



merSETA

MANUFACTURING, ENGINEERING
AND RELATED SERVICES SETA

REGIONAL SECTOR SKILLS PLAN

SYNTHESIS REPORT

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REGIONAL SSP SYNTHESIS REPORT

1. Introduction

The Regional Sector Skills Plan (RSSP) is aimed at unpacking the regional specificity of the merSETA subsectors. The objectives of this RSSP were to identify and map out key features, trends, forecasts and legislative initiatives at the regional level regarding skills development. This synthesis report of the RSSP provides an overview of the key findings pertaining to regional and local developments in the merSETA sectors and links to skills development planning.

2. Research Methodology

The research methodology used for this Regional Sector Skills Plan (RSSP) included both primary research and secondary research which involved both quantitative and qualitative research methods.

- Secondary (desktop) research was conducted on each region's economic, social and development status and strategies. The regional socio-economic analysis was done by doing a literature review of existing data and research papers. MerSETA has undertaken a wide range of research projects, these were reviewed and helped in understanding the chambers that make up merSETA.
- Research conducted by government departments, national research institutions, industry publications and the media were used extensively in the report. Provincial governments publish annual reports such as the Provincial Economic Review and Outlook (PERO) and the Socio-Economic Review and Outlook (SERO) and these highlight the performance of the provincial economy and the social changes occurring in each province.
- The merSETA workplace skills plans (WSPs) were analysed to provide data on sector employment by chamber, demographic profile of employees and occupations by province. Although the database provided was only for 8% of the companies on merSETA's database it represents 35% of levy-paying companies. The WSPs represent the majority of the employees in the sector because there is a direct relationship between levies paid and employment. The data was assumed to be a representative sample of the merSETA sector and was analysed as is.
- Regional and municipal economic data was obtained from Quantec and this was used extensively in the report. National Accounts data is not captured according to

the merSETA chambers; Quantec data that most closely resembled the merSETA chambers was used.

- National data sources and a range of statistical publications by Statistics South Africa (Stats SA), the DHET, the DoL and data from industry associations.
- The demand projections in Chapter 4 were based on the merSETA Sector Skills Plan 2012/13 – 2017/2018 national projections. The demand projections are based on new demand resulting from economic growth and economic creation – as well as for replacement demand that will occur because of mortality, emigration, and the retirement of employees. The employment growth figures used in the model were derived from econometric modelling performed by EcoQuant. The econometric modelling was based on the sectoral demarcations found in the National Accounts data. Based on the distribution of manufacturing employment per province for Quarter 1 of 2013 the projections in the national SSP were proportioned to give a regional outlook. In essence, 35% of manufacturing employment was from Gauteng and 35% of the projected demand was assigned to Gauteng. The customisation was limited as it assumed the distribution of manufacturing employment will remain the same in the foreseeable future.

The research study was designed to be as interactive as possible with the merSETA Regional Committees which have representatives from all chambers, labour and employers. At the inception of the project the research team attended the Regional Committee meetings to introduce the project, initiate task teams and outline the objectives. The primary research aspect of the study involved in-depth interviews with employer representatives, labour union representatives, FET colleges, and provincial government representatives. The majority of interviews were conducted face-to-face and some were done telephonically. Information obtained from the primary research was used extensively to determine:

- Factors affecting the skills development in the region
- Scarce and priority skills
- Implementation strategies and recommendations to address challenges faced

A draft report was presented at the Regional Committee meeting and further discussions were done to refine the report and formulate region specific strategies. The draft report was put on the merSETA website for two weeks for stakeholder's comments and inputs.

3. Research Participants

In order to determine the nuances of each region as pertains to skills needs and skills development, the research team consulted with multiple stakeholders. Participants in the research included provincial government representatives, employers, shop stewards and other labour representatives, industry bodies/association representatives and merSETA regional managers.

The stakeholder driven approach ensured the RSSP captured the specific relevant issues in the different regions. Strategic recommendations were mainly derived from the stakeholders to ensure easier facilitation when these recommendations are to be implemented.

The number of participants in the RSSP process through interviews and task teams/focus groups is shown in the table below;

Table 1: Regional Stakeholder Consultations and Participants

Region	Number of participants
Limpopo & Mpumalanga	46
Western Cape	30
Gauteng & North West	24
Eastern Cape	14
Kwa-Zulu Natal	12
Northern Cape & Free State	10
TOTAL	136

4. Analysis of Research Findings from the Regions

a) Common themes from all regions

- Lack of adequate modern infrastructure in some training facilities highlighted as major cause of inadequately prepared learners
- Pockets of excellence exist in the regions i.e. there are some companies/training institutions with well equipped and functioning training centres from which lessons can be drawn

- Most stakeholders highlighted the problem posed by the lack of adequate literacy and numeracy skills of learners entering learnerships and artisan development programs
- A common theme emerging from FET colleges was the need for employers to be more receptive to provide openings for learners to obtain work based experience
- Employer organisations outlined the need to simplify or minimise the paperwork and administrative load currently faced in training learners
- Research participants pointed to a need for more consultative and collaborative approaches in the skills development environment i.e. curriculum development should incorporate inputs from employers to ensure that the graduates produced are equipped with relevant training
- Need for strengthening of existing technical high schools and establishment of linkages with higher education & training institutions, to ensure a consistent pipeline of high quality maths and science learners
- Respondents across the country outlined that there is a lack of interest and awareness amongst young people for manufacturing related career paths
- In all the provinces the majority of workers fall in the elementary occupations category
- The majority of individuals in senior management and supervisory roles fall in the 45 years+ age category

b) Unique issues from each province

The section below outlines some unique features from the nine provinces pertaining to economic activities, skills development etc.

Gauteng- North West region

- Gauteng is the largest contributor to the national GDP, constituting of 34% of the output. The province is the main contributor to the manufacturing sector output
- Gauteng has 8 FET colleges and the North West province has 3 FET colleges. The majority (31%) of N1-N3 engineering students are in Gauteng FET colleges. Only 8% of the N1-N3 engineering students are in FET colleges in the North West
- The North West province is mostly rural in nature and has an unemployment rate of 26.5%.
 - Mining is the major economic activity; it provides jobs for 25% of the provincial workforce.

- The North West has no accredited Trade Test Center and therefore apprentices are sent to Gauteng for testing.

Western Cape region

- Establishment of the first Special Economic Zone in Saldanha Bay which will be mainly focused on the oil and gas industry is expected to yield significant job creation and economic growth potential.
 - The West Coast is expected to become a major oil and gas hub following the increased offshore oil and gas activities in nearby blocks
- The Western Cape Tooling Initiative (WCTI) has a framework which can potentially be adopted for other merSETA chambers for the purpose of training and equipping artisans

Eastern Cape region

- The motor, auto and new tyre chambers are the major activities in the province which fall under the ambit of merSETA.
- A greater share of the regional population is in the rural areas. However, most training and skills development institutions are located in urban centres.
- Establishment of wind farms in the region is set to provide working models for other regions as to how best to tackle skills development needs of the renewable energy sector.
- The shortage of skilled labour in the Eastern Cape has been seen as a challenge by many employers. Semi-skilled and unskilled labour is relatively easier to find. Attractiveness of the Eastern Cape Province as a place for skilled professionals is relatively lower compared to other manufacturing hubs such as Gauteng
- Training institutions such as Port Elizabeth College have started gearing up in order to be ready to supply artisans equipped to function in the renewable energy sector
 - This has been aided by partnerships with international organisations such as the German Gesellschaft FÜR Internationanale Zusammenarbeit (GIZ)

Mpumalanga-Limpopo region

- Metal chamber companies based in the Nelspruit area send their apprentices to the Middleburg or Witbank area as there are no reputable training providers in the Nelspruit area.
- The region's proximity to Gauteng has seen management positions sometimes being hard to fill as there is an outflow of people from the region to Gauteng.

- The Limpopo provincial economy is small resulting in there not being enough companies to absorb all the students coming from the FETs which limits learners' work place exposure.
- Limpopo has no accredited Trade test Centers for the motor trades and as such has to send apprentices to Gauteng

KwaZulu-Natal (KZN) Region

- The regional economy is dominated by tertiary industries which contributed 67% to its regional GDP. The secondary sector in KZN makes a larger (27%) contribution to the region's economy than in the nation as a whole (23%).
- KZN has recently undergone rapid industrialisation, due to the abundant water supply and labour resources in the region.
- The Province has the highest export propensity, as well as the highest level of industrialization in the country.
- The ports of Durban and Richards Bay together handle nearly 80% of South Africa's cargo tonnage.
 - Richards Bay is the country's centre of aluminium industry operations, producing over 4% of the world's export of aluminium.

Northern Cape (NC) - Free State (FS) region

- Mining is the dominant economic activity in Northern Cape and agriculture is dominant in the Free State.
- Manufacturing in the region is dominated by the food and beverage industry in Upington and by the food and beverage, clothing, textiles and metals industries in Kimberley.
 - Manufacturing in NC and FS constitutes less than 5% of the national manufacturing output
 - The Chemicals industry is the largest manufacturing subsector in the Free State and accounts for 70.0 percent of the province's total manufacturing output
- A university is to be built in the Northern Cape (Kimberly) and it is expected to develop at least two postgraduate centres of excellence in Physical sciences (astronomy) and Applied sciences (renewable energy, low carbon energy, hydrology, water resource management and climate variability)
- According to the 2012 merSETA database 37.8% of employees in the Northern Cape were younger than 35 years whilst 55.5% were between 35 and 49 years and 6.7% between 49 and 64 years.

5. Summary of scarce and priority list

Tables below show the scarce and priority skills by region and OFO Codes¹ in the merSETA chambers, based on the research findings. A tick indicates the skill was identified as applicable to the region as a scarce skill. A tick with a 'P' indicates the skill is both scarce and priority.

Table 2: Plastics Sector Scarce and Priority Skills²

Plastics Sector	Scarce Skills	OFO Code	Gauteng- West	North	KwaZulu-Natal	Western Cape	Limpopo- Mpumalanga	Eastern Cape	Northern Cape- Free State
		Plastics Manufacturing Machine Setter and Minder	714208	✓ P		✓ P	✓ P	✓ P	✓ P
	Rubber, Plastic and Paper Products Machine Operators	714	✓		✓	✓	✓	✓	
	Rubber Products Machine Operators	714101	✓		✓	✓	✓	✓	
	Rubber Production Machine Operator	7141	✓		✓	✓	✓	✓	
	Plastic Cablemaking Machine Operator	714201	✓		✓	✓	✓	✓	
	Plastics Fabricator or Welder	714203	✓		✓	✓	✓	✓	
	Plastics Production Machine Operator (General)	714204	✓		✓	✓	✓	✓	
	Production / Operations Manager (Manufacturing)	132101	✓		✓	✓	✓	✓	
	Pattern and mould makers in polymers					✓			
	Rotational Moulding Operator (Plastics)					✓			
	Thermoforming Machine Operator					✓			
	Reinforced Plastics and Composite Trades Worker					✓			
	Spray painter					✓			
	Product Assembler					✓			
	Manufacturing Technician					✓			
	Industrial Engineer	214101	✓		✓	✓	✓	✓	
	Mechanical Engineering Technician	311501					✓		
	Quality Systems Manager					✓			
	Technical Director					✓			
	Filter and Turner	652302				✓	✓		

¹ Some of the skills did not have specific OFO Codes identified and were therefore left blank

² "P" represents priority skill

Table 3: Motor Sector Scarce & Priority Skills³

		Gauteng- North West	KwaZulu-Natal	Western Cape	Limpopo-Mpumalanga	Eastern Cape	Northern Cape- Free State
		OFO Code					
Motor sector	Motor mechanics	653101	√	√	√		√ P
	Automotive machinist		√	√		√	
	Tractor Mechanic			√			
	Spray-painters		√ P	√ P		√ P	√ P
	Toolmaker, jig and dye maker					√	
	Motorcycle Mechanic	653103	√		√		
	Motorcycle Mechanic Assistant					√ P	
	Diesel Mechanic	653306	√	√	√	√	√ P
	Assessment Officers for Motorcycle Mechanics		√				
	Suspension Fitter		√				
	Diesel Fuel Injection Pump Mechanic		√				√
	+Automotive Electronics Fitter					√	
	Automotive Motor Mechanic	653101			√	√	
	Automotive Electrician				√	√	√ P
	Vehicle Painter	643202			√		
	Repair Shop Assistant						√ P
	Panel Beater	684904			√		√ P
	Body Shop Assistant						√ P
	Fitter and Turner	652302					√ P
	Autronics						√
	Dual logic skills						√ P
	Reconditioning						√ P
	Vehicle Body Builder	684905			√		√ P
	Boilermaker	651302					√
	Autronics						√
	Diesel Pump Assistant						√ P
	Sales people with technical knowledge						√ P
	Dual logic skills						√
	Quality Systems Manager	121908					√
	Production/Operations Manager (Manufacturing)	132102					√
	Industrial Engineer	214101					√
	Industrial Engineering Technologist	214102					√
	Human Resource Manager	121201					√
	ICT Systems Analyst	251101					√
	Retail buyer	332302					√
	Purchasing officer	332302					√
	Mechanical Engineer	214401					√
	Mechanical Engineering Technician	311501					√
	Robotics						√
	Motor Vehicle Examiners	335401				√	
	Service Advisors				√		
	Vehicle Sales, Part Sales				√		
	Automotive Air conditioning					√	

³ "P" represents priority skill

Table 4: Metals Sector Scarce and Priority Skills⁴

Metal Sector	Scarce Skills	OFO Code	Gauteng- North West	KwaZulu-Natal	Western Cape	Limpopo- Mpumalanga	Eastern Cape	Northern Free State	Cape
		Welders	651202	✓	✓	✓	✓		✓ P
	Moulders	651101	✓	✓		✓			
	Boilermakers	651401	✓	✓	✓	✓		✓ P	
	Patternmakers	652204	✓	✓	✓	✓			
	Toolmaker	652201	✓	✓	✓	✓			
	Press worker				✓				
	Fitter and Turner	652302	✓	✓		✓			
	Electrician	671101	✓	✓	✓	✓			
	Engineering Electricians				✓				
	Millwright	671202	✓	✓		✓			
	Manufacturing Machine Setter and Minder	712102	✓	✓		✓			
	Production / Operations Manager (Manufacturing)	132101				✓			
	Engineering Production Systems Worker	718905				✓			
	Bricklayer (refractory bricklayer)	641201				✓			
	Precision Instrument Maker and Repairer	661101				✓			
	Metal Engineering Process Worker	832901				✓			
	Plumber	642601				✓			
	Sheet Metal Worker	651301				✓			
	Metal Machinist	652301				✓			
	Rigger	651501				✓			
	Structural Steel Erector	651402				✓			
	Toolmaker	652201				✓			
	Lift Mechanic	671204				✓			
	CNC Programmers & Setters				✓				
	Grinders	652404			✓				
	Steel Fabrication				✓				
	Mechanician				✓				
	Plant maintenance fitter				✓				
	Electrical engineer	2151				✓			
	Chemical engineer	214501				✓			
	Mechanical engineer	214401				✓			
	Chemist	2113				✓			
	Metallurgist	214605				✓			
	Production /Operations Supervisors	312201				✓			
	Metal Polisher	652401				✓			
	Coded Welders					✓			

⁴ "P" represents priority skill

Table 5: Auto Sector Scarce and Priority Skills

	OFO Code	Gauteng- North West	KwaZulu-Natal	Western Cape	Limpopo-Mpumalanga	Eastern Cape	Northern Cape- Free State
Auto sector	Mechatronics Technician	671203			√	√	
	Industrial Engineer	214101			√		
	Mechanical Engineer	214401			√		
	Fitter and Turner	652302			√		
	Millwright	671202				√	√
	Chemical Engineer	214501				√	
	Automotive Machinist				√		
	Mechanical Engineering Technician	311501				√	
	Motor Mechanics						√ P
	Chemical Engineering Technician	311601				√	
	Electrician	671101				√	
	Dual logic skills				√		
	Autronics				√		√
	Automotive Electronics Fitter				√		
	Spraypainter						√ P
	Skills Development Facilitators						√ P
	Electronic Equipment Mechanician	672104				√	
	Special Class Electrician	672107				√	
	Human Resource Manager	121201					√
	Supply and Distribution Manager						√
	Industrial Engineer	214101					√
	Mechanical Engineer	214401					√
	Chemical Engineer	214501					√
	Electrical Engineer						√
	Accountant						√
	Marketing Practitioner						√
	ICT Systems Analyst	251101					√
	Chemical Engineering Technician						√
	Retail buyer	332302					√
	Purchasing officer	332302					√
	Electronic Equipment Mechanician						√
	Mechatronic technician						√
	Metal Machinist						√
	Auto-electrician						√
	Special Class Electrician						√
	Tool makers	652201					√
	Machinery Assembler						√
	National Certificate Automotive Manufacturing and Assembly						√
	Civil Engineer						√
	Technical Trainer						√
	Paint Shop Assistant & Color matching/mixing				√		
	Polisher				√		
	Paint Less dentremoval				√		
	Paint defects				√		
	Payroll Administrator				√		
Vehicle Trimmer/polisher	684906			√			

Table 6: New Tyre Sector Scarce and Priority Skills⁵

	Scarce Skills	OFO Code	Gauteng- North West	KwaZulu-Natal	Western Cape	Limpopo-Mpumalanga	Eastern Cape	Northern Cape- Free State
New Tyre sector	Sales and Marketing Managers	1221	√ P					
	Supply, Distribution and Related Managers	1324	√					
	Supply and Distribution Manager	132401	√					
	Business and Administration Professionals	24	√					
	Finance Professionals	241	√					
	Accountants	241	√					
	Accountant (General)	241101	√					
	Occupational Instructor / Trainer	242402	√					
	Assessment Practitioner	242403	√	√				
	Retail Buyer	332301	√	√				
	Fitter and Turner	652302	√ P	√			√ P	
	Millwright	671202	√ P	√				
	Rubber Products Machine Operators	7141	√	√				
	Rubber Production Machine Operator	714101	√	√				
	Rubber Manufacturing Technician						√	
	Rubber Factory Worker						√	
	Electrician	671101					√ P	
	Mechanical engineering technologist	214402					√ P	
	Organisation and methods analyst						√ P	
	Sales representative /Salesman (Industrial Products)						√ P	
	Plastics, composites and rubber factory worker	862903					√ P	
	Integrated manufacturing line technician						√ P	
	Product Examiners						√ P	
	Production / Operations Manager	132102					√	
	Tyre Fitters			√				√
	Chemical Engineer	214501					√	

⁵ "P" represents priority skill

Addendum

GAUTENG & NORTH-WEST REGION: EXECUTIVE SUMMARY

1. Introduction

The Manufacturing, Engineering and Related Services Education and Training Authority (merSETA) established through the Skills Development Act, (Act 97 of 1998). The merSETA facilitates skills development in the following five sub-sectors (or chambers); Metals, Plastics, Auto (including only the seven local assemblers of new vehicles), Motor (including automotive components manufacturers and the motor retail and service subsector), and New Tyre.

This Regional Sector Skills Plan (RSSP) is aimed at unpacking the regional specificity of the merSETA subsectors. The objectives of this RSSP is to identify and map key features, trends, forecasts and legislative initiatives at the regional level regarding skills development. This RSSP provides valuable insight into regional and local developments in the sector and links to skills development planning. To this end, the RSSP presents a regional socio-economic analysis, profiles regional companies, explores the labour supply and demand imperatives and offers regional scarce and priority skills analysis.

2. Research Methodology⁶

The research methodology used for this Regional Sector Skills Plan (RSSP) included both primary research and secondary research which involved both quantitative and qualitative research methods. The documentary and literature review covered provincial Growth and Employment Development Strategies (GEDSs), Provincial Economic Review and Outlook (PERO), Socio-Economic Review and Outlook (SERO) and these highlight the performance of the provincial economy and the social changes occurring in each province.

Some of the main data sources are Stats SA, SARB, DHET, DoL, BER, SARB, NAAMSA, and Quantec among others. The demand projections are based on the merSETA Sector Skills Plan 2012/13 – 2017/2018 national estimations, as per the econometric modelling performed by EcoQuant.

The research study was designed to be as interactive as possible with the merSETA Regional Committees which have representatives from all chambers, labour and

⁶ The research methodology outlined here was used for all the regions

employers' associations. At the inception of the project the research team attended the Regional Committee meetings to introduce the project, initiate task teams and outline the objectives. The primary research aspect of the study involved in-depth interviews with employer representatives, labour union representatives, FET colleges, and provincial government representatives. Majority of interviews were conducted face-to-face and some were done telephonically.

Table 7: Stakeholder engagements conducted

Engagement	Number of participants
Introductory Meeting	10
Regional Committee Meeting	9
Focus Group Discussion (GN)	9
Task Team	4
In-depth interviews	12

3. Profile of merSETA Sector in the Region

Gauteng is the smallest of South Africa's nine provinces; its 18 178 square kilometres are only 1.4% of the country's land area. It is the most populous with 12.3 million people (23.7% of total) and has the highest population density: 675 people per square kilometre. Gauteng is highly urbanised and 97% of its population lives in urban centres. The North West province also known as the 'Platinum Province' constitutes 8.7% of South Africa's land mass. North West has a population of 3.5 million which is about 6.8% of the total population. North West is mostly rural in nature and has an unemployment rate of 26.5% (Stats SA: Quarter 1 2013 Labour Force Survey).

Gauteng is the biggest contributor to GDP contributing 34% to the nation's GDP. Its economy is more than twice that of the second biggest contributor, KZN, indicating the importance of this province to the national economy. In 2011, North West was the seventh largest contributor (6.5%) to the South African GDP. Gauteng dominates every economic sector except agriculture (KZN), and the mining and quarrying sector which is dominated by North West. In 2011, 40.5% of manufacturing GDP was from Gauteng and North West contributed 20.5%.

Nationally, the merSETA has 53 150 companies in their database. Its biggest subsector is motor with 18,729 companies followed by metal (18,381), unknown (13,084), plastics (2,632), auto (256) and lastly new tyre (68). As the economic hub of South Africa most manufacturing companies are in Gauteng. 43% of the companies on the merSETA database fall under the Gauteng-North West region.

4. Major Policy Drivers in the Region

4.1. National Programmes⁷

A. *New Growth Plan (NGP) and National Development Plan (NDP)*

The two documents position SA as a 'developmental state' and give the government an important role in the development of the economy, especially employment creation. The policy focus is to increase labour-absorbing activities, promote economic growth, and equity (which is to be measured by decreasing inequality and poverty). The targeted 'job-drivers' are the labour absorbing sectors such as mining, agriculture, manufacturing and services. Some of the SETA related specific targets in the NGP include:

- at least 30 000 additional engineers by 2014,
- at least 50 000 additional artisans by 2015,
- improve skills in every job and target 1,2 million workers for certified on-the-job skills improvement programmes annually from 2013;
- expand enrolment at FET colleges, targeting a million students in FET colleges by 2014; and
- Create 250 000 jobs a year in infrastructure (energy, transport, water, communications) and housing through 2015.

B. *National Industrial Policy Framework (NIPF) and Industrial Policy Action Plan (IPAP)*

National Industrial Policy Framework (NIPF), sets out government's broad approach to industrialisation while IPAP 2 acknowledges the important role of sector-specific training programmes and skills facilitation that emerge directly from industry demands in relation to detailed Customised Sector Programmes.

C. *Metals Customised Sector Plan (CSP)*

The strategic vision of the plan is that "by 2014, SA will have a globally competitive metal sector, optimally utilising the comparative advantages of abundant mineral resources, skilled labour force and world-class technologies to produce and market high value-added products in the prioritised industries." Programmes in the plan include the promotion of local metal beneficiation, maximising local content through backward linkages, and upgrading production capabilities in downstream industries.

⁷ The national programmes are indicated under the GP/NW section but are applicable to all regions

D. Industrial Development Corporation (IDC) Jobs Scheme

In 2011 the IDC launched a R10 billion scheme to tackle the country's chronic unemployment problem. The scheme was aligned with the government's New Growth Path and the Industrial Policy Action Plan (IPAP2). Funding would be available to entrepreneurs across the IDC's mandated sectors over a five year period. The scheme aims to create an additional 40 000 to 50 000 employment opportunities.

E. National Foundry Technology Network (NFTN)

NFTN is the culmination of a significant government and industry association-led effort to develop a globally competitive South African foundry industry through appropriate skills training, technology transfer, and diffusion of state-of-the-art technologies. Its main outcome is to reduce import leakage, increase investments in key manufacturing processes and activities, employment and exportability.

F. Automotive Production and Development Programme (APDP)

The programme aims to increase local production to 1.2 million vehicles by 2020. It provides assistance to the component manufacturers so that they can provide cost competitive components to the Original Equipment Manufacturers (OEMs) and to international markets via exports.

G. Special Economic Zones (SEZs) and Industrial Development Zones (IDZs)

The KwaZulu-Natal province has the Richards Bay Industrial Development Zone (RBIDZ) which was incorporated in 2002. Its aim is to attract export oriented manufacturing investment, value-adding and productivity improvements.

H. National Infrastructure Plan (NIP) and Strategic Integrated Projects (SIPs)

National Infrastructure Plan (NIP) is aimed at transforming the economic landscape, creating significant numbers of new jobs, and strengthening the delivery of basic services in South Africa. Some of this investment is earmarked for the construction of ports, roads, railway systems, electricity plants, hospitals, schools and dams with the ultimate aim of contributing to faster economic growth. Under the plan, 18 strategic integrated projects (SIPs) were identified. The total costs of the 18 SIPs is estimated at about R4-trillion over the next 15 years.

4.2. Regional Economic Growth and Development Strategies

A. *Gauteng Employment, Growth and Development Strategy (GEGDS)*

The GEGDS outlines the strategic priorities and programmes for the provincial government. The vision of this GEGDS is: "An inclusive and sustainable Gauteng City-Region that promotes a developmental and equitable society", and advocates for building a provincial economy that is based on "innovation", "green growth" and "inclusivity". One of the seven GEGDS strategic drivers is skills development and capacity building.

B. *Gauteng Industrial Policy Framework*

The Gauteng Provincial Government (GPG) has an Industrial Policy Framework (2010-14), which is located within National Government's efforts to promote a new economic growth path and the National Industrial Policy Framework (NIPF) and Industrial Policy Action Plans (IPAPs)⁸. Some of the sectors which have been identified by industrial policy framework include; food and beverages, furniture, textiles and clothing, construction, machinery and equipment and the automotive and components sectors.

C. *Gauteng Human Resource Development Strategy*

The Gauteng Provincial Government (GPG) launched the Gauteng Human Resource Development Strategy (GHRDS) in September 2006⁹. The key focus of the GHRDS is human resource development and in particular providing a quality supply of skills for key economic and social sectors, promoting shared growth through building social capital and expanding the opportunities available to the poor.

D. *North West Provincial Growth and Development Strategy (PGDS)*

The North West Provincial Growth and Development Strategy provides a framework for integrated and sustainable growth and economic development for the province. The strategy is prescribes to balanced development of economic sectors and spatial localities in accordance with the demands and potential of the people¹⁰.

⁸Gauteng Department of Economic Development (2010). *Gauteng Industrial Development Framework (2010-2014)*.

⁹<http://www.info.gov.za/speeches/2006/06092610451006.htm> (Accessed: 14 January 2013)

¹⁰ North West Provincial Growth and Development Strategy 2004-2014

5. Regional Scarce and Critical Skills

The regional scarce skills list (below) was developed through review of the merSETA national SSP (2012/2013); current chamber projects; in-depth interviews with labour representatives, employer organisations, provincial government officials and other stakeholders; and discussed through the regional committee and regional SSP task team workshops.

Table 8: Gauteng-North West Scarce Skills

Plastics Sector	Metal Sector	Motor and Auto Industry	New Tyre Sector
Plastics Manufacturing Machine Setter and Minder	Welders	Motor mechanics	Sales, Marketing and Development Managers
Rubber, Plastic and Paper Products Machine Operators	Moulders	Automotive machinist	Supply, Distribution and Related Managers
Rubber Products Machine Operators	Boilermakers	Diesel Mechanic	Supply and Distribution Manager
Rubber Production Machine Operator	Patternmakers	Spray-painters	Business and Administration Professionals
Plastic Cable making Machine Operator	Toolmaker	Motorcycle Mechanic	Finance Professionals
Plastics Fabricator or Welder	Fitter and Turner	Diesel Mechanic	Accountants
Plastics Production Machine Operator (General)	Electrician	Assessment Officers for Motorcycle Mechanics	Accountant (General)
Production / Operations Manager (Manufacturing)	Millwright	Suspension Fitter	Occupational Instructor / Trainer
Industrial Engineer	Manufacturing Machine Setter and Minder	Diesel Fuel Injection Pump Mechanic	Assessment Practitioner
			Retail Buyer
			Fitter and Turner
			Millwright
			Rubber Products Machine Operators
			Rubber Production Machine Operator
			Tyre Fitters

6. Regional Strategic Plan

The RSSP aimed to identify interventions which the merSETA regional and national offices can implement in line with the National Skills Development Strategy III Priorities. Recommendations and input was obtained from stakeholders in the region.

Table 9: Regional Strategic Plan Linked to merSETA Priorities

NSDS III Priorities	merSETA Priorities	Regional Strategic Plan
Priority 1: develop a labour market intelligence system and facilitate sector specific research initiatives	<ul style="list-style-type: none"> – To effect best practice in line with King III, – Establish capacity for research and skills planning, – Implement partnerships for credible skills planning, – Intermediate skills needs are identified and addressed in all merSETA sub-sectors, – High-level national scarce skills need to be identified and addressed, – Relevant R&D and innovation capacity is developed and implemented, – To implement a research programme to identify current and future interventions to support productivity improvements. 	<ul style="list-style-type: none"> i. Short to Medium Term Priorities <ul style="list-style-type: none"> – Develop a database of all merSETA trained artisans that is accessible to employers – Collaboration with the Department of labour to ensure the (Employment Services of South Africa) ESSA is working effectively for the sector – Ensure feedback mechanism from employers to supply institutions is in place to ensure employability of learners.
Priority 2: promote artisan and sector-specific priority skills	<ul style="list-style-type: none"> – A total of 20 000 artisans qualified over the five-year period 	<ul style="list-style-type: none"> i. Short to Medium Term Priorities <ul style="list-style-type: none"> – Encourage employers to: <ul style="list-style-type: none"> ○ Take up more learners for experiential learning, ○ Retain trained artisans to help them get experience. ○ Release employees to get up-skilled with artisans standing in to reduce potential production downtime – Address the legislative and financial stumbling blocks that hinder employers from taking on apprentices and providing workshop experience to FET students
Priority 3: establish and facilitate strategic partnerships	<ul style="list-style-type: none"> – To ensure sector participation in the revision and development of the relevant curricula and qualifications offered by FET colleges – Establish partnerships that result in increased capacity to meet industry needs throughout the country – To enter into partnerships with organisations involved in youth skills development. – To establish cross-sectoral partnership projects to address skills needs in support of local economic development – Develop mechanisms and 	<ul style="list-style-type: none"> i. Short to Medium Term Priorities <ul style="list-style-type: none"> – Encourage partnerships and collaboration between employers and FETs so that FETs can have: <ul style="list-style-type: none"> ○ Modern training equipment ○ Curriculum review, development and upgrade ○ Qualified lecturers with industry know-how, and ○ More learners being taken up by industry for experiential learning ii. Long term <ul style="list-style-type: none"> – Greater cohesion and communication in all spheres of government is necessary. This will ensure that the intake at supply

	<p>models to support skills development in the community-based- and small-enterprise sector through a range of partnerships, programmes, grants and incentives,</p> <ul style="list-style-type: none"> - Identify and establish partnerships with international-, national- and provincial career-resources agencies 	<p>institutions (HEI) is informed by priorities of the nation.</p>
<p>Priority 4: increase the flow of appropriately skilled new entrants into the system</p>	<ul style="list-style-type: none"> - Implement mechanisms aimed at bridging the gap between industry and academic provision - To contribute towards the support and encouragement of initiatives for young learners and educators to achieve maths, science and technology results for entry into the sector - Establish a merSETA career gateway innovation network to market and communicate career pathways and opportunities - To promote comprehensive career development to support sector growth. 	<p>i. Short to Medium Term Priorities</p> <ul style="list-style-type: none"> - Develop and strengthen partnership with GET schools to increase pass rates especially in Maths, English and Science - Intensify career guidance, orientation and awareness in schools regarding careers in the manufacturing, engineering and related services industry - The merSETA Mobile Career Bus will be going around the province to ensure informed choices are made from grade 8. - Provide correct and relevant information to career advisors at schools - Forging stronger partnerships with HET institutions - Incorporate soft skills training to ensure learners and artisans develop holistically i.e. they can be able to take on supervisory and management roles - Use of trainers and facilitators who have industry experience i.e. use qualified artisans with experience in the skilling of learners - Refresher courses and up-skilling of trainers and facilitators required to ensure learners get up to date knowledge - Concerted efforts must be made to ensure there is no creation of oversupply of particular skills in the region - Mechanisms must be established to ensure artisans who have obtained training but are currently unemployed can be up skilled to plug the skills gaps in the region - Artisans must be equipped with a core skills set which enables them to be flexible and adaptable to learning other trades in the event that there is a shortage of employment opportunities for them - Training institutions must be quick to adapt to changes in industry requirements - Expose learners at GET level to manufacturing, engineering and related services in order to stimulate interest in the trades
<p>Priority 5: develop the skills of the existing workforce</p>	<ul style="list-style-type: none"> - To ensure sound financial accountability - Capacity building of stakeholders - To implement skills development initiatives in the workplace through the effective 	<p>i. Short to Medium Term Priorities</p> <ul style="list-style-type: none"> - To address the lack of fundamental basics; bridging courses for unskilled possibly through ABET programmes must be implemented - Address the growing demand for individuals who have practical and

utilisation of the levy grants system

- Intermediate skills needs are identified and addressed in all merSETA sub-sectors,
- High-level national scarce skills need to be identified and addressed.
- To address low levels of literacy and numeracy amongst workers and new entrants
- Identify and implement sector projects to address specific skills gaps and skills imbalances to contribute towards transforming the workplace

- theoretical experience to function within the supervisory roles in the sector
- Constant up-skilling of employees to ensure continuous professional development and career progression

In order for the RSSP to contribute to the skills development needs of the Gauteng-North West province, the identified regional strategic plan needs to be implemented. Although there are some specific issues raised in the Gauteng-North West task team and interviews with regional stakeholders, most of the inputs mirror those given in other regions.

KWA-ZULU NATAL: EXECUTIVE SUMMARY

1. Introduction

The Manufacturing, Engineering and Related Services Education and Training Authority (merSETA) was established through the Skills Development Act, (Act 97 of 1998). The merSETA facilitates skills development in the following five sub-sectors (or chambers); Metal, Plastics, Auto (including only the seven local assemblers of new vehicles), Motor (including automotive components manufacturers and the motor retail and service subsector) and New Tyre.

This Regional Sector Skills Plan (RSSP) is aimed at unpacking the regional specificity of the merSETA subsectors. The objectives of this RSSP is to identify and map key features, trends, forecasts and legislative initiatives at the regional level regarding skills development. This RSSP provides valuable insight into regional and local developments in the sector and connects to skills development planning. To this end, the RSSP presents a regional socio-economic analysis, profiles regional companies, explores the labour supply and demand imperatives and offers a regional scarce and priority skills analysis.

Research Methodology

The research study was designed to be as interactive as possible with the merSETA Regional Committees which have representatives from all chambers, labour and employers' associations. At the inception of the project the research team attended the Regional Committee meetings to introduce the project, initiate task teams and outline the objectives. The primary research aspect of the study involved in-depth interviews with employer representatives, labour union representatives, FET colleges, and provincial government representatives. The majority of interviews were conducted face-to-face and some were done telephonically.

Stakeholder Engagements

Engagement	Number of participants
Introductory Meeting	10
Regional Committee Meeting	15
Task Team	5
In-depth interviews	6

Information obtained from the primary research was used extensively to determine:

- Factors affecting the skills development in the region;
- Scarce and priority skills; and
- Implementation strategies and recommendations to address regional priorities.

2. Profile of merSETA Sector in the Region

The province of KwaZulu-Natal (KZN) constitutes 7.7% of South Africa's land area and the second most populous province in the country with approximately 19.8% of the population. KZN's population has grown by 7% since 2001 where it was 9.5 million to 10.3 million in 2011. According to Stats SA 2011 Census results 21% of the population of KZN (aged 15 and above) had no education or the highest level of education was less than grade 7 which is slightly higher than the national average of 19.1%. Unemployment is quite high, the Q1 2013 Quarterly Labour Force puts KZN's unemployment rate at 21.1% which is lower than the national rate of 25.2%. The KZN Provincial Growth and Development Strategy (PGDS) states that 54% of the population in KZN lives in rural areas.

KZN is the second largest (15.7%) contributor to the nation's economy after Gauteng (34.5%). For 2011, KZN's contribution to the agriculture, forestry and fishing sector was the largest (26.8%) in the country. The province made the second largest (21.6%)

contribution to the nation's manufacturing GDP after Gauteng (40.5%). The eThekweni Municipality dominates the regional economy and contributes more than 50% to the provincial GDP. The manufacturing sector in KZN is crucial to the province and employs about 15% of the workforce. Petroleum & chemicals, and metals, machinery & equipment subsectors contributed the most to KZN's manufacturing GVA, 23% and 19% respectively.

Nationally, the merSETA has 53 150 companies in its database. Its biggest subsector is motor with 18,729 companies followed by metal (18,381), unknown (13,084), plastics (2,632), auto (256) and lastly new tyre (28). The biggest chambers in KZN in terms of number of companies are motor (37%), metal (36%) and plastics (5%). Below is the summary of the merSETA subsectors in the region:

- i. *Metal subsector:* the subsector is highly concentrated in Gauteng and 15% (2776) of the metal chamber companies are in KZN.
- ii. *Automotive and motor retail subsector:* One of the seven OEMs, Toyota is based in Durban. 15% of the companies in the Motor chamber are located in KZN.
- iii. *New tyre subsector:* 25% of the companies in the New Tyre Chamber are in KZN. One of the four tyre manufacturers, Apollo Tyres has operating facilities in KZN.
- iv. *Plastics subsector:* According to the merSETA database the plastics chamber has 2632 companies and 412 are from KZN which is 15.65% of the total. KwaZulu-Natal provides nearly a third of the country's plastics requirements¹¹.

In a bid to attract investment into the region, the government is supporting the establishment of Industrial Development Zones (IDZs) in the province and various Strategic Integrated Projects (SIPs) geared to grow the economy.

3. Major Policy Drivers in the Region

3.1. Regional Economic Growth and Development Strategies

A. KwaZulu-Natal Provincial Growth and Development Strategy (PGDS)

The PGDS provides KwaZulu-Natal with a strategic framework for accelerating and sharing economic growth through catalytic and developmental interventions. Focus of the strategy incorporates the provision of infrastructure and services, restoration of natural resources, public sector leadership and attention placed on delivery and accountability. The aim of the PGDS is to attract and instil confidence

¹¹ www.kzntopbusiness.co.za/site/manufacturing

in potential investors who can assist in addressing provincial economic development imperatives.

B. KZN DEDT Strategic Plan 2013/14 -2018

The strategic plan for 2013/14-2018 was cognisant of the global economic conditions, the national economy and the constraints faced by the KZN economy. The key economic interventions planned include: regional intervention, international competitiveness, market access, private public partnerships, industrial development, and infrastructure development.

4. Regional Scarce and Critical Skills

The regional scarce skills list (below) was developed through review of the merSETA national SSP (2012/2013); current chamber projects; in-depth interviews with labour representatives, employer organisations, provincial government officials and other stakeholders; and discussed through the regional committee and regional SSP task team workshops.

Chamber	Scarce Skills	Priority Skills
Plastics Sector	Plastics Manufacturing Machine Setter and Minder	Plastics Manufacturing Machine Setter and Minder
	Rubber, Plastic and Paper Products Machine Operators	
	Rubber Products Machine Operators	
	Rubber Production Machine Operator	
	Plastic Cable making Machine Operator	
	Plastics Fabricator or Welder	
	Plastics Production Machine Operator (General)	
	Production / Operations Manager (Manufacturing)	
	Industrial Engineer	
Metal Sector	Welders	
	Moulders	
	Boilermakers	
	Patternmakers	

	Toolmaker	
	Fitter and Turner	
	Electrician	
	Millwright	
	Manufacturing Machine Setter and Minder	
Motor and Auto Industry	Motor mechanics	
	Automotive machinist	
	Diesel Mechanic	
	Spray-painters	Spray-painters

5. Regional Strategic Plan

5.1. Strategic Issues Arising from this RSSP

i. Demand Side Analysis

- IPAP aims to create an additional 5 million jobs in the manufacturing sector over the period 2010 to 2020. The total new jobs anticipated for the automotive and plastics sector are 160,000 and 22,754 respectively.
- merSETA has set itself the national target of having qualified 20 000 artisans over the period 2011/12 to 2015/16.
- SIP 2: Durban-Free State-Gauteng logistics and industrial corridor is expected to create 135 000 jobs in the construction of projects in the corridor.
- The Provincial Job Strategy estimates that the province will need an additional 30,000 people which need artisan placements, learnerships, post-school training and educational opportunities.

From the merSETA national SSP (2012/2013), it can be deduced that the following total positions need to be filled in the KwaZulu-Natal Province.

Occupational Group	2014	2015	2016	2017	2018
Managers	573	580	582	586	590

Professionals	349	351	355	355	357
Technicians and Associate Professionals	569	571	575	580	584
Clerical Support Workers	185	185	185	187	187
Service and Sales Workers	418	418	422	424	426
Skilled Agricultural, Forestry, Fishery, Craft and related Trades Workers	130	130	132	134	134
Plant and Machine Operators and Assemblers	989	1 000	1 008	1 014	1 025
Elementary Occupations	756	760	767	773	777
Total	3 969	3 994	4 026	4 053	4 080

This all adds up to a very substantial number of people that will require training for the sector over the next ten years should national policies support sector growth to the extent that they are planning to.

ii. *Supply Side Analysis*

Supply side analysis reveals that:

- On average, a total of 2 632 first degree graduates in science and engineering related subjects are released into the market by SA higher education and training institutions (HET).
- Those who graduate with diplomas and therefore are available to train as engineering technicians in the relevant engineering disciplines average at 2 769 per annum.
- KwaZulu-Natal has two universities; University of KwaZulu-Natal (UKZN) and University of Zululand and two universities of technology; Mangosuthu University of Technology and Durban University of Technology
 - University of KwaZulu-Natal had the greatest number (14 617) of SET students in 2011; followed by Durban University of Technology (11 675) and Mangosuthu University of Technology (5 863)
- The KwaZulu-Natal has 9 government FET Colleges which offer National Certificate Vocational (NCV) and the Nated (N-courses) programmes
- The province performed below the national pass rates for Mathematics and Physical Sciences, it was the lowest pass rate in the country in 2012. Only 26.6% qualified for a bachelor's degree.

5.2. Regional Strategic Plan Linked to merSETA Priorities

The RSSP aimed to identify interventions which the merSETA regional and national offices can implement in line with the National Skills Development Strategy III Priorities. Recommendations and input was obtained from stakeholders in the region.

NSDS III Priorities	merSETA Priorities	Regional Strategic Plan
Priority 1: develop a labour market intelligence system and facilitate sector specific research initiatives	<ul style="list-style-type: none"> - To effect best practice in line with King III, - Establish capacity for research and skills planning, - Implement partnerships for credible skills planning, - Intermediate skills needs are identified and addressed in all merSETA sub-sectors, - High-level national scarce skills need to be identified and addressed, - Relevant R&D and innovation capacity is developed and implemented, - To implement a research programme to identify current and future interventions to support productivity improvements. 	<p>Short to Medium Term Priorities</p> <ul style="list-style-type: none"> - Develop a database of all merSETA trained artisans that is accessible to employers - Collaboration with the Department of labour to ensure the (Employment Services of South Africa) ESSA is working effectively for the sector
Priority 2: promote artisan and sector-specific priority skills	<ul style="list-style-type: none"> - A total of 20 000 artisans qualified over the five-year period 	<p>Short to Medium Term Priorities</p> <ul style="list-style-type: none"> - Encourage employers to: <ul style="list-style-type: none"> o Take up more learners for experiential learning, o Retain trained artisans to help them get experience. o Release employees to get up-skilled with artisans standing in to reduce potential production downtime - Address the legislative and financial stumbling blocks that hinder employers from taking on apprentices and providing workshop experience to FET students
Priority 3: establish and facilitate strategic partnerships	<ul style="list-style-type: none"> - To ensure sector participation in the revision and development of the relevant curricula and qualifications offered by FET colleges - Establish partnerships that result in increased capacity to meet industry needs throughout the country - To enter into partnerships with organisations involved in youth skills development. - To establish cross-sectoral partnership projects to address skills needs in support of local economic development - Develop mechanisms and models to support skills 	<p>ii. Short to Medium Term Priorities</p> <ul style="list-style-type: none"> - Encourage partnerships and collaboration between employers and FETs so that FETs can have: <ul style="list-style-type: none"> o Modern training equipment o Curriculum review, development and upgrade o Qualified lecturers with industry know-how, and o More learners being taken up by industry for experiential learning <p>v. Long term</p> <ul style="list-style-type: none"> - Greater cohesion and communication in all spheres of government is necessary. This will ensure that the intake at supply institutions (HEI) is informed by priorities

	<p>development in the community-based- and small-enterprise sector through a range of partnerships, programmes, grants and incentives,</p> <ul style="list-style-type: none"> - Identify and establish partnerships with international-, national- and provincial career-resources agencies 	<p>of the nation.</p>
<p>Priority 4: increase the flow of appropriately skilled new entrants into the system</p>	<ul style="list-style-type: none"> - Implement mechanisms aimed at bridging the gap between industry and academic provision - To contribute towards the support and encouragement of initiatives for young learners and educators to achieve maths, science and technology results for entry into the sector - Establish a merSETA career gateway innovation network to market and communicate career pathways and opportunities - To promote comprehensive career development to support sector growth. 	<p>Short to Medium Term Priorities</p> <ul style="list-style-type: none"> - Develop and strengthen partnership with GET schools to increase pass rates especially in Maths, English and Science - Intensify career guidance, orientation and awareness in schools regarding careers in the manufacturing, engineering and related services industry - The merSETA Mobile Career Bus will be going around the province to ensure informed choices are made from grade 8. - Provide correct and relevant information to career advisors at schools - Forging stronger partnerships with HET institutions - Incorporate soft skills training to ensure learners and artisans develop holistically i.e. they can be able to take on supervisory and management roles - Use of trainers and facilitators who have industry experience important i.e. use qualified artisans with experience in the skilling of learners - Refresher courses and up-skilling of trainers and facilitators required to ensure learners get up to date knowledge - Concerted efforts must be made to ensure that there an oversupply of particular skills in the region is not created - Mechanisms must be established to ensure artisans who have obtained training but are currently unemployed can be up skilled to plug the skills gaps in the region - Artisans must be equipped with a core skills set which enable them to be flexible and adaptable to learning other trades in the event that there is a shortage of employment opportunities for them - Training institutions must be quick to adapt to changes in the industry requirements - Expose learners at GET level to manufacturing, engineering and related services in order to stimulate interest in the trades
<p>Priority 5: develop the skills of the existing workforce</p>	<ul style="list-style-type: none"> - To ensure sound financial accountability - Capacity building of stakeholders - To implement skills development initiatives in the 	<p>ii. Short to Medium Term Priorities</p> <ul style="list-style-type: none"> - To address the lack of fundamental basics bridging courses for unskilled, possibly through ABET programmes must be implemented - Address the growing demand for

workplace through the effective utilisation of the levy grants system

- Intermediate skills needs are identified and addressed in all merSETA sub-sectors,
- High-level national scarce skills need to be identified and addressed.
- To address low levels of literacy and numeracy amongst workers and new entrants
- Identify and implement sector projects to address specific skills gaps and skills imbalances to contribute towards transforming the workplace

individuals who have practical and theoretical experience to function within the supervisory roles in the sector

- Constant up-skilling of employees to ensure continuous professional development and career progression

In order for the RSSP to contribute to the skills development needs of KwaZulu-Natal, the identified regional strategic plan needs to be implemented. Although there are some specific issues raised in the KwaZulu-Natal task team and interviews with regional stakeholders, most of the inputs mirror those given in other regions.

WESTERN CAPE: EXECUTIVE SUMMARY

1. Introduction

The Manufacturing, Engineering and Related Services Education and Training Authority (merSETA) established through the Skills Development Act, (Act 97 of 1998). The merSETA facilitates skills development in the following five sub-sectors (or chambers); Metals, Plastics, Auto (including only the seven local assemblers of new vehicles), Motor (including automotive components manufacturers and the motor retail and service subsector), and New Tyre.

This Regional Sector Skills Plan (RSSP) is aimed at unpacking the regional specificity of the merSETA subsectors. The objectives of this RSSP is to identify and map key features, trends, forecasts and legislative initiatives at the regional level regarding skills development. This RSSP provides valuable insight into regional and local developments in the sector and links to skills development planning. To this end, the RSSP presents a regional socio-economic analysis, profiles regional companies, explores the labour supply and demand imperatives and offers regional scarce and priority skills analysis.

2. Research Methodology

The research study was designed to be as interactive as possible with the merSETA Regional Committees which have representatives from all chambers, labour and employers' associations. At the inception of the project the research team attended the Regional Committee meetings to introduce the project, initiate task teams and outline the objectives. The primary research aspect of the study involved in-depth interviews with employer representatives, labour union representatives, FET colleges, and provincial government representatives.

List of participants in the research process

Region	Number of participants
Regional Committee Meetings	25
Task Team	15
Primary Interviews	30

Interviews were conducted on a face-to-face and some were done telephonically. Information obtained from the primary research was used extensively to determine:

- Factors affecting the skills development in the region;
- Scarce and priority skills; and
- Implementation strategies and recommendations to address regional priorities.

3. Profile of merSETA Sector in the Region

The Western Cape province accounted for 11.3% of the South African total population of 51,770,560 in 2011. The province contributed 14.2% towards the nation's GDP in 2011. Government's increased focus on job creation and economic growth is expected to result in increased emphasis on support programs for manufacturing subsectors due to large labour absorption potential. The metals and engineering subsector is a significant contributor to the WC GDP, although employment in the sector is not as high.

4. Major Drivers in the Region

Regional Economic Growth and Development Strategies

A. *Western Cape Provincial Growth and Development Strategy*

The latest provincial Growth and Development Strategy (iKapa GDS) was published in November 2007, and highlights the *ikapa Elihlumayo 2014* vision of the WC as 'A Home for All'. The main aim of the iKapa GDS is 'to achieve an economic growth rate of around 6-8% over the next five years'¹². It however noted that the lack of appropriate skills could severely constrain the efforts. It then recommends a targeted skills development as well as interventions to address current skills mismatch in the province.

B. *Strategic Infrastructure Plan (SIP)*¹³

SIPs which are likely to benefit the Western Cape economy are;

- (i) SIP 5: Saldanha- Northern Cape development corridor,
- (ii) SIP 6: Integrated municipal infrastructure project,
- (iii) SIP 8: Green energy in support of the South African economy,
- (iv) SIP 11: Agri-logistics and rural infrastructure,
- (v) SIP 12: Revitalisation of public hospitals and other health facilities,
- (vi) SIP 13: National school build programme
- (vii) SIP 18: Water and sanitation infrastructure

Summary of Factors Impacting on Future Demand and Supply of Skills in the Region

Manufacturing - Agro-processing, fish/marine resource processing and mineral processing. Potential exists for growth in food processing, non-metallic mineral products, iron, basic steel and non ferrous metal industries

Oil and gas- the deep water port at Saldanha Bay presents an opportunity for regional growth. An offshore oil and gas supply base is being established in Saldanha and the municipality has applied for the bay to be designated as an industrial development zone

¹² Western Cape Provincial Government (2007). *ikapa Elihlumayo* Growth and Development Strategy

¹³ <http://www.info.gov.za/issues/national-infrastructure-plan>

Mining- the Port of Saldanha currently serves as an export terminal for iron-ore being ferried from Sishen Iron Ore mine in the Northern Cape. Potential exists for growth in the processing of minerals in the region in line with government's plan for mineral beneficiation

Wind energy- the coastal location exposes the region to wind speeds offering opportunities for the establishment of wind farms. Currently there are two operational wind farms in the Swartland and St Helena Bay areas.

5. Regional Scarce and Critical Skills

The regional scarce skills list (below) was developed through; in-depth interviews with employer organisations, labour representatives, provincial government officials and other stakeholders; and discussed through the regional committee and regional SSP task team workshops. Review of the merSETA national SSP (2012/2013) and current chamber projects were also done to gauge alignment with the national skills list.

Western Cape Scarce Skills, 2013

Motor Sector Occupations	Auto Sector Occupations	Plastic Sector Occupations	Metals Sector Occupations
Motor Mechanic General	Diesel mechanic	Pattern and mould makers in polymers	Tool making (Mould maker)
Motorcycle Mechanic	Fitter & Turner	Quality Systems Manager	Tool making (Press worker)
Panel beater	Automotive machinist	Plastic machine setters Production / Operations Manager (Manufacturing)	Tool making (Pattern maker)
Automotive Spray painter	Boilermaker	Industrial Engineer	Tool making (Designer)
Diesel Mechanic	Toolmaker, jig and dye maker	Technical Director	Electricians (High voltage)
Vehicle Body Builder	Autotronics	Mechanical Engineering Technician	Engineering Electricians (Low voltage)
Automotive Electrician	Spray painting	Manufacturing Technician	Boilermakers
Service Advisors	Dual logic skills	Spray painter	CNC Programmers & Setters

Vehicle Sales, Part Sales	Automotive Motor Mechanic	Fitter and Turner	Grinders
Automotive Machinist	Motorcycle Mechanic	Plastic Cablemaking Machine Operator	Welders
Mechanic	Panel Beater	Plastics Fabricator or Welder	Machine operators (precision tooling)
Tractor Mechanic	Vehicle Body Builder	Production Machine Operator (General)	Middle management
Diesel Mechanic	Automotive Electronics Fitter	Rotational Moulding Operator (Plastics)	Electro-mechanical Maintenance Fitter
	Vehicle Component Fitter and Repairer	Thermoforming Machine Operator	Mechanician
	Paint Shop Assistant & Color matching/mixing	Plastics Manufacturing Machine Minder	Plant Maintenance Fitter
	Polisher	Reinforced Plastics and Composite Trades Worker	Millwright
	Auto Trimmer/upholsterer	Product Assembler	Pipe Fitting
	Paint Less dent removal		
	Paint defects		
	Payroll Administrator		

6. Regional Strategic Plan

Regional Strategic Plan Linked to merSETA Priorities- Summary

The RSSP aimed on identifying interventions which the merSETA regional and national offices can implement in line with the National Skills Development Strategy III Priorities. Input was obtained from stakeholders in the region and also input from the research team.

NSDS	III	Regional Strategic Plan
Priority 1: develop a labour market intelligence system and facilitate sector specific research initiatives	ii.	Short to Medium Term Priorities <ul style="list-style-type: none"> – Address any gaps in the OFO codes and develop appropriate alternate job titles that accurately reflect work specialization – Integrate the system with the envisaged NAMB/DHET database – Link Industry grading to Trade careers. e.g. General worker to Qualified Artisans – Collate all research done in the Province via FETI, PSF, SETA, s etc Do applied industry based regional research to validate skills intelligence ii. Long Term <ul style="list-style-type: none"> – Do applied industry based regional research to validate skills intelligence – Work with industry to promote quality information input into the WSP's
Priority 2: promote artisan	i.	Short to Medium Term Priorities <ul style="list-style-type: none"> – Ensure grant allocation according to identified scarce and priority skills.

and sector-specific priority skills	<ul style="list-style-type: none"> - Encourage employers to: <ul style="list-style-type: none"> o Take up more learners for experiential learning, o Retain trained artisans to help them get experience. o Release employees to get up-skilled with artisans standing in to reduce potential production downtime - Identification of priority skills should be done drilled down to an occupation level (when clustered into broad categories the specific skills needs tend to remain unaddressed) - Address the need for Continuous Professional Development (CPD) in FET colleges through partnerships with industry
Priority 3: establish and facilitate strategic partnerships	<ul style="list-style-type: none"> v. Short to Medium Term Priorities <ul style="list-style-type: none"> - Encourage partnerships and collaboration between employers and FETs so that FETs can have: <ul style="list-style-type: none"> o Modern training equipment o Curriculum review, development and upgrade o Qualified lecturers with industry know-how, and o More learners being taken up by industry for experiential learning - Form collaborative partnerships Eskom, Transnet, Energy SETA, Provincial Government and other stakeholders involved in the rollout of SIPs. This will help merSETA train people who are currently unemployed - Develop course articulation from FET NQF 4 to NQF 5 to further encourage vertical career path articulation into Universities of Technology vi. Long term <ul style="list-style-type: none"> - Map current and future industry growth areas on a continuous basis in collaboration with key stakeholders - Development of a close working relationship with other SETAs whose skills needs align with merSETA to ensure targeted interventions without duplication of efforts (i.e. merSETA can channel funds to the ETDPSETA to equip and train lecturers with technical expertise)
Priority 4: increase the flow of appropriately skilled new entrants into the system	<ul style="list-style-type: none"> ii. Short to Medium Term Priorities <ul style="list-style-type: none"> - Develop and strengthen partnership with GET schools to increase pass rates especially in Maths, English and Science - Forging stronger partnerships with HET institutions to ensure industry receives technical qualifications such as BSc, BTech, N4-6 and National Diplomas focusing on electrical and mechanical engineering - Use of trainers and facilitators who have industry experience important i.e. use qualified artisans with experience in the skilling of learners - Refresher courses and up-skilling of trainers and facilitators required to ensure learners get up to date knowledge
Priority 5: develop the skills of the existing workforce	<ul style="list-style-type: none"> Short to Medium Term Priorities <ul style="list-style-type: none"> - To address the lack of fundamental basics bridging courses for unskilled, possibly through ABET programmes must be implemented - Address the growing demand for individuals who have practical and theoretical experience to function within the supervisory roles in the sector - In partnership with Productivity SA and organized labour deliver improved productivity programmes at shop floor level. - Constant up-skilling of employees in the usage of modern technologies is essential Long Term Priorities <ul style="list-style-type: none"> - Develop a new, innovative and flexible model for Recognition of Prior Learning (RPL) - Offer a cohesive RPL strategy for all sectors, in partnership with FETs and NAMB and the allocation of funding accordingly

In order for the RSSP to contribute to the skills development needs of the Western Cape, the identified regional strategic plan needs to be implemented. Although there

are some specific issues raised in the regional task team and interviews with regional stakeholders, most of the inputs mirror those given in other regions.

Western Cape has some unique sectors which are not chambers in merSETA but are related industries. The Oil & Gas and the Boatbuilding sector are major contributors to the Western Cape provincial economy. Some of the skills development needs of these sectors are aligned with the needs of merSETA chambers. Strategic partnerships can be reached between merSETA and organisations representing these sectors to align the education, training and development strategies for the region.

MPUMALANGA-LIMPOPO EXECUTIVE SUMMARY

1. Introduction

The Manufacturing, Engineering and Related Services Education and Training Authority (merSETA) established through the Skills Development Act, (Act 97 of 1998). The merSETA facilitates skills development in the following five sub-sectors (or chambers); Metal, Plastics, Auto (including only the seven local assemblers of new vehicles), Motor (including automotive components manufacturers and the motor retail and service subsector) and New Tyre.

This Regional Sector Skills Plan (RSSP) is aimed at unpacking the regional specificity of the merSETA subsectors. The objectives of this RSSP is to identify and map key features, trends, forecasts and legislative initiatives at the regional level regarding skills development. This RSSP provides valuable insight into regional and local developments in the sector and links to skills development planning. To this end, the RSSP presents a regional socio-economic analysis, profiles regional companies, explores the labour supply and demand imperatives and offers regional scarce and priority skills analysis.

2. Research Methodology

The research study was designed to be as interactive as possible with the merSETA Regional Committees which have representatives from all chambers, labour and employers' associations. At the inception of the project the research team attended the Regional Committee meetings to introduce the project, initiate task teams and outline the objectives. The primary research aspect of the study involved in-depth interviews

with employer representatives, labour union representatives, FET colleges, and provincial government representatives. The majority of interviews were conducted face-to-face and some were done telephonically.

Table 10: Stakeholder Engagements

Engagement	Number of participants
Regional Committee Introductory Meeting	10
Task Team	32
In-depth interviews	14

3. Profile of merSETA Sector in the Region

Mpumalanga is third least populous province and accounts for 7.8% of the population. The Limpopo Province had a population of 5.4 million which is 10.4% of the nation's population. The population of Mpumalanga has grown by 20% since 2001 from 3.4 million to just over 4 million whilst the population of Limpopo has grown 18% in a decade from 4.5 million in 2001 to 5.4 million in 2011. For Quarter 1 2013, Limpopo's unemployment rate was 20.3% and Mpumalanga's was 29.4%. Mpumalanga may be classified as a rural province, statistics from Stats SA, 2002 estimated that 60.9% of its people live in non-urban areas and slightly more than a third (39.1%) live in urban areas.

In 2011 Limpopo contributed 7.1% to the country GDP and was the fifth largest contributor to the country's GDP, Mpumalanga contributed 7%. The two regions combined contributed 14.1% to the nation's GDP in 2011 which is just marginally lower than the Western Cape's 14.2%. Mpumalanga is the third largest (20%) contributor to the mining and quarrying sector after North West (24.8%) and Limpopo (23.7%). Combined the Mpumalanga-Limpopo region contributed 8.6% to the nation's manufacturing GDP with the bulk of this being done in Mpumalanga. In Limpopo the biggest manufacturing subsector is the food and beverages subsector which contributed 39% to the GVA for 2011. For Mpumalanga the biggest subsectors are petroleum products (29%), food and beverages (21%) and metals and metal products (20%).

Nationally, the merSETA has 53 150 companies in their database. Its biggest subsector is motor with 18,729 companies followed by metal (18,381), unknown (13,084), plastics (2,632), auto (256) and lastly new tyre (68). The motor chamber constitutes the

majority (45%) of the Mpumalanga-Limpopo companies on the merSETA database. The metal subsector is highly concentrated in Gauteng and 5.3% (967) of the metal chamber companies are in the Mpumalanga-Limpopo Region.

4. Major Policy Drivers in the Region

4.1. Regional Economic Growth and Development Strategies

A. Mpumalanga Provincial Growth and Development Strategy (PGDS)

The PGDS aims to promote integrated planning, which will enable development to be delivered in an efficient and co-ordinated manner in the Province. The priority areas were identified based on the social, economic and developmental needs of the Province.

B. Mpumalanga Rural Development Programme (MRDP)

The Mpumalanga Rural Development Programme (MRDP) was devised as part of government's efforts to improve livelihoods in rural areas by the implementation of development programmes aimed at attracting private capital investments. The MRDP was established in 2001 to help address the developmental needs of the province. The programme is targeted at aiding the rural populations of the province of which 70% are estimated to live below the poverty line.

C. Mpumalanga Economic Growth and Development Path (MEGDP)

The MEGDP is based by on the four Accords of the National New Growth Path Framework, which includes the Green Economy Accord. Through this accord the province aims to take advantage of the possibilities offered by the green economy. One of the key aspects of successful implementation of the MEDGP is the transition from a carbon intensive industrial development towards a low carbon economy. To achieve the 2030 Vision for the province the MEGDP stresses the importance of investing in human capital to produce the skills required for economic growth.

D. Limpopo Employment Growth and Development Plan 2009-2014

The Limpopo Employment, Growth and Development Plan for 2009-2014 (LEGDP) was developed to provide a framework for the provincial government,

municipalities, the private sector and all organs of society can pursue the strategic priorities as encapsulated in the Medium Term Strategic Framework. The formation of Limpopo Business Support Agency (LIBSA) is a result of the Provincial Growth and Development Strategy exploiting opportunities in all the economic sectors for business development and promotion amongst existing and aspiring entrepreneurs in the whole Limpopo Province.

5. Regional Scarce and Critical Skills

The regional scarce skills list (below) was developed through review of the merSETA national SSP (2012/2013); current chamber projects; in-depth interviews with labour representatives, employer organisations, provincial government officials and other stakeholders; and discussed through the regional committee and regional SSP task team workshops.

Table 11: Scarce Skills for the Mpumalanga-Limpopo Region

METAL CHAMBER	AUTO CHAMBER	MOTOR CHAMBER	PLASTIC CHAMBER	NEW TYRE CHAMBER
Fitter and Turner	Mechatronics Technician	Automotive Electronics Fitter	Plastics Manufacturing Machine Setter and Minder	Chemical Engineer
Production / Operations Manager (Manufacturing)	Industrial Engineer	Automotive Motor Mechanic	Rubber, Plastic and Paper Products Machine Operators	
Welder	Mechanical Engineer	Diesel Mechanic	Rubber Products Machine Operators	
Metal Fabricator (boilermaker)	Fitter and Turner	Automotive Electrician (Qualified)	Rubber Production Machine Operator	
Electrician	Millwright	Vehicle Painter	Plastic Cablemaking Machine Operator	
Millwright	Chemical Engineer	Welder	Plastics Fabricator or Welder	
Engineering Production Systems Worker	Mechanical Engineering Technician	Toolmaker	Plastics Production Machine Operator (General)	
Automotive Motor Mechanic	Chemical Engineering Technician	Motorcycle Mechanic	Production / Operations Manager (Manufacturing)	
Bricklayer (refractory bricklayer)	Electrician	Panel Beater	Industrial Engineer	
Precision Instrument Maker and Repairer	Electronic Equipment Mechanician	Vehicle Body Builder	Manufacturing Machine Setter and Minder	
Metal Engineering Process Worker	Special Class Electrician	Vehicle Component Fitter and Repairer	Mechanical Engineering Technician	
Plumber		Automotive Air conditioning	Fitter and Turner	

Sheet Metal Worker				
Metal Machinist				
Rigger				
Structural Steel Erector				
Toolmaker				
Lift Mechanic				
Manufacturing Machine Setter and Minder				
Electrical engineer				
Chemical engineer				
Mechanical engineer				
Chemist				
Metallurgist				
Production Operators and Supervisors				
Metal Polisher				
Coded Welders				

6. Regional Strategic Plan

The RSSP aimed to identify interventions which the merSETA regional and national offices can implement in line with the National Skills Development Strategy III Priorities. Recommendations and input were obtained from stakeholders in the region.

Table 12: Regional Strategic Plan Linked to merSETA Priorities

NSDS III Priorities	merSETA Priorities	Regional Strategic Plan
<p>Priority 1: develop a labour market intelligence system and facilitate sector specific research initiatives</p>	<ul style="list-style-type: none"> - To effect best practice in line with King III, - Establish capacity for research and skills planning, - Implement partnerships for credible skills planning, - Intermediate skills needs are identified and addressed in all merSETA sub-sectors, - High-level national scarce skills need to be identified and addressed, - Relevant R&D and innovation capacity is developed and implemented, - To implement a research programme to identify current and future interventions to support productivity improvements. 	<p>v. Short to Medium Term Priorities</p> <ul style="list-style-type: none"> - Develop a database of all merSETA trained artisans that is accessible to employers - Collaboration with the Department of labour to ensure the (Employment Services of South Africa) ESSA is working effectively for the sector

<p>Priority 2: promote artisan and sector-specific priority skills</p>	<ul style="list-style-type: none"> - A total of 20 000 artisans qualified over the five-year period 	<p>Short to Medium Term Priorities</p> <ul style="list-style-type: none"> - Encourage employers to: <ul style="list-style-type: none"> o Take up more learners for experiential learning, o Retain trained artisans to help them get experience. o Release employees to get up-skilled with artisans standing in to reduce potential production downtime - Address the legislative and financial stumbling blocks that hinder employers from taking on apprentices and providing workshop experience to FET students
<p>Priority 3: establish and facilitate strategic partnerships</p>	<ul style="list-style-type: none"> - To ensure sector participation in the revision and development of the relevant curricula and qualifications offered by FET colleges - Establish partnerships that result in increased capacity to meet industry needs throughout the country - To enter into partnerships with organisations involved in youth skills development. - To establish cross-sectoral partnership projects to address skills needs in support of local economic development - Develop mechanisms and models to support skills development in the community-based- and small-enterprise sector through a range of partnerships, programmes, grants and incentives, - Identify and establish partnerships with international-, national- and provincial career-resources agencies 	<p>ii. Short to Medium Term Priorities</p> <ul style="list-style-type: none"> - Encourage partnerships and collaboration between employers and FETs so that FETs can have: <ul style="list-style-type: none"> o Modern training equipment o Curriculum review, development and upgrade o Qualified lecturers with industry know-how, and o More learners being taken up by industry for experiential learning <p>ii. Long term</p> <ul style="list-style-type: none"> - Greater cohesion and communication in all spheres of government is necessary. This will ensure that the intake at supply institutions (HEI) is informed by priorities of the nation. - Industry should be consulted and informed during the policy formulation phase to ensure a workable strategy that can be implemented is produced.
<p>Priority 4: increase the flow of appropriately skilled new entrants into the system</p>	<ul style="list-style-type: none"> - Implement mechanisms aimed at bridging the gap between industry and academic provision - To contribute towards the support and encouragement of initiatives for young learners and educators to achieve maths, science and technology results for entry into the sector - Establish a merSETA career gateway innovation network to market and communicate career pathways and opportunities - To promote comprehensive career development to support sector growth. 	<p>ii. Short to Medium Term Priorities</p> <ul style="list-style-type: none"> - Develop and strengthen partnership with GET schools to increase pass rates especially in Maths, English and Science - Intensify career guidance, orientation and awareness in schools regarding careers in the manufacturing, engineering and related services industry - Provide correct and relevant information to career advisors at schools - Forging stronger partnerships with HET institutions - Incorporate soft skills training to ensure learners and artisans develop holistically i.e. they can be able to take on supervisory and management roles - Use of trainers and facilitators who have industry experience important i.e. use qualified artisans with experience in the skilling of learners - Refresher courses and up-skilling of trainers and facilitators required to ensure

		<p>learners get up to date knowledge</p> <ul style="list-style-type: none"> - Concerted efforts must be made to ensure there is no creation of oversupply of particular skills in the region - Mechanisms must be established to ensure artisans who have obtained training but are currently unemployed can be upskilled to plug the skills gaps in the region - Artisans must be equipped with a core skills set which enable them to be flexible and adaptable to learning other trades in the event that there is a shortage of employment opportunities for them - Training institutions must be quick to adapt to changes in the industry requirements - Expose learners at GET level to manufacturing, engineering and related services in order to stimulate interest in the trades
<p>Priority 5: develop the skills of the existing workforce</p>	<ul style="list-style-type: none"> - To ensure sound financial accountability - Capacity building of stakeholders - To implement skills development initiatives in the workplace through the effective utilisation of the levy grants system - Intermediate skills needs are identified and addressed in all merSETA sub-sectors, - High-level national scarce skills need to be identified and addressed. - To address low levels of literacy and numeracy amongst workers and new entrants - Identify and implement sector projects to address specific skills gaps and skills imbalances to contribute towards transforming the workplace 	<p>Short to Medium Term Priorities</p> <ul style="list-style-type: none"> - To address the lack of fundamental basics bridging courses for unskilled, possibly through ABET programmes must be implemented - Address the growing demand for individuals who have practical and theoretical experience to function within the supervisory roles in the sector - Constant up-skilling of employees to ensure continuous professional development and career progression

In order for the RSSP to contribute to the skills development needs of the Mpumalanga-Limpopo province, the identified regional strategic plan needs to be implemented. Although there are some specific issues raised in the Mpumalanga-Limpopo task team and interviews with regional stakeholders, most of the inputs mirror those given in other regions.

EASTERN CAPE: EXECUTIVE SUMMARY

1. Introduction

The Manufacturing, Engineering and Related Services Education and Training Authority (merSETA) established through the Skills Development Act, (Act 97 of 1998). The merSETA facilitates skills development in the following five sub-sectors (or chambers); Metal, Plastics, Auto (including only the seven local assemblers of new vehicles), Motor (including automotive components manufacturers and the motor retail and service subsector) and New Tyre.

This Regional Sector Skills Plan (RSSP) is aimed at unpacking the regional specificity of the merSETA subsectors. The objectives of this RSSP is to identify and map key features, trends, forecasts and legislative initiatives at the regional level regarding skills development. This RSSP provides valuable insight into regional and local developments in the sector and links to skills development planning. To this end, the RSSP presents a regional socio-economic analysis, profiles regional companies, explores the labour supply and demand imperatives and offers regional scarce and priority skills analysis.

2. Research Methodology

The research study was designed to be as interactive as possible with the merSETA Regional Committees which have representatives from all chambers, labour and employers' associations. At the inception of the project the research team attended the Regional Committee meetings to introduce the project, initiate task teams and outline the objectives.

Table 13: List of participants in the research process¹⁴

Region	Number of participants
Introductory Meeting	12
Regional Committee Meetings	20
Task Team	7
Primary Interviews	14

¹⁴ Some of the interviewees were part of the introductory meeting, regional committee meeting and task team meeting

The primary research aspect of the study involved in-depth interviews with employer representatives, labour union representatives, FET colleges, and provincial government representatives. Interviews were conducted on a face-to-face basis and some were done telephonically. Information obtained from the primary research was used extensively to determine:

- Factors affecting the skills development in the region;
- Scarce and priority skills; and
- Implementation strategies and recommendations to address regional priorities.

3. Profile of merSETA Sector in the Region

The Eastern Cape constitutes 13.9 % of South Africa's land area and is the third most populous province in the country. According to the Statistics South Africa (Stats SA) 2011 census data, Eastern Cape had a total population of 6,6 million people, which is 12.7% of the national population. Approximately 86.2% of the Eastern Cape's population are Africans, 8.3% Coloureds, 4.7% Whites and 0.4% Indians/Asians. The largest age brackets in the province are the 0-4 years and 15-19 years, for both genders. Approximately two thirds of the provincial population stay in rural areas, which is a major factor for the high unemployment levels.

The Eastern Cape's economy is the fourth largest contributor to the national economy, after Gauteng, KZN and the Western Cape. The province's percentage contribution to the national economy has been decreasing over the years from 8.3% in 1996 to 7.7% in 1996 and 7.5% in 2011. The biggest sector in Eastern Cape in terms of contribution to provincial economy is general government services (24.5%) followed by finance and business services (20.7%), manufacturing is the fourth largest sector with a contribution of 13.6% in 2011. Manufacturing in the Eastern Cape contributed 13.2% of national GDP.

4. Major Policy Drivers in the Region

4.1. Regional Economic Growth and Development Strategies

A. Eastern Cape Growth and Development Plan (PGDP)

The Provincial Government of the Eastern Cape and its social partners have formulated a Provincial Growth and Development Plan (PGDP) 2004-2014, whose vision is *to make the Eastern Cape a compelling place to live, work and*

invest in¹⁵. Some of the PGDP targets include maintaining an economic growth rate of between 5% and 8% per annum and halving the unemployment rate¹⁶ by 2014.

B. Eastern Cape Rural Development Strategy (ECRDS)

The strategy is the main thrust of one of the pillars of the PGDP; the Agrarian Transformation and Rural Development Pillar. The ECRDS notes that the urban population in Eastern Cape constitutes around 39% while the remaining 61% reside in rural localities.

C. Eastern Cape Provincial Industrial Development Strategy (PIDS)

The Provincial Industrial Development Strategy (PIDS) is framework through which the provincial government commits to coordinate its efforts towards altering the structure and distribution of industrial activity in the province and to promote economic growth and development. The priority sectors identified are; Agro Processing, Capital Goods sector, Auto sector, Green Industries, Tourism and Petrochemicals

D. Eastern Cape Provincial Job Strategy (2012)

The strategy has five pillars, namely:

- (i) retaining existing jobs,
- (ii) stimulate new jobs in priority sectors,
- (iii) building social economy,
- (iv) increasing the pace of economic infrastructure investment in critical areas, &
- (v) radically improve skills development processes.

4.2. Summary Factors Impacting on Future Demand and Supply of Skills in the Region

- i. *NIP and SIPs*: According to Eastern Cape Department of Economic Development and Environmental Affairs- Transnet will create 87,774 direct and indirect jobs in the Eastern Cape over the next seven years to 2018/19. This is as a result of the R7.3 billion which will be spent on the expansion of the Port of Ngqura and R2.7 billion on the upgrading of the vehicle terminal and grain silo as well as the container terminal in East London. Transnet estimate that these projects will provide employment opportunities in Eastern Cape as follows:

¹⁵ Eastern Cape Provincial Government (2002) *Provincial Growth and Development Plan (PGDP) 2004-2014*, East London, South Africa.

¹⁶ Which was 47.6% in 2002.

- 2015/16 financial year 19,557 direct and 123,000 indirect jobs,
- 2016/17 financial year 21,760 direct and 136,000 indirect jobs, and of these a total of 2,000 artisans are required.

ii. *The Provincial Job Strategy* estimates that the province will need an additional 30,000 people which need artisan placements, learnerships, post-school training and educational opportunities.

iii. *Other Initiatives which will affect demand for skills in the region:*

- Daimler AG preparing to inject R2.5 billion in East London manufacturing plant;
- Freidrich Boysen GmbH & Co. to invest R180 million into a plant for complete exhaust systems;
- ELIDZ 16ha Automotive Supplier Park extended;
- Lighting Innovations to build new factory in Port Elizabeth for R60 million;
- First Automobile Works (FAW) to invest R600 million (R200 million construction and R400 million operations) in a truck assembly plant at Coega Industrial Development Zone (CIDZ);
- VWSA investment in new press shop (part of 5 year R5 billion investment program at Uitenhage);

5. Regional Scarce and Critical Skills

The regional scarce skills list¹⁷ (below) was developed through review of the merSETA national SSP (2012/2013); current chamber projects; in-depth interviews with labour representatives, employer organisations, provincial government officials and other stakeholders; and discussed through the regional committee and regional SSP task team workshops.

Table 14: Eastern Cape Scarce Skills, 2013

Motor Scarce skills	Auto Scarce skills	New Tyre Scarce Skills
-Diesel mechanics	Human Resource Manager	-Rubber Production Machine Operator
-Fitter & Turner	-Supply and Distribution Manager	-Production / Operations Manager (Manufacturing)
-Automotive machinist	- Industrial Engineer	-Rubber Factory Worker
-Boilermaker	- Mechanical Engineer	
-Toolmaker, jig and dye		

¹⁷ The list is work in progress subject to any additional input which may arise prior to finalisation of the research process

<ul style="list-style-type: none"> maker -Autotronics - Spray painting - Dual logic skills - Quality Systems Manager -Production/Operations Manager - Industrial Engineer -Industrial Engineering Technologist - Human Resource Manager - ICT Systems Analyst - Retail buyer - Purchasing officer - Mechanical Engineer - Mechanical Engineering Technician - Robotics - Motor Vehicle Examiners 	<ul style="list-style-type: none"> - Chemical Engineer - Electrical Engineer - Accountant - Marketing Practitioner - ICT Systems Analyst - Mechanical Engineering Technician - Chemical Engineering Technician - Retail buyer - Purchasing officer -Electronic Equipment Mechanician - Mechatronic technician - Millwright - Auto-electrician - Electrician - Tool makers - Fitter and Turner - Metal Machinist - Special Class Electrician - Machinery Assembler -National Certificate Automotive Manufacturing and Assembly - Civil Engineer - Technical Trainer Skills Development Facilitators - Motor mechanics - Spray painters 	<ul style="list-style-type: none"> -Fitter (General) -Electrician (General) -Product Examiners -Rubber Manufacturing Technician Production / Operations Manager -Mechanical engineering technologist -Organisation and methods analyst -Sales representative /Salesman (Industrial Products) - Integrated manufacturing line technician - Fitter & Turner - Electrician - Rubber production machine operator - Plastics, composites and rubber factory worker - Product examiners
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6. Regional Strategic Plan

6.1. Regional Strategic Plan Linked to merSETA Priorities

The RSSP aimed to identify interventions which the merSETA regional and national offices can implement in line with the National Skills Development Strategy III Priorities. Input was obtained from stakeholders in the region and as well as from the research team.

Table 15: Summary of regional strategic priorities

NSDS III Priorities	Regional Strategic Plan
<p>Priority 1: develop a labour market intelligence system and facilitate sector specific research initiatives</p>	<ul style="list-style-type: none"> v. Short to Medium Term Priorities <ul style="list-style-type: none"> – Commission the RSP update for 2014/15 – Track all the merSETA trained people and develop a database for possible placement in the SIPs programme. – Ensure artisans who have obtained training get assistance in being deployed in regional projects and in some instances to other provinces vi. Long Term <ul style="list-style-type: none"> – Speed up the development of a merSETA Rural Development Strategy, which sets out the principles of Training for Rural Economic Empowerment (TREE)
<p>Priority 2: promote artisan and sector-specific priority skills</p>	<ul style="list-style-type: none"> Short to Medium Term Priorities <ul style="list-style-type: none"> – Ensure grant allocation according to identified scarce and priority skills. – Encourage employers to: <ul style="list-style-type: none"> o Take up more learners for experiential learning, o Retain trained artisans to help them get experience. o Release employees to get up-skilled with artisans standing in to reduce potential production downtime – Identify future projects in the region plus the attendant skills requirements and put in place mechanisms to ensure these requirements will be met by training institutions – Identification of priority skills should be done drilled down to an occupation level (when clustered into broad categories the specific skills needs tend to remain unaddressed)
<p>Priority 3: establish and facilitate strategic partnerships</p>	<ul style="list-style-type: none"> x. Short to Medium Term Priorities <ul style="list-style-type: none"> – Encourage partnerships and collaboration between employers and FETs so that FETs can have: <ul style="list-style-type: none"> o Modern training equipment (e.g. East Midlands College receiving two robots from VWSA) o Curriculum review, development and upgrade o Qualified lecturers with industry know-how, and o More learners being taken up by industry for experiential learning – Form partnership with FETs which offer green skills such as Port Elizabeth College – Form collaborative partnerships Eskom, Transnet, Energy SETA, Provincial Government and other stakeholders involved in the rollout of SIPs. This will help merSETA trained people who are currently unemployed x. Long term <ul style="list-style-type: none"> – SMMEs often lack administrative capacity required to enable the training of their workforce. merSETA can create a facility/company to help with administration by the SMMEs – merSETA in collaboration with the provincial government can use its influence to facilitate establishment of small scale manufacturing in rural areas. Further collaboration with FETs in these areas will ensure the appropriate skills are developed for these manufacturing entities
<p>Priority 4: increase the flow of appropriately skilled new entrants into the system</p>	<ul style="list-style-type: none"> Short to Medium Term Priorities <ul style="list-style-type: none"> – Develop and strengthen partnership with GET schools to increase pass rates especially in Maths, English and Science – Set up career development support desks at major FETs in the province – Incorporate soft skills training to ensure learners and artisans develop holistically i.e. they can be able to take on supervisory and management roles – Training institutions must be quick to adapt to changes in the industry requirements (e.g. welding courses to focus on a wider range of welding

		types including modern techniques such as laser welding, water based welding etc)
Priority 5: develop the skills of the existing workforce	ii.	<p>Short to Medium Term Priorities</p> <ul style="list-style-type: none"> - To address the lack of fundamental basics bridging courses for unskilled, possibly through ABET programmes must be implemented - Address the growing demand for individuals who have practical and theoretical experience to function within the supervisory roles in the sector - Train current workers on green skills, especially through partnership with HETs and FETs which offer green skills such as Port Elizabeth College - merSETA to move into being a change agent in the region by giving direction and setting the pace for skills development - Constant up-skilling of employees in the usage of modern technologies is essential - Employment of people with technical knowledge in roles traditionally regarded as non-technical i.e. motor parts salesman

In order for the RSSP to contribute to the skills development needs of the Eastern Cape, the identified regional strategic plan needs to be implemented. Although there are some specific issues raised in the Eastern Cape task team and interviews with regional stakeholders, most of the inputs mirror those given in other regions.

FREE STATE & NORTHERN CAPE: EXECUTIVE SUMMARY

1. Introduction

The Manufacturing, Engineering and Related Services Education and Training Authority (merSETA) was established through the Skills Development Act, (Act 97 of 1998). The merSETA facilitates skills development in the following five sub-sectors (or chambers); Metal, Plastics, Auto (including only the seven local assemblers of new vehicles), Motor (including automotive components manufacturers and the motor retail and service subsector), and New Tyre.

This Regional Sector Skills Plan (RSSP) is aimed at unpacking the regional specificity of the merSETA subsectors. The objectives of this RSSP is to identify and map key features, trends, forecasts and legislative initiatives at the regional level regarding skills development. This RSSP provides valuable insight into regional and local developments in the sector and links to skills development planning. To this end, the RSSP presents a regional socio-economic analysis, profiles regional companies, explores the labour supply and demand imperatives and offers regional scarce and priority skills analysis.

2. Research Methodology

The research study was designed to be as interactive as possible with the merSETA Regional Committees which have representatives from all chambers, labour and employers' associations. At the inception of the project the research team attended the Regional Committee meetings to introduce the project, initiate task teams and outline the objectives. The primary research aspect of the study involved in-depth interviews with employer representatives, labour union representatives, FET colleges, and provincial government representatives.

List of participants in the research process

Region	Number of participants
Regional Committee Meeting and Task Team	10
Primary Interviews	8

The majority of interviews were conducted on a face-to-face and some were done telephonically. Information obtained from the primary research was used extensively to determine:

- Factors affecting the skills development in the region;
- Scarce and priority skills; and
- Implementation strategies and recommendations to address regional priorities.

3. Profile of merSETA Sector in the Region

The Northern Cape constitutes 30.5% of South Africa's land area while Free State constitutes 10.6%. According to the Statistics South Africa (Stats SA) 2011 census data, Northern Cape had a total population of 1.146 million and Free State 2.746 million, which is 2.3% and 5.3% of the national population respectively.

Northern Cape and Free State are the lowest contributors to the country's GDP. The landlocked location of the region has resulted in manufacturing activities being concentrated in other regions. The major economic activities in the region are mining and agriculture.

4. Major Policy Drivers in the Region

4.1. Regional Economic Growth and Development Strategies

A. Northern Cape Provincial Growth and Development Strategy (NCPGDS)

The NCPGDS was launched in 2005 and is a guide on the developmental planning in the province. The following primary development objectives are identified by the NCPGDS:

- Promoting the growth, diversification and transformation of the provincial economy; and
- Poverty reduction through social development
- Developing requisite levels of human and social capital
- Improving the efficiency and effectiveness of governance and other development institutions and enhancing infrastructure for economic growth and social development¹⁸

Major strategic interventions for promoting the growth, diversification and transformation of the provincial economy include:

- Mineral beneficiation which has the potential to produce manufacturing opportunities that will contribute significantly to the provincial economy through value added manufactured products
- The manufacturing centre to support the above initiative is underway
- Agro processing is another sector in which manufacturing can originate to create greater impetus to diversification and consequently higher economic growth.
- Fishing and mariculture have potential to mitigate future socio economic impact which could result from diamond mining downscaling
- Tourism Industry has blossomed largely as a result of the opening up of SA as a long haul tourist destination for the world travelers
- Space Technology brings a lot of opportunities to the Northern Cape
- Social Accounting Matrix will be used to identify opportunities to diversify and develop sub sectors of manufacturing and agro processing¹⁹.

¹⁸ <http://www.tradeinvestsa.co.za/news/982513.htm>

¹⁹ <http://www.tradeinvestsa.co.za/news/982513.htm>

B. Strategic Infrastructure Plan (SIP) 14²⁰

- a. pronouncement for two new universities to be built - in Northern Cape (Kimberly) and Mpumalanga
- b. Northern Cape university expected to develop at least two postgraduate centres of excellence in;
 - i. Physical sciences – astronomy
 - ii. Applied sciences – renewable energy, low carbon energy, hydrology, water resource management and climate variability

4.2. Summary of Factors Impacting Future Demand and Supply of Skills in the Region

- iv. Free State's strategic location positions the province as an ideal place for the development of a multi-modal hub for road freight.
 - o Plans to build a rail link from Bloemfontein to Maseru, setting up of the N8 Development Corridor and the Lake Gariep Initiative are expected to result in increased economic activity in the province
 - o Harrismith is the site of an inter-nodal Logistics Hub and the Free State Department of Economic Development, Tourism and Environmental Affairs (DETEA) is building a food-processing park to complement the facility. The aim is to get international companies to invest R600-million in the food-production sector
- v. Planned future investment for a vehicle component manufacturing facility to be located in the Harrismith area.
- vi. N8 Development Corridor activity nodes
 - o Expansion of the Bloemfontein Airport (transport, tourism and light industry potential)
 - o Bloemfontein CBD (retail, office park development)
 - o The Transwerke area (potential for transport logistics, freight centre and warehousing)
 - o The Rustfontein dam (eco-tourism opportunity)
 - o The Botshabelo industrial area (industrial and warehousing potential)
 - o Botshabelo CBD (retail and trade opportunities)
 - o Thaba Nchu CBD (tourism, retail and trade opportunities)
- vii. Renewable energy sector

²⁰ <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=30079&tid=81009>
<http://www.dhet.gov.za/LinkClick.aspx?fileticket=59q6cwkkDU8%3d&tabid=3>

- A solar-water-heater manufacturing facility is planned for Botshabelo
- There are opportunities in solar-panel assembly and manufacturing in the region

5. Regional Scarce and Priority Skills

The regional scarce skills list (below) was developed through review of the merSETA national SSP (2012/2013); current chamber projects; in-depth interviews with labour representatives, employer organisations, provincial government officials and other stakeholders; and discussed through the regional committee and regional SSP task team workshops.

Regional Scarce and Priority Skills

Focus Area	Scarce skills	Priority Skills
Whole region	- Welding -Air-conditioning/refrigeration skills	-Metal workers -Air-conditioning/ refrigeration skills -Electricians -Boilermakers -Welders
Motor	-Motor mechanics -Auto mechanics -Diesel mechanics (including diesel pump mechanics) - Panel-beating	-Motor mechanics -Diesel mechanics -Panel beaters and spray painters -Auto electricians
Renewable Energy	-Electricians -Mechatronic technicians -Fitters	- Electricians - Mechatronic technicians - Fitters

6. Regional Strategic Plan

6.1. Regional Strategic Plan Linked to merSETA Priorities

The RSSP aimed at identifying interventions which the merSETA regional and national offices can implement in line with the National Skills Development Strategy III Priorities. Input was obtained from stakeholders in the region and also from the research team.

Summary of Regional Strategies

NSDS III Priorities		Regional Strategic Plan	
Priority 1: develop a labour market intelligence system and facilitate sector specific research initiatives	ii.	Short to Medium Term Priorities	<ul style="list-style-type: none"> – Commission the RSSP update for 2014/15 – Track all the merSETA trained people and develop a database for possible placement in the SIPs programme. – Ensure artisans who have obtained training get assistance in being deployed in regional projects and in some instances to other provinces
	ii.	Long Term	<ul style="list-style-type: none"> – Speed up the development of a merSETA Rural Development Strategy, which sets out the principles of Training for Rural Economic Empowerment (TREE)
Priority 2: promote artisan and sector-specific priority skills	i.	Short to Medium Term Priorities	<ul style="list-style-type: none"> – Ensure grant allocation according to identified scarce and priority skills. – Encourage employers to: <ul style="list-style-type: none"> o Take up more learners for experiential learning, o Retain trained artisans to help them get experience. o Release employees to get up-skilled with artisans standing in to reduce potential production downtime – Identify future projects in the region plus the attendant skills requirements and put in place mechanisms to ensure these requirements will be met by training institutions
Priority 3: establish and facilitate strategic partnerships	ci.	Short to Medium Term Priorities	<ul style="list-style-type: none"> – Establishment of a regional industry forum aimed at engaging the provincial government on matters affecting the region's companies (e.g. enable industry to coordinate ways of countering the impact of the increasing Asian imports- focus on Local Procurement Framework) – merSETA 's role in the Provincial Skills Development Forum must transition from mainly advisory to involvement policy formulation and implementation – Increase engagement of merSETA with the Northern Cape Chamber of Commerce in order to facilitate uptake of learners by industry in the region
	ii.	Long term	<ul style="list-style-type: none"> – Form partnership with the planned university (to be established in Bloemfontein) and FETs in the province for the provision of green skills – merSETA in collaboration with the provincial government can use its influence to facilitate establishment of small scale manufacturing in rural areas. Further collaboration with FETs in these areas will ensure the appropriate skills are developed for these manufacturing entities
Priority 4: increase the flow of appropriately skilled new entrants into the system	v.	Short to Medium Term Priorities	<ul style="list-style-type: none"> – Intensify career guidance, orientation and awareness in schools regarding careers in the manufacturing, engineering and related services industry – Assist in the process of FET main campus and satellite campus development i.e. rural campuses tend to lag behind their urban counterparts – Training institutions must be quick to adapt to changes in the industry requirements (e.g. welding courses to focus on a wider range of welding types including modern techniques such as laser welding, water based welding etc.) – Expose learners at GET level to manufacturing, engineering and related services in order to stimulate interest in the trades

<p>Priority 5: develop the skills of the existing workforce</p>	<p>v. Short to Medium Term Priorities</p> <ul style="list-style-type: none"> - To address the lack of fundamental basics , bridging courses for unskilled, possibly through ABET programmes must be implemented - Train current workers on green skills, especially through partnership with HETs and FETs institutions - Constant up-skilling of employees in the usage of modern technologies is essential - Employment of people with technical knowledge in roles traditionally regarded as non-technical i.e. motor parts salesman
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In order for the RSSP to contribute to the skills development needs of the Western Cape, the identified regional strategic plan needs to be implemented. Although there are some specific issues raised in the regional task team and interviews with regional stakeholders, most of the inputs mirror those given in other regions.