



# Parliament keeps wraps on arms deal report

Parliament's trade and industry committee voted against releasing a report by German arms manufacturer Ferrostaal showing that it had only invested €63m and not the €3bn it was supposed to spend in terms of the R40bn arms deal.

By [Paul Vecchiato](#) 8 Mar 2012

Yesterday, the ruling African National Congress members of the trade and industry committee, along with some members of the Congress of the People (COPE) party out voted Democratic Alliance (DA) MPs to keep the report under wraps.

Committee chairperson Joan Fubbs said the call for a vote was not necessary but that the DA had insisted on it.

"They have every right to call for the document to be released and I do not block anybody, but I have acted on good legal advice that if we released that report it would not only be in contravention of common law, but international law too," Fubbs said.

## Legal opinion

She was referring to an opinion delivered to the committee last week, by Parliamentary Legal Advisor Cari van der Merwe. She recommended that the committee not use the report until such time that it had received permission to do so by Ferrostaal, and then determined the value of its statements. Therefore, in the meantime, the Department of Trade & Industry (dti) should not be required to answer questions about the report.

The DA's David Maynier MP introduced the leaked forensic report in a Portfolio Committee meeting in February, and asked that the dti answer to its contents, which specifically suggested that Ferrostaal, one of the primary contracting companies supplying submarines, invested €63m in terms of their obligation under the national industrial participation programme, and not €3bn as the dti had claimed.

## How did the dti calculate the credit ratios?

A key contention of Maynier's was that the dti awarded the arms manufacturers investment credits at ratios of more than 100 to one in terms of their participation in the national industrial participation programme and the defence participation projects.

Maynier wanted to know just how the dti calculated the credit ratios.

DA shadow trade & industry minister Wilmot James said after the vote decision that the dti had consistently avoided answering questions about how much had actually been invested as part of the national industrial participation programme, and why there was such a significant discrepancy between the reported size of investments, and actual investments.

"This decision amounts to an attempt by the portfolio committee to protect the department from real accountability on an issue of monumental public interest," James said.

For more, visit: <https://www.bizcommunity.com>