

Denel intends to be catalyst for growth in local aerospace industry

The South African aerospace industry is poised for significant growth in the wake of the recent African Aerospace and Defence (AAD) exhibition in Tshwane and the recommendations on the strategic role of Denel contained in the Draft Defence Review 2012.



The Review, released earlier this year, refers to the defence industry as "a major asset to the country" and noted Denel's unique position as "a national security asset."

The group chief executive of Denel, Riaz Saloojee, says the state-owned defence group intends "to play a catalytic role in the growth of the aerospace sector and will be a strategic partner to government in the implementation of initiatives envisaged in the Industrial Policy Action Plan."

The IPAP has identified the aerospace sector as one of the clusters earmarked for industrial policy interventions - noting its capacity to develop indigenous products and technology, strengthening South Africa's high-end manufacturing capabilities and its significant multiplier effect on job creation

Saloojee says the AAD Exhibition confirmed the growing international interest - especially from Africa - in the products and services offered by the local defence and aerospace industry, most notably from companies in the Denel Group.

In the aerospace sector Denel Aerostructures signed a renegotiated agreement with Airbus Military on its manufacturing of key work packages for the A400M military airlifter. It also announced a new agreement with top Italian manufacturer, Alenia Aermacchi for collaboration on future manufacturing projects.

Denel Aviation strengthened its position as the leading provider of maintenance, repair and overhaul (MRO) services in Africa with new agreements with international manufacturers, Russian Helicopters, Irkut and Antonov.

Saloojee says Denel also had high-level meetings with other global players at the recent Farnborough Air Show in the United Kingdom including Airbus, Lockheed Martin, Ruag, Saab, Hawker Beechcraft, Boeing, Eurocopter, Bombardier and Embraer.

"There is recognition of Denel's role as a strategic partner to the Department of Defence and Military Veterans and the catalytic role we can play in the development of the South African aerospace industry," he says.

Denel's strength lies in the value proposition it adds across the spectrum of the sector including:

- Design and manufacturing through Denel Aerostructures;
- Maintenance, Repair and Overhaul Services and Systems Integration at Denel Aviation;
- Aircraft testing and evaluation done at the Denel Overberg Test Range in the Southern Cape;
- The design and supply of mission equipment provided by Denel Dynamics, and other Denel businesses and associate companies.

"As a responsible state-owned company we are always looking for opportunities to grow the defence industry through our commitment to Broad-based Black Economic Empowerment and support for small and medium-sized companies who form part of Denel's supplier network," he says.

Saloojee says Denel intends to engage the global aerospace market on a neutral, non-exclusive basis as a potential strategic partner on future projects in the local industry. The company's plans to grow its presence in other markets on the African continent will further strengthen its position.

Although the defence industry in general has been adversely affected by the global economic downturn both the civilian and defence aerospace sectors have remained remarkably buoyant with a number of new project developments already on the drawing boards.

"South Africa's strengthening international profile, including our membership of BRICS and our position on the African continent should provide us with more leverage to secure partnerships in future aerospace programmes," says Saloojee.

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