

# Conclusion

## CONCLUSION: TAKING THE HIGH ROAD TO GROWTH

Overall, the evidence strongly reflects the benefits of the NIPP, in close association with the private sector in South Africa, in attracting strategic new investment and increasing exports from a diversified manufacturing sector. In some cases entirely new products have been developed, in others whole new markets opened up.

The NIPP is also useful in reinforcing existing strategic thrusts of South Africa's new economic policies, including our industrial strategy. Thus, the IP programme leans towards the high-potential new wave industries of the knowledge-intensive sectors of the economy, such as aviation and ICT. The NIPP works in these ways to strengthen **the dti's** Integrated Manufacturing Strategy, down to addressing spatial inequalities by acting as an anchor for key projects and key programmes such as the Ngqurha IDZ. Throughout, however, the principles of sustainability and viability apply.

It is also important to remember that the NIPP is not just about defence-related purchases, important though these are. There are now 27 key non-defence NIPP projects under way, after a period of gestation, which will make their benefits felt increasingly in the years ahead, with a strongly beneficial impact on, among other things, export earnings. The **dti's** figures already show that the NIPP has since its inception generated approximately US\$1 billion NIP credits.

Thus, the future looks extremely promising, given that for defence the period 2000-2002 was largely taken up in preparing the groundwork for new projects now starting to come on-stream. In addition, the diversity of projects under way provides a broad and sustainable foundation for strong growth overall.

In the future, key aspects of **dti** policy with regard to industrial participation will in essence remain as is but with an even stronger emphasis on labour-intensive sectors. The future programme will also involve creating increased opportunities for research collaboration between local firms and multinational companies, particularly in relation to the growth of high technology sectors.

Close monitoring of all projects by **the dti** will of course continue, to ensure that forecasts stated in business plans are met, and contractual milestones adhered to. All projects must be commercially viable. This means that market changes will necessitate the substitution of some projects. New programmes, such as those relating to the tender released by Spornet and SAA will bring additional IP obligations and opportunities to strategically leverage growth in key sectors of the South African economy well into the future. The NIPP is proving a valuable element in the overall strategy to grow South Africa's economy more strongly into the future.

# Appendix A

## DEFENCE OBLIGORS

### Thales - Combat Suites

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
Tenesa - Solar Panel	2000	142	Cape Town	Total Energy, Tenesa, Thales	Investment into the facility for the manufacture and export of solar panels.
Silicon Smelter Upgrading	2000	480	Polokwane	Invensil, Pechinery	Upgrade of Silicon Smelters to produce silica fume for exports.
Silicon Smelter Densification	2000	0	Polokwane	Invensil, Pechinery	Investment into densification plant for export of silica fume dioxide.
Evertrade Medical - Containers	2000	40	Cape Town	Stericycle, Mnandi	Investment for the manufacturer of medical bins.
Evertrade Medical - Waste Treatment	2002	TBD	Cape Town	Stericycle, Mnandi	Investment into Evertrade for the treatment of medical waste.
Carbon Fibre Wheels	2003		JHB	Black Stone TEK	Investment for the manufacturer and export of carbon fibre wheels.
Novamoda	2003		JHB	Novamoda	Investment for local manufacture of ceramic tiles for local and export markets.

### GFC - Corvettes

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
Exports	2001		Gauteng, KZN		Facilitation of the export of automotive and other value added goods from South Africa.
Aluminium Tubes	2000	21	KZN	Allexim Ennovative Solutions Private Investors	The company Alltube produces Aluminium Tubes for application in automotive radiators.
Ferrochrome	2000		North West	SA Chrome, Bafokeng Nation, ThyseenKrupp	Processing of high-grade and low-grade chrome into ferrochrome used in steel and other industries.
Metal Pressing of House Panels	2000	100	Gauteng		Production of prefabricated houses on the base of galvanised metal sheets.
Joint Venture DSU / Dispack	2000	250	Gauteng	DSU Dispack	The DSU, a company of the ThyssenKrupp Group, has bought 50% of the shares of Dispack to expand into new markets.

### Agusta - LUH

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
Filk Gold Chains	1999	115	Western Cape	Filk, Oro Africa	Joint venture for the manufacture and export of gold jewellery.
Cape Mohair	1999	62	Eastern Cape	Cape Mohair, Alpha Tops	Joint venture for spinning, dyeing and knitting of Cape Mohair, mainly for exports.
Leather Seats, tannery, expansion	2003	143	Eastern Cape	Mario Levi	Investment for the manufacture of raw hides and kits for seat covers.
Plastic Recycling	2002/2003	69	Gauteng	Italian Plastics	Investment into plastic recycling plant for production of recycled plastic pellets.

## BAE / SAAB Hawk and Gripen

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
ABB Procurement	1999	1000	Pretoria West Alrode (Gauteng)	ABB Powertech, ABB Electrical Systems, ABB Automotive	Supply of electrical components and systems to the ABB group world wide.
AECI BioProducts	2002	109	KwaZulu Natal, Umbogintwini	Zarara Energy IDC Management	Conversion of a production facility of bio a threonine.
Aspen Pharmacare Pharmaceuticals	2002	0	Port Elizabeth East London	Aspen Pharmacare, Astra Zeneca	Expansion of production facilities of Aspen Pharmacare and the acquisition of Aspen shares by a BEE Astra Zeneca.
Atlas Copco	1999	18	Springs	Atlas Copco	The delopment, production and supply of niche mining components for the export market.
Bel-Mec High Pressure Die Casting	2002	75	Uitenhage Eastern Cape	Bel-Essex	Plant for manufacture and supply of high pressure die casting components to the automotive industry.
Biological Control Agents	2002	63	Durban	Biological Control Products , IDC	Manufacturer, marketing and sales of biological control products used in the control of plant pathogens in agriculture.
Carbon Manufacturing From Wood	2002	300	Estcourt	Karbotek Carbon Technologies PTY Ltd	Conversion of wood into carbon which can be used in a number of industries such as solvent recovery and air purification.
Dunlop Africa Ltd	2001	218	Ladysmith Durban	Dunlop, Ethos Private Equity	Manufacture and export of passenger vehicle and truck tyres at Dunlop Africa Limited.
Electrolux	1999	0	Cape Town Bronkhorst-spruit	Electrolux Leisure Appliances; Electrolux SA	Expansion of manufacturing facility for electrical components.
Elgin Brown and Hamer	1998	41	Durban	Elgin Brown & Hamer, Interpair Services, Zenza	Purchase of a floating dock for the purpose of expanding the ship repair business of Elgin, Brown & Hamer.
Global Forest Products	2001	230	Sabie	Global Forest Products, Mondi, IDC	To acquire and manage 67000 hectares of forests, three saw mills, a plywood plant and two value adding processing facilities in Mpumalanga.
Gold Beneficiation	2001	100	Virginia (Free State)	Harmony, IDC, Mintek	Manufacturing facility for the production of value added gold products, the establishment of gold technology industrialisation fund and sponsorship for students at a jewellery school.
Green Heat	2002	20	Durban	Greenheat SA PTY Ltd	The manufacturing, packaging and marketing of non-petroleum and environmental-friendly cooking and heating combustible products.
Hivex	2002	250	Durban	MedTech Africa PTY Ltd	To conduct research and clinical trails with the aim of finding equipment that can be used in the treatment of HIV / Aids.
Industrial Business Park	1998	100	Orange Farm JHB South	MKMVA, Airborne Trust	

## BAE / SAAB Hawk and Gripen (Continue)

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
IT Programme	2001	0	Gauteng	Y-Digital Works, Bryan Hatting Group	The development of software programmes for overseas markets.
Kolbenco Management Buy-in	2001	366	Gauteng Airode	Kolbenco	Manufacturing of Ford pistons for RoCam engines.
NEI Africa Ltd	2001	0	Elandsfontein Cape Town	Reyrolle, NEI Africa	To supply locally manufactured electrical switch gear products and associated services into the industrial utility markets.
Package Tourism	2002	10	Port Elizabeth	AmatolaTours, Bel-Essex and most local tourism entities	Starting up of package tours to South Africa by attracting tourists from the Scandinavian countries, Spain and other tourism markets.
SARM Gold Chain	2002	1000	Virginia Free State	Harmony, IDC	Manufacturing of new gold rope chain, to produce high quality high volume carat rope chain jewellery for export.
SAAB / BAE Systems Export	2000	0	Gauteng	DNA Sherwood	Export a variety of products to overseas markets.
Smart Structural Health Monitoring System	2002	0	Durban	University Of Natal	To develop smart structural health monitoring system and to manufacture and commercialise the products
Soya Protein Manufacturing	2002	150	Gauteng, Modderfontein	Chemical Consultants, Ciskastreet	The project involves the biochemical process to extract protein from soyabeans.
Swedish Match Investment SA Tobacco Sector	1999	0	Cape Town, Boksburg, Rustenburg, Bloemfontein	Swedish Match Leonard Dingler, BAT Pipe Tobacco, Brasant	To facilitate the export of raw tobacco and the development of other value added tobacco products suitable for export from South Africa.
Technology Transer	2000	0	Gauteng	Denel	
Universal Diesel Economiser	2002	150	Durban	Diesel Management Systems PTY Ltd	Develop products to reduce faust emissions and to improve engine responsiveness of diesel engines.
Visteon Air fuel Charge Systems	2001	65	Port Elizabeth	Visteon	Manufacturing and assembling of air fuel charge systems for the Ford of Southern Africa's RoCam engines.
Winecorp SA	2003	210	Stellenbosch Paarl	Winecorp	The outright purchase of the Longridge winery, the Longridge brand and the farm Nootgedacht from the owner, Winecorp.

# DEFENCE

## GSC - Submarines

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
Stainless Steel Precision Strip	2003	105	Western Cape		Establishment and operation of a Precision Strip
Cold Rolling Mill	2003	105	Eastern Cape		Establishment of a stainless steel cold rolling mill at Columbus
Reefer Cooling Containers	2003	640	Eastern Cape		Erection and implementation of a manufacturing plant for Stainless Steel refrigerated box containers
Stainless Steel Pipes	2001	120	Gauteng		Manufacturing of Stainless Steel Pipes, which are used for conducting corrosive materials
Special Steel Long Products		600	Under discussion		Production facility for a speciality steel consisting of billets, bars and wire rod, mainly for export market
Condom Manufacturing	2003	520	Eastern Cape		Production of high quality condoms, including the backwards integration into a dripping line.
Agriculture and Floricultural Production and Products	2001	1500	Western & Eastern Cape	TBD	Enhancing and supporting the local agricultural industry by facilitating access to export markets in Europe
Engineering Services	2001	90	Gauteng		Joint venture for acquiring and executing contracts for the supply and implementation of industrial plants worldwide.
Coke Calciner	2003	50	KwaZulu Natal		Establishment of coke calcining lines, desulphurisation and dedusting units, green coke and calcined coke storage
Tank Containers	2003	180	Eastern Cape		Expansion of tank container facility to increase capacity by constructing a new factory building and installing a new welding line

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Plastic Recycling	2002/2003	69	Gauteng	Italian Plastics	Investment into plastic recycling plant for production of recycled plastic pellets.

# NON DEFENCE

## NON DEFENCE OBLIGORS

### Damen Shipyards

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
Purchase and Export of Ship related spare parts.	2002				Purchase and export of ship related parts
Export Tugs	2002				Export of Tugs.

### Volvo

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
Zeauna Catalytic Converters	2000	TBD	Gauteng	Zeuna Starker	Export promotion of catalytic converters.
Faurecia Catalytic Converters	2000	TBD	Gauteng	Faurecia	Export promotion of catalytic converters.
Stainless Steel Colombus	1998	TBD	Mpumalanga	Columbus, Cromweld	Export of stainless steel for use in Volvo buses
N.F.D. Aluminium Wheels	1999	TBD	Gauteng	NFD	Sourcing of aluminium wheels for Volvo.
T.S.W. Aluminium Wheels	1999		Gauteng	TSW	Sourcing of aluminium wheels for Volvo.
Leather Trim Covers	2001		Eastern Cape	JCI Johnston	Sourcing of aluminium wheels for Volvo.

### Marpless - HANIS

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
Export of Telephone Booths	2001	20	Western Cape	Plessey	Export of telephones to Oman
Engineering Services for Satellite Communications	2001	0	Gauteng	Unisys	Export of engineering Services for satellite Communication to overseas.
Technical IT System	2001	10	Gauteng	Unisys	Export of various technical services for IT system to overseas by Unisys.
Microwave Communication Systems	2001	0	Western Cape	Plessey	Export of Microwave Communication Systems to overseas for Plessey.
Television Transmitters	2002	0	Western Cape	Tellumat	Export of local made TV Transmitters to Algeria.
Export of Antennas	2003	10	Gauteng	NEC, Andrew Satcom	Purchasing of antennas by NEC from Andrew SatCom South Africa for export market.

# NON DEFENCE

## Aventis

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
Triclinium Clinical Research Organisation	1999	31	Gauteng	Aventis Pasteur	Provision of clinical trial management services to pharmaceutical companies and research organisations
The Biovac Institute - Vaccine Manufacturing	2003/2004	0	Western Cape	Aventis Pasteur, Biovac	Restart of a Vaccine Manufacturing facility in South Africa for the local and export sales.

## Alstom

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
Railway Signalling System	2000	35	Driehoek		Use of SA engineers to plan and design railway signalling systems for Alstom export markets.
F3 Motors	2000	1	Benoni		Transfer of production from France for the manufacture of the F3 Motors for export and local sales
Railway Rolling Stock	2000	7	Driehoek		The manufacturer of high quality, low cost components for parts and replacement units required for the railway rolling stock after-market, for the export market.

## Marpless - HANIS

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Export of Telephone Booths	2001	20	Western Cape	Plessey	Export of telephones to Oman
Engineering Services for Satellite Communications	2001	0	Gauteng	Unisys	Export of engineering Services for satellite Communication to overseas.
Technical IT System	2001	10	Gauteng	Unisys	Export of various technical services for IT system to overseas by Unisys.
Microwave Communication Systems	2001	0	Western Cape	Plessey	Export of Microwave Communication Systems to overseas for Plessey.
Television Transmitters	2002	0	Western Cape	Tellumat	Export of local made TV Transmitters to Algeria.
Export of Antennas	2003	10	Gauteng	NEC, Andrew Satcom	Purchasing of antennas by NEC from Andrew SatCom South Africa for export market.

## Alcatel

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
Subcontracting of Engineering and R&D work	1997		Gauteng, Boxburg	Rethabile Group	Planning, installation, commissioning and R&D work for Alcatel (France)
DECT Components	1997		Gauteng, Boxburg	Rethabile Group	Manufacture of DECT and other telecoms components for export markets.

# NON DEFENCE

## General Electric

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
Reid and Mitchell	1997	0	Gauteng	Reid and Mitchell	Refurbishment work done for Kenya railways on behalf of GE.
Sourcing of Bearings	1997	0	Durban	Federal Mogul	Sourcing of bearings from Federal and Mogul.
CSIR R&D Thermal Spray Coatings	1999	0	Gauteng	CSIR	R&D agreement between GE Corporate research and CSIR for research programmes such as thermal barrier coatings.
Sourcing - CU SI & Chemicals	1998	0	Polokwane	Silicon Metal, Sasol	Sourcing of silicon metal and other chemical substances from SA.
AL Steel Sourcing	1998	0	Gauteng	Scaw Metals	Sourcing of truck frames, electric motor, etc.. As part of GE global sourcing initiative for metal and metal related products.
Flame Electrical - Investment	1997	42	Gauteng	Flame Electrical	Investment into Flame Electrical for the sale of electrical goods. Jobs retained.
Baygen Power	1997	0	Cape Town	Baygen Power	Investment into Baygen for manufacture and export of freeplay wind up radio.
Ampaglas Polycarbonate Roofsheeting, GE Lexan Brand	2001	0	JHB	Ampaglas, GE Plastics	Investment into Ampaglas for manufacture of polycarbonate roofsheeting using GE Lexan brand.
Subcontracting by GE Power Systems	1999	0	Gauteng	Rotek and other engineering firms	Subcontracting SA companies to refurbish, service and install power generating equipment.
GE Seaco	2000	0	Cape Town	GE Capital, Consani Engineering, UK Containers	JV company called GE Seaco to source containers from SA for leasing to container fleet operators.
GE Branded Appliances	2002	0	Gauteng	Walmart, Nu World	Sourcing of electrical appliances for Walmart in USA, by GE

## Daimier Chrysler

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
Natural Fibre	2000	150	East London	Berlyn and Brednstore, Britts Textiles, Feltex	Investment into sisal farms and plant for manufacture of sisal reinforced automotive components.
Atlantis Foundries	2002	900	Western Cape	Daimier Chrysler	Investment for the expansion of Atlantis Foundries, and increased business.
MTU Johannesburg Workshop	2002	0	JHB	MTU	Maintenance and overhaul of naval and commercial diesel engines for Africa

## ATC

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
Export of telecommunication Cables	1998				Manufacture of copper and optic fibre cables for export markets



# NON DEFENCE

## Siemens

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
MDF9120 Connector Strips	2000	11	Pretoria Gauteng	Siemens AG, Vogt (Germany), Gem Manufacturers	Manufacturing assembly and test of connector blocks for export purposes.
Software Development Centre	1998	72	Pretoria Gauteng	Siemens AG, Germany	Software development for fixed and mobile networks for export into world markets

## Ericsson

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
Microwave Minilink	1998				Manufacturing and assembly of microwave access module housing for export markets
Regional Hub Activities	1998				Network planning, engineering, installation, commissioning and support of Ericsson fixed and mobile equipment in African Markets.

## Aberdare

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
Export of Copper and Optic Fibre Cables	1998		Eastern Cape		Manufacture of copper and optic fibre cables for export markets

## Airbus

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
African Non Destructive Testing Centre	2003	20	Pretoria	CSIR, NDT Expert (Fr.), BEAMS	Centre for R&D, inspections, training and installation validations of nondestructive methods for the aerospace industry.
Aeronautical and component Manufacturing	2003		Gauteng, Western Cape	Aerosud, Denel Aviation, Omnipless	Design and manufacture interior and exterior aircraft components for Airbus aircraft.
Compressed Air Vehicle Airtank	2003	120	Western Cape	Composite Aquataine, Zero Pollution Motors	Development and manufacture of airtank components for compressed air vehicles being developed in France.

## Boeing

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
Aircraft Maintenance and Modification Work	2001				Outsourcing of aircraft maintenance and modification work to local companies.
Manufacture of Aircraft Components	2001		Pretoria, Kempton Park	Aerosud, Denel Aviation	Manufacture of aircraft components for Boeing range of aircraft
Research and Development Collaboration	2002	0	Pretoria	CSIR	Subcontracting of research and development work to local companies

# NON DEFENCE

## Rolls Royce

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
Tay Gearbox	2001		Gauteng	Turbomeca Africa	Manufacture of gearbox components for RR tay engines for Fokker and Gulfstream jets for export to the UK.
Water Hydraulic Breakers	2001		Gauteng	Samson Technology	Design, development and manufacture of water hydraulic breakers and rock drills for export markets.

## Motorola

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
Service Centre for Radio Parts	1998				Investment into service centres for radio products for export.

## Snecma

PROJECT NAME	START OF PROJECT	DIRECT JOBS	LOCATION	PARTNERS	DESCRIPTION OF PROJECT
Bell Equipment - Articulated Dump Trucks	2001	100	Richards Bay	Bell Equipment	Export of dump trucks from South Africa.
Hall Longmore - Pipes	2001	30	JHB	Hall Longmore	Export of steel pipes to Europe for oil, water and gas industries.