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UK Trade Minister, RICHARD CABORN, opens SAAB & BAE SYSTEMS SA National Industrial Participation (NIP) Office – NIP Projects potentially worth US\$3,26-bn already launched

Each The UK Minister for Trade, Richard Caborn MP, today officially opened the Saab-BAE SYSTEMS South African National Industrial Participation office in Rosebank, Johannesburg.

The SA NIP office is responsible for identifying, processing and implementing the non-defence offset (NIP) business ventures linked to South Africa's purchase of 24 Hawk lead-in fighter trainer and 28 Gripen advanced multi-role fighter aircraft. The office also serves as Saab's and BAE SYSTEMS's interface with South Africa's Department of Trade & Industry which is responsible for approving NIP projects and monitoring the delivery of their economic benefits.

Minister Caborn described the NIP business activity as an important economic driver that would further the UK's commitment to broadening and strengthening its commercial and industrial bonds with South Africa at all levels of economic activity.

"The UK Government fully supports the sale of Hawk and Gripen aircraft to South Africa. The offset programme impacts economic growth in SA and is also a force for regional growth and stability," explained Minister Caborn.

"There is a special axis between the UK and South Africa which is underpinned with important trade and political relationships. The forthcoming strategic equity partnership between our national aerospace companies, BAE SYSTEMS and Denel, is a case in point", he added.

"The South African NIP office combines the industrial muscle of the UK and Sweden. It will facilitate major trade for South African companies worldwide based on the global presence of the large Swedish industrial group, Investor AB, together with BAE SYSTEMS (the joint owners of Saab) and the many other industrial partners to the NIP programme," explained Saab-BAE SYSTEMS NIP General Manager, Christer Petren.

"The NIP office also reflects Sweden's full support for South Africa and its strategic and economic role in southern Africa," he added.

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The joint Saab - BAE SYSTEMS' NIP team, which was temporarily based in Pretoria, began pursuing new business opportunities before the defence contracts became effective in mid-April this year. To date they have processed more than 200 proposals and receive new proposals every week. So far eight of these projects have been approved by DTI and have been implemented. These include activities in the automotive industry, procurements, agriculture and export facilitation.

"We are delighted to report that our NIP programme is underway and is delivering economic benefits to South Africa. These projects have been assessed and acknowledged by DTI to be worth an estimated US\$3,26-billion over the 11-years of our NIP programme," remarked Petren.

"Since contract effectivity in mid-April this year, in addition to our NIP programme, we have also made substantial progress in delivering our Defence Industrial Participation (DIP) programme," explained BAE SYSTEMS Executive Director for Gripen & South Africa, Stuart McIntyre.

"Examples of our DIP activity include contracts with Denel to manufacture rudders and ailerons for the 80-100 seat Avro RJ and RJX jetliner, and for Hawk tailplanes. A contract has been placed with Denel to design and develop NATO-standard stores pylons for Gripen, involving Uitenhage's Comau-AIMS. Grintek Avionics' holds a contract to design and supply communications control suites for Gripen and Midrand-based ATE' has begun design work on the new Hawk cockpit which will incorporate South African avionics. Another example is our contract with Spescom subsidiary, AMS, which is now supplying BAE SYSTEMS with state-of-the-art Health Usage Monitoring Systems for Hawks currently being delivered to Australia and to NATO's Flying Training Centre in Canada and will also be incorporated in the South Africa's Hawks," added McIntyre.

We are well on track just seven months into the programme to achieve our challenging offset targets," he continued.

In addition to the eight launched projects, a further 19 have been submitted to DTI for consideration, of which the Saab-BAE SYSTEMS NIP office has secured "in principle" approval for three other projects pending Cabinet and other approvals.

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