFM; Etion Create (part of Reutech) Kutleng; BM Global; Cernofon.
SAAMDEC website and other web platforms	Maintain and update website as and when necessary	Update the website and social networks On-going	On-going
SAAMDEC Communication Platforms Facebook Instagram	Maintain and update the social network	Update the website and social networks	On-going
EXPORT DEVELOPMENT			
Transport and Insurance Workshop	Run specific courses and workshops to address changes in legislation or build export capacity	1 workshop 15 Export and Non-Export companies to attend	
Regional Africa Focus Groups Workshops.	Run specific courses and workshops to address issues that are pertinent to each trade region.	1 Workshop	
Expanded Security Workshop	To engage all stakeholders in the security and cyber security space, as per the expanded definition of the sector.	1 Workshop 15 Export and Non-Export companies to attend	
Provincial and Municipal Growth Agencies	Incentivizing investment in local jurisdictions Positioning SADI globally as the preferred supplier of Defence and Security products and services Develop programs to promote and encourage the establishment of small businesses in the Aerospace and Defence Sector		We commenced activities with the GGDA. Continuous engagements with Wesgro

Key Performance Indicator	Output	Quarterly Target	Quarter 3 reporting
Market Intelligence Research	To develop a real-time system that will allow for the collation and analysis of information from various sources, both open and restricted.	Launch the system	
Export Portal Capability Mapping	To develop a portal through which the system will be accessed. To identify and map ALL SADI capabilities.		
Arms Control Compliance Support	Assist members in understanding the arms control environment and legislation.	10 companies to be assisted	On-going through the work of the Export Committee. 2 work sessions were held in KwaZulu Natal and Cape Town on 01 and 03 February 2023
PROJECTS			
SAAMDEC initiated Trade Missions	Focused SADI Trade Missions. To align Trade Missions to Defence Committees. To identify possible target countries, through engagements with members.	1 Trade Mission 5 Companies to participate	
SAAMDEC industry seminars/ conferences (to be confirmed)	To establish strong relations between the two Industries. To enhance cooperation between the two countries.	1 Seminar	29th Standing Maritime Committee conference: 07 – 08 March 2023; Industry Advisory Panel discussions: 09 March 2023; Presentation: the dtic app: 14 March 2023; AISI Industry day: Aerospace and Defence (virtual): 23 March 2023; ECIC stakeholder engagement session 2023: 29 March 2023; Joint engagement session with ACSA, AMD and SAAMDEC: 29 March 2023
KZN Export Week	To register for participation To apply for a stand to exhibit Prepare a presentation and programme for the slot allocated for SAAMDEC. Develop a media plan for SAAMDEC. Develop articles for identified publications (Defenceweb, ARMSCOR publication, TEDA publication and Emnothweni).	SAAMDEC Participation 5 Member Industry Panel	

Key Performance Indicator	Output	Quarterly Target	Quarter 3 reporting
SAAMDEC media engagement initiative. DefenceWeb Emnothweni DTIC Publications DOD Soldier Import Export Magazine Wesgro Publication TEDA publication	Develop articles for publications in various media platforms.	One article per quarter	Meetings took place between defenceWeb and SAAMDEC CEO.
UFS Partnership	Develop the terms of the Service Level Agreement. Identify areas of academic development to be covered. Conduct a survey within SADI on academic programs to be covered. Identify research areas to be addressed	Implement two training programs. Identify one research topic.	
Defence Exports Advocates and Ambassadors	Identify Export Advocates and Ambassadors, from former SANDF Retired Generals/Admirals and Senior retired Industry experts. Conduct a workshop with the Advocates and Ambassadors.	Adv and Amb to accompany SADI on Trade Missions and National Pavilions.	Courtesy calls / functions took place with former SANDF Retired Generals/ Admirals: Brig Gen Nombewu; Mr Jola; Adm Mkhonto; Gen Modise; Gen Nkonyne.
DTIC Trade Missions			4th Sitting of the Joint Trade and Investment Committee (JTIC) between SA and Benin: 13 – 15 March 2023; Belgian – SA Business forum on building sustainable partnerships: 23 March 2023
STAKEHOLDER ENGAGEMENTS			Meetings took place between the Chairperson and CEO of SAAMDEC; Meetings with the dtic: Phemelo Mokumo; Janine Fredericks Meeting with Palesa Rachidi, DIRCO and SADI member Meetings between CEO and SADI companies: Milkor; Paramount; Zutari; Snode Tech; Swatek; Twiga Services; Damen;



MEMBERSHIP EXPORT PIPELINES

Due to the nature of our business our companies are required to sign non-disclosure agreements with their potential clients whereby they are prohibited to make this information available. However, the information can be obtained from Directorate Conventional Arms Control (DCAC), and the DTIC as a government institution is allowed to request this information.

No	Company Name and Class	Sector	Province	Export Product description	Estimated Export Revenue	Comments/ Status
1	Areta Holdings (Pty) Ltd		Gauteng			
2	Armiger		Gauteng			
3	Bohlabela Wheels		Mpumalanga			
4	Clearbeq Group		Gauteng			
5	Cobra Aviation (Pty) Ltd		Gauteng			
6	Compliance and Security Advisory Services (Pty) Ltd		Gauteng			
7	Cybicom Atlas Defence (Pty) Ltd		Western Cape			
8	Damen Shipyards		Western Cape			
9	DCD Protected Mobility		Gauteng			
10	Defencetek CSIR		Gauteng			
11	DENEL		Gauteng			
12	DIRTT Africa (Pty) Ltd		Gauteng			
13	Emzansi Eng Consultants		Gauteng			
14	FIMM Tech		Gauteng			
15	GAC Laser Specialised Logistics (Pty) Ltd		Gauteng			
16	GEW Technologies (Pty) Ltd		Gauteng			
17	Global Command and Control Technologies		Gauteng			
18	GRIMMS Group		Cape Town			
19	Hlamalane Projects (Pty) Ltd		Gauteng			
20	HENSOLDT Optronics (Pty) Ltd		Gauteng			
21	Imperial Armour		KwaZulu Natal			
22	Katlego Global Logistics (Pty) Ltd		Gauteng			
23	Milkor (Pty) Ltd		Gauteng			
24	M- Tek		Gauteng			
25	Mzansiat (Pty) Ltd		Western Cape			
26	MN Group (Pty) Ltd		Gauteng			
27	Natcom Group of Companies (Pty) Ltd		Gauteng			
28	Natco SA International Transports (Pty) Ltd		Gauteng			
29	North Park Group (Pty) Ltd		Gauteng			
30	Optronics Africa cc		Gauteng			

No	Company Name and Class	Sector	Province	Export Product description	Estimated Export Revenue	Comments/ Status
31	Osprea Logistics SA (Pty) Ltd		Western Cape			
32	OTT Solutions		Gauteng			
33	OTT Technologies (Pty) Ltd		Gauteng			
34	Paramount Logistics		Gauteng			
35	Pearl Coral 1173 t/a TFASA		Western Cape			
36	REVA		Gauteng			
37	Redeployment Camp Systems (RCS)		Gauteng			
38	REUTECH Limited		Gauteng			
39	RGC Engineering Sales		Gauteng			
40	Rheinmetall Denel Munition (Pty) Ltd		Western Cape			
41	Richard Harper Logistics (Pty) Ltd		Gauteng			
42	Rippel Effect Systems (Pty) Ltd		Gauteng			
43	Saab Grintek Defence (Pty) Ltd		Gauteng			
44	SAP Africa Region		Gauteng			
45	Siemens		KwaZulu Natal			
46	Simteq Engineering		Gauteng			
47	Sandock Austral Shipyard		KwaZulu Natal			
48	Snode Technologies (Pty) Ltd		Gauteng			
49	Special Vehicle Innovation(SVI)		Gauteng			
50	Swatek Electrical (Pty) Ltd		Gauteng			
51	TAU Aerospace and Advanced Technologies (Pty) Ltd		Gauteng			
52	Thales SA Systems (Pty) Ltd		Gauteng			
53	TMi Consultancy cc		Gauteng			
54	Twiga Services		Gauteng			
55	Umkhombe Marine (Pty) Ltd		Gauteng			
56	Vepac Electronics		Gauteng			
57	WSP Group Africa (Pty) Ltd		Gauteng			
58	ZD Investment t/a ZD Utilities		Gauteng			
59	Zebra Armour		KwaZulu Natal			
60	Zutari		Gauteng			

g. Capex Overview

In the 4th Quarter the Export Council has not incurred any Capital Expenditure.

h. OPEX Overview

The Export Council in the 4th quarter received for membership fees however income for the quarter was not sufficient to cover the costs which led to a loss of R409 K. In terms of the balance sheet at year end, the total equity and liabilities amounts to R560,764K and the assets amount to bank balance of R554,413K.

1.2 MAJOR CHALLENGES

1.2.1 Growing Exports

- With SADI exports consistently increasing from R5.9 billion in 2012, R8.9 billion in 2013, R9.5 billion in 2014, R19 billion in 2015/16 remaining a steady growth at R20 billion in 2017/18. The biggest challenge to growing the value of exports can be limited to industry capacity, direct and deliberate political support by the SA Government and Principals as well as the efficiency of the arms control system.

- Further, there are no suitable funding instruments to facilitate exports e.g. structuring and facilitating barter deals as an enabler of defence acquisition transactions to the benefit of both the SADI and other sectors in the SA economic landscape with commodities as an initial avenue. Lastly there is a need for a tailored market intelligence platform to direct SADI export activities.

o With the uplift of all restrictions of COVID-19 more engagements with national and international customers took place.

1.2.2 Growing the Export Base

- Most exports occur at an OEM/product systems level resulting in several suppliers' products being indirectly exported by a few OEM's and as such sub-systems and component suppliers hardly ever export directly. This means SMME's who supply to these OEM's tend not to participate

in shows and exhibitions as they perceive their interests to be taken care of by the OEM's.

1.2.3 Diversifying the Export Base

- The South African Defence Industry (SADI) in general is untransformed with no transformation charter in place and high barriers of entry like the high costs of R&D to develop new products as well as the long, unpredictable and cyclical nature of defence business which would typically leave an emerging company with no cash-flow for operations etc.

The South African Industry (SADI) Defence Charter was finalised with inputs from the SADI.

1.2.4 Diversifying Export Markets

- Regional conflicts and instability lead to denials of export permits by the Arms Control authorities (e.g. the Yemen conflict has resulted in certain category permits being denied to the following countries – Oman, UAE and KSA).
- Existing global suppliers/competitors in most markets are not only entrenched but also jealously protect their market.
- Inability to align the calendar's for outbound/inbound engagements for BNC's, the dtic trade missions and DOD Defence Committees.
- Geo-strategic considerations (e.g. US position on Iran) that are indirectly enforced by global players and thus coerce companies not to enter markets where they may be punitive outcomes that are detrimental to them.

1.2.5 Financial Considerations

The total costs directly attributable to the following exhibitions and defence committees are divided as follows:

ACTIVITY	DATES	COSTS
DCAC work sessions	1 and 3 February 2023	
IDEX 2023	20 – 24 February 2023	
IDEF	24 – 28 July 2023	
Sovereign Security Conference	August 2023	
DSEI	12 – 15 September 2023	
29th Standing Maritime Committee conference	November 2023	

*The detailed cost breakdown is available upon request and subject to the SAAMDEC year-end audit. These costs exclude other operational costs which will be reported upon in the final annual report.

The 2022/23 financial report was favourable for the Export Council as the council managed to reach its budget figures with a total income of R2.4 million and the costs were R2 million resulting in a surplus of R400K. The income was enhanced by the commissions received from exhibitions namely LAAD held in Brazil and DSEI held in the United Kingdom.

2 HIGHLIGHTS FOR THE PAST FINANCIAL YEAR

2.1 Industry Development (IPAP)

SAAMDEC IT Project is an IPAP Project.

The project seeks to develop IT systems that will allow the Aerospace and Defence Sector to be competitive, particularly in the Export environment. The three systems that are being developed, are the following:

- **Market Intelligence Platform:** The objective of this project at SAAMDEC is to implement a marketing and competitive intelligence platform that will provide a single source of accurate information that will:
 - Gather market intelligence in order to develop commercially successful business deals.
 - Receive detailed contractor product, services and capability descriptions
 - Assess opportunities and threats in new and existing markets
 - Enable narrow segmentation of contractors to provide more tailored solutions

- Profile potential customers and identify opportunities as support to the industry.
- **Capability Mapping Platform:** The purpose of a capability mapping system is to provide all SADI players (exporting or not) with a platform where they can clearly tabulate and codify their capabilities. This will allow other stakeholders, such as government, to have a clear understanding of the capabilities that are present within the sector. This will ensure that there is informed planning and that the allocation of resources and support programs is informed by what is required
- **Export Portal Platform:** The SADI Export Portal shall seek to support ALL exporters in the defence sector by providing them with a platform where they can promote their products and services. The Portal will also act as a nodal access point to potential clients by providing them with information on all exporters and their capabilities. Finally, the portal will also assist exporters by identifying business opportunities for them through a Decision Support Model.

3. REPORT ON ACTIVITIES (including marketing)

Activities/ Programs	Output/Details	Objective	Targets 2023/2024	1st	2nd	3rd	4th	Reason for not achieving
DTIC Missions, National Pavilions, Seminars, Shows and Exhibitions and Conferences	Increase participation of members on these missions, shows, exhibitions and National Pavilions	<ul style="list-style-type: none"> ● Facilitate exposure to international markets and buyers. ● Facilitate export 	A minimum of 15 companies per event.	<p>US – DOD visit</p> <p>Maritime Security Conference</p> <p>DRC Defence Intelligence visit</p> <p>Nigerian Defence Intelligence visit</p> <p>Webinar between SA and Czechia</p> <p>UN Procurement seminar and SADI exhibition</p> <p>Seminar on deconcentration of the SA economy</p>	<p>Visit by SADI to Singapore High Commission</p> <p>Sovereign Security</p> <p>Several discussions with Trade and Investment Promotion, DIRCO</p> <p>US Consulate, JHB in collaboration with Gauteng Department of Economic Development</p> <p>Preparatory planning meeting for Defcoms of Kenya</p> <p>Presentation at Gauteng Economic Development Department Webinar on the Aerospace and Defence industry</p> <p>AAD 2022</p>	<p>SA National Pavilion at the Africa Oil Week 2022 exhibition:</p> <p>Business Dialogue with IDC</p> <p>Defence International Affairs Division preparatory meeting for Burundi</p> <p>Engagement success workshop;</p> <p>German business delegate, Kueckens</p> <p>8th Biennial CSIR Conference</p> <p>State visit to UK;</p> <p>Czechia/Armscor/AMD Defence Cooperation</p> <p>Educational Study Tour – Kenya National Defence College Course:</p> <p>Knowledge Network Dialogue Competition Policy Eminent Lecture – Market inquiry as a key tool in unlocking economic development</p>	<p>DCAC work sessions</p> <p>Miami International Sailboat show</p> <p>MOD & MV visit to Uganda (SADI represented by MOD)</p> <p>Attended IDEX in Abu Dhabi</p> <p>29th Standing Maritime Committee conference</p> <p>4th Sitting of the Joint Trade and Investment Committee (JTIC) between SA and Benin</p> <p>Foreign study visit from UAE National Defence College</p> <p>Visit of Chief Defence DRC to</p> <p>RSA-Brazil Defcom</p> <p>Belgian – SA Business forum on building sustainable partnerships</p> <p>AISI Industry day: Aerospace and Defence (virtual)</p> <p>Departmental Preparatory Meeting for the upcoming visits</p>	Completed

Activities/ Programs	Output/Details	Objective	Targets 2023/2024	1st	2nd	3rd	4th	Reason for not achieving
Stakeholder Engagements and other	<ul style="list-style-type: none"> ● Identify suitable dates for the engagements. ● Identify suitable participants from the Industry. ● Co-arrange the event with the respective stakeholders. ● Ensure participation of identified companies. 	<ul style="list-style-type: none"> ● To create awareness and rapport between the respective stakeholders and Industry. ● To appraise outgoing RSA DA's of industry capabilities. 	15 companies as per FY.	<p>Meetings took place between the Chairperson and CEO of SAAMDEC;</p> <p>Interaction with SAAMDEC members (industry, DOD);</p> <p>Meetings with the dtic: Jacob Moatshe; P. Mokumo, N. Fipaza;</p> <p>Meeting with DPE, Mr Bangane;</p> <p>Courtesy visit to new SAAMDEC member (Snode Technologies)</p>	<p>Various meetings between CEO and SADI representatives;</p> <p>Meetings between Chairperson and CEO of SAAMDEC;</p> <p>AMD/Armscor Chairpersons and CEOs;</p> <p>CAMASA AGM;</p> <p>Meeting between CEO and the dtic;</p> <p>Meeting between CEO and Rachidi, CMP Ms : Trade and Investment Promotion,</p>	<p>Australian Business Chamber of Commerce Southern Africa : End of Year Event;</p> <p>Distinguished Visitors Day, Chief of the Army;</p> <p>Chief of the SANDF Gala Dinner;</p> <p>Change of Command, Simonstown SA Navy;</p> <p>Educational Study Tour - Kenya National Defence College Course;</p> <p>H.E. Ambassador Anne Lammila, reception on the occasion of the Independence Day of the Republic of Finland;</p> <p>Pretoria Armour Regiment close of the year function;</p> <p>The SANDF Chief of Corporate Staff Change of Office Parade;</p> <p>Meetings between CEO and P. Mokumo; Brig Gen Nombewu; Capt Nitin, DA India;</p>	<p>Various engagement with:</p> <p>Gen Modise;</p> <p>Adm Mokonto;</p> <p>Adm Mudimo;</p> <p>Brig Gen Nombewu;</p> <p>Mr Jola;</p> <p>Mr Ntsako from Tsebo Tech;</p> <p>Chairpersons of AMD and SAAMDEC;</p> <p>dtic interview re IDEX (Bongani Lukhele);</p> <p>Ravindra Surujbelly;</p> <p>Nick Rice - Consolite (Query from an ADS Member Company);</p> <p>Brian Greyling, Paramount;</p> <p>Discussions with CSM on Maritime Security Conference 2023</p>	On-going as this is a continuous process
					<p>DIRCO;</p> <p>Meetings between CEO and Embassies, Andrey N. Donskikh (Russian Federation); Snr Col Peng (China); Brig Gen Harb, Egyptian DA; Ms Thandi Mgxwati, Min Plen, Moscow;</p>			
Roundtable discussions and workshops	Run specific courses and workshops to address changes in the legislation or build export capacity.	Enhance export knowledge and build capacity of member companies.	Building capacity training of a minimum of 5 companies.	Virtual discussions on Export Council networks and sector master plans - 4 May	Several discussions with Trade and Investment Promotion, DIRCO	<p>SA National Pavilion at the Africa Oil Week 2022 exhibition;</p> <p>Business Dialogue with IDC</p> <p>Defence International Affairs Division preparatory meeting for Burundi</p> <p>Engagement success workshop;</p> <p>8th Biennial CSIR Conference</p> <p>Czechia/Armscor/AMD Defence Cooperation</p> <p>Knowledge Network Dialogue Competition Policy Eminent Lecture - Market inquiry as a key tool in unlocking economic development</p>	<p>PPGI Electricity shortage;</p> <p>Industry Advisory Panel discussions</p> <p>Presentation: the dtic app</p> <p>AISI Industry day: Aerospace and Defence (virtual)</p> <p>Virtual Export Councils Briefing</p> <p>ECIC stakeholder engagement session</p> <p>Joint engagement session with ACSA, AMD and SAAMDEC</p> <p>Industry Advisory Panel discussions: 09 March 2023</p>	

3. REPORT ON ACTIVITIES (including marketing)

Activities/ Programs	Output/Details	Objective	Targets 2023/2024	1st	2nd	3rd	4th	Reason for not achieving
Market Intelligence Research.	To develop a real time system that will allow for the collation and analysis of information from various sources, both open and restricted.	<ul style="list-style-type: none"> ● To assist members in understanding the global AMD environment and trends ● To provide members with current and relevant procurement information ● To provide members with specific country and regional reports based on their specific requirements. 	Conduct a test run of the system	<p>Set up a steering committee for this project.</p> <p>Identify Members of the Steering Committee – ensure they are representative of ALL stakeholders.</p> <p>Convene Steering Committee Meetings.</p>	<p>Develop Terms of Reference for the three Projects.</p> <p>Market Intelligence</p> <p>Capability Mapping</p> <p>Export Portal</p> <p>Identify Service Providers for the projects.</p>	<p>Register a SPV</p> <p>Develop all relevant documentation for the SPV</p> <p>Engage the SPII Unit at the dti</p> <p>Submit the application for funding.</p>	<p>Conduct test runs/pilots.</p> <p>Launch the Portal with the other systems imbedded.</p>	<p>In-Complete</p> <p>Due to properly defined ToR's the project could not proceed as anticipated.</p> <p>The Steering Committee decided on approaching other entities that have the same system to benchmark.</p> <p>The project will then move to the next Financial Year.</p>
Arms Control compliance support	Assist members in understanding the arms control environment and legislation.	Enable mem comply with all requirements to export conventional arms.bers to	1 workshop with a minimum of 5 participants per quarter.	On-going through the work of the AMD Export committee	On-going through the through the work of the AMD Export committee	On-going through the work of the AMD Export committee	Two workshops workshops were held in KZN and Cape Town	On-going through the work of the AMD Export committee
On-going Recruitment	Embark on a drive to increase and diversify export council membership, by targeting HDI owned companies.	Enable the Export Council to diversify and transform the export base.	4 companies	1 company was recruited: GRIMMS	1 company was recruited MN Group	The following companies terminated their membership: TFM; Etion Create (acquired by Reutech)	Kutleng; BM Global; Cernofon	Ongoing
Hosting of Trade delegations	Host and arrange Industry interaction with Trade Delegations form the African continent.	<ul style="list-style-type: none"> ● Export Promotion ● Promotion of AAD 2022 ● To expose various delegations to SADI capabilities. 	4 delegations per FY.	<p>DRC Defence Intelligence visit</p> <p>Nigerian Defence Intelligence visit</p> <p>Webinar between SA and Czechia</p> <p>UN Procurement seminar and SADI exhibition</p>	<p>Visit by SADI to Singapore High Commission</p> <p>US Consulate, JHB in collaboration with Gauteng Department of Economic Development</p> <p>Presentation at Gauteng Economic Development Department Webinar on the Aerospace and Defence industry</p>	<p>Business Dialogue with IDC</p> <p>German business delegate, Kueckens</p> <p>State visit to UK;</p> <p>Czechia/Arm Scor/AMD Defence Cooperation</p> <p>Educational Study Tour – Kenya National Defence College Course:</p>	<p>Belgian – SA Business forum on building sustainable partnerships</p> <p>Foreign study visit from UAE National Defence College</p> <p>Visit of Chief Defence DRC to SADI</p> <p>Visit of Chief Defence DRC to SADI</p>	

3. REPORT ON ACTIVITIES (including marketing)

Activities/ Programs	Output/Details	Objective	Targets 2023/2024	1st	2nd	3rd	4th	Reason for not achieving	
Defence Committees, BNC's, Defcoms, JDC & State Visits	<ul style="list-style-type: none"> ● Solicit input from industry ● Facilitate industry participation ● Participate during industry sessions. ● Disseminate DefComs outcomes to industry. 	<ul style="list-style-type: none"> ● Establish Strategic Defence Dialog between the two countries. ● Build rapport between the respective Defence Industries. ● Identify areas of mutual cooperation, interaction and trade. 	As per DoD dates.			Preparatory planning meeting for Defcoms of Kenya and Nigeria to be held in October 2022	Defence International Affairs Division preparatory meeting for Burundi German business delegate, Kueckens State visit to UK Czechia/Arm Scor/AMD Defence Cooperation Educational Study Tour – Kenya National Defence College Course:	RSA-Brazil Defcom; Preparatory meetings for various countries 4th Sitting of the Joint Trade and Investment Committee (JTIC) between SA and Benin MOD & MV visit to Uganda	Completed
AGM	<ul style="list-style-type: none"> ● Prepare for AGM ● Invite Members ● Prepare documentation. ● Participate in the Board meeting. 	<ul style="list-style-type: none"> ● To approve the Annual Report. ● To approve the Business Plan. ● To consider recommendations from the Board. ● To elect new Board members. ● To approve policies and regulations. 	Annually	09 June 2022					Completed
Board Meetings	<ul style="list-style-type: none"> ● Prepare documents for deliberation. ● Prepare accurate minutes. ● Advise the Board on key matters. 	<ul style="list-style-type: none"> ● To oversee the work of the Council. ● To decide on key issues and make recommendations to the AGM. 	1 per quarter.	07 April 2022		28 July 2022	06 October 2022	19 January 2023	Completed
Company Visits	Arrange suitable dates with the respective companies.	<ul style="list-style-type: none"> ● To check on the companies. ● To make an assessment of what support must be provided to each company. 	Minimum of 3 visits per quarter	Several meetings with SADI took place: Snode Technologies		Several courtesy calls took place between CEO and member companies	Several courtesy calls took place between CEO and member companies	Milkor; Paramount; Zutari; Snode Tech; Swatek; Twiga Services; Damen; Technodyn; Tsebo Tech	Completed.

REPORT ON PROJECTS

Activities	Output/Details	Objective	Target	1st	2nd	3rd	4th	Reason
<ul style="list-style-type: none"> • SAAMDEC Website • Marketing Brochures • Corporate Video 	<ul style="list-style-type: none"> ● Disseminate the Directory at: <ul style="list-style-type: none"> - Shows - Exhibitions - During Defcoms - Trade Missions 	Promote SADI members and potential members.	On-going Special AAD print.					Completed Complete
Sector and Member Marketing	<ul style="list-style-type: none"> ● Update members Directory. ● Develop specific material for SMME group of companies. ● Access dtic marketing funding. 	Promote SADI members and potential members.	On-going					Completed
SAAMDEC Communication & Platform	<ul style="list-style-type: none"> ● Maintain and update the social networks. ● Update website 	<p>Member portal for two way communication</p> <p>Keep Members informed and remind them of upcoming events and shows etc.</p>	To be able to reach all members and non -members with all forms of communication		-Instagram page created -Facebook page created	-Instagram in progress -Facebook page is running -Website on working progress	-Instagram active -Facebook page active -Website on working progress	Completed On-going
<p>Export Council legal and statutory documents:</p> <ul style="list-style-type: none"> • Constitution • MOI • Value Proposition • Code of Conduct • With AMD: <ul style="list-style-type: none"> - SLA - Loan Agreement - Team Agreement for shows and Exhibitions • With the dtic <ul style="list-style-type: none"> - MOA - SLA - Business Plan 	<ul style="list-style-type: none"> ● Develop the documents ● Consult on the documents ● Get approval, via EC governance structures, for the documents. ● Ensure compliance with the approved documents 	<ul style="list-style-type: none"> ● To ensure that the EC complies with all statutory requirements. ● To ensure there is a clear operating process, to guide day to day running of the organization. 	All documents to be approved by end of Q1					Completed

TARGET MARKETS	MOTIVATION	TARGET MARKET GROWTH FIGURES
Sub-Saharan Africa	It is a region on the upward trajectory. The security of borders is foremost on the agenda of African states. This therefore means there is a huge appetite and demand for SADI products especially with the AfCFTA coming into effect.	25%
The Middle East and North Africa	Despite the strong presence of Western influence and money in this region, it still remains a critical region for SADI. With a concerted effort, by all stakeholders, a breakthrough can be achieved.	15%
BRICS Countries - India	The BRICS group of countries, especially India, presents SADI with a unique opportunity due to the close relationship that these countries have. India has embarked on a re-armament process and South African companies can benefit from this opportunity.	15%
ASEAN Countries	These countries are looking to diversify their arsenal in order to counter the perceived, threat and influence of China. They are thus keen to procure equipment that is immune to Chinese tempering and interference.	5%
EU group of countries	To date this market has proven to be a challenge to penetrate. However, the possibility of maintenance contracts and refurbishment contracts does exist. The current currency exchange levels make South Africa a prospective destination for business.	20%
North America - USA	Even though North American countries have highly developed defence industries, they still spend quite a sizeable amount of financial resources procuring from third parties. Of late, we have also been approached by the US Department of Defence with an intention of having stronger and closer ties with the US Armed Forces. This is a golden opportunity that SADI must grab with both hands.	20%

BACKGROUND TO THE EXPORT COUNCIL / ASSOCIATION

Composition

ITEM	DETAILS
No. of Members (companies)	60
Geographical spread (Provincial presence)	Gauteng, Western Cape & KZN
Black owned Companies (% of total) [% of companies that can be classified as 51% black owned]	30 - 35
Black Empowered Companies (% of total) [% of companies that can be classified as 26-50% black owned]	35 - 45
Small Medium Micro Enterprises (% of total) [% of companies that can be classified as with turnover of less than R 50 million]	40 - 45
Women Owned Enterprises (% of total) [% of companies that can be classified as 51% women owned]	8
Youth Owned Enterprises (% of total) [In the age group of 18-35 years old]	0

Dates for Planned Board and AGM Meetings

MEETINGS	DATES
AMD EXPORT COUNCIL ANNUAL GENERAL MEETING	Q1- 15 June 2023
AMD EXPORT COUNCIL BOARD MEETINGS	Q1 2023: 19 January
	Q2- 2023: 13 April
	Q3 2023: 13 July
	Q4- 2023: 12 October

STRATEGIC AND OPERATIONAL RISKS LANDSCAPES

3.1 Review of the Strategic Risk landscape

STRATEGIC RISK LANDSCAPE					
	RISK NAME	IMPACT	LIKELIHOOD	RISK LEVEL	MITIGATING ACTION
1	Lack of SAAMDEC sustainability due to inadequate funding by DTIC	High	Unlikely	High	<ul style="list-style-type: none"> Ensure proper financial and operational management. Explore new streams of income/revenue.
2	Inadequate staffing or lack of skills to execute SAAMDEC mandate	Medium	Unlikely	Medium	<ul style="list-style-type: none"> Integrate AMD and SAAMDEC operational activities, so as to allow AMD personnel to assist with SAAMDEC activities. Define training requirements. for SAAMDEC-related tasks Cross-skilling of current AMD staff.
3	Failure to enable exporters to increase their marketing activities and explore new markets.	High	Very likely	High	<ul style="list-style-type: none"> Develop Market Intelligence Research Assist members in obtaining EMIA funding. Assist members by arranging Trade Missions
4	Inability to execute the SAAMDEC BP (such as NP, OSM) due to the coronavirus - COVID-19 and reduced DTIC support.	High	Likely	Very Likely	<ul style="list-style-type: none"> Develop an alternative engagement plan. Assist companies to develop/acquire digital communication platforms so that they can conduct business virtually.

Review of Operational Risk Landscape

OPERATIONAL RISK LANDSCAPE					
	RISK NAME	IMPACT	LIKELIHOOD	RISK LEVEL	MITIGATING ACTION
1.	Financial Resources	Very High	Likely	High	<ul style="list-style-type: none"> Mobilising internal resources to supplement DTIC income. Recruit more members. Review expense or cost model for SAAMDEC

PRIORITIES FOR 2023/2024 FINANCIAL YEAR

Industry Development (Re-imagined Industrial Strategy (RIS) and Sector Master Plans)

For the Financial Year (FY) 23/24 the Export Council will implement the following projects:

- **Implementation of the Aerospace and Defence Sector Masterplan** - Implement the Aerospace and Defence Masterplan in accordance to the four main strategic pillars namely;

1

Increase Market Access

- Increase exports
- Increase SDA Budget

2

Increase Localization

- Import substitution
- Spare Infrastructure

3

Improve Industry Competitiveness

- Implement CAV
- Funding Packages (State and Private Sector)
- Review IP Portfolio

4

Human Capital Development and Inclusion

- Retain and Develop Advanced Skills
- Increase Local Capacity

- **Market Intelligence Platform** - The objective of this project at SAAMDEC is to implement a marketing and competitive intelligence platform that will provide a single source of accurate information that will:
 - Gather market intelligence in order to develop commercially successful business deals;
 - Receive detailed contractor product, services and capability descriptions.
 - Assess opportunities and threats in new and existing markets.
 - Enable narrow segmentation of contractors to provide more tailored solutions.
 - Profile potential customers and identify opportunities as support to the industry.

- **Capability Matching System** - The purpose of a capability mapping system is to provide all SADI players (exporting or not) with a platform where they can clearly tabulate and codify their capabilities. This will allow other stakeholders, such as government, to have a clear understanding of the capabilities that are present within the sector. This will ensure that there is informed planning and that the allocation of resources and support programs is informed by what is required.

Promotion of Exports and Projected Export Sales

The Export Council's role and activities in facilitating and promoting exports can be categorized into the following categories:

- **Kindred Organizations:** exploiting the existing relationships as already created by its founding Association – AMD – *the Export Council will not only build on these [e.g. Korean Defence Industries Association (KDIA – South Korea); Northern Defence Industries Association (NDIA - USA); Aerospace, Defence and Security (ADS - UK); Confederation of Indian Industries (CII - India), ABIMDE of Brazil and National Defence Companies Council (NDCC) - but will also engage other similar organizations in the next 12-18 months in an effort to widen the supportive network of possible partners to the SADI.*
- **Trade Missions:** making use of both incoming and outgoing trade missions organized and funded by both the dtic and Export Council/Member funded, to promote SADI exports and to exploit and explore new markets for SADI members. The Trade Missions allow participating companies the opportunity to interact and engage with potential clients in a more formal setting.

Grow the Export Base and Exporter retention strategies

In co-operation with **the dtic** through Export Marketing and Investment Assistance (EMIA) & ARMSCOR's Exhibition's division – AMD has always formed an integral part of efforts to grow the SADI's export base by facilitating

the SADI's successful participation at international defence exhibitions and provides on-going marketing support to the industry. These exhibitions provide a platform for the SADI to exhibit and demonstrate its capabilities and encourage exports.

SAAMDEC will actively target and recruit companies that are owned by historically disadvantaged individuals, so as to expose them to the export environment. These companies will be supported and developed, so as to enable them to be competitive on the international market.

Transformation of the Export Council/ Association

- As one of the cardinal pillars and pre-requisite for dtic support, transformation is also an instrumental component of SADI performance. As such the Export Council pays particular interest to industry transformation and also works through available channels to ensure that transformation is enabled and supported within the Sector.
- Despite the unique nature of the defence industry, transformation has largely taken place in respect of two areas. Firstly, there have been quite a number of new players, at SMME level, that have joined the Sector. Even though barriers to entry are quite high there has been a steady formation of new companies in the Defence Sector. These companies are largely owned by HDI's and PDI's such as youth and women. Secondly, within the big companies such as Paramount and SAAB Grintek Defence, we have seen a formation of new companies that are aimed at addressing transformation imperatives. Paramount South Africa and Global Command and Control Technologies (Pty) Ltd are a case in point.
- The close collaboration between the Export Council and ARMSCOR – as the procurement agency for the State – will allow us to continue with our efforts of bringing the State's procurement might to bear on the transformation agenda. The AMD Industry Association also plays a continuous role, via the SMME sub-committee, in assisting the Sector to achieve the transformational agenda of the State.

ANNUAL ACTIVITY AND PROJECT PLAN FOR 2023/2024

These are projects and activities that the Organisation will undertake (or in progress) in line with the priorities. These can include Virtual/Digital export promotion and development initiatives, Marketing materials, Local exhibitions, Local advertising and Publicity, Trade Missions, Mini and National Pavilions, Market Intelligence Research or Impact assessment reports etc.]

Activities / Program/ Project/ Initiative	Objectives	Estimated Budget	Estimated KPI Target 2020/21	Quarterly Milestones			
				1st	2nd	3rd	4th
AGM	To approve the Annual Report. To approve the Business Plan. To consider recommendations from the Board. To elect new Board members. To approve policies and regulations.			1 Annual General Meeting 15 June 2023			
Quarterly Board Meetings	Ensure the growth and sustainability of the Export Council. To oversee the work of the Council. To decide on key issues and make recommendations to the AGM.			1 Board Meeting 13 April 2023	1 Board meeting 13 July 2023	1 Board meeting 12 October 2023	1 Board meeting 19 January 2023
Annual Audit	Ensure the growth and sustainability of the Export Council.			Annual Audit submission April till mid-May			
SAAMDEC Strategic Planning Session	To develop a common program of action for the Export Council and its members. To identify areas of common interest for SADI exports. To identify new markets and strategies for SADI exports.				TBC		

Activities / Program/ Project/ Initiative	Objectives	Estimated Budget	Estimated KPI Target 2020/21	Quarterly Milestones			
				1st	2nd	3rd	4th
SA Defence Industry Day	To create awareness and rapport between the respective stakeholders and industry.			SA Defence Industry day engagement to arranged			
MAAC Day	To create awareness and rapport between the respective stakeholders and industry.			MAAC Tour Dates to be confirmed	MAAC Tour Dates to be confirmed		
Defence Attaché Day	To create awareness and rapport between the respective stakeholders and industry.			DA's Day			
National Pavilions, Shows and Exhibitions	Facilitate export growth Facilitate exposure to international markets and buyers.				IDEF 23, Turkey	DSEI 23, London	
Targeted country engagements, based on the intel from RSA Defence Attachés abroad.	Relationship building and product/package negotiations.			2 Countries to be targeted.	2 Countries to be targeted	2 Countries to be targeted	2 Countries to be targeted
African trade delegation visits to SADI.	To explore opportunities of entering the African market To increase visibility and awareness of the SADI To promote South African products and services on the African continent			As per DOD calendar and foreign requests 8 companies to participate	As per DOD calendar and foreign requests 8 companies to participate	As per DOD calendar and foreign requests 8 companies to participate	As per DOD calendar and foreign requests 8 companies to participate

Activities / Program/ Project/ Initiative	Objectives	Estimated Budget	Estimated KPI Target 2020/21	Quarterly Milestones			
				1st	2nd	3rd	4th
DoD Supplier Day	To build relationship with suppliers, stakeholders and SMME To provide members of the export council with an opportunity to exhibit their goods & services to potential customers. To provide members of the Export Council with an opportunity to discuss challenges directly with DoD					DoD supplier day to be attended 10 members to participate	
Targeted Recruitment	Enable the Export Council to diversify and transform the export base.			Recruit 1 company per quarter	Recruit 1 company per quarter	Recruit 1 company per quarter	Recruit 1 company per quarter
SAAMDEC Communication Platforms	Promote the SAAMDEC, members and SADI; • Facebook • Instagram • AMD Website • AMD Linked-in Page			Update the website and social networks On-going	Update the website and social networks On-going	Update the website and social networks On-going	Update the website and social networks On-going
	Provide an entry point for prospective buyers into the SADI. Member portal for two-way communication. Keep Members Informed and remind them of upcoming events, shows etc.						
	Promote SADI members and potential members.			1 Annual General Meeting			
EXPORT DEVELOPMENT							
Building Export Capacity workshop	Run specific courses and workshops to address changes in legislation or build export capacity.		1 workshop per annum		1 workshop		
Regional Africa Focus Groups Workshops.	Run specific courses and workshops to address issues that are pertinent to each trade region.		1 workshop per quarter. 15 Export and Non-Export companies to attend	June 23 (dates to be confirmed) 15 Export and Non-Export companies to attend	Sep 23 (dates to be confirmed) 15 Export and Non-Export companies to attend	Nov 23 (dates to be confirmed) 15 Export and Non-Export companies to attend	Feb 24 (dates to be confirmed) 15 Export and Non-Export companies to attend

Activities / Program/ Project/ Initiative	Objectives	Estimated Budget	Estimated KPI Target 2020/21	Quarterly Milestones			
				1st	2nd	3rd	4th
Expanded Security Workshop	To engage all stakeholders in the security and cyber security space, as per the expanded definition of the sector.						1 Workshop 15 Export and Non-Export companies to attend
Provincial and Municipal Growth Agencies	Incentivizing investment in local jurisdictions Positioning SADI globally as the preferred supplier of Defence and Security products and services	2023/24 MOU with GGDA MOU with TEDA	Improved support to Gauteng based companies. Joint support promotion programs for the Sector. SMME/ transformation specific programs to aide transformation in the Sector.				
Governmental Finance Institutions	Develop special finance packages for the development of small businesses. Consider SADI as a sector worth supporting and investing in. Work with DIF to meet its objectives. Support Small Businesses through targeted incentives. Incentivized big business to encourage participation by BIG companies	• IDC • NEF • SEDA • DTIC Incentive Schemes • Small Business Development Departure	Workshops on available funding mechanisms				On-going and continuous.

Activities / Program/ Project/ Initiative	Objectives	Estimated Budget	Estimated KPI Target 2020/21	Quarterly Milestones			
				1st	2nd	3rd	4th
Market Intelligence Research Export Portal Capability Mapping	To develop a real-time system that will allow for the collation and analysis of information from various sources, both open and restricted. To develop a portal through which the system will be accessed. To identify and map ALL SADI capabilities.		Make the System available to all members. Continuously monitor and update the information on the system.				
Arms Control Compliance Support	Assist members in understanding the arms control environment and legislation.		40 companies per annum	10 companies to be assisted	10 companies to be assisted	10 companies to be assisted	10 companies to be assisted

PROJECTS

SADI Repositioning	To embark on an exercise to reposition the Aerospace and Defence sector.		A Sector that is properly positioned with ALL the stakeholders agreeing to and accepting the centrality of the Sector.	Develop ToR's. Establish the Task Team	Task Team to finalise its work		
Sector and Member Marketing	Update Member's directory. Develop specific material for SMME group of companies. Access dti marketing funding.		On-going		Update Members directory		
SAAMDEC media engagement initiative. •Defenceweb •Emnothweni •DTIC Publications •DOD Soldier •Import Export Magazine •Wesgro Publication •TEDA publication	Develop articles for publications in various media platforms.		One article per quarter. An article per Trade Mission/ event. Articles by members as and when required.	One article per quarter	One article per quarter	One article per quarter	One article per quarter

Activities / Program/ Project/ Initiative	Objectives	Estimated Budget	Estimated KPI Target 2020/21	Quarterly Milestones			
				1st	2nd	3rd	4th
NYDA Partnership	Embark on a project to get more youth, women and people with disabilities involved in the Sector.		Two projects to be implemented in the financial year with at least 250 beneficiaries.	Identify areas of collaboration.	Develop and submit proposal. Enter into a partnership through an MOU or SLA.	Implement project. Monitor and Evaluate.	Implement, monitor and evaluate.
Defence Exports Advocates and Ambassadors	Identify Export Advocates and Ambassadors, from former SANDF Retired Generals/ Admirals and Senior retired Industry experts. Conduct a workshop with the Advocates and Ambassadors.		Defence Exports Advocates and Ambassadors to be available as and when required by Industry.	Identify Advocates and Ambassadors. Conduct a training or information workshop.	Adv. and Amb. to accompany SADI on Trade Missions and National Pavilions.	Adv. and Amb. to accompany SADI on Trade Missions and National Pavilions.	Adv. and Amb. to accompany SADI on Trade Missions and National Pavilions.



**AMD ANNUAL REPORT
FINANCIALS: 2023/2024**

BUDGET

	2022/2023	2023/2024
REVENUE		
Membership Fees:	500,000.00	500,000.00
dtic Matching Grant Funding:	1,000,000.00	1,000,000.00
Other sources of income:		
Interest Income:		
Total Revenue	1,500,000.00	1,500,000.00
OPERATING EXPENSES		
Marketing Materials:	50,000.00	7,950.00
Local Exhibitions:		
Missions:		
Export readiness training:		
Accounting fees:	9,912.00	10,520.52
Bank charges:	3,000.00	3,600.00
Courier and postage:	6,000.00	6,360.00
Salaries:	1,319,327.23	1,341,773.03
Insurance:		
IT expenses:	6,000.00	6,360.00
Office expenses:	14,400.00	
Operating lease:		
Secretarial fees:		7,632.00
Subscriptions:		
Telephone and internet:	31,500.00	14,400.00
Travel & Subsistence:	50,000.00	90,000.00
Audit and legal fees, etc.	5,000.00	11,200.00
Total Operating Expenses	1,495,139.23	1,499,795.55
Operating Surplus/Loss for 2021/2022 & 2022/2023	4,860.77	204.44
Notes:		

SIGNATORIES

BOARD APPROVAL

Name:

Designation:

Signature:

Date:

EXPORT COUNCIL

Name: Sandile Theophilus Ndlovu

Designation: CEO

Signature:

Date: 31 March 2023

DTIC REPRESENTATIVE

Name:

Designation:

Signature:

Date:

MEMBERSHIP LIST

MEMBERSHIP LIST OF EXPORT COUNCIL - 2023/2024 FINANCIAL YEAR

NO	NAME OF COMPANY	CONTACT PERSON	CONTACT DETAILS (Email & Tel no)	MEMBERSHIP CONTRIBUTION (RAND)	PROVINCE
1	Areta Holdings (Pty) Ltd	Zane Cleophas CEO	Southdowns Ridge Office Park c/o John Vorster Drive and Nellmapius Drive, Irene, Centurion, Pretoria, Southdowns PO Box 45, Celtisridge, 0130 Tel no: 012 003 3240 Email: zane@aretaconsult.co.za	R820.39	Gauteng
2	Armiger	JC van Schalkwyk Director Commercial	PO Box 516, Raslouw Tel no: 012 650 2028 Email: jc.vanschalkwyk@armiger.co.za	R820.39	Gauteng
3	Bohabela Wheels (Pty) Ltd	Ms Nora Fakude-Nkuna Managing Director	P.O. Box 2597, Nelspruit, 1200 Tel : 013-7536000 / 013 7536014 E-mail : nfakude@buscor.co.za/lventer@buscor.co.za	R820.39	Mpumalanga
4	Clear Bec Group	Simpiwe Balfour Commercial Director	Suite 403, Private Bag X1, Melrose Arch, 2076 Tel no: 079 955 8066 Email: simpuwe.balfour@gmail.com	R820.39	Gauteng
5	Cobra Aviation (Pty) Ltd	MR Javid Malik CEO	K1 Hanger, Denel Kempton Park Campus, Atlas Road, 1620 Tel no: 011 395 1473 Email: malik@cobraaviation.co.za	R2461.17	Gauteng
6	Compliance and Security Advisory Services (Pty) Ltd	Linda Moni Chairman	PO Box 1059, Bramley, 2018 Tel: 011 518 3700 Email: linda@csas.co.za	R820.39	Gauteng
7	Cybicom Atlas Defence (Pty) Ltd	David Graeme Viljoen Managing Director	PO Box 591, Simonstown, 7995 Tel no: 021 786 2035 Email: info@cadefence.com	R8203.90	Western Cape
8	Damen Shipyards Cape Town	Mr Arie Midavaine Managing Director	PO Box 6075, Roggebaai, 8012 Tel no: 021 447 1714 Email: sefale@montsi.co.za	R64428.75	Western Cape
9	DCD Protected Mobility	Cornelius Grundling General Manager	PO Box 895, Isando, 1600 Tel no: 011 281 7300 Email: cornelius@dcd.co.za	R20,509.74	Gauteng
10	Defencetek CSIR	Mr Siphon Mbhokota Executive Manager	P.O. Box 395, Pretoria, 0001 Tel : (012) 841-3139/012 841 3594 E-mail : Smbhokota@csir.co.za	R820.39	Gauteng
11	DENEL	Mr William Hlakoane	Tel: 012 671 2858 E-mail: williamh@denel.co.za marietjies@denel.co.za	R71952.19	Gauteng

12	DIRTT Africa (Pty) Ltd	Ms Ndzalama Maluleke Financial Director	17 3rd Street, Maraisburg, 1709 Tel no: 011 472 6649 Email: ndzalama@dirtafrica.com	R820.39	Gauteng
13	Emzansi Engineering Consultants	Aubrey Mackenzie	P.O. Box 2323, Wingate Park, 0153 Tel no: (012) 345 3383 E-mail : aubrey@emzansi.com	R820.39	Gauteng
14	FIMM Tech	Ms Florence Musengi CEO	PO Box 3795 The Reeds, Centurion, 0158 Tel no: 012 880 1866 Email: Florencem@fimmtech.co.za	R820.39	Gauteng
15	GAC Laser International Logistics Trading as: GAC Laser Specialised Logistics (Pty) Ltd	Ms Sandra Monareng Sales and Marketing Manager	PO Box 25116, Monument Park, 0105 Tel no: 012 345 5109 Email: sandram@gaclaser.co.za	R8,203.89	Gauteng
16	GEW Technologies (Pty) Ltd	Mr Hennie Venter	PO Box 912-561, Silverton, 0127 Tel no: 012 421 6212 Email: hventer@gew.co.za	R56,025.00	Gauteng
17	Global Command and Control Technologies	Mr Ratilal Rowji CEO	PO Box 11766, Centurion.0046 Tel no: 082 450 9049 Email: ratilal.rowji@gc2t.com	R20509.74	Gauteng
18	GRIMMS Group	Mr Ernest Carelse Marine Spares Manager	Unit1, Jack's Park, Capricorn Drive, Capricorn Business Park, Muizenberg, 7995 Email: ecarelse@grimms.co.za	R20509.74	Cape Town
19	Hlamalane Projects (Pty) Ltd	Pitso P Mokete Director	PO Box 256, Kelvin, 2024 Tel no: 010 020 1883 Email: pitso@hlamalane.co.za	R820.39	Gauteng
20	HENSOLDT Optronics (Pty) Ltd	Mr Sihle Mayisela	PO Box 8859, Centurion, 0046 Tel no : 012 674 0012 e-mail : Sihle.Mayisela@hensoldt.netcxc	R58,125.94	Gauteng
21	Imperial Armour	Ms Louisa Garland-Els Managing Director	PO Box 29231, Westmead, 3624 3 Clark Road, Westmead Tel no: 031 700 2650 E-mail: imperial-armour@mweb.co.za	R820.39	KwaZulu-Natal
22	Katlego Global Logistics (Pty) Ltd	Mr Moses Maboi Managing Director	PO Box 7321 Halfway House. 1685 Unit 2, Arcadia Park, Capital Hill Business Park, Le Roux Avenue, Midrand, 1685 Tel no: 011 315 8125 Email: mosesm@katlegoint.co.za	R820.39	Gauteng
23	Milkor (Pty) Ltd	Marco Rincon	PO Box 10666, Centurion, 0046 Tel no: 012 333 3134 Email:mrincon@milkor.com/ tgimre@milkor.com	R820.39	Gauteng
24	M- Tek (Pty) Ltd	Rodney Cameron Managing Director	Centurion, 0046 Tel : (012) 653 2528 Mobile : 084 209 7349 Fax: 012 653 2524 Email: rodney@mtek.co.za	R8,203.89	Gauteng

25	Mzansisat (Pty) Ltd	Victor Stephanopoli Director	21 Petunia Street, Welgedacht, Stellenbosch, 7530 Tel no: 083 655 1715 Email: victor@mzansisat.com	R820.39	Western Cape
26	MN Group (Pty) Ltd	Sicelo Ngubane Managing Director	19 Valley View Road, New Germany, 3610 Email: sicelon@mngroup.co.za	R820.39	Gauteng
27	Natcom Group of Companies (Pty) Ltd	Mr Dean Mogale Director	PO Box 1804 Silverton, 0127 Tel no: 012 804 1148 E-mail: keke@frimeasure.co.za	R820.39	Gauteng
28	Natco SA International Transports (Pty) Ltd	Mr Michael Dürig Managing Director	PO Box 25208, East Rand, 1461 Tel no: 011 608 2340 Email: mike@natcosa.co.za	R820.39	Gauteng
29	North Park Group (Pty) Ltd	Jacob Mohlamme Managing Director	PostNet Suite 557, Private Bag X10, Elarduspark, 0047 Tel no: 087 720 1345 Email: jacob@northparktelecoms.com	R820.39	Gauteng
30	Optronics Africa cc	Mr Francois G. Collin	Business Development and Logistics Manager PO Box 5, Innovation Hub, 0087 Tel no: 082 454 8733 Email: Optronics@mweb.co.za	R820.39	Gauteng
31	Osprea Logistics SA (Pty) Ltd	Mr Salih Brandt Managing Director	9 – 11 Wheelan Street, Newlands, 7700 Tel no: 021 300 3000 Email: s.brandt@osprea.com / c.bock@osprea.com	R820.39	Western Cape
32	OTT Solutions	Mr André Olivier Managing Director	PO Box 11296, Hatfield, 0028 Tel no: 012 802 8700 Email: andreo@ottolutions.co.za	R2,461.17	Gauteng
33	OTT Technologies (Pty) Ltd	Mr Stefan Booyen Director	PO Box 11296, Hatfield, 0028 Plot 113, Mooiplaats, Pretoria Tel no: 012 802 8700 Email: chrisg@ott.co.za	R54,000.00	Gauteng
34	Paramount Group	Alison Crooks CEO	998 16th Road, Halfway House, 1685 Tel no 011 086 6800 E-mail: alison.crooks@paramountgroup.com Contact point: Lt Gen (ret) Carlo Gagiano Email: carlo.gagiano@paramountgroup.com Tel no: 082 802 5515	R54,000.00	Gauteng
35	Pearl Coral 1173 t/a TFASA	Mr Jean Jacques Rossouw Chief Executive Officer	PO Box 890, Oudtshoorn, 6620 Tel no: 044 272 2825 Email: admin@tfasa.com / jean@tfasa.com	R820.39	Western Cape
36	REVA	Ms Nadine Rorich	Post Net Suite 443, Private Bag X15, Menlo Park, 0102 No 10 Shere Grace, Shere, Pretoria Tel no: (012) 811 8600 E-mail: nadine@icp.co.za/frans@icp.co.za	R20509.74	Gauteng

37	Redeployment Camp Systems (RCS)	Ms Karen Coetzer	Denel Office Park Nellmapius Drive, Irene, Centurion PO Box 9359, Centurion, 0046 Tel no: (012) 671 1010 Fax no: (012) 671 1023 E-mail: dunelle@rcssa.com/karen@rcssa.com	R8,203.89	Gauteng
38	REUTECH Limited	Mr Trevor Raman Chief Operating Officer	PO Box 35, Halfway House, 1685 Tel no: (011) 652 5555 E-mail: daleens@reutech.co.za	R60,305.66	Gauteng
39	RGC Engineering Sales	Mr A.A. Grech Cumbo CEO	P.O. Box 39171, Bramley, 2018 Tel: (011) 887 0800 E-mail: info@rgcengineering.co.za/ aurelio.grechcumbo@rgcengineering.co.za	R820.39	Gauteng
40	Rheinmetall Denel Munition (Pty) Ltd	Mr Jan-Patrick Helmsen CEO	PO Box 187, Somerset West, 7129 Reeb Road, Firgrove, 7130 Tel no: 021 850 2004 E-mail: Angela.farmer@rheinmetalldenelmunition.com /Jan-Patrick.Helmsen@rheinmetall-denelmunition.com	R64,913.39	Western Cape
41	Richard Harper Logistics (Pty) Ltd	Richard Harper Managing Director	PO Box 59191, Kengray, 2194 Tel no: 082 900 1653 Email: Richard@harperlogistics.co.za	R820.39	Gauteng
42	Rippel Effect Systems (Pty) Ltd	Mr Fritz Visser CEO	PO Box 12434, Hatfield, 0028 Tel no: 012 803 4346 Fax no: 012 803 5548 Email: fritz@rippeleffect.co.za	R2,461.17	Gauteng
43	Saab Grintek Defence (Pty) Ltd	Mr Anders Lindgren CFO	PO Box 8792, Centurion, 0046 Tel: 012 492 2968 Email: anders.lindgren@saabgroup.com Secretary – Salome Warriker Salome.warriker@za.saabgroup.com	R58125.00	Gauteng
44	SAP Africa Region	Mr Gabor Petroczi-Farkas	Tel no: 011 235 6000 Email: g.petroczi-farkas@sap.com	R820.39	Gauteng
45	Siemens Energy (Pty) Ltd	Rainer Neff Head of Marine Engineering	PO Box 2095, Pinetown, 3600 Tel: (031) 710-4120 E-mail: rainer.neff@siemens.com	R2,461.17	KwaZulu-Natal
46	Simteq Engineering (Pty) Ltd	Zak Fourie Senior Engineer	Suite 505, Private Bag X025, Lynnwoodridge, 0040 Tel: (012) 004 1362 Email: zak@simteq.co.za	R820.39	Gauteng
47	Sandock Austral Shipyard	Mr Prasheen Maharaj Executive Director	PO Box 17253, Congelia, 4013 Tel no: 031 274 1800 Email: prasheenm@sa-shipyards.co.za	R54,000.00	KwaZulu-Natal
48	Snode Technologies (Pty) Ltd	Mr Nithen Naidoo CEO and Founder	124 Akkerboom Street, Building 12, Centurion Gate Office Park, Centurion Tel no: 012 880 0989 Email: Nithen@Snode.com	R820.39	Gauteng

49	Special Vehicle Innovation (SVI)	Mr Jaco de Kock Director	PostNet Suite 290, Private Bag X8, Elardus Park, 0047 Tel no: 012 999 3082 Email: jdk@svi.co.za	R8,203.89	Gauteng
50	Swatek Electrical (Pty) Ltd	Mrs Khulile Mtsetfwa CEO	PO Box 17249, Lyttelton, 0140 Tel no: 012 644 1085 Email: khulilem@swatek.co.za/lvds@swatek.co.za	R2,461.17	Gauteng
51	TAU Aerospace and Advanced Technologies (Pty) Ltd	Glenrose Kganyago: Managing Director Monique Mulder: Project Supervisor	Unit 13, Jan Smuts Park, Jones Road, Jet Park, Boksburg, 1459, Tel no: 011 397 6260 Email: Glenrose.khanyago@tauaerospace.co.za	R2,461.17	Gauteng
52	Thales SA Systems (Pty) Ltd	George Janse van Rensburg Senior Sales Manager: Defence	P.O. Box 420, Halfway House, 1685 Tel: (011) 088 8653 E-mail: george.jansevanrensburg@thalesgroup.com	R20,509.74	Gauteng
53	TMi Consultancy cc	Mr T. Moodley Managing Member	P.O. Box 4369, Rietvalleirand, 0174 Tel: (012) 844 0310 E-mail: tmoodley@tmi-za.com	R820.39	Gauteng
54	Twiga Services	Brig Gen (ret) Damian de Lange CEO	PostNet suite no 369 Private Bag X8, Elarduspark, 0047 38 Gen van Ryneveld Street, Eulophia Corner, Persequor Technopark, Lynnwood Tel no: 012 345 5109 Email: damian@twiga-africa.com	R8203.39	Gauteng
55	Umkhombe Marine (Pty) Ltd	Nombasa Ndhlovu Director and CEO	2063 Vohaire Drive, Dainfern Valley, Fourways, 2191 Tel no: 012 003 3420 Email: nombasa@umkhombemarine.co.za	R20,509.74	Gauteng
56	Vepac Electronics	Edwin Brown Managing Director	PO Box 1438, Edenvale, 1610 Tel no: 011 454 8053 Email: Edwin@vepac.co.za	R820.39	Gauteng
57	WSP Group Africa (Pty) Ltd	Dr Terence Milne Divisional Managing Director	PO Box 98867, Sloane Park, 2152 Tel no: 011 361 1402 Email: terence.milne@wsp.com	R2,461.17	Gauteng
58	ZD Investment t/a ZD Utilities	Ms Zodwa Dlamini Managing Director	PO Box 39080, Faerie Glen, 0043 Tel no: 012 348 5338 Email: zdutilities@gmail.com	R820.39	Gauteng
59	Zebra Armour	Ms Sonja Morphis Company Secretary	PO Box 675, Gillitts, 3603 Tel no: 031 700 8077 Email: Sonja@morphis.co.za / sales@zebrasun.com	R820.39	KwaZulu-Natal

60	Zutari (Pty) Ltd	Lizelle Botha Technical Director Dirk Trollip Technical Director	PO Box 74381, Lynnwood Bridge, 0040 Tel no: 082 5538457 Email: Dirk.Trollip@zutari.com	R820.39	Gauteng
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