



merSETA

MANUFACTURING, ENGINEERING
AND RELATED SERVICES SETA
ISO 9001:2015

Achieve

THOUGHT LEADER IN SKILLS DEVELOPMENT

AUGUST 2020 | ISSUE 46



merSETA's new Accounting Authority Chairperson: Ms Kate Moloto

From Working At A Franchise
To Owning a Franchise

Eastern Cape Automotive
Industry Forum



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

SETA NEWS | VIEW FROM THE TOP
FEATURES | EVENTS OF THE QUARTER



merSETA

MANUFACTURING, ENGINEERING
AND RELATED SERVICES SETA

ISO 9001:2015

VALUES

WE CARE:

It's about caring for people we render services to.



WE BELONG:

It's about working together with colleagues.



WE SERVE:

It's about going beyond the call of duty.



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.

CONTENTS

FEATURED ARTICLES



PAGE 06

From Working At a Franchise to Owning A Franchise



PAGE 15

Eastern Cape Automotive Industry Forum

SETA NEWS

- 04 Talking Notes
- 05 View from the Top

SUCCESS STORIES

- 06 From Working At a Franchise to Owning A Franchise

FEATURES

- 08 How Covid-19 is changing car-buying trends: Are South Africans more likely to lease cars?
- 10 NAAMSA New Vehicle Sales Statistics
- 12 #COVID-19: UJ and merSETA announce a collaborative skills development initiative
- 14 Empowered to skill, upskill and reskill as the need arises

INDUSTRY NEWS

- 17 Eastern Cape Automotive Industry Forum

Views and editorial opinion expressed in the merSETA magazine are not necessarily those of the merSETA, the publication or the publisher.

Write to: The Editor,
Achieve magazine,
PO Box 61826,
Marshalltown,
2107
or email:
achievenewsletter@
merseta.org.za

Publisher
The merSETA

Editor
Temana Masekela

Proof Reading
Neil Lewis

Layout and Design
Ditiro Thupaemang

TALKING NOTES



With an anticipated historic Gross Domestic Product (GDP) collapse in South Africa this year, the recent announcement of the move to lockdown level 2 brings much needed relief and hope for the country's economy.

The country has in recent years been faced with economic turmoil but this is yet the biggest turbulence that has ever hit in many years. Amongst the many negative effects experienced by South Africans since the lockdown is the increased rate of unemployment, which according to Stats SA, has increased by 1.0 percentage point to 30.1% in the first quarter of 2020 compared to the fourth quarter of 2019.

Perhaps President Cyril Ramaphosa's announcement that government is working with partners on an urgent economic recovery programme that places the protection and creation of employment at its centre is the ray of light that all South Africans have been hoping to see since the virus hit

home soil and caused havoc.

Even in the midst of these challenges, the merSETA continues to push its objectives of ensuring that the youth of South Africa are equipped with skills that will render them employable in the future. This has become even more important in the wake of the challenges brought about by COVID-19.

In this issue of Achieve, we showcase the successes we have achieved and partnerships we have forged that ensure that we bridge the skills gap in the country. Among them is the story of Angie Frederic, who worked at a franchise for 11 years and through assistance from the merSETA was able to launch and own a similar franchise.

We partnered with the Eastern Cape Automotive Industry (ECAIF) to develop operators within the Automotive Component Manufacturing Industry in the Eastern Cape, which ensured that 400 learners from East London, Port Elizabeth and Uitenhage successfully qualify as artisans and secured employment opportunities within the Automotive Industry.

We also tell the story of Andre Roux and Leon Olivier, who are proud owners of Queenstown Engineering CC in the Eastern Cape. The dUO recently entered into a partnership with the merSETA, wherein they will train six apprentices in fitting and turning, automotive machining and diesel mechanics this year.

Although we pride ourselves in providing quality service to our stakeholders and plan to continue

doing so to the best of our abilities in the future, we remain cognisant of the advent of COVID-19 has drastically changed the manner in which we conduct business. We, therefore, have to abide by all COVID-19 restrictions put forward by our government at all times.

We are fully aware that the easing of these restrictions are in no way an indication that the storm has passed, but is one of the main ways that government is working to ensure that our economy does not deteriorate any further to a point of collapse. As the merSETA, we continue to work hard, together with our stakeholders and other relevant partners, in ensuring that our operations return to normal.

Enjoy reading this issue of Achieve!

A handwritten signature in black ink, appearing to read 'Temana Masekela'. The signature is written in a cursive style and is positioned above the printed name.

Temana Masekela

VIEW FROM THE TOP

The merSETA Takes Precautionary Measures Against COVID-19

As the world reels from the impact of COVID-19, the merSETA has embarked on a host of precautionary measures to stem the tide of this vicious pandemic.

But at the same time, I must state upfront that we are continuing our digital business as usual, processing mandatory and discretionary grant applications and tending to all stakeholder needs.

In light of the national state of disaster announced by President Cyril Ramaphosa and after careful consideration, we have found it necessary to implement the following actions towards mitigating the COVID-19 risks:

STAKEHOLDER RELATED MEETINGS AND EVENTS:

All regional and national stakeholder meetings and events have been suspended with effect from March 19 until further notice.

CONTAMINATION IN THE WORKPLACE:

The Occupational Health and Safety Act 85 of 1993 places an obligation on employers to ensure a healthy work environment. In line with this, a decision has been taken that the merSETA Quality Assurers (QAs) and Client Liaison Officers (CLOs) will be office-bound with immediate effect and will no longer perform site visits.

All our staff, including QAs and CLOs, will remain available telephonically

on either landlines or cellular telephones or digitally via email so as to continue to provide stakeholder support.

In the interest of the community at large, our stakeholders are requested to refrain from physically visiting any one of our offices. Stakeholders are requested to contact us telephonically and digitally. If, in exceptional circumstance, a stakeholder has a need to enter our premises they will be required to arrive with their own computer and telephone equipment for purposes of accessing the merSETA NSDM System. They will also need to comply with strict sanitisation measures upon arrival and whilst on our premises.

While our commitment to offering our stakeholders with support and service excellence remains unchanged, we believe these decisions can contribute to keeping both our stakeholders and employees healthy for longer.

We realise that this may cause some inconvenience. However, we are committed to immediate and responsible actions in order to support the government's initiatives to curb the COVID-19 infections.

We will regularly review the necessity of the abovementioned measures and will return to normal as soon as it is safe.

Stakeholders are also reminded that the window for our discretionary grants applications remains open until May 31 2020.



“ We are committed to immediate and responsible actions in order to support the government's initiatives to curb the COVID-19 infections. ”

You are reminded to use our NSDMS to apply for such grants.

I wish you the best during these trying times.

'Till next month.

Mr Wayne Adams
merSETA Acting CEO

FROM WORKING AT A FRANCHISE TO OWNING A FRANCHISE

By Temana Masekela



» Angie Frederic

Angie Frederic was an employee at Bridgestone Tyres for 11 years but knew she was wired for greater things in life!

Frederic is now the owner and Director of Shaga Group (Pty) Ltd t/a Supa Quick, a franchise of Bridgestone South Africa, based in Hillcrest, KwaZulu-Natal (KZN). Her business supplies and fits tyres, brakes, shocks and batteries in different vehicles.

When she opened her tyre fitment centre in 2016, she saw an opportunity to expand her business further, by including a training centre. But this required strategic planning and hard work.

"I noticed that the tyre fitment centre had a big space which was not being utilised. This is when I decided to approach the merSETA for assistance



» Supa Quick in Hillcrest, KwaZulu-Natal

in opening a training centre to train learners in tyre puncture repair, wheel alignment and balancing," she explains.

In 2018, Shaga Group Pty Ltd t/a Supa Quick received funding from the merSETA to train 12 learners in tyre puncture repair and balancing.

Once the centre received the funding, she explains, the challenge became finding a merSETA-accredited training provider to train the learners. "There are not many merSETA-accredited tyre fitment training providers in KZN. This gave me the idea to get my training centre merSETA-accredited, which allowed me to train not only my learners, but learners from the entire industry," says Frederic.

Frederic explains that the positive response she received from the merSETA encouraged her to assist other tyre fitment centres to apply for merSETA funding this year, and once approved, the learners will receive training at her training centre.

To date, her centre has trained and qualified 24 learners as artisans. They have further taken on 16 this year, who will be trained in wheel

“ I noticed that the tyre fitment centre had a big space which was not being utilised. This is when I decided to approach the merSETA for assistance in opening a training centre to train learners in tyre puncture repair, wheel alignment and balancing

”

alignment. The training is provided to unemployed learners who have completed an NQF Level 2.

"This training provides young people with employment and entrepreneurship opportunities once they qualify. The only thing needed from them is hard work, dedication and commitment," explains Frederic.

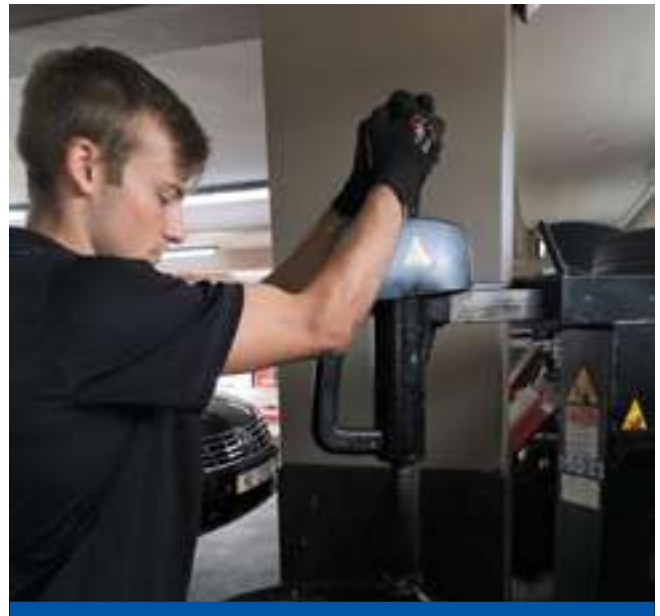
She adds: "With the country in dire

need of skilled artisans, the impact the merSETA funding is having on these young people is tremendous. I wish more companies could seek assistance from organisations such as the merSETA and invest in apprenticeship training, particularly in the tyre industry.

"The tyre industry is very exciting and vast. There are many opportunities, from working at a tyre fitment centre to being employed by a big manufacturer or even becoming an entrepreneur. In fact, I am a living proof of that," she concludes."



Israel



Greg



HOW COVID-19 IS CHANGING CAR-BUYING TRENDS: ARE SOUTH AFRICANS MORE LIKELY TO LEASE CARS?

By Darren Lewis



The good news is that across all markets, most of those intending to buy a car (pre Covid-19) claimed they are not giving up their plan to purchase but are considering postponing their purchase to after the crisis.



The Covid-19 pandemic has changed the way people shop, consume media, travel, gather and work. It has also had a massive

impact on the automotive industry - but the good news is that in some countries (South Africa, for instance), it may actually have a positive outcome.

This can be gleaned from a fascinating report titled: Automotive & Mobility: The impact of Covid-19 on the category in the medium term by Kantar, a London-based data, insights and consulting company. For instance, the report notes that while in the toughest weeks of the lockdown, global new car sales dropped by up to 80% compared to previous years, future prospects are not that dismal.

“The good news is that across all markets, most of those intending to buy a car (pre Covid-19) claimed they are not giving up their plan to purchase but are considering postponing their purchase to after the crisis,” it states.

9% of South Africans have reconsidered buying a vehicle

In less mature markets (countries with a lower proportion of car owners), the scenario is even more positive in that the Covid-19 crisis is actually motivating people to buy their first car. The Kantar report also notes that, for many households, owning an individual vehicle during and after the Covid-19 pandemic will be a safe way to stay mobile without being exposed to the social interactions experienced with public transport.

South Africa is one such market. According to Kantar, 9% of South African respondents had no plans to buy a car before Covid-19 but would now consider it. The data has been extrapolated from the company’s Covid-19 barometer, a syndicated study covering more than 60 markets on how Covid-19 is influencing consumer behaviour, attitudes and

“Innovating in the way to make people buy a car, leveraging the specific assets of online and offline experiences, will help to reduce the gap of purchase postponement.”

expectations.

South Africa ranked second, behind Thailand, in this regard. In Thailand, 13% of respondents had no plan to buy a car before Covid-19 but would now consider it. The situation in Poland is identical to that in South Africa, with a 9% score. China slotted in fourth, with 8%.

In many other markets, where car ownership is higher, the vast majority of car buyers will be postponing their purchases, not reconsidering it. This situation bodes well for the car industry.

Guillaume Saint, Global Automotive Lead at Kantar, says: “It means that for the longer term, the sector will be impacted by the delay of ordering and delivery, rather than by the simple contraction of the market. This will help the industry to bounce back in a reasonable period.”

Form of vehicle ‘ownership’

But, when those people buy vehicles, what form of vehicle “ownership” will they use?

According to the Kantar report, financial security is top of mind among consumers. Significantly, it has found that the more the pandemic continues, the more financial uncertainty is a growing concern among the general population – even more so than health concerns. Accordingly, car buyers will be risk-averse and will want to avoid any form of personal financial strain.

Hence, alternative forms of vehicle “ownership” may be the way forward – leasing or renting, for instance.

Typically, rentals have been favoured by corporates (because they’re off-balance sheet, the costs are fixed and there is zero risk). However, bearing in mind the findings of the Kantar report, there is every reason to expect them to find increasing favour with consumers too. This is because many of the same benefits apply to private customers – with a rented car, you know exactly what you’re going to spend each month, minimising financial uncertainty.

Over and over, the theory that rental is a more expensive option than car buying has been debunked. Take Swedish luxury car brand Volvo as an example. Its rentals are competitively priced. They include 1 250km a

month, a tracking device, 24/7 roadside assistance, comprehensive insurance, maintenance and reasonable wear and tear on tyres).

Car rentals are also considerably more lockdown friendly than vehicle purchases. Typically, the entire transaction can be handled via an app or website – 24 hours a day, seven days a week. The credit check is done online and, unless the customer is outside of normal parameters, the entire transaction takes a couple of minutes.

This is in line with the findings of the Kantar study. It stresses that motorists’ hesitation in going into public spaces is an element to keep in mind.

“Innovating in the way to make people buy a car, leveraging the specific assets of online and offline experiences, will help to reduce the gap of purchase postponement,” it notes.

The report concludes by stating that the pandemic will have a long-term impact on all aspects of people’s lives.

“This may be in terms of their job, financial security, mobility behaviour, purchases of high-priced goods, investments, or the way they interact with people and how they would like to live post-crisis,” it notes.

And it may well change our car-buying behaviour forever too.





NAAMSA NEW VEHICLE SALES STATISTICS

Reflecting on the new vehicle sales statistics for the month of July 2020, NAAMSA confirmed that aggregate domestic sales at 32 396 units reflected a decline of 13 646 units or 29,6% from the 46 042 vehicles sold in July last year. Export sales at 24 706 units also registered a fall of 10 381 units or a decline of 29,6% compared to the 35 087 vehicles exported in July 2019.

Overall, out of the total reported industry sales of 32 396 vehicles, an estimated 30 325 units or 93,6% represented dealer sales, 3,1% to industry corporate fleets, 2,9% sales to government, and an estimated 0,4% represented sales to the vehicle rental industry.

The July 2020 new passenger car market had registered a substantial decline of 10 552 cars or a fall of 35,8% to 18 905 units compared to the 29 457 new cars sold in July last year. In view of the tourism sector

still under lockdown restrictions, the contribution by the car rental industry comprised only 1,4% in July 2020 compared to the nearly 20% in July 2019.

Domestic sales of new light commercial vehicles, bakkies and mini-buses at 11 123 units during July had recorded a decline of 2 736 units or a fall of 19,7% from the 13 859 light commercial vehicles sold during the corresponding month last year.

Sales for medium and heavy truck segments of the industry reflected a weak performance and at 698 units and 1 670 units, respectively, showed a decline of 103 vehicles or a fall of 12,9% in the case of medium commercial vehicles, and, in the case of heavy trucks and buses a decline of 255 vehicles or a fall of 13,3% compared to the corresponding month last year.

Vehicle exports for July 2020 recorded a decline of 10 381 vehicles or 29,6% compared to the 35 087 vehicles exported in July 2019. The performance for July 2020 did reflect a welcomed improvement on June 2020 and positive news is that the domestic automotive industry's major export destinations are starting to ease their lockdown restrictions with many actively stimulating their new vehicle markets with large financial government incentives.

July 2020 new vehicle sales figures provide a picture of what could be expected for the remainder of the year with some notable changes to market behaviour by the vehicle rental companies, in particular, which could be the beginning of new trends.

Although the Absa Purchasing Managers' Index (PMI) tracking business conditions in six months'



time turned slightly more optimistic in July 2020, it still remains fairly subdued. Considering the most recent projected negative annualised GDP growth in the country of 7,3% by the SA Reserve Bank, it does not bode well for the outlook on domestic demand for new vehicles over the short term.

Positive dynamics such as the further 25 basis point interest rate cut to a near 50-year low during the month and the already 300 basis points interest rate cut for

the year, low inflation as well as dealer incentives would be expected to support consumers and businesses into new vehicle purchases. However, a recovery in the new vehicle market will most likely depend on how quickly the economy can break out of its low growth trap and how soon society will recover from the present COVID-19 lockdown.

The domestic automotive industry's vehicle export performance for the second half of the year hinges

on the successful implementation of the lockdown exit strategies in the domestic industry's major export destinations. The marked improvement in the July 2020 export performance compared to June 2020 export performance provides reason for optimism that exports will gain upward momentum during the second half of the year as international markets ease their lockdown restrictions while many are also stimulating their new vehicle markets with financial incentives.





Prof Tshildzi Marwala, UJ Vice-Chancellor & Principal

#COVID-19: UJ AND MERSETA ANNOUNCE A COLLABORATIVE SKILLS DEVELOPMENT INITIATIVE

By Achieve Correspondent

The Manufacturing, Engineering and Related Services SETA (merSETA), has announced the funding support to the University of Johannesburg (UJ) and its consortium partners to fortify the research, innovation and advancement capacity of rapid technology towards delivering a response to the COVID-19 pandemic.

The innovative collaboration came to fruition with the recent signing of a Memorandum of Agreement (MoA) between the University's Faculty of Engineering and the Built Environment and merSETA.

Says Prof Tshildzi Marwala, Vice-Chancellor & Principal at the University of Johannesburg (UJ): "This collaboration aims to assist the health care industry with critical care technology development in response to the COVID-19 crisis. The pandemic has revealed deeply entrenched weaknesses in our public institutions, particularly in the healthcare sector. Given the vast

shortage of ventilators worldwide, part of this collaboration will work towards the rapid development and manufacturing of non-invasive ventilators. The collaboration will also see our students being equipped with essential future skills for the design, prototyping, testing and certification of Bi-level positive airway pressure (BiPAP) ventilators,

“

This MoA is an indication that we are committed to the industry. It is encouraging to see the merSETA investing in the nation's development as this will translate our advances into gains for the country, particularly as we seek out ways to reverse the deindustrialisation of our economy by emphasising platforms for advanced manufacturing

”

and support future industrialisation efforts through continuous professional development (CPD) in the manufacturing sector."

"The merSETA funding will be supporting 125 students across four universities in this initiative. Of great interest to the merSETA is how new support programmes and qualifications will emerge to define the support required to rapidly localise and sustain the manufacture of new products in emerging sectors of the economy," says Mr Wayne Adams, acting CEO of the merSETA.

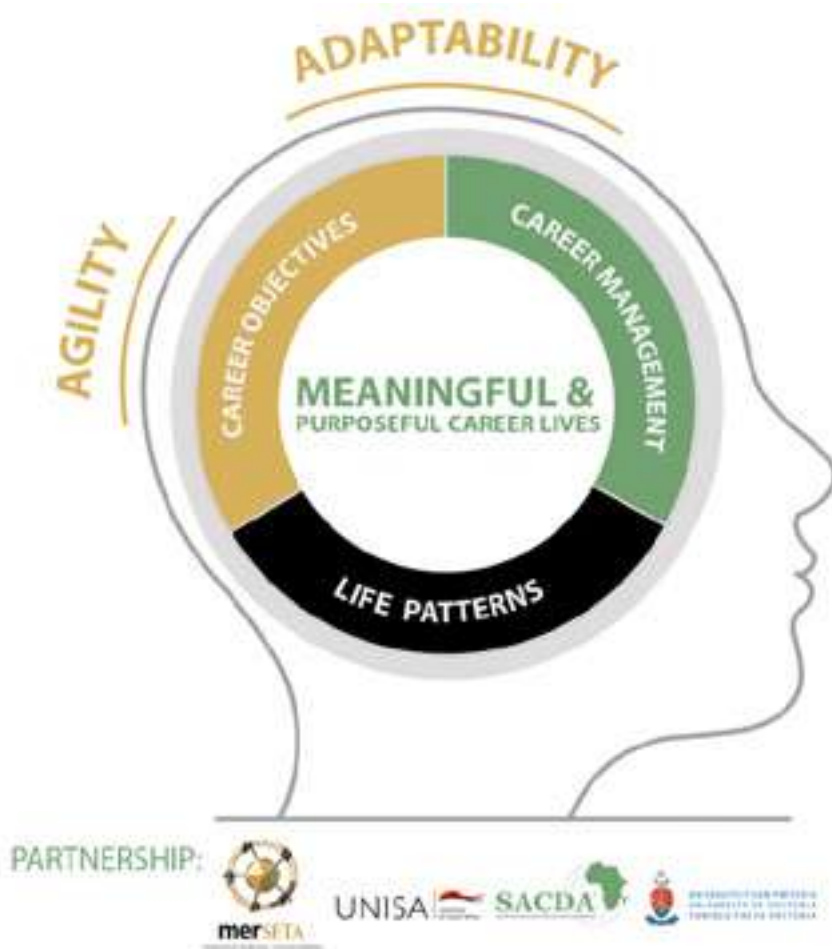
Prof Marwala concludes: "This MoA is an indication that we are committed to the industry. It is encouraging to see the merSETA investing in the nation's development as this will translate our advances into gains for the country, particularly as we seek out ways to reverse the deindustrialisation of our economy by emphasising platforms for advanced manufacturing."

The merSETA Viro-Vent Skills Innovation Challenge consortium comprises: UJ's Process, Energy and Environmental Technology Station (UJ-PEETS), TUT's Technology Station in Electronics (TSE), CUT's Product Development Technology Station (PDTS) and Centre for Rapid Prototyping and Manufacturing (CRPM), and VUT's Southern Gauteng Science and Technology Park's, being members of the Technology Stations Network Programme implemented through the Technology Innovation Agency, a DSI initiative and supported by North West University (NWU).



Mr Wayne Adams, acting CEO of the merSETA

EMPOWERED TO SKILL, AS THE NEED ARISES

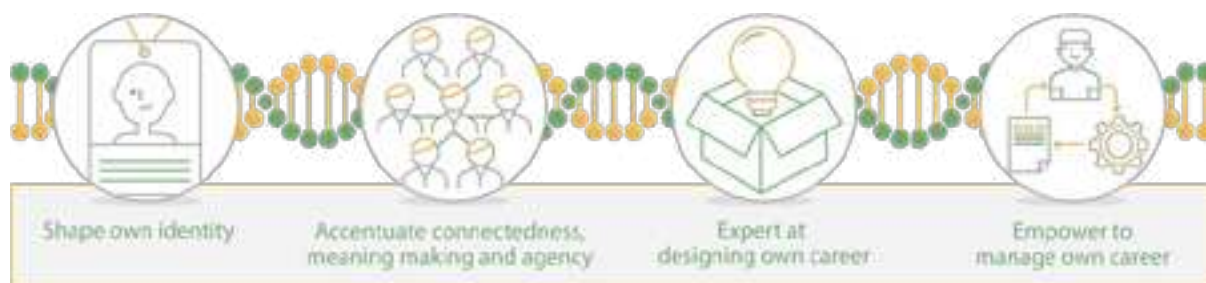


It's no secret that economic sectors are more volatile and unpredictable than ever before. With this volatility comes a sense of uncertainty and insecurity in the job market. In today's times, the idea of a job for life is a thing of the past. With constant advances in technology effecting almost all sectors, the comfort of job security has been replaced with employability security.

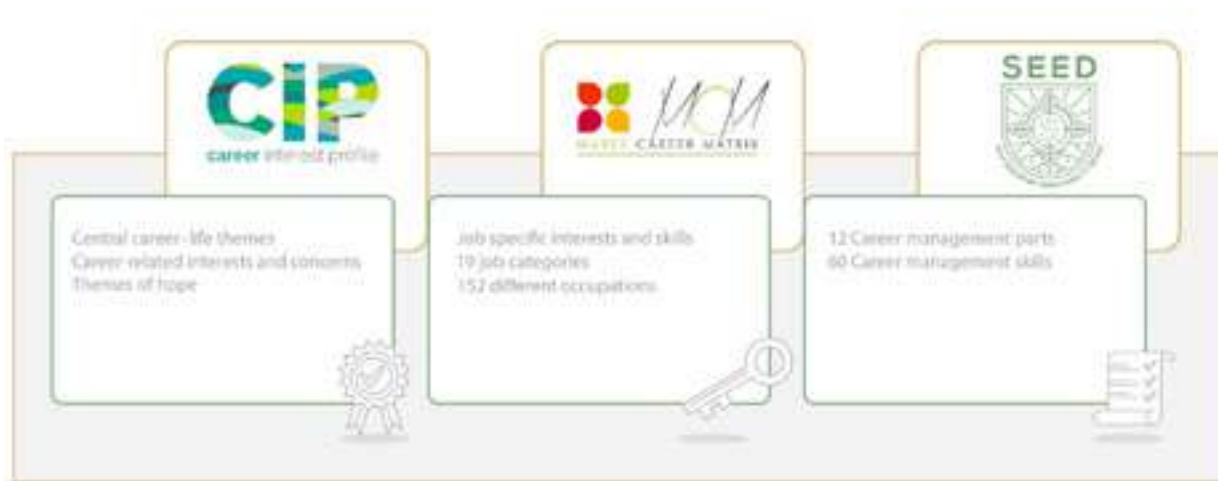
UPSKILL AND RESKILL



In other words, there is a growing need for people to be able to adapt and expand their skillset to remain employable in the long term. We can no longer rely on our employers to manage our careers but need to manage it ourselves. The question is, how can more people be empowered to manage a long, meaningful and purposeful career?



In order to provide answers, research is currently underway to discover homegrown, life design solutions that could empower people to identify their interests and life patterns to set career objectives and manage their own career paths. Three instruments are being used in the research: the Career Interest Profile (CIP) to assist in identifying life patterns and setting career objectives, the Maree Career Matrix (or MCM) to assist in identifying fields of interest and, lastly, the Self Education Employability Device (or SEED) to assist in identifying career management skills.



The results of the first phase of the research shows great promise in improving agility and adaptability in working adults. Findings also confirm Savickas’ (2019) assertion that life-design related interventions renew people’s suppressed dreams, improve their career adaptability and enable them to convert painful themes in their lives into hope-filled prospects.



The focus for the second phase of the research is to allocate a day to each of the instruments as part of a professional development programme. The main objective is to enable people to take ownership of their careers, in order to skill, upskill and reskill themselves as the need arises. Ensuring agility and adaptability in an ever changing volatile economy.

EASTERN CAPE AUTOMOTIVE INDUSTRY FORUM

OPERATOR DEVELOPMENT PROGRAMME

By Achieve Correspondent



The Eastern Cape Automotive Industry (ECAIF) was funded by the merSETA to develop operators within the Automotive Component Manufacturing Industry in the Eastern Cape. The project was a collaborative effort between ECAIF and the Mercedes Benz Learning Academy (MBLA) which saw 400 learners from East London, Port Elizabeth and Uitenhage successfully qualify and attain employment opportunities within the Automotive Industry.

The Operator Development Programme was initiated by ECAIF to assist its member companies with the upskilling and reskilling of their employees, as well as to source and provide new skilled operators to the industry.

The technological advancements in the industry have necessitated a higher calibre entry-level operator that this upskilling programme is addressing. ECAIF has applied for an additional project, which they hope to see become an annual intake to continue to feed the talent pipeline for the industry.

The Automotive Learning Academy was appointed to project manage the initiative and successfully implemented and facilitated the programme in all three regions with the assistance of their collaboration partners.

Learner Quote:

"What I learnt in the programme is different skills on the production line. It was a very challenging programme, but worth every second

of it. We learnt great new things. We developed ourselves academically and psychologically." - Phumla

REGIONAL OFFICES

HEAD OFFICE

merSETA House,
95 7th Avenue,
Cnr Rustenburg Road,
Melville, Johannesburg
Tel: 010 219 3000
Fax: 086 673 0017

EASTERN CAPE

Pickering Park,
Office Suites,
14-20 Pickering Street,
Newton Park,
Port Elizabeth, 6045
Tel: 0861 637 734
Fax: 086 673 0017

GAUTENG SOUTH

merSETA House,
95 7th Avenue,
Cnr Rustenburg Road,
Melville, Johannesburg
Tel: 010 219 3000
Fax: 086 673 0017

FREE STATE & NORTHERN CAPE

46 Second Avenue,
Westdene, Bloemfontein,
9300
Tel: 0861 637 733
Fax: 086 673 0017

KWA-ZULU NATAL

149 Essenwood,
149 Stephen Dlammi Road,
Musgrave, Durban
Tel: 0861 637 736
Fax: 031 201 8732

LIMPOPO & MPUMALANGA

Section 1 No.8 Corridor,
Crescent Route N4,
Business Park,
Ben Fleur Ext 11, Witbank
Tel: 0861 637 735
Fax: 086 673 0017


WESTERN CAPE


Ground Floor, Simeka House,
Farm 2, Vineyards Office Estate,
99 Jip de Jager Drive,
De Bron, Durbanville,
Cape Town, 7550
Tel: 0861 637 732
Fax: 086 673 0071

GAUTENG NORTH & NORTH WEST

Automotive Supplier Park,
30 Helium Road, Rosslyn Ext. 2
Tel: 0861 637 731
Fax: 086 670 0299

 www.merseta.org.za

 merSETASocial

 merSETASocial

 mersetasocial





merSETA

MANUFACTURING, ENGINEERING
AND RELATED SERVICES SETA

ISO 9001:2015

LEADERS IN CLOSING THE SKILLS GAP.

The merSETA is one of 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 six chambers within the merSETA: Metal and Engineering, Auto Manufacturing, Motor Retail and Automotive Components Manufacturing, New Tyre Manufacturing and Plastic industries.

