

Training A New Generation To Lead South Africa's Aerospace And Defence Industry

By Ivor Ichikowitz, Executive Chairman of Paramount Group

One of the great challenges facing South Africa as we start implementing the National Development Plan, is how we are going to replace an aging workforce of specialist engineers and technicians in a variety of industries upon which our country's future growth will depend. The average age of highly skilled engineers in this country is somewhere in the late 50s. Many in the younger age-group have left the country to work abroad, citing a lack of career opportunities in their chosen fields; and our tertiary educational institutions are not producing anywhere near the number of graduates to take their place, much less increase their numbers. This is a critical issue which will weigh heavily on the implementation of the NDP.

To meet our targets as a nation, we know we have to reverse the deindustrialization of recent times, and rebuild our manufacturing base to return to a path of economic growth and prosperity. The aerospace and defence industry is a key component of this, as reflected in the government's industrial development program. Few countries, if any, have ever made the transition to developed status without a defence industry at the heart of their economies. This is not always understood, with some commentators arguing that, on a continent already awash with arms, there is no need to produce more. But only a relatively small percentage of defence production goes into manufacturing guns and bombs, and in the case of Paramount Group, none at all. Our focus has always been on innovation, design and development of platform technologies in the land systems, aerospace, naval, and communications fields. It is the high-tech R&D capacity of the defence industry, and commercial applications of the resulting products and services, that encourages most developed countries, even those that are traditionally neutral and do not engage in armed conflicts, to invest in their defence industries and nurture their development. So many everyday products, like the stainless steel in our teaspoons or the GPS in our cars – and thousands of others in between – are products of the defence industry that we tend to take them somewhat for granted. In South Africa's case we have a number of world-class technological capabilities, but within a decade much of it will have gone as the current generation of industry experts reaches retirement age. This threatens to destabilize the industry and, with it, the NDP.

As Africa's largest privately-owned aerospace and defence Group, my colleagues and I at Paramount believe we have a responsibility to invest in the next generation of engineering specialists to take the industry forward. Consequently, we are embarking on a ten-year, multimillion Rand program to provide university bursaries, apprenticeships, and dedicated mentoring by our senior employees to lay a solid foundation for the future. This program will commence in 2015, with an initial 10 bursaries and 15 apprenticeships, and will be funded by the Paramount Group Trust. One third of all company profits generated in South Africa will be dedicated to this program, and we anticipate that it will grow in the decade ahead.

Being in the defence industry we believe we have an additional responsibility, and that is to give preference to deserving students who are the descendants of our military veterans. As a country, we should never forget the contributions made by our veterans, and the sacrifices they bore, to ensure that we enjoy the peace, stability, and constitutional democracy of today's South Africa. For too long they and their families have been neglected, and we want to correct that. We believe that by creating career opportunities for their descendants, we as an industry will be contributing to the recognition that our veterans and their families so richly deserve. With the support of the Department of Military Veterans, we will identify talented and promising young students, aged 27 and below, to enter our programs with a view to gaining the education, skills, and hands-on experience to qualify them to take their place at the forefront of the exciting new developments that lie ahead for the industry.

Those taking part in these programs will have numerous areas of specialized study and project experience to choose from, in the diverse operations of the Group and the many disciplines required. The close and structured mentoring by experienced experts, as we envisage, will be a unique opportunity to learn from the best in the industry, and the skills transfer from which they benefit will be of incalculable value in their future careers. It will also start contributing to the closing of the skills gap that challenges the industry, and the economy as a whole.

South Africa already has a sophisticated aerospace and defence industry that has developed over many decades, in both the private and state-owned sectors, and the degree of expertise available locally often surprises many who are not familiar with it. One company alone manufactures more than a million components annually for Airbus and Boeing commercial airliners, using the most advanced manufacturing methods found anywhere in the world. One wonders how many South African travellers know that a substantial number of parts that comprise the planes they fly on were produced at Aerosud, in Centurion. Or that AHRLAC, the first fixed-wing military aircraft to be conceived, designed, and manufactured in South Africa recently made its maiden flight, opening a new chapter of aerospace manufacturing in this country. There are many other examples of innovation and excellence in the local industry that are a good reason for South Africans to take pride in their country's industrial capabilities. These capabilities deserve to be nurtured and developed, as the industry never rests: new developments are occurring all the time, and South Africa has to stay abreast of them, remain competitive, and forge ahead in the specialized fields in which it enjoys an advantage.

This program of education, training, and mentoring that we are launching will, we believe, start making a valuable contribution to the industry's continued health and future growth.