

## SELECTED NIP PROJECTS: ADDING VALUE FOR SOUTH AFRICA

### DAIMLER CHRYSLER

#### 7.1 Natural Fibre: Adding Value to Rural Production

Product:	Rear parcel trays for Mercedes Benz C Class vehicles, made of sisal fibre
Sector:	Agro-processing
Benefits:	Jobs in rural areas, agro-processing
Local company involved:	New business, Brits Textiles
Total investment:	R20.34 million
Projected sales:	R34.2 million (actual sales to date)
Location:	Limpopo
Other benefits:	150 jobs created/sustained

#### 7.2 Atlantis Foundries: Saving Jobs

Product:	Vehicle cylinder head-blocks and crankshafts
Sector:	Auto
Benefits:	Access to global markets; SsangYong, Perkins, Eatons, MAN, Detroit Diesel and Cummings, Daimler Chrysler; NIP credits accumulated under this project are utilised to fulfil part of the Airbus obligation resulting from the commercial aircraft purchase by SAA.
Local company involved:	New business
Total investment:	R250 million
Projected sales:	Local sales of approximately R854 million and export sales of R612 million.
Location:	Western Cape
Other benefits:	500 new jobs by end of 2003

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### 7.3 Atlantis Forge: Creating 730 New Jobs

Product:	Crankshafts and camshaft forgings, connecting rods for vehicle engines
Sector:	Auto
Benefits:	Exports to Perkins (UK), Caterpillar (US), Daimler Chrysler (Germany), Volkswagen and Ford (SA); new markets in Korea and Brazil
Local company involved:	Atlantis Forge (Pty) Ltd
Total investment:	R16 million
Projected sales:	R2 billion in local sales, R500 million in export sales
Location:	Western Cape
Other benefits:	270 new jobs to date, 750 jobs by 2010

### 7.4 Calsonic Kansei: Value added

Product:	Catalytic Convertors
Sector:	Minerals beneficiation
Benefits:	Add to platinum, technology transfer for new generation vehicles (Smart Car), transfer of training programmes
Local company involved:	Calsonic Kansei
Total investment:	R22 million
Projected sales:	R96 million (local content 60%)
Location:	Eastern Cape
Other benefits:	8 new jobs, 5 indirect jobs

**SELECTED NIP PROJECTS: ADDING VALUE FOR SOUTH AFRICA****MOBILE DATA SOLUTIONS INCORPORATED (MDS)**

MDSI's approach to discharging its IP obligation has two major components: creating a Software Development Centre and establishing Systems Integrator partners in South Africa.

**8.1 Software Development Centre: Entering the New Economy**

Product:	Software Development Centre to develop software development modules. Also, support and maintenance for such software and development of local, customised software
Sector:	ICT
Benefits:	ICT skills and technology transfer, new service industry, export orientation
Local company involved:	MDSI SA
Total investment:	US\$2.6 million
Projected sales:	US\$6.1 million
Location:	Gauteng
Other Benefits:	Software development

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#### BOEING

In 2001, South African Airways awarded a contract to the Boeing Company for purchase and lease of 21 Boeing 737-800 aircraft. As a result of this purchase, Boeing incurred an industrial participation obligation. The purchase by Armscor of the Boeing Business Jet in 2001 increased this obligation to US\$299 million. In 2002, South African Airways decided to purchase the Airbus range of aircraft and phase out all Boeing aircraft. As a result of this decision, SAA negotiated with Safair to take over the lease of five Boeing 737 – 800 aircraft which have not yet been delivered, thus reducing the total obligation.

#### 9.1 Aerosud Work Package: Boosting the Aerospace Industry

Product:	Manufacturing of interior components for Boeing aircraft
Sector:	Value-added manufacturing
Benefits:	Transfer of equipment, machinery and tooling to South Africa, training for staff
Local company involved:	New business / Aerosud
Total investment:	N/A
Projected sales:	\$49 million
Location:	Gauteng
Other benefits:	100 new jobs

#### 9.2 Denel: Boosting the Aerospace Industry

Product:	Building components for Boeing 737, 747, 757, 767, 777 aircraft
Sector:	Value-added manufacturing
Benefits:	Allows first entry of Denel into commercial aerospace industry, with guaranteed orders from Boeing. Also provides transfers of skills, training and technology, with Denel achieving the AS9100-A-2001 Quality Standard
Local company involved:	Denel
Total investment:	R60 million
Projected sales:	N/A
Location:	Gauteng
Other benefits:	20 Denel personnel trained

**SELECTED NIP PROJECTS: ADDING VALUE FOR SOUTH AFRICA****AIRBUS****10.1 African Non Destructive Testing Centre: Bringing in Forex**

Product:	Non-destructive testing methods for aerospace industry
Sector:	High-tech
Benefits:	Establishment of a centre for testing methods, training of staff, majority of customers are outside South Africa
Local company involved:	New business
Total investment:	R25 million
Projected sales:	R100 million
Location:	Gauteng
Other benefits:	N/A

**10.2 Aeronautical and Component Manufacturing: Growing Local Companies**

Product:	Design and manufacture of interior and exterior aircraft components for Airbus (eg galleys)
Sector:	Aeronautics
Benefits:	Exports, new markets, guaranteed markets
Local company involved:	Aerosud
Total investment:	N/A
Projected sales:	\$20 million
Location:	Gauteng
Other benefits:	N/A

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### 10.3 A400M Fuselage Structural Design

Product:	Preliminary and detail design of Airbus A400M structural Design
Sector:	Engineering
Benefits:	New products, new market, transfer of technology for Airbus ISSY Stress Analysis tool, Airbus Q-checker Tool and training of personnel on airbus design standards and Catia V5 CAD application standards.
Local company involved:	Denel
Total investment:	N/A
Projected sales:	N/A
Location:	Gauteng
Other benefits:	

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### ALSTOM PROJECTS: IMPROVING TRANSPORT

Alstom South Africa entered into a Strategic Partnership Agreement with **the dti** in October 1999. In July 2000 Alstom was successful in being awarded the Spoornet 9E project, thus resulting in them incurring an IP obligation of approximately R25,38 million.

#### 11.1 Planning and Design of Railway Signalling Systems: Transferring Knowledge

Product:	Planning and design of railway signalling systems for the export market
Sector:	Services / Transport
Benefits:	Training of South African engineers in France, accreditation of IRSE designer licence qualifications
Local company involved:	New business
Total investment:	R2 million
Projected sales:	R7 million
Location:	Gauteng
Other Benefits:	

#### 11.2 Manufacture of F3 Motors for Export and Local Sales: Transferring Technology

Product:	Manufacture of lower power rating motors for local and export markets
Sector:	Value-added manufacturing
Benefits:	New product for exports, new French technology for South Africa
Local company involved:	New business
Total investment:	R6 million
Projected sales:	R100 million
Location:	Gauteng
Other benefits:	Technology transfer, training in France

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### 11.3 Export of Railway Rolling Stock: Value-added Exports

Product:	Production of railway rolling stock parts and replacement units for Alstom's Transport System worldwide
Sector:	Value-added manufacturing
Benefits:	New products, new technologies, guaranteed export markets
Local company involved:	Alstom SA
Total investment:	None
Projected sales:	R8 million
Location:	Gauteng
Other benefits:	Promotion of BEE suppliers, especially for packaging and overseas freight.

**SELECTED NIP PROJECTS: ADDING VALUE FOR SOUTH AFRICA****AGUSTA PROJECT****12.1 Mario Levi: Growing Business**

Product:	Split leather production for motor vehicles
Sector:	Value-added manufacturing: Auto
Benefits:	Expansion of existing business, new equipment
Local company involved:	Mario Levi Investments (Pty) Ltd, Saftan international (Pty) Ltd, BMW Business
Total investment:	US\$ 22.082 million
Projected sales:	US\$ 96 million
Location:	Eastern Cape
Other benefits:	286 new jobs and 200 indirect jobs

**12.2 Italian Plastics: Expanding Exports**

Product:	Recycling plastic waste materials for pellets, cables, sheeting and piping and blast barriers for mining industry
Sector:	Environmental
Benefits:	Environmental, 100% local content, increased revenues
Local company involved:	Italian Plastics Technologies (Pty) Ltd, Nomavet, Katana Investments
Total investment:	US\$ 3.5 million
Projected sales:	US\$ 11.5 million
Location:	Gauteng
Other benefits:	69 new jobs and, 200 indirect jobs

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#### THALES

##### 13.1 Tenesa: Cutting edge technologies for rural development

Product:	Solar panels
Sector:	High-tech manufacturing
Benefits:	Technology for rural development, eg schools, clinics, water pumps, electrification, export market
Local company involved:	Tenesa Manufacturing (Pty) Ltd
Total investment:	US\$.9.7 million
Projected sales:	US\$ 82.5 million
Location:	Western Cape
Other benefits:	45 new jobs, 20-30 outsourced jobs

##### 13.2 Silicon Smelter and Silicon Fume Dioxide: Saving jobs, developing neglected regions, adding value

Product:	Silicon fume and silicon fume dioxide
Sector:	Minerals beneficiation
Benefits:	Technology transfer to save existing plant and expand production to 4 540 tons per year, exports, 96% local content, increase in sales from US\$2.5 million per annum to US\$6.02 million per annum
Local company involved:	Silicon Smelters
Total investment:	US\$25.63 million
Projected sales:	US\$102 million
Location:	Limpopo
Other benefits:	390 jobs saved and 90 new jobs

**13.3 Evertrade Medical Waste Facility: International Competitive Environmental Products**

Product:	Health care risk waste processing and waste management facilities and waste bin manufacturing plants for export
Sector:	Environmental: services
Benefits:	Environment, new products for export, new plants, BEE component
Local company involved:	Evertrade
Total investment:	US\$63.62 million
Projected sales:	US\$107.59 million
Location:	Gauteng, Western Cape
Other benefits:	74 new jobs, 180 indirect jobs, BEE

**13.4 Blackstone Tek: Expanding Exports, Transfer of Knowledge**

Product:	Carbon fibre wheels for motor cycles
Sector:	Auto
Benefits:	Latest technology transfer, potential for aeronautical products, expanded exports, motor vehicle components (eg steering wheels), technical training, expansion of product lines
Local company involved:	Blackstone Tek
Total investment:	ZAR15 million
Projected sales:	US\$34 million
Location:	Gauteng
Other benefits:	165 new jobs

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#### VOLVO

##### 14.1 Zeuna Catalytic Converters: Added Value Manufacturers for Exports

Product:	Catalytic convertors
Sector:	Value-added: metals
Benefits:	Guaranteed market for exports to Volvo worldwide, petrol and diesel vehicles
Local company involved:	Alwin Exhaust Group
Total investment:	US\$12 million
Projected sales:	US\$129.7 million
Location:	North West
Other benefits:	124 jobs created

##### 14.2 Johnsons Control Leather Seats: Boosting the Lucrative Auto Components Industry

Product:	Leather seat covers for Volvo, Sweden
Sector:	Value-added: agro processing
Benefits:	Value-added manufacture for exports
Local company involved:	JCI South Africa
Total investment:	US\$10 million
Projected sales:	US\$31.5 million
Location:	Eastern Cape
Other benefits:	150 jobs created

**1.1 Alltube: Aluminium Tubing and a US\$2 million loan: Adding Value**

Product:	Health care risk waste processing and waste management facilities and waste bin manufacturing plants for export
Sector:	Environmental: services
Benefits:	Environment, new products for export, new plants, BEE component
Local company involved:	Evertrade
Total investment:	US\$63.62 million
Projected sales:	US\$107.59 million
Location:	Johannesburg, Gauteng; Cape Town, Western Cape
Other benefits:	74 new jobs, 180 indirect jobs, BEE

**1.2 Ferrochrome: Adding Value, Transferring Technology**

Product:	Carbon fibre wheels for motor cycles
Sector:	Auto
Benefits:	Latest technology transfer, potential for aeronautical products, expanded exports, motor vehicle components (eg steering wheels), technical training, expansion of product lines
Local company involved:	Blackstone Tek
Total investment:	ZAR15 million
Projected sales:	US\$34 million
Location:	Gauteng
Other benefits:	165 new jobs

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#### BLUE WATER UK

Obligation incurred through contract of US\$22.9 million with Soekor E&P (Pty) Ltd for Floating Production, Storage and Offload (FPSO) facility at Sable Fields Development

#### 1.5 Blue Water UK (Pty) Ltd: Outsourcing for South African Engineering

Product:	Servicing and maintenance of Floating Production, Storage and Offloading (FPSO)
Sector:	Energy: value-added
Benefits:	Outsourcing of services locally
Local company involved:	SA Five Engineering
Total investment:	N/A
Projected sales:	\$18 million
Location:	Western Cape
Other benefits:	Transfer of skills

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#### AVENTIS PASTEUR

Obligation incurred by Aventis Pasteur for supply of vaccines to Department of Health

#### 1.7 Aventis Pasteur: Biotech in Action

Product:	Establishment of a research organisation, the Triclinician, to project-manage the processes related to clinical trials and for a vaccine manufacturing facility in South Africa
Sector:	Biotechnology
Benefits:	Expansion of local expertise and facilities, with considerable export potential
Local company involved:	New business
Total investment:	R23 million
Projected sales:	R40 million
Location:	Gauteng and Western Cape Provinces
Other benefits:	