

Deadly Opportunities

New Markets for South Africa's Arms Industry

by Frank Smyth

THE INVOICE FOR THE WEAPONS is addressed to the attention of Major Cyprien Kayumba of the Rwanda army, with a note to contact Conrad Kuhn, telephone (012) 428-0871 in Pretoria in case of query. That phone is answered by a man with an Afrikaner accent who gives the short greeting: "Conrad Kuhn." But when asked if this is the same Kuhn who handled a \$5.9 million arms sale to Rwanda, Kuhn says no.

The sale included 10,000 hand grenades, 20,000 rifle grenades and 10,000 grenades for a hand-held multiple rocket launcher, as well as assorted 60mm mortars, munitions and automatic rifle ammunition. Reflecting merely one transaction, this October 19, 1992 invoice does not include at least 3,000 R-4 automatic rifles in use by Rwandan army troops, as well as a full portfolio of other small arms carried by Rwandan soldiers.

"They offered quality arms at a good price," said then-Rwandan Defense Minister James Gasana in June 1993, explaining why Rwanda began to buy arms from South Africa in contravention of the United Nations arms embargo against the apartheid state. Later in the year, Rwanda decided to standardize its 30,000-person army with South African military equipment, and continued to buy South African military equipment until April 1994, according to South African arms executive Peet Smith, when Rwanda exploded with ethnic and political violence.

On May 25, three weeks after Nelson Mandela was elected president of South Africa, the UN lifted its arms embargo; now, the new South Africa has the freedom to market its arms openly and aggressively for the first time.

On par with Israeli weapons, South African arms are among the most durable, reliable, accurate and sophisticated in the world. The R-4 automatic rifle, for example, was designed as a technological improvement over both the Soviet-designed Kalashnikov and the Israel-made Galil. "The modifications consist, in the main, of improvements in the strength of material and construction to better withstand the severe conditions of bush warfare," writes Jane's Information Group, the world's leading authority on arms.

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Captured weapons from Rwandan army, including South African arms.

Until recently, most of those operations were to keep the South African apartheid state in power. In 1977, South Africa created Armscor, its state-owned arms corporation, in anticipation of the imposition of a UN arms embargo. Similarly, in anticipation of the lifting of the embargo, South Africa created the Denel corporation out of Armscor in 1992. Armscor has since served as the government's defense procurement organization, while Denel has operated as a private manufacturing consortium. Now representing 60 percent of South Africa's arms industry, Denel has already become an aggressive exporter, averaging \$127.5 million in annual exports in the early 1990s, and increasing to \$222.2 million in 1993.

"We are sitting with an order book of \$500 million in military export orders," Johan Alberts, managing director for Denel, told Defense News in March 1994, two months before the lifting of the UN arms embargo. "Some of those orders stretch out to 2003, and we expect to double the amount of export orders by the late 1990s."

Where will these exports wind up? South Africa "looks at conflict or potential conflict areas to expand its market," said Armscor chief Tielman de Waal, two years ago at an industry exhibition. In addition to African regimes like Rwanda's that use South African weapons to repress their own citizens, South American, Middle Eastern and Far Eastern nations are among the recipients of South African arms.

Its arms industry will be one of the new South Africa's best earners of foreign exchange. The as-yet-unanswered question is what the Mandela government's policy will be on sales to human rights abusers. African National Congress spokesperson Madala Mthembu told Defense News, "The new government will be in full compliance with international standards governing exports of technologies and materials that would threaten world security." That policy would stop sales to states like Libya which are subject to an ongoing UN embargo, but would permit weapons exports to states like repressive Rwanda before its present crisis.

Building on existing technology

South Africa's production of generally superior weaponry is a direct result of its domestic history and resulting isolation in the world. "Our country has gone through a difficult period," said Denel's Alberts. "We had to learn how to develop and manufacture in a very efficient, isolated way. So I think potential customers will look at South Africa and realize they have a reliable supplier of technologically superior products that can deliver."

More so than any other producer, South Africa has demonstrated an ability to analyze existing weapons systems made by other states, and produce, not mere clones of the original, but modified and improved hardware in their place.

The Eland Light Armored Car, produced in the 1960s, was one such South African innovation. South Africa obtained a license from Panhard Corporation of France to produce a light armored car with 60mm mortars and 7.62mm machine guns. It was dubbed the Eland MK 1. By 1967, that model was replaced by the MK 2, which had a better running and more reliable engine. Its design was improved over five more generations until the MK 7, which was in a class of its own.

Many of South Africa's earlier weapons systems were developed in response to Soviet equipment used against the apartheid regime by Angolan troops. It began to develop the 127mm Valkiri Multiple Rocket Launcher System in 1977, for example, as a counter to the Soviet BM-21 122mm Multiple Rocket Launcher. Completed in 1981, the South African version is designed for use against broad targets, such as guerrilla camps. It is highly mobile and conducive to "shoot and scoot" operations, involving the quick firing of the launcher's rockets and a subsequent rapid retreat.

Tactical mobility of "shoot and scoot" artillery is a quality that Armscor continued to develop in the 1980s with its 155mm G5 Howitzer long-range gun. Also developed in response to Soviet artillery used by Angolan forces, the G5 went through several generational modifications "to such a point that [it] bears little resemblance to the original," wrote Jane's.

Armscor, Denel and their dozens of subsidiaries continue to produce improved generations of weapons the same way in the 1990s, with Denel subsidiary Atlas Aviation, for example, remaking the Soviet-made Mi-8 Hip attack helicopter. In April 1994, Armscor executive André Buys told Defense News: "We can maintain and upgrade Soviet equipment, possibly in cooperation with Russia, and we are looking at this business."

But while the upgrading of Soviet designs is one of South Africa's oldest practices, the new South Africa's greatest strength is in new high-technology battlefield systems. Categories where it has a competitive edge include field artillery, base-bleed ammuni-

tion, laser-designated missiles, aircraft electronic warfare systems, tactical radios, anti-radiation bombs and battlefield mobility vehicles. South Africa's arms portfolio also consists of high-technology combat aircraft, including an improved design of French Mirage combat aircraft, as well as its own Rooivalk helicopter.

In addition to Atlas Aviation, subsidiaries of Denel include: Kentron, specializing in electronics; Lyttleton Ingenieurswerke (LIW), which makes the G5 and G6 Howitzers and other conventional weapons; Mechchem Consultants, specializing in explosives and mine-clearing equipment; Naschem, making munitions, mines and detonic equipment; Aserma and Avitronic, making fragmentation and cluster bombs; Somchem, designing and producing propellants for infantry weapons, mortars, guns, artillery and rockets; Barcome Electronics, specializing in tactical electronics and navigation equipment; Reutech Radar Systems, producing air-defense and tracking radars; Grinaker Avitronics, another electronic warfare specialist; Grinel, making radio and computer communications equipment; TFM, making vehicles and cargo-hauling equipment; Sandock Austral, building wheeled combat vehicles; OMC Engineering, making repair and bridging vehicles, as well as dozer blades, mine roller and brush-bar kits for tanks; Aerotek, providing scientific aerodynamic support to other industries; Airconcor, making bomb fuses and retard systems; and several other subsidiaries.

South African industry executives are confident that they will be able to compete with world-class weapons makers in certain categories of weapons. "I cannot compete with [the U.S.-based] McDonnell Douglas," said Alberts from Denel, the parent firm for most of the subsidiaries listed above. "But I can compete for some of the products and some of the components they buy from someone else."

A supplier of choice

Almost everyone involved in the business of war is interested in South Africa's arms. "We've been invited to major international arms exhibitions in Dubai, Malaysia and now Singapore," said Alberts. "[But] we are not disclosing who our customers are. That is the prerogative of the client."

One of those clients was Rwanda, among the poorest nations on the planet. Rather than buy high-tech weapons, Rwanda's purchases were limited to mostly small arms; after machetes, automatic rifles and hand grenades have been the weapons of choice in Rwanda. For example, at the Christ Spirituality Center in Kigali, soldiers separated Rwandan priests from foreign ones, and then opened fire with automatic rifles, killing five diocesan priests, nine congregated women, three Jesuits and their cook. In Rukara in northern Rwanda, journalists found about 500 corpses, most of them bloated, in a church. Maria-Jose Usaba, who survived by hiding behind the altar, said militiamen first surrounded the church, and then threw dozens of grenades inside it.

But wealthy states are even more interested in South African arms. "Last year, Armscor broke into the Gulf market with the sale of 78 G6 155mm self-propelled howitzers, made by Lyttleton Ingenieurswerke, to the United Arab Emirates," wrote Jane's in 1992. "Additional contracts are now being sought in Oman and Qatar." Today, Denel has replaced Armscor as the new face of South African arms exports. In March 1994, Denel Managing Director Alberts said, "We are having discussions within Europe,



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The worst affected area in Rwanda; 4,000 people were killed in Rukara by Hutu militia.

the Middle East and in the Far East.”

At a policy crossroads

Speaking at the South African Embassy in Washington, Deputy President Thabo Mbeki said South Africa will implement a “responsible” policy concerning arms exports and human rights, but added that all states have legitimate defense concerns. President Mandela has yet to articulate a policy on arms exports. While Defense News reports that the policy will include parliamentary oversight, that has yet to be defined. Finally free from the stigma of its apartheid origins, South Africa’s arms industry is forging ahead with an aggressive export campaign. No one expects Mandela to turn his back on what promises to become one of the new South Africa’s best earners of foreign exchange. But few would expect, either, a man who has devoted his life to his country’s struggle for justice, equality and human rights to turn his back on current and future victims of other abusive regimes.

He wouldn’t necessarily need to. Small arms like rifles and grenades, rather than jet fighters and battleships, are among the weapons most frequently used in committing human rights abuses. And compared to expensive, high-technology weapons, small arms account for only a small part of South Africa’s total exports. Rwanda’s purchase of \$5.9 million in such arms, for example, made only a tiny addition to Denel’s balance sheet. The new South Africa expects to make most of its export profits from the sale of

high-technology weapons systems.

Already, South Africa has given a few encouraging signs about its future export policy. Its aggressive marketing of Mechchem Consultants’ mine-clearing services is one. This includes the carrying out of minefield audits in post-conflict situations, direly needed in nations like Rwanda, the Sudan and Cambodia. Another encouraging sign is South Africa’s announcement that it will terminate all landmine exports as of March 1994. Although it could be argued that this decision was motivated more by public-relations consciousness than principle, it demonstrates that the new South Africa’s arms industry is concerned about its image and thus susceptible to political pressure. Certainly, its executives would not want international outcry over small sales to countries like Rwanda to impede its overall export policy.

It remains unclear whether Mandela will move to exclude arms sales of any kind to clearly abusive states, though he is surely aware of the connection between arms flows and abuses. “The humanitarian situation in Rwanda is grave: innocent women and children continue to be killed, thousands of wounded are without medical treatment, the country’s infrastructures continue to be destroyed, a horrific war is raging in the hills, in the streets and in innocent people’s homes,” Mandela said in a recent statement along with other prominent African leaders. Unfortunately, however, he failed to note the role that his own country has played in the bloodletting. ■