

Transformation or Stagation? The South African Defence Industry in the early 21st Century

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Abstract

This paper considers the developments in the international arms market and the restructuring of the defence industries and the implications for countries such as South Africa. Small industrialised economies with an indigenous defence industrial base clearly face problems in the new environment. The way the South African industry has restructured in the post Apartheid period is considered, both the public (DENEL) and private sector companies, and an analysis of how they have responded to the cuts in spending, the offset deal and the flattening out of spending is undertaken. Within this context the issues of privatisation of DENEL, future prospects for the industry and policy issues and implications are considered.

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