

**COMMISSION 2: ASSESSMENT OF CHAMBER  
STRUCTURES, ROLES AND RESPONSIBILITIES  
(including the establishment of auto component  
manufacturing chamber) – and alignment to the  
value chain of the mer sector**

# Recommendations

1. Chamber structures and their roles and responsibilities must be determined from a skills perspective - lumped together on the premise of their activities.
  - a. Skills for the development of people both current and new entrants
  - b. Value chain: upgrading and skills requirements along the value chain which can lead to clustering of skills and career pathing
  - c. Functional upgrading in terms of product development, process improvement and technology improvement and skills requirements thereof including R&D support (research chair)
  - d. Qualifications and skills that increase competitiveness of market
  - e. On the job training/workplace learning critical for the development of skills means firms availing or opening up work spaces for skills development
    - example of New Tyre approach that has led to skilled workforce: 10%/20%/70%
    - example of Auto Assembly that has led to high levels of skills development for operators

# Recommendations

2. Identify neglected industries/subsectors that have low skills base and low levels of skills development so that industry stakeholders craft dedicated strategies and are able to determine the most appropriate enabling and dedicated vehicle to support skills development and drive qualifications.

- Example of New Tyre and Auto Assembly – although few companies but through dedicated chamber & dedicated strategy have increased skills at entry and intermediate levels

3. No one size fits all: shape and size of industry/subsector should determine shape and size of a chamber – not necessary that all chambers must have the same number of representatives

# Recommendations: Auto Component Manufacturing

## Challenges

1. Neglected – low uptake/usage of merSETA qualifications which from analysis address skills need identified by ASCCI
2. Motor Chamber currently – motor retail and after service = about 240 000 employees vs auto component manufacturing = about 80 000 employees resulting in the larger employee component receiving concentration of chamber strategy and effort
3. OEMs: clear quality standards and individual company to which Tier suppliers must adhere
4. Shift in policy - Master Plan 2035 focused on localisation - need to build skills to deepen and widen the Tier Supplier pool
5. OEM performance requirements push for compliance to BBBEE with emphasis on SD and ED/SD (Preferential Procurement).

# Recommendations: Auto Component Manufacturing

## Opportunities

1. Changing policy and incentives
  - a. Widen localisation – leveraging OEM volumes and technology
  - b. Deepen localisation – leveraging NACAAM & T1 supplier collective power
  - c. Export potential to increase global competitiveness of industry
  - d. merSETA support for R&D

# Recommendations: Options

1. Dedicated auto component manufacturing chamber taking lessons from New Tyre and Auto Assembly (e.g. high AMIC participation and completion rate) approach and successes (NACAAM Supported position). Multi-skilling model. This option could be a precursor to option 2: long-term view thinking.
2. Integrated Auto & Component Manufacturing chamber since vehicle production activities are inter-dependant and closely linked in terms of the value chain of delivery for a single unit.
3. Reconstitution of current motor chamber to form 2 sub-units - keep the constituency numbers right:
  1. Aftersales Chamber
  2. Components Manufacturing Chamber

# Recommendations: Overview

