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THOUGHT LEADER IN SKILLS DEVELOPMENT



# ArcelorMittal crafts a R4.5-bn survival plan





**merSETA**

MANUFACTURING, ENGINEERING  
AND RELATED SERVICES SETA

ISO 9001:2008

# Vision

Leaders in closing the skills gap

# Mission

To increase access to high quality and relevant skills development and training opportunities to support economic growth in order to reduce inequalities and unemployment and to promote employability and participation in the economy



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# TALKING NOTES

We end 2015 with mixed emotions. The sharp decline in the steel sector — illustrated by the closure of ArcelorMittal SA's Vereeniging Works Melt Shop and the resultant shedding of thousands of jobs — has plunged the industry into a state of turmoil and uncertainty.

The future does not look good for the embattled sector, especially in the wake of the unfavourable economic conditions gripping the country.

What is pleasing in this gloomy scenario, though, is that something is being done to stem the bloodbath in the sector. Mr Paul O'Flaherty, CEO of ArcelorMittal SA, one of the biggest players in the steel sector is, as we report in our cover story, spearheading an ambitious recovery plan that includes a R4.5-billion rights issue.

This is, for all intents and purposes, a tricky move. But people and organisations that survive stormy economic conditions are those that take risks. Calculated risks, that is. While the poor state of the steel sector will continue to be cause for grave concern in the foreseeable future, there is reason to be optimistic about the South African manufacturing industry, the vehicle-making segment in particular.

As we report elsewhere in this issue, BMW is to invest R6-billion in its Rosslyn, Pretoria, plant to produce

the next-generation X3 sports-activity vehicle for the local and export markets. The investment follows the Department of Trade and Industry's decision to review the Automotive Production and Development Programme and introduce a sliding scale system that gives manufacturers allowances at several levels of production, starting from 10 000 units a year. In the past, car manufacturers qualified for these allowances only when they produced 50 000 units a year.

The review has predictably pleased many global car makers, with some already indicating they will follow BMW's example, a move likely to boost the economy and create jobs.

Still in the vehicle manufacturing sector, 19 students recently completed their NQF Level 3 qualification in the Automotive Repairs and Maintenance Technician learnership.

This three-year learnership, at the St Anthony's Education Centre in Reiger Park, Boksburg, was funded by the merSETA and Mercedes-Benz SA, with the merSETA providing R2.4 million for the initiative.

St Anthony's Education Centre provided the training competence, while Mercedes-Benz enlisted the assistance of its 87-strong dealer network to expose learners to the workplace and provide on-the-job

training.

In another story we are carrying in this issue, Deputy President Cyril Ramaphosa has called on private companies to become part of the skills development revolution by partnering with Technical Vocational Education and Training (TVET) colleges.

He says such partnerships will ensure a supply of relevant, high-quality skills to respond to the economic and social needs of the country.

Finally, I think many of you will remember the emotive letter that concerned Eldorado Park resident Delereen James wrote to President Jacob Zuma lamenting how drugs were destroying lives in her neighbourhood.

Deeply touched by the contents of the letter, President Zuma visited the township to see for himself. After the visit, he asked for all hands on deck to help deal with the socioeconomic tragedy unfolding in Eldorado Park.

In this issue we carry a story of how the merSETA's contribution is helping to change lives in this community for the better.

Be blessed!

**Sibongiseni Zinjiva Ka-Mnguni**

# A view from THE TOP

## APDP review set to drive growth in the auto sector

**E**xciting news has emerged in South Africa's motor industry in the past month. All of it points to sound government and confidence-building measures that have seen a significant shift in the Automotive Production and Development Programme (APDP).

Since 2013, vehicle manufacturers have had to build at least 50 000 units a year to receive import-duty credits worth 18% of ex-factory

price. From 2016, the APDP introduces a sliding scale allowance, which starts at 10% for 10 000 units and rises to 18% for 50 000 units.

This announcement by the Department of Trade and Industry (dti) drew widespread global approval, with vehicle manufacturers saying the move would lead to increased investment, which would in turn boost employment and the development of new skills.

Several car manufacturers have indicated they are interested in reviewing their business status in the country.

Hot on the heels of the dti policy shift, BMW SA announced that it would invest R6-billion in its Rosslyn, Pretoria, plant, with a leading BMW figure lauding the government's APDP shift.

At the same time, Goodyear announced a R670-million investment in its Uitenhage plant to increase production of high-value-added consumer tyres.

Last year, major vehicle manufacturers also announced

significant investment in their production facilities

All this is excellent news for potential apprentices and technicians. The world of motor manufacturing has changed dramatically in the past seven years. As vehicles have become more complex and inputs more scientific, so too, the knowledge required by workshop managers, technicians and mechanics has risen to more complex and technical spheres.

In light of these developments, the merSETA is well-placed to assist companies through the various training schemes.

Companies are urged to join hands with us and chart the way forward to improve skills and training by contacting our regional offices for further information.

Have a truly festive season!!



**Dr Raymond Patel**  
The merSETA CEO



# New mentorship standards emerge to bolster apprentices' competence

Previous articles in this feature have emphasised the importance of artisans in an industrial economy.

The merSETA's research activities have included interviews and informal discussions with trainers and apprentice mentors that have led to some notable observations.

I have found that in many instances, it is the mentor who has the most powerful opportunity to shape the

competence development of his or her apprentice, yet this critical role is often reduced to practices "that worked" 25 or 30 years ago. This is a serious risk to productivity in the manufacturing sector and the competence development of apprentices in general.

South Africa's manufacturing sector is at present faced with the challenge of mastering new and advanced technology to meet the precise needs of customers.

To keep abreast of technological trends requires companies and training providers to become proficient in the installation and maintenance of advanced manufacturing systems such as robotics and digital platforms, which both require high-level skills development on a continuous basis. These new systems are continuously recalibrated and upgraded over shorter cycles for effective and efficient utilisation in production processes.

Other examples of the impact of changing technology on certain trades and

their qualifications are in welding, in which training has to take into account the latest welding equipment and processes to maintain its relevance. These include hybrid laser or plasma arc welding, remote laser welding, solid state welding, stored energy resistance welding and cold spray.

New priorities in energy efficiency have also deepened the need for new artisan-related skills that support this.

Disruptive technologies such as those emerging from 3-D printing processes or even those emerging as alternatives to the combustion engine in the automotive sector require an in-depth T-shaped competence with entrenched problem-solving capabilities. Such transformation cannot possibly be realised through mentorship practices that themselves are not transformed.

Another important factor that requires a new approach to mentorship is the way in which occupational boundaries are changing. The new QCTO trade qualifications are constructed very differently to the old modular-based trades of the former industry training boards.



Ms Helen Brown, Senior Manager: Projects Development

The new QCTO trade occupational design is a much more open format to ensure that more opportunities are given to deepen theoretical foundations that underpin practice in the real world of work. This also helps to apply and grow knowledge as time on the job increases.

The theoretical foundations that underpin this occupational design lie primarily in its strong labour market currency, enabling transferability between firms and jobs with diverse requirements in skilled activities. The learning linked to this type of occupational design integrates manual and intellectual tasks based on a multi-dimensional concept of competence, requiring candidates to draw on a range of resources, different types of knowledge, practical know-how as well as social and personal competences to deal with complex situations in the workplace.

Candidates are expected to plan, carry out and evaluate the work based on professional judgment and responsible decision-making in cooperation with other occupations.

The trade occupations now offered in the learnership NQF-based format already encapsulate these objectives.

The trade test is also changing its format to test occupational competence in a much more substantive way. New quality provisions in the trade examination design include:

- An ICT-enabled automated trade test system at all accredited trade test centres aimed at removing manual paper-based activities in the trade examination process that results in large variances in the quality standards of trade testing;
- A dedicated module in the ICT system for computerised random generation of trade test components, i.e. a secure trade examination task selection system to limit the “teaching for the trade test” currently practised on known and predictable tasks;
- Centralised administration and data management through the NAMB; and
- A range of additional security

measures such as thumbprint recognition for administrators, candidates and assessors to limit individual discretion in assessment processes. This is intended to bring back the integrity that the trade test system requires and improve the quality of artisans who successfully complete the trade test.

#### **How do apprentice mentors adjust to this new world?**

Some of the traditional qualities of an apprentice’s mentor focused on the personal traits of leadership skills, teaching abilities, willingness to work with young people, ability to manage time constraints and workloads, a record of safe work practices, dedication to the professional work of their trade and a good work ethic.

Studies are, however, starting to indicate that this is no longer sufficient. Cooperation with the training institution is key to unlocking the greater potential of an apprentice.





Normally, it is the institutional training entity that follows the objectives and content of a curriculum to the exclusion of any contact with the apprentice in the work environment, yet these theoretical and simulated practical lessons need to be reflected back in workplace processes in a continuous cycle to develop competence from novice to expert.

This is because the expert has an intuitive grasp of each situation and is able to zero-in on a solution without wasteful consideration of a range of unfruitful alternative diagnoses and solutions.

Cooperation between the professional teacher and the apprentice's mentor is now essential to encourage work-reflected learning. The old modular approach in trade training modules has proved in two COMET studies (2011 and 2014) that stagnation of competence development over the four-year apprenticeship is the ultimate result. In both these studies the average competence scores of apprentices regressed between the first year and third year of the

apprenticeship.

The ideal cooperation between the apprentice's mentor and the professional teacher should be symbiotic. The professional teacher should make time to brief the mentor on progress in the curriculum and new elements or learning fields that have been introduced. The mentor, on the other hand, should assist the teacher in designing "open" work-based learning tasks that present a typical problem encountered by the skilled trade worker in a typical work situation.

An example of a learning task for a motor mechanic could be: *"You receive a telephone call from a customer who owns a two-year-old Toyota Auris with an odometer reading of 40,000 km. The customer has noticed the heat gauge rising during city traffic driving. Oil and water levels were checked the day before and are normal. What would you do to assist this customer? Consider the possible causes of this problem and devise a strategy that would satisfy the customer."*

The teacher then uses this either as an individual or group exercise in

which students are asked to provide a comprehensive written explanation of their proposed solution by taking into account the following criteria:

- The **clear presentation** of your solution to be able to discuss it with the customers, your work group and your work supervisors;
- The **functionality** of a good complete solution;
- Aspects of **value in use** and over time;
- The **cost-effectiveness** and cost **efficiency** of your solution;
- The effectiveness of the **process** and its **integration** into business operations;
- **Social responsibility**, including aspects of work, health and safety;
- The aspects of **environmental compatibility** and related regulations; and
- You are encouraged to show your **creativity**.

When using this learning task approach, the competence development of apprentices is even more amplified when many apprentices' mentors cooperate as a community of work-integrated-learning practitioners. Many learning tasks can then be developed with sample solutions for use by professional teachers.

The merSETA is able to host workshops in the interests of supporting apprentice mentors and their professional teacher counterparts in work-reflected teaching practice. We are currently only able to support the trades of mechatronics, welder, motor mechanic, millwright and electrician.

If you want to be involved in this initiative, please email your expression of interest to [hbrown@merseta.org.za](mailto:hbrown@merseta.org.za)



# How Lynette October returned from the point of no return

**It takes a brave and courageous person to get out of a dreadful situation – a point which many would call the point of no return – dust themselves off and face life again. In this heart-to-heart interview with Sibongiseni Ziinjiva Ka-Mnguni, heroin survivor Lynette October tells how determination and courage helped her overcome what appeared to be an insurmountable challenge.**

Lynette October's love for technical drawing motivated her to enrol for a fitting and turning course at Oval North Technical School in the Western Cape. She later qualified as an artisan.

However, growing up in Mitchells Plain, Cape Town, was not easy. Social ills that had engulfed her community were soon to catch up with her.

The downhill spiral began when, out of curiosity, she decided to experiment with heroin. The experiment proved

to be too strong for her and she soon became an addict.

"You start by socialising with the wrong crowd. This is where you start seeing all these things. Even though I didn't like it before, it's here now; it's been put on the table. You want to join the party; it's just for this weekend. Monday you are fine, until you are not fine again, until the drugs don't need you, you need them," she says.

"For me doing drugs was not about peer pressure because I was old enough to make my own decisions. I was a grown-up woman already.

*I am a firm believer in the fact that no matter how deep you are in it, there is always a way out*

"I was around 23 at the time. I was actually one of the people who hated drugs so much. If I knew you were doing drugs, I would not associate myself with you. Nobody forced me into drugs," says Ms October.

"You make it a party drug and at the end of the day you get caught up in the party."

The habit forced her to start stealing from her family members and she would often disappear without trace for weeks.

"I could not live at home because I would do something I was not supposed to do. I used to live with friends and my family did not know how deep I was into drugs," she says. When her promising future became a very bleak one, her dire situation became very painful for her mother.

"She could not even look me in the eye. Sometimes I would come home looking for food and she would dish



up for me and start lecturing me about the dangers of drugs and that I should stop. But I did not care," she says.

"There is an old adage that goes: 'Every time you draw a clean breath, you are like a fish out of water.' That was my life.

"Fortunately, I have a very supportive family. They did everything they could to get me clean. I would go to rehab and before you knew it, I would be back on drugs."

As fate would have it, one night Lynette met a family friend and also her sister.

"That is the night that changed my life completely. It was at that moment that it dawned on me that I needed help. It had to come from me and nobody else. I had been on drugs for six years and life was no longer the same. I wanted to change badly," says Ms October.

"You get to a point at which you are dependent on the drug. Many people say there is no hope. I am a firm believer in the fact that no matter how deep you are in it, there is a way out.

"I've seen people who were in worse situations than I was who got out of it. I told myself that if they could, so could I," she says.

Going to rehab was not going to be an easy feat and she can attest to that.

"I had been in rehab before, where I would be given painkillers every time I was in pain or needed a fix. But going to a Christian rehab was a different experience altogether.



"There were no painkillers and there were no sleeping tablets. You had to totally depend on God's teachings. The first day was tough and I don't know if it was a bad or a good thing as I was the only heroin addict at the centre. So they were not prepared for what was coming."

After nearly six months, she had to leave the rehab, two weeks earlier than initially scheduled, to go to Lephalale in Limpopo, where she had to pick up the pieces and start a new life in a new environment.

"My sister had asked me to come with her to Lephalale. Coincidentally, it was the same month she was going to join my brother-in-law in Lephalale. It was not a matter of convincing me, it was a matter of choice.

"I had nothing to lose and I asked myself: 'Why not?' Today you say I am a strong woman. I don't know if I would have been that strong a woman had I gone back to my community in Mitchells Plain.

"I had to rediscover myself. You lose yourself when you are on drugs. You don't know who you are anymore. You lose your morals and values," says Ms October.

"It was a great opportunity for me to bond with my child, Rayleetha, because I had not been with her for six months.

When I went for my apprentice interview at Murray & Roberts I was rusty. Remember, I matriculated in 1997 and my apprenticeship started in 2006," she points out.

"The interview was a success though. After that I had to do my practical training. I had to identify all the tools. I didn't know what a spanner looked like anymore. There were 15 tools and I needed to know at least 10 of them."

Fortunately, she met a woman who had just finished doing her practical training. She still had her textbooks with her and she lent them to Lynette.

"This is how I started my apprenticeship at Murray & Roberts at the Medupi power plant," says Ms October.

She was selected to do pipefitting. "I had a very good mentor who showed me the ropes. It was scary and exciting at the same time.

"Writing a trade test was difficult and nerve-racking. Luckily, we had the opportunity to attend classes at the training centre and that prepared us very well for the trade test," says Ms October.

Today, she is a qualified artisan.

From time to time she gets to speak about her experiences with drugs and to encourage young women to venture into engineering.

"Now and again, I go back to visit the Christian rehab centre to check on

whoever is there and share my experiences with them," she concludes.





**merSETA**

MANUFACTURING, ENGINEERING  
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# IMPORTANT NOTICE

## Caution against bogus apprenticeship/learnership recruitment processes

It has come to the attention of the Manufacturing, Engineering and Related Services SETA (merSETA) that a scam is presently underway in which unsuspecting learners looking for apprenticeship or learnership opportunities are asked to deposit money at a Shoprite or Spar supermarket as well as a bank in order to access training. The matter had been reported to the South Africa Police Service.

The merSETA wishes to state that a learner wishing to undergo merSETA-funded training does not need to pay to undertake their apprenticeship or learnership.

For more information on the process of apprenticeship/learnership please visit: [www.merseta.org.za](http://www.merseta.org.za) or visit our social media platforms.



[www.merseta.org.za](http://www.merseta.org.za)



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**LEADERS IN CLOSING THE SKILLS GAP**



# WorldSkills medal winner Groenewald shines in Brazil

By Janet Lopes

**W**orldSkills competitor Ms Roelene Groenewald, who won the Best of Nation medal at the global competition in Sao Paulo, Brazil, in August 2015, seizing the 13th spot in the beauty section, says the global competition has changed her life.

“The WorldSkills competition was a really wonderful experience for me. I came back home a changed person with a greater desire to succeed in my career,” says a modest Ms Groenewald, who has just completed her studies in somatology at the Isa Carstens Academy in Stellenbosch in the Western Cape.

Growing up on a farm near Herzogville in the Free State with two elder brothers, Ms Groenewald has always had the urge to help others.

At first she had thought about a career in physiotherapy. But she later changed her focus to a field dealing with skin problems and injuries as they can have

**Ms Roelene Groenewald: I plan to use my skills to make a meaningful contribution to society.**

*“Being able to enter the WorldSkills competition as one of the South African competitors was a great honour for me”*

a negative effect on a person’s self-esteem.

The change happened after three people close to her — her father, uncle and boyfriend Ruan — were involved in separate accidents that all resulted in significant injuries, including broken bones, scars and burns that required skin transplants during the healing process.

The highly articulate and enthusiastic Ms Groenewald is proud of her upbringing on the farm and the support and encouragement she is given by her family, as well as the generous sponsorship of her training that she received from ITEC.

“Being able to enter the WorldSkills competition as one of the South African competitors was a great honour for me,” she says.

“I just couldn’t believe that I was in Sao Paulo competing against

the best of the best in the world. Preparing for the competition was incredibly tough as I only had five months to do so after winning the national competition.”

During that period, she also had to ensure she met all the requirements of her diploma course, including writing case studies, assignments and exams.

Many of the competitors from other countries had spent years preparing for the competition.

She says it was a learning experience for her as she grew accustomed to handling extreme pressure, working long hours and dealing with multiple conflicting obligations.

Her excellent performance at the international competition has helped to spur her on to enhance her skills with further study.

“In 2016 I plan to enrol for my B Tech degree in Somatology at the Central University of Technology in Bloemfontein. In the future, I would like to work as a member of the plastic surgery team specialising in skin injuries and disorders. A person’s skin is just like a human being. It has its own personality and requirements,” she says. “It’s incredibly interesting to study the differences and identify the ideal treatment.”

She sees the WorldSkills competition not only as a wonderful experience at a personal level but also as a springboard to her future development and growth.

“I plan to use my skills to make a meaningful contribution to society,” she stresses.

The merSETA wishes Roelene every success in the years ahead and will watch her career development with interest.



# ArcelorMittal crafts a R4.5-bn survival plan

By Independent Correspondent

**G**iant steel producer ArcelorMittal South Africa (AMSA) recently announced a whopping R4.5-billion rights issue as part of a multipronged survival package that materially hinges on greater protection for the embattled domestic steel industry.

The offer will be fully underwritten by the ArcelorMittal Group, which holds 47% of the South African company.

The rights issue would be larger than AMSA's current market capitalisation of around R3.6-billion and could thus only proceed with the support of a special shareholder resolution granting approval for the issuance of shares with voting power exceeding 30% of the shares currently in issue.

CEO Paul O'Flaherty said the group had already

received irrevocable undertakings of support from shareholders with a combined total of 78.1% of the shares currently in issue. But he stressed that this did not imply that all these shareholders would participate in the rights issues.

AMSA also warned of an earnings "bloodbath", revealing that the 2015 results would be negatively affected by weak trading conditions and a R1.53-billion write-down.

The write-down followed a decision by iron-ore miner Kumba to close down the Thabazimbi mine, which exclusively supplied AMSA with the commodity. The steel group was also responsible for closure costs.

The company had made provision for R350-million in retrenchment costs and a R233-million impairment of its iron-ore inventory.



There will also be impairment of R378-million relating to the group's decision to close down the Vereeniging Works Melt Shop.

In addition, there was a R568-million write-off of the company's previously deferred contributions to stripping costs at the Kumba mine as a result of a new pricing deal with it.

Under the new agreement, Kumba could migrate its pricing for up to 6.25-million tons a year from a cost-based price to one based on an export parity price (EPP), with a scope for discounts.

**“EPP model would be less beneficial to AMSA as the iron-ore price rose. But he said that once the good times returned it would still be receiving iron-ore at prices “cheaper than in China”**”

If the index price is between \$60/t and \$70/t, AMSA will receive a 5% discount to the EPP, rising to 6.25% should the iron-ore EPP go up to between \$70/t and \$80/t.

A 7.5% discount would apply should the price climb above \$80/t.

O'Flaherty acknowledged that the EPP model would be less beneficial to AMSA as the iron-ore price rose. But he said that once the good times returned it would still be receiving iron-ore at prices “cheaper than in China”.



“Sure, on a cost-plus 20% arrangement I could have made even more money but that’s the sacrifice you make [to survive],” he said, noting that, had the agreement been in place since January 2015, the benefit would have been a pre-tax amount of R470-million.

Overall, 2015 earnings would be 11 times worse than was the case in 2014, when it reported a loss of R158-million.

*“In the context of the rising of “unfair” imports from China, work was under way on various anti-dumping and safeguarding applications in a bid to raise protection on certain products by more than 40%”*

But O’Flaherty, nevertheless, argued that the various elements of the survival package were beginning to come together, offering a “glimmer of hope” for the company.

The group had already secured 10% duty protection on some steel products and expected the International Trade Administration Commission of South Africa to approve protection across all domestically produced steel grades.

But he stressed that, in the context of the rising of “unfair” imports from China, work was under way on various anti-dumping and safeguarding applications in a bid to raise protection on certain products by more than 40%.

Due process will be followed but AMSA is confident that additional protection could be implemented, possibly by way of provisional safeguard duties, by the end of March 2016.

However, O’Flaherty admitted that this remained an area of risk to the package. Progress has also been made in negotiations with the government on the so-called “fair pricing model”, through which AMSA will agree to cap its margins at a “reasonable return” level for a period of five years in return for protection.

The government is also seriously considering removing the clause in its localisation stipulations for certain “designated” products, such as locomotives, power lines and buses, specifically excluding local-content credit for domestically procured steel.

Progress is also being made on a proposed 23% black economic-empowerment transaction, with five potential partners having been shortlisted.

AMSA is aiming to conclude the transaction, which had been modelled on the Northam Platinum deal, by February 2016, which could inject a further R1.5-billion to R2-billion into the company.



# Minister re-establishes SETAs for a further two years

By Sibongiseni Ziinjiva Ka-Mnguni

Higher Education and Training Minister Dr Blade Nzimande (pictured) has re-established the existing 21 Sector Education and Training Authorities (SETAs) for a further two years – from 1 April 2016 to 31 March 2018 – in consultation with the National Skills Authority under section 9(1)(b) of the Skills Development Act 1998.

In line with the extension, the Minister will consult various stakeholders on the National Skills Development Strategy (NSDS) and the Sector Education and Training Authorities (SETAs' Landscape Proposal 2015 (NSLP-2015).

The NSLP 2015 sets out the vision for the NSDS and SETAs within the context of an integrated and differentiated post-school education and training system.

This comes against the backdrop of the Minister having noted inadequate regulations when SETAs were established.

"Each SETA has operated in isolation. Over the past five years I've sought to improve the situation. But more is needed, hence the process of reviewing our skills development system," he says.

"The NSLP 2015 proposes significant shifts to intermediary institutions that support relationships between the post-school education and training system and the world of work and the skills levy distribution model amongst



others."

The Minister adds that it is important to make the new Sector Education and Training Advisory Boards (SETABs) permanent structures as opposed to operating in five-year-terms.

"Given the critical role that SETABs must now play in the post-school education and training system, it no longer makes sense for them to have only a fixed-term of office, renewed every five years. We propose that they be established as structures, subject to the provision that they may be merged, divided or closed following clearly articulated legal procedures. Their functions and authority will, however, be amended."

On the composition of the boards, the Minister points out that the new SETABs boards will remain unchanged.

"The government is the largest employer and departments have a key role to play in providing workplace-based learning opportunities. The role of the government, from

the perspective of the National Development Plan, is particularly important when sectoral briefs are developed and because the spending of the government's training funds should be steered to support national and sectoral priorities," he says.

Dr Nzimande is at present consulting widely on the proposals contained in the NSLP 2015 and all stakeholders have been asked to submit their inputs.

"Once these have been carefully considered, a final policy paper will be published after which implementation will commence. This will involve legislative changes required by the policy as well as the establishment of task teams to take forward the policy proposals," concludes minister Nzimande.

Inputs should be submitted by 29 February 2016 to email [SetaLandscape@dhet.gov.za](mailto:SetaLandscape@dhet.gov.za); postal address Ms Erra, DHET, Private Bag X174, Pretoria 0001; physical address 123 Francis Baard Street, Pretoria.

# APDP ‘paved the way to BMW’s R6-billion investment in SA’

By Achieve Correspondent



BMW Group's Rosslyn plant in Pretoria is to produce the next generation X3 sports-activity vehicle.

The BMW Group recently announced it would invest R6-billion in its Rosslyn, Pretoria, plant to produce the next-generation X3 sports-activity vehicle for the local and export markets.

Of this amount, more than R3-billion

will be invested in new facilities and operations, while the rest will be allocated to suppliers, launch costs and training of the workforce.

The Rosslyn plant will continue the production of the current 3-Series through its lifecycle, with the first

production changes expected to be implemented in 2016.

The 47-year-old plant has assembled four generations of 3-Series sedans since 1994 with the sixth-generation model currently in production externally.

*‘We believe there is an opportunity to increase the localisation of components when we start producing this car’*

BMW said the 3-Series production would be allocated to other plants within the group's global production network.

The Spartanburg BMW plant in South Carolina, in the United States, will continue with the production of the X3.

"The potential for Africa as a future market for exports, as well as [the government's] newly reviewed Automotive Production and Development Programme (APDP), enables South Africa to play a significant role in the manufacturing industry and the production of high-quality cars," said BMW SA Managing Director Tim Abbott.

"Our passion for perfection at the BMW plant in Rosslyn has demonstrated that we are highly competitive within the global BMW production network, both in terms of cost of production and quality."

Abbott said the X3 – with its space, higher ground clearance and growing global popularity – made more sense for export to emerging African markets such as Nigeria, despite lower sales in South Africa compared to the 3-Series.

The expectation is that X3 sales will grow globally and domestically.

The BMW X-range has proved to be "very desirable". The X-vehicles currently account for 28% of BMW's total global sales and are expected to grow to 33% in the near future.

Dr Ian Robertson, BMW board member responsible for sales and marketing and former Managing Director of BMW SA, said the realignment of production in Rosslyn was in response to the continuing growth of the SAV segment worldwide.



**BMW SA Managing Director Tim Abbott**

*BMW SA will look for local suppliers with strong empowerment credentials to participate in the X3 production process*

BMW SA chairman and board member responsible for production Oliver Zipse added: "At the BMW Group, we constantly evaluate our plant allocation to ensure it reflects and accommodates market demand.

"With the decision to produce the next-generation of the BMW X3 in Rosslyn, we strengthen the position of South Africa in our global production network. It also follows our strategy that production follows the market."

With the United States also producing the X3, BMW SA will shift its current export focus to other markets, such as Europe, Australia, Japan and Korea, said Abbott.

"We believe there is an opportunity to increase the localisation of components when we start producing this car," he said.

X3 component suppliers are largely based in the United States. This provides the opportunity to bring some of them to South Africa.

Trade and Industry Minister Dr Rob Davies said the BMW investment would boost the government's goal of positioning South Africa as a manufacturing hub for high-value consumer products.

"As we change the production of the BMW3 Series sedan programme, it is our expectation that the new generation X3 programme will make a telling contribution to the long-term development of the sector through higher production volumes, local value addition and inclusion of previously excluded groups in the sector."

Abbott said BMW SA would "go to the market" looking for local suppliers with strong empowerment credentials to participate in the X3 production process.

He said that recent changes to the APDP would serve to strengthen the local automotive industry through to 2020.

He added that, with the yearly volume threshold for government support reduced from 50 000 units to 10 000 units, it meant "that more companies would come in, which means more suppliers, which means South Africa will become more competitive".

# The merSETA achieves yet another unqualified audit

By Janet Lopes

*“Our mission at the merSETA is as important as it is ambitious”*

Effective skills development was crucial to the growth of a young and winning nation and the creation of a better life for all, Mrs Phindile Baleni, Chairperson of the merSETA, said recently.

Speaking at the merSETA's Annual General Meeting (AGM) at the Premier Hotel OR Tambo in Ekurhuleni in October, Mrs Baleni highlighted the key role that the merSETA was playing in closing South Africa's skills gap.

“Our mission at the merSETA is as important as it is ambitious,” she said. “We seek to close the skills gap by facilitating the transfer of skills, knowledge and know-how that can empower workers, boost the manufacturing and engineering sector, and grow the economy.”

Key to the merSETA's excellent performance, she continued, was the development of strategic partnerships with member companies, local and provincial governments and other role players in the skills development arena.

In delivering his report on the merSETA's achievements of the past year and the challenges facing it in the year ahead, the merSETA CEO



The merSETA CEO, Dr Raymond Patel, addresses the AGM.



**The merSETA Chief Financial Officer Lindiwe Ndlela.**

Dr Raymond Patel drew inspiration from the words of great poet Khalil Gibran and from the mountaineers who conquered Mount Everest.

Quoting Edmund Hillary, he said: "It's not the mountains we conquer but ourselves."

He stressed that the major economic challenges of the past year had impacted negatively on the merSETA's five sub-sectors, which resulted in job losses and a steady year-on-year decline in manufacturing output.

The key lesson that emerged from the global downturn was that winning nations would be those best able to compete on the basis of their skills and know-how.

Dr Patel also made a presentation

on the proposed new National Skills Development Strategy and the future of Sector Education and Training Authorities (SETAs) within the context of an integrated, differentiated post-school education and training system.

He elaborated on the proposed road ahead, as articulated in the Post-School Education and Training White Paper and subsequent proposed changes to the SETA landscape based on the Department of Higher Education and Training's vision.

Dr Patel said key to the envisaged changes was the new role of SETAs in the Post-School Education and Training System as Sector Education and Training Advisory Boards (SETABs.)

These bodies will have a narrower range of functions. There will also be greater centralisation of the grant system under the National Skills Fund (NSF) so that funding could be directed to the sectors where it is needed most.

In the interim, the SETAs will exist in their current form until 31 March 2018.

The lifespan of the National Skills Development Strategy III has also been extended to the same date.

Dr Patel said stakeholders had been informed that the two-year period ahead was likely to present a range of challenges as the proposed changes to strategy, governance, funding and functions began to take shape following the completion of

the consultation process and the development of an implementation plan.

Presenting her 2014-2015 financial report, the merSETA Chief Financial Officer Ms Lindiwe Ndlela told stakeholders that the organisation had achieved yet another unqualified audit – the 15th in a row since its establishment in 2000.

She revealed that levy income had increased 8.7% to R1 255 492 000, bringing the total income for the financial year to R1 302 444 000.

The number of levy payers stood at 13 399.

The merSETA had also achieved 93% of its performance targets.

The highlights of the financial year, across a wide spectrum of projects and programmes, included the following:

- Achievement of 26 out of 27 numerical indicators;
- Effective partnerships developed with TVET colleges, universities of technology, universities, national and provincial governments and employers;
- Extensive career guidance

support to learners through a range of strategies and events, including the career bus and an online career portal;

- Support for retrenched workers through the Retrenchment Assistance Programme (RAP);
- Support for the current workforce of companies in distress through the Training Lay-off Scheme;
- Support through the Unemployment Insurance Fund for retrenched workers to reach artisan status; and
- Extensive work undertaken as delegated by the Quality Council for Trades and Occupations to manage the development of 21 new occupational qualifications.

Delivering the keynote address, Steel and Engineering Industries Federation of Southern Africa (SEIFSA) Chief Economist Henk Langenhoven focused on current global economic challenges, unstable market conditions and the contraction of the manufacturing and engineering sector.

In his wide-ranging overview, he stressed that there was only one possible response to this volatility:

adapt or die, noting that it would not be possible to wait for solutions to the current economic challenges.

“We will have to find areas where we can compete as a country and invest in new technology,” he said.

Langenhoven said the sector needed to be both “nimble and flexible” to face the new world order and build constructive relationships with the government to secure incentives that worked and achieved their objectives.

The presentations were followed by a lively question-and-answer session during which stakeholders asked interesting and tough questions and made comments on a wide range of topics, including access to NSF funding, new trade test regulations, artisan training targets and the need to enhance the quality of artisans emerging from the system.

“We need to grow. We need to build. We need to create jobs, opportunities and value. We need to climb the mountain,” Dr Patel said in his concluding remarks.



Delegates take a break during the merSETA's Annual General Meeting.

# SA companies urged to adopt TVET colleges

By Achieve Correspondent

**D**eputy President Cyril Ramaphosa has called on private companies in South Africa to become part of the skills revolution by partnering with Technical Vocational Education and Training (TVET) colleges.

In his opening remarks at the Human Resource Development Council (HRDC) meeting at Ekurhuleni West College in Germiston, Ramaphosa said the partnership between companies and colleges on learning programmes would ensure a supply of relevant high-quality skills to respond to the economic and social needs of the country.

“It will contribute to the more effective absorption of TVET college graduates into the labour market through formalised apprenticeship and learnership arrangements.

“This meeting is expected to deal with the conceptualisation of the Adopt-a-TVET College initiative, which aims to identify industry partners to work with TVET colleges to address challenges of administration, management, governance and infrastructure, and to build colleges of excellence,” said Ramaphosa.

He said that, by investing in resources, skills, guidance and capabilities, companies would be contributing to economic development



**Deputy President Cyril Ramaphosa**

while also establishing a pipeline of the skills they themselves need.

Earlier in the day, Ramaphosa, Cabinet Ministers and HRDC members toured the college’s artisan workshops, where they witnessed practical training in automotive repair and maintenance, fitting and turning.

One of the Fitting and Turning final year students, Elmond Mokgoba, said he aspired to work as a fitter at one of the motor manufacturing companies.

“After my studies I would like to participate in an apprenticeship and then take it from there,” he said. His lecturer, Sipiwe Maphisa, said he had 17 students in his N4 class, and between 15 and 20 final year students.

“Next year they must be ready to start their apprenticeships or learnerships. There are seven

subjects, including four vocational and three fundamentals, for the three-year course,” said Maphisa.

Ramaphosa said quality education and increasing skills levels were a key enabler of economic growth. He said highly skilled people created jobs while many suitably skilled people could easily find jobs.

“We have made significant progress in the past few years, particularly in expanding access at all levels of our education system.

“We expect that the revised Human Resource Development Strategy will contribute to expanded access to quality education and training, delivered by effective teachers in functional institutions. It will contribute to improved learning outcomes.

“We expect the system to produce more academics and entrepreneurs, and more publications and better research,” he said.

The meeting also discussed the unveiling of the new vision and mission for the HRD Council, priorities within the HRD value chain for the next five years, the partnership framework between TVET colleges and business. The framework was launched at Sasolburg in November 2014 as part of the HRDC’s Adopt-A-TVET College initiative.

# Celebrating a milestone in the automotive industry

By Phaniel Chauke

The automotive industry will benefit from the skills of 19 graduates who completed their NQF Level 3 qualifications in the Automotive Repairs and Maintenance Technician learnership recently.

The three-year learnership initiative, conducted at St Anthony's Educa-

tion Centre in Reiger Park, Boksburg, was funded by the merSETA and Mercedes-Benz South Africa (MBSA).

The project was split 60:40, with the merSETA providing R2.4 million. St Anthony's provided the training competence, while MBSA enlisted the assistance of its 87-strong dealer

*“ This is a once in a lifetime opportunity that can change the lives of many young South Africans ”*



Skills Training Manager at St Anthony's Education Centre Jimmy Thosago; MBSA Training Manager Wendy Matai, Rendani Manzere; merSETA CEO Dr Raymond Patel and Operations and Marketing Manager at St Anthony's Education Centre David Prinsloo.



network to expose learners to the workplace and provide on-the-job training.

The 19 graduates are from communities such as Reiger Park and Ramaphosa informal settlement, as well as KwaThema, Soweto, Dawn Park and Windmill Park.

The graduates were formerly unemployed matriculants who had passed Maths and Science.

Some of the graduates have been absorbed by MBSA, with more to be placed in other companies after passing their trade test.

Each learner was mentored by a dealership for four months. During this period they completed their portfolios of evidence for final assessments and they are currently preparing for their trade test.

St Anthony's Education Centre is working hard to place some of the learners with various companies.

Speaking at the graduation ceremony, the merSETA Chief Executive Officer Dr Raymond Patel said the graduation was in line with the merSETA's mission.

"We aim to increase access to high-quality and relevant skills development and training opportunities to support economic growth," explained Dr Patel.

"We need thousands more artisans to satisfy the critical and scarce skills needs. But having artisans to fill the need is not the only solution. We also need massive transformation across the South African economy.

"This is crucial if we are to avert a catastrophe arising out of

***“ We aim to increase access to high-quality and relevant skills development and training opportunities to support economic growth ”***

youth unemployment, which is particularly acute among the 18-25 age group, whose prospects for a better life dissipate every day as they are buffeted by the ill-winds of the economic downturn.

"We must deepen the changes in our society. The merSETA has positioned itself as the leading SETA for the development of artisan skills," Dr Patel added.

MBSA Divisional Manager for Group Corporate Affairs Mrs Nobuzwe Mangcu said the company shared the government's concern and commitment to educate and upskill the youth.

"We want to focus on a sound skills base and a pipeline of technically skilled individuals. The automotive industry is strongly driven by technological advancement and we have a severe shortage of technical skills," said Mrs Mangcu.

Ms Tshengisile Dlamini is one of two women who graduated from the programme.

She understands that the automotive industry is still male-dominated but is willing to prove her worth with her newly acquired skills. She said she had received adequate training that had prepared her for the world of work.

"This is a once in a lifetime opportunity that can change the

lives of many young South Africans, their families and the country as a whole. The training has provided us with endless opportunities in the automotive sector. I believe that the days when women belonged in the kitchen are long gone," she said.

Another woman graduate, Ms Chrishancle Lentoer, said: "During training, I learned to identify problems in cars, how to do an engine overhaul, repairs and maintenance. I am grateful to the merSETA for this opportunity and to MBSA for the exposure it provided through its dealerships. I am now a qualified automotive repair and maintenance technician," she said.

MBSA has trained about 10 000 artisans since the launch of its technical and vocational training scheme about 33 years ago, while the merSETA has trained 27 162 artisans since the establishment of SETAs in 2000.

The manufacturing, engineering and related services sector has about 50 000 firms with about 655 967 employees. The automotive industry alone employs more than 100 000 people in South Africa and contributes 6% to the country's Gross Domestic Product (GDP), accounting for almost 12% of South Africa's manufacturing exports.

This makes it a crucial cog in the economy.

# The merSETA's Eldorado Park intervention pays dividends

By Sibongiseni Ziinjiva Ka-Mnguni

*'Education and training alone were not the answer as many potential learners were already in rehabilitation centres'*

The merSETA's intervention to address the devastating social challenges afflicting Eldorado Park, south of Johannesburg, is beginning to bear fruit.

There was a moment of great celebration at the Eldorado Park Community Hall recently when 34 learners were presented with certificates after they had successfully completed their NQF Level 2 Welding course, funded by the merSETA at a cost of more than R2 million.

The cherry on top was that all the

34 learners have now secured permanent employment.

The merSETA's intervention came after President Jacob Zuma made a clarion call to all key stakeholders to institute urgent interventions in the distraught community of Eldorado Park and surrounding areas, where social problems such as drug addiction, unemployment, teenage pregnancy, prostitution and alcohol abuse were destroying young lives.

The merSETA's intervention started

in June last year with a series of community conversations led by the merSETA CEO Dr Raymond Patel.

It was clear that education and training alone were not the answer, especially when potential learners were already in rehabilitation centres and were often lured back to life on the streets.

Various community organisations, rehabilitation facilitators, teachers, church leaders and parents shared their experiences and anguish, which informed the merSETA's proposal to



Some of the graduates who received their certificates.

launch a training intervention for 34 young people.

Life and learning skills, as well as coping mechanisms, formed an integral part of the 18-month technical training programme.

Project Leader Mr Jimmy Thosago of Life Skills Community Project said the project was more than a skills development initiative as it sought to address the holistic human aspect.

“It sought to equip learners with technical skills, heal them of past hurts and mistakes through rehabilitation and training, and restore their dignity by helping them to provide for their families. All this makes a learner a whole person ready for a productive life,” Mr Thosago said.

He said some of the social challenges they faced in the community manifested themselves during training.

“Absenteeism was a challenge as some learners would not attend classes or report at their workplace immediately after stipends were paid. Finding workplaces for learners was another challenge as big companies were hesitant to employ learners without work experience, while small companies tended to exploit them.

“Finding a match between a learner and a workplace was a challenge,” he said.

Mr Thosago said the learners had, however, demonstrated the desire to improve their standard of living and live a productive and meaningful life.

However, they were still confronted with dire social ills such as poverty, unemployment, crime, violence,

drugs and prostitution on a daily basis.

He said that before the training initiative they were disillusioned. “They believed they were the lost generation and generally displayed low morale. However, training and education proved to be an important catalyst,” he said.

Mr Owen Steyn of the merSETA said the learnership intervention had made a huge impact on the lives of the learners.

*“We came to realise, in the 15 years of our existence, that industrial and economic development cannot be achieved without the successful application of science, technology, engineering and mathematics (STEM)”*

“For us as the merSETA, we are proud of the role we’re playing in changing the lives of our people through skills development.

“We came to realise, in the 15 years of our existence, that industrial and economic development cannot be

achieved without the successful application of science, technology, engineering and mathematics (STEM). We are proud to be at the forefront of building our communities. We build the people that build South Africa,” he said.

He said this went to show that, through partnerships, a lot could be achieved.

Mr Steyn said that in every human being, irrespective of how hopeless their situation might seem, lay a potential waiting to be unearthed.

“All that is required are opportunities such as this one,” he concluded.

One of the graduates, Lynn Wykes Fortuin, said the learnership had helped him to be disciplined, the main reason he was able to finish the learnership.

Fortuin, who received training in stainless steel, Co2 and argon welding, has now been employed as a welder.

“This opportunity has helped me to gain experience and access to workplace opportunities and improve my life. I’m grateful for the opportunity. It helped me to overcome my own personal challenges. I’m more mature and focused and have a better understanding of life,” he said.

This indicates that there is a better South Africa waiting for these learners and others.

The learnership is expected to stimulate the economy and help to create employment.

Recent statistics indicate that the unemployment rate has increased to 26.4% — from 24.3%.

# SETAs working together to upskill offenders

By Achieve Correspondent



**Grootvlei Prison officials, Dr Lynette Fourie, Dr Raymond Patel, prison inmate, Ms Subashini Moodley and Mr Gustav Wilson at the certificate handover ceremony in Bloemfontein.**

**M**ore than 6 000 offenders throughout the country have benefited from various skills projects funded by the National Skills Fund (NSF) since 2012.

This is a result of a five-year partnership agreement between the Department of Correctional Services (DCS) and almost all the Sector

Education and Training Authorities (SETAs), which jointly contributed R66.4-million to fund the programme.

The offenders were trained as builders, tilers, plumbers, painters, electricians, welders, mechanics, cooks and computer operators. The aim of the project is to provide offenders with occupational skills

needed in the labour market, and thereby create employment opportunities and develop entrepreneurship.

The project was a major success in the 2014-2015 financial year. All the participants were trained in accredited programmes, and a database was created for further



‘ *The offenders were trained as builders, tilers, plumbers, painters, electricians, welders, mechanics, cooks and computer operators* ’

support beyond 2014-2015. Historically disadvantaged individuals made up 98.3% of those who were trained and 7.2% were women. The youth made up 60.7% of beneficiaries of the skills training programme.

The DCS views the skills development programme as a critical component of its offender rehabilitation strategy, which also encourages offenders to pursue tertiary studies.

The following SETAs also contributed funding to the programme:

- Agriculture Education and Training Authority (AGRISETA);
- Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA);
- Construction Education and Training Authority (CETA);
- Energy and Water Sector Education and Training Authority (EWSETA);
- Fibre Processing and Manufacturing Sector Education and Training Authority (FP&MSETA);
- Manufacturing, Engineering and Related Services Sector Education and Training Authority (merSETA); and
- Media, Advertising, Information and Communication Technologies Sector Education and Training Authority (MICTSETA).

# APDP policy shift gives car industry a huge boost

By David Furlonger

**M**ore global motor companies could announce plans to build vehicles in SA within weeks following the government's decision to lower barriers to domestic manufacture.

Since the introduction of the Automotive Production and Development Programme (APDP) in 2013, manufacturers have had to build at least 50 000 units annually before they could access benefits through the volume assembly allowance. They currently receive import-duty credits worth 18% of the ex-factory price of all production.

From January 2016, the allowance will be offered on a sliding scale, starting at 10% for 10 000 units and rising to 18% for 50 000.

National Association of Automobile Manufacturers of SA Director Mr Nico Vermeulen said recently that a number of firms were keen on building in South Africa.

Options include new standalone assembly plants, making use of spare capacity at existing plants or taking advantage of a proposed East London multi-brand plant, in which several companies would share costs.

SA has seven major producers of cars and light commercial vehicles – BMW, Ford, General Motors, Mercedes-Benz, Nissan, Toyota and Volkswagen – as well as a handful of low-volume truck and bus assemblers.

Low-volume manufacturers will also be able to claim from the APDP's automotive investment scheme, although the level of benefits will be finalised only early in 2016. At present, qualifying vehicle and components manufacturers can claim back up to 30% of new production-related investments.

Hyundai and Peugeot had previously expressed interest in South African car assembly, along with Indian and Chinese brands. Instead, both Hyundai and Peugeot have opened plants in Nigeria, where investment costs are lower.

Stanley Anderson, marketing director of Hyundai Automotive SA, which has a small-volume truck assembly plant in SA, said it was too early to say if the changes would make a difference to the company's policies.

But he observed that "it is a very positive step" that could prompt



vehicle importers to investigate local manufacturing.

Peugeot-Citroen SA Managing Director Mr Francis Harnie said: "We are looking for opportunities to grow our manufacturing footprint in Africa. After deciding previously that the barriers to entry in SA were too high at 50 000, it is worth looking at the policy again.

"I am glad the government has taken account of other opinions. I expect that a specialist from France



**The review of the Automotive Production and Development Programme (APDP) has been well received by global car manufacturers.**

will come here in the next few weeks to see what manufacturing opportunities there are for Peugeot.” These could include the export of platinum-based catalytic converters, after the Department of Trade and Industry said their production incentive would be frozen at 65% of value.

The policy changes are the result of an APDP review. Trade and Industry Minister Mr Rob Davies said support would continue after the programme expires in 2020.

“The government remains committed to further development of the automotive industry,” he said.

The state conceded that some APDP ambitions, such as the goal of building 1.2-million vehicles annually by 2020, were unachievable. This year, the forecast is 622 000 vehicles.

There are also doubts whether the APDP can significantly increase local – particularly black – involvement in the components-

supply industry. Most components built into domestically assembled vehicles are imported and almost all major suppliers are foreign-owned.

Although there are some added incentives for the supply sector, Ken Manners, president of the National Association of Automotive Component and Allied Manufacturers, expressed disappointment that the review “did not yield more meaningful requirements for the local manufacturing of components and sub-assemblies”.

# Year of record production but poor new car sales record

By Independent Correspondent

The National Association of Automobile Manufacturers of South Africa (Naamsa) said it expected the 2015 new-vehicle market to reach 603 000 units, substantially down from last year's 644 504 units. The association, however, projected a slight recovery in 2016, at 622 500 units.

Naamsa said in its third quarter business review that the total car market was expected to dip a substantial 8.5% in 2015 compared with 2014, from 439 264 units to 402 000 units, with 2016 seeing a slight increase to 415 000 units.

The bakkie, minibus and van market would also dip slightly this year, to 171 000 units, down from 173 689

units, before rebounding to 176 000 units in 2016.

As the new vehicle sales recession intensifies, Naamsa has cut the 2015 new-vehicle sales forecast by 32 500 units. The truck market would this year decline to 30 000 units from the 31 551 units recorded in 2014, with Naamsa forecasting an uptick to 31 500 units in 2016.

Naamsa expected exports and local production – on the back of increased exports – to deliver the only good news for 2015. Exports were expected to jump to 344 000 units for 2015, up from 276 873 units last year. Next year should look even better, at 386 100 units. Local production was expected to set a new record in 2015, at 622 000 units, up 10% from the 566 083 units last year.

Naamsa has forecast another record for 2016, at 674 600 units. The underlying trend in domestic sales continued to reflect a slow but steady decline, Naamsa said in its report. “Subdued levels of economic activity, coupled with various other economic factors, have combined to weaken business and consumer confidence in South Africa.

“The outlook for business and consumer spending has deteriorated in recent months, contributing to lower new-vehicle sales, particularly new cars. In contrast to the challenging domestic trading environment, vehicle production remains on a firm footing and substantially higher new-vehicle exports should continue to support the industry's production levels and South Africa's balance of payments through 2016 and beyond,” Naamsa said.





# Air-conditioning and refrigeration academy opens at TVET college

By Independent Correspondent



Leading global electronics manufacturer Samsung Electronics, the merSETA and the Department of Higher Education and Training have jointly established a refrigeration and air-conditioning training academy at the Kwa-Thema campus of the Ekurhuleni East Technical Vocational Education and Training (TVET) College in Springs on the East Rand.

With this first of its kind public-private partnership, the three entities hope to plug the skills gap in this critical technical services arena.

The facility will provide select students with specialised, merSETA-accredited training in the trade of refrigeration and air-conditioning to upskill the youth and open up new entrepreneurial opportunities for them.





**The merSETA COO Wayne Adams, Ekurhuleni East College Chairperson of Council Mr Vilakazi, Principal of the Ekurhuleni East College Ms Helen Sibande, Director of Services at Samsung Electronics Mr R Chetty, Vice President of Samsung Electronics Africa K Lee and Advisor to the Ministry of Education Mr Eddie Majabidobu at the opening ceremony.**

The 2016 intake of 20 students will receive full bursaries from the merSETA and will be trained by facilitators at no cost.

Higher Education and Training Minister Dr Blade Nzimande said the academy had the potential to reduce the shortage of artisans in the refrigeration and air-conditioning space.

He said the venture would not only enhance employability among the youth but would also help to promote entrepreneurship and the opening up of new business opportunities.

“This is the hoped-for outcome of any higher education programme and we are happy to get behind an initiative that has this promise,” Minister Nzimande said.

Samsung Electronics’ Services Director, Mr Richard Chetty, said the multinational company would support the facility through the provision of technical expertise, infrastructure, a holistic curriculum, test units, and air-conditioning and refrigeration units.

“There is a tremendous shortage of these skills in the industry . . . and the qualification provided by the academy will be linked to various government initiatives and needs.

“The development of these students is not only for education and learning purposes, it’s [also to ensure] employment and create entrepreneurs who can be incorporated into the Samsung [value chain],” he said. Chetty added that the group’s

investment underpinned Samsung’s commitment to advancing technical skills and employability in South Africa.

The merSETA CEO Dr Raymond Patel said at the core of the initiative was the promotion of skills development to close the existing skills gap.

“Our partnership with Samsung on this initiative makes sense as it is helping us to address the shortage of an important skill in a credible way,” Dr Patel said.

Ekurhuleni East TVET College principal Helen Sibande said the academy was a “great addition” to the institution’s course offerings. *(This article first appeared in Engineering News).*

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## **SOCIAL MEDIA**

-  [www.merseta.org.za](http://www.merseta.org.za)
-  [merSETAsocial](#)
-  [@merSETAsocial](#)





# Vision

# Leaders in closing the skills gap

The merSETA is one of the 21 Sector Education and Training Authorities (SETAs) established to promote skills development in terms of the Skills Development Act of 1998 (as amended). The 21 SETAs broadly reflect different sectors of the South African economy. The merSETA encompasses Manufacturing, Engineering and Related Services.

The various industry sectors are covered by five chambers within the merSETA: Metal and Engineering, Auto Manufacturing, Motor Retail and Components Manufacturing, New Tyre Manufacturing and Plastics Manufacturing.

-  [www.merseta.org.za](http://www.merseta.org.za)
-  [merSETASocial](#)
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