



merSETA

MANUFACTURING, ENGINEERING
AND RELATED SERVICES SETA

FINAL
SECTOR SKILLS PLAN UPDATE
2025/26

August 2025

Official Sign-off

Submission of required Sector Skills Plan (SSP) Documents as per DHET Guidelines for SSP 2025/2026.


It is hereby certified that this Draft version of the Sector Skills Plan considers all the relevant policies, legislation, and other mandates for which merSETA is responsible and accurately reflects the stipulated submission requirements as communicated by the Department of Higher Education and Training (DHET).


This submission comprises a merSETA Cover Letter, a Continuous Improvement Plan, an Updated Research Agenda, and a Draft SSP and Skills Priority Occupations which was developed in accordance with the SSP Framework produced by DHET.

Mr. T. Moepi

Acting Strategy and Research Executive

Signature:

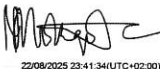



22/08/2025 23:38:15(UTC+02:00) 

Mr. N. Mokgotsane

Acting Chief Executive Officer

Signature:

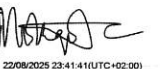



Naphtaly Mokgotsane
22/08/2025 23:41:34(UTC+02:00) 

Mr. N. Mokgotsane

OBO Accounting Authority

Signature:



Naphtaly Mokgotsane
22/08/2025 23:41:41(UTC+02:00) 

Cover Letter

29. August.2025

To: Department of Higher Education and Training, Directorate: SETA Support

The Manufacturing, Engineering and Related Services Sector Education and Training Authority (merSETA) hereby submits the **Final Sector Skills Plan (SSP) 2025/26**, comprising this cover letter, the merSETA Continuous Improvement Plan (CIP), and the Updated Research Agenda, in line with the requirements set out by the Department of Higher Education and Training (DHET) in the SSP Guidelines. This letter outlines the processes that informed the development of the SSP.

SSP Context

The Final SSP 2025/26 reflects South Africa's constrained economic environment, with GDP growth projected at a modest 1.1% in 2024 amid persistent challenges such as high unemployment, infrastructure weaknesses, global geopolitical uncertainty, and subdued investment. In response, the SSP highlights the importance of renewed industrial strategy, anchored in the Economic Reconstruction and Recovery Plan (ERRP), sector master plans, the Medium-Term Development Plan (MTDP), and emerging green and digital transitions shaping the skills landscape.


Updates and New Information

The analysis in the Final SSP draws on a wide range of information sources, including:

- **merSETA Workplace Skills Plans (WSPs):** incorporating employer data on hard-to-fill vacancies, skills gaps, training, and employment. The Final SSP reflects the most up-to-date WSP submissions.
- **Primary research studies and internal data reports:** fully documented in the SSP methodology, with finalised findings integrated into this version.
- **Stakeholder engagements:** inputs from consultations with employers, organised labour, education and training institutions, and government stakeholders have enriched the evidence base and validated the skills priorities identified.
- The Final SSP 2025/26 has thus been compiled to ensure accuracy, alignment with DHET requirements, and responsiveness to sectoral and national skills development priorities.

Kind regards

Mr. N. Mokgotsane



22/08/2025 23:41:58(UTC+02:00)

Acting Chief Executive Officer

Mr. N. Mokgotsane



22/08/2025 23:42:05(UTC+02:00)

OBO Accounting Authority

Contents

List of Figures.....	v
<i>List of Tables</i>	vi
Acronyms.....	vi
Research Processes & Methods.....	8
Chapter 1: Sector Profile.....	10
1.1 Introduction.....	10
1.2 Scope of Coverage.....	10
1.3 Key Role Players.....	12
1.4 Labour Market Analysis.....	17
1.4.1 Economic Performance and Sectoral Developments.....	17
1.4.2 National Unemployment Context.....	18
1.4.3 Employment in the mer Sector.....	18
1.4.4 Employer Profile.....	19
1.4.5 Employees Profile in the mer sector.....	20
1.5 Conclusion.....	26
Chapter 2: Key Skills Change Drivers.....	27
2.1 Introduction.....	27
2.2 Factors Affecting Skills Demand and Supply.....	27
2.3 Policy Frameworks Affecting Skills Demand and Supply.....	33
2.3.1 Key Skills Development Policies and Plans for PSET	33
2.3.2 Reimagined Industrial Strategy.....	42
2.3.3 Reflection of the merSETA Response to Key National Strategies.....	44
2.3.4 The Medium-Term Development Plan (MTDP) 2024–2029.....	44
2.3.5 Economic Reconstruction and Recovery Plan (ERRP).....	44
2.4 Measures in Place to Support MDTP Outcomes.....	46
2.5 Conclusion.....	48
Chapter 3: Sectoral Skills Demand and Supply Analysis.....	48
3.1 Introduction.....	48
3.2 Occupational Shortages and Skills Gaps.....	48
Number of HTFV.....	52
3.3 Skills Gaps.....	52
3.4 Supply Side Analysis.....	54
3.5 Extent of Occupational Supply.....	62

3.6	Sectoral Priority Occupations.....	65
3.7	Conclusion.....	68
Chapter 4: SETA Partnerships.....		68
4.1	Introduction.....	68
4.2	Approach to Partnerships.....	68
4.3	Analysis of Existing SETA Partnerships.....	69
4.4	Partnership Challenges and Mitigation Strategies.....	71
4.5	Successful Flagship Partnerships.....	72
4.6	Planned Partnerships.....	77
4.7	Conclusion.....	78
Chapter 5: SETA Monitoring and Evaluation.....		82
5.1	Introduction.....	82
5.2	Sector Skills Planning Reflections.....	82
5.3	Plan of Action.....	83
5.4	Conclusion.....	89
Chapter 6: Strategic Skills Priority Actions.....		90
6.1	Skills Findings from Previous Chapters.....	90
6.2	Planned Strategic Priority Actions.....	91
6.3	Conclusion.....	93
References.....		94
ANNEXURE 1: SECTORAL PRIORITY OCCUPATIONS LIST.....		96
ANNEXURE 2: PARTNERSHIPS.....		96
ANNEXURE 3: 5 DIGIT LEVEL SIC CODE.....		100

List of Figures

<i>Figure 1: Scope Coverage, Chambers and SIC codes.....</i>	10
<i>Figure 2: Key PSET role players.....</i>	13
<i>Figure 3: NSDP Outcomes.....</i>	14
<i>Figure 4 mer Sector Employment and Growth 2010-2023 (QES data, Stats SA 2024).....</i>	19
<i>Figure 5: Employers by Chamber and Province (merSETA Data, 2024).....</i>	20
<i>Figure 6: Number of employees by Chamber and Company Size.....</i>	21
<i>Figure 7: Employment by Occupational Group and Gender.....</i>	21
<i>Figure 8 Employees by disability (merSETA data).....</i>	22
<i>Figure 9: Equity and Occupational Group 2020/21-2024/24 (merSETA data).....</i>	24
<i>Figure 10 : Employees by Province.....</i>	25
<i>Figure 11: Employment by Occupational Group (merSETA data, 2024/2025).....</i>	26
<i>Figure 12: Factors Affecting Skills Gaps.....</i>	53
<i>Figure 13: Highest Level education Attainment.....</i>	55

Figure 14: Overall Enrolment in PSET, 2023.....	56
Figure 15: Mathematics and physical science pass rate 2020-2024.....	58
Figure 16: HEI Degrees by Gender (DHET,2023).....	60
Figure 17: Graduates by Field of Study and Gender (DHET, 2023).....	60
Figure 18: TVET Enrolments.....	61
Figure 19: Enrolments of student living with disabilities at PSET institutions by type.....	62
Figure 20: Apprenticeships entered and completed 2019/20-2023/24.....	64
Figure 21: Learnerships entered and completed 2019/20-2023/24.....	64
Figure 22: Skills Programmes entered and completed 2019/20-2023/24.....	65
Figure 23: merSETA Partnership Approach.....	69

List of Tables

Table 1: Chambers and SIC Description.....	11
Table 2: Key SETA partners and role players.....	15
Table 5: Size of companies by Chamber.....	20
Table 6: Employment by Age and Occupational Group.....	22
Table 7: Occupational Group of Employees living with disabilities.....	23
Table 8: Key change drivers and their implications on skills planning.....	28
Table 9: Key Skills Development Policies and Plans for PSET.....	33
Table 10: Sectoral Master Plans.....	43
Table 11: Measures in place to support MDTP Outcomes.....	47
Table 12: Top 5 Skills Gaps.....	53
Table 13: Emerging Occupations.....	66
Table 14: Types of Partnerships and their definitions.....	69
Table 16: Partnership Challenges and Mitigation Strategies.....	71
Table 17: Successful Flagship Partnership Examples.....	74
Table 18: Potential future partnerships.....	78
Table 17: Successful Flagship Partnership Examples.....	79
Table 19: Top Ten Strategic Risks.....	84
Table 20: Status of Implementation of Interventions to Support National Strategies.....	88

Acronyms

Acronym	Meaning	Acronym	Meaning
AA	Accounting Authority	NAACAM	National Association of Automotive Component Manufacturers
ABET	Adult Basic Education and Training	NAAMSA	National Association of Automotive Manufacturers in South Africa
APP	Annual Performance Plan	NCV	National Certificate (Vocational)
ATR	Annual Training Report	NDP	National Development Plan
ARPL	Artisan Recognition of Prior Learning	NPPSET	National Plan on Post-School Education & Training
ACM	Automotive Components Manufacturing	NQF	National Qualifications Framework

Acronym	Meaning	Acronym	Meaning
AIEC	Automotive Industry Export Council	NSA	National Skills Authority
BER	Bureau for Economic Research	NSDP	National Skills Development Plan
CET	Community Education and Training Colleges	NSF	National Skills Fund
CIP	Continuous Improvement Plan	NMU	Nelson Mandela University
CHE	Council for Higher Education	NMU-CIPSET	Nelson Mandela University – Centre for Integrated Post-School Education and Training
CSIR	Council for Scientific and Industrial Research	NGO	Non-governmental Organisation
DHET	Department of Higher Education and Training	NEET	Not in Employment, Education or Training
DPME	Department of Monitoring and Evaluation	OECD	Organisation for Economic Co-operation and Development
DSI	Department of Science and Innovation	OFO	Organising Framework for Occupations
DTIC	Department of Trade, Industry and Competition	OEM	Original Equipment Manufacturers
DPRU	Development Policy Research Unit	PWD	People with Disabilities
DG	Discretionary Grant	Plastics SA	Plastics Federation of South Africa
ERRP	Economic Reconstruction and Recovery Plan	PSET	Post-School Education and Training
ECSA	Engineering Council of South Africa	PFMA	Public Finance Management Act
5IR	Fifth Industrial Revolution	PPP	Public-Private Partnership
4IR	Fourth Industrial Revolution	QCTO	Quality Council for Trades and Occupations
GBV	Gender-Based Violence	QMS	Quality Management System
GDP	Gross Domestic Product	QMR	Quarterly Management Report
HTFV	Hard-to-Fill Vacancies	RPL	Recognition of Prior Learning
HEI	Higher Education Institutions	RMI	Retail Motor Industry
HEMIS	Higher Education Management Information System	SET	Science, Engineering and Technology
HSRC	Human Sciences Research Council	SETA	Sector Education and Training Authority
IPAP	Industrial Policy Action Plan	SSP	Sector Skills Plan
ISO	International Organisation of Standardisation	SLA	Service Level Agreement
KM	Knowledge Management	SMME	Small, medium, and micro-enterprises
LMI	Labour Market Intelligence	SIC	Standard Industrial Classification
merSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority	Stats SA	Statistics South Africa
MoA	Memorandum of Agreement	SEIFSA	Steel and Engineering Industries Federation of South Africa
MoU	Memorandum of Understanding	TVET	Technical & Vocational Education and Training College
M&E	Monitoring and Evaluation	WPPSET	White Paper on Post-School Education and Training
NAMB	National Artisan Moderation Body		

Research Processes & Methods

The main data sources used to compile this SSP document include the merSETA Workplace Skills Plan (WSP) data (2024), primary research data from research commissioned by the merSETA, data from Statistics South Africa (Stats SA), the Bureau of Economic Research (BER) and National Accounts data. Sector consultations in the form of Chamber workshops and surveys, SSP committee workshops, and interview data are incorporated. Desk research was conducted using various forms of literature, including sectoral reports, news articles, magazine articles, national policies, and plans, as well as sectoral master plans.

The merSETA strives to remain abreast of contemporary trends that influence skills development. To support evidence-based skills planning, it conducts and commissions relevant research studies that inform the development of the Sector Skills Plan (SSP). These studies cover a broad spectrum of topics, encompassing both global and domestic perspectives, with the aim of understanding current skills needs, forecasting future skills demands within the manufacturing, engineering, and related sectors, and exploring innovative approaches to training within the Post-School Education and Training (PSET) ecosystem.

The table below illustrates the research that contributed to the SSP conducted by the merSETA:

Topic	Methods	Purpose	Data Collection	Sample size/data source	Period	Informed chapters as per the current SSP
SMMEs and skills development in the mer-sector: Mapping Skills Needs of SMMEs	Mixed methods	This research project aims to identify, analyse and propose solutions to the existing skills demands, thereby contributing to informed policy-making and targeted interventions for the benefit of SMMEs in the manufacturing sector. The project aims to identify strategic skills development opportunities across its sectors in relation to demand and supply for labour and skills in small, medium, and micro	Online Survey Stakeholder Interviews	6 merSETA Chambers, SMMEs in manufacturing sector	October 2024- October 2025	Informed chapter 1

Topic	Methods	Purpose	Data Collection	Sample size/data source	Period	Informed chapters as per the current SSP
		enterprises (SMMEs).				
Developing a Sector Skills Planning methodology for credible and effective skills interventions	Mixed Methods	The primary focus of the study is reviewing the skills planning methodology across all economic sectors and informing the Sector Skills Plan framework.	Interviews Online Survey Workshop	Desktop research MerSETA database	November 2024- October 2026	Informed chapter 1
Update the SSP for the new strategic. 5-year planning period (2025-2030)	Mixed Methods	The primary aim of the study is to develop an SSP for the merSETA for the 2025-2030 strategic planning period by analysing and evaluating the previous strategic period (2020-2024) and providing forecasting concerning the types of skills needed within the mer-sector.	Case studies, interviews, focus groups	6 merSETA Chambers, employer, and labour representatives Stats SA Data	July 2024 – June 2025	Informed chapter 2 and chapter 3
Tracking and tracing skills interventions for merSETA-funded beneficiaries	Mixed Methods	Tracking and tracking learners to understand, explore and document key features, trends, challenges, and outcomes of skills interventions in the mer-SETA sub-sectors and provide information regarding the destination of the beneficiaries who have completed these programmes.	Interviews Online Survey	merSETA, funded beneficiaries and desktop research Learner survey data, employer, and learner interview analysis	March 2025- March 2026	Informed chapter 5

Chapter 1: Sector Profile

1.1 Introduction

This chapter provides a comprehensive profile of the Manufacturing, Engineering and Related Services (mer) sector, organised into four main sections: sector scope, key role players, employer and labour market profile, and labour market analysis, which covers economic performance and sectoral updates. The analysis draws on a combination of MerSETA Workplace Skills Plan (WSP) and Annual Training Reports (ATR) data for the 2025/2026 period, primary research conducted by merSETA, and secondary sources such as Statistics South Africa (Stats SA), the Bureau for Economic Research (BER), National Accounts, sector master plans, reputable media reports, and expert analyses. The purpose of this profile is to present an up-to-date and evidence-based understanding of the sector's size, structure, performance, and workforce characteristics, with a focus on identifying the skills development implications for the merSETA mandate and the outcomes of the National Skills Development Plan (NSDP) 2030.

1.2 Scope of Coverage

This section explores the coverage of the mer sector, identifying its sub-sectors as defined by the Standard Industrial Classification (SIC) Codes. Within the scope of the merSETA coverage, the following sectors are included at the 1-digit SIC level: manufacturing, wholesale and retail trade, construction, motor trade, financial intermediation, insurance, real estate, and business services. These sectors are organised into six chambers or sub-sectors, which categorise the industrial activities of enterprises according to their SIC codes at the 3-digit level. Due to page limitations, the 5-digit SIC codes will be provided in an annexure to offer complete information. See Annexure 1.



Figure 1: Scope Coverage, Chambers and SIC codes.

Figure 1 above depicts the six merSETA chambers and how they are categorised: Metal and Engineering, Plastics Manufacturing, Auto Manufacturing, Motor Retail and Aftermarket, New Tyre Manufacturing, and Automotive Component Manufacturing. A more detailed picture of the merSETA chambers and their SIC descriptions is provided in Table 1 below.

Table 1: Chambers and SIC Description

Metal & Engineering			
The metals sector represents the largest of the sectors under the merSETA scope of coverage. The metal and engineering sector entails capital equipment, foundries, transport equipment, metal fabrication and related sub-sectors. The metal and engineering sector is important in manufacturing because it produces machinery and equipment used in production and is critical to all forms of manufacturing inputs.			
SIC CODES & Description			
351	Basic iron and steel	371	Electronic valves and tubes, and other electronic components
352	Basic precious and non-ferrous metals	372	Television and radio transmitters and apparatus for line telephony and line telegraphy
353	Casting of metals	373	Television and radio receivers, sound or video recording or reproducing apparatus and associated goods
354	Structural metal products, metal tanks, reservoirs, and steam generators	374	Medical appliances, instruments & appliances for measuring, checking, testing, navigating and for other purposes, except optical instruments
355	Other fabricated metal products; metalwork service activities	375	Optical instruments and photographic equipment
356	General purpose machinery	380	Transport equipment
357	Special purpose machinery	384	Building and repairing of ships and boats
358	Household appliances N.E.C.	385	Railway and tramway locomotives and rolling stock
359	Office, accounting, and computing machinery	386	Aircraft and spacecraft
361	Electric motors, generators, and transformers	503	Building installation
362	Electricity distribution and control apparatus	504	Building completion
363	Insulated wire and cable	614	Wholesale trade in non-agricultural intermediate products, waste, and scrap
365	Electric lamps and lighting equipment	860	Computer and related activities
366	Other electrical equipment N.E.C. and	882	Architectural, engineering, and other technical activities
Auto			
South Africa's automotive manufacturing sector comprises mainly manufacturers of fully built-up vehicles. It is an important sector to the country and contributes approximately 4,9% of GDP and is the biggest single sector contributing just under 20% of total manufacturing output (NAAMSA, 2021). The 7 OEMS (Original Equipment Manufacturers), namely: BMW, Ford, Isuzu, Mercedes-Benz, Nissan, Toyota, and Volkswagen (VW) are mainly located in the Eastern Cape, KwaZulu Natal and Gauteng, with a supplier base dispersed in other provinces.			
SIC CODES & Description			

381	Motor vehicles		
Auto Components			
Automotive component manufacture involves the production of components used in the assembly of new motor vehicles and aftermarket accessories. This includes manufacturers and suppliers of:			
<ul style="list-style-type: none"> • Original Equipment (OE) components to vehicle assembly plants only • OE and P&A, and aftermarket/replacement components • Accessories and replacement parts • Allied products supplied to vehicle assembly plants and other sectors of industry e.g., steel • Related/support products to the motor industry 			
SIC CODES & Description			
382	Bodies for motor vehicles, trailers, and semi-trailers	383	Parts and accessories for motor vehicles and their engines
387	Transport equipment N.E.C.		
Motor Retail			
The motor retail sector is a key part of the automotive sector. It is this sector that is responsible for the retail sale, maintenance and repair of motor vehicles, parts, and accessories.			
SIC CODES & Description			
631	Sale of motor vehicles	632	Maintenance and repair of motor vehicles
633	Sale of motor vehicle parts and accessories	634	Sale, maintenance and repair of motorcycles and related parts and accessories
New Tyre			
The new tyre sector plays a significant role in the automotive assembly and component manufacturing sector in South Africa. The different types of tyres produced in the country include tyres for passenger, commercial, agricultural, mining, construction and industrial vehicles and associated machinery (Bridgestone, 2019). There are four multinational manufacturers of tyres in South Africa, which include Goodyear, Bridgestone, Continental Tyres, and Sumitomo Rubber.			
SIC CODES & Description			
337	Rubber products		
Plastics			
South Africa's plastics manufacturing sector is composed of various industries. These are the manufacture of basic chemicals, the manufacture of plastic products, and recycling. The plastics sector is well developed in South Africa and caters to both domestic and export markets. While plastics products are concentrated in the packaging, building, construction and automotive industries, there are also applications in textiles, electronics and electrical applications, mechanical engineering, and agricultural industries. Recycling is also a key component of the sector.			
SIC CODES & Description			
334	Basic chemicals	338	Plastic products
390	Furniture, manufacturing N.E.C.; recycling	395	Recycling N.E.C.

1.3 Key Role Players

This section outlines the principal role players contributing to skills development, training provision, industry representation, and labour market alignment in the mer sector. The analysis links each role player to the NSDP outcomes, ensuring alignment with national strategic priorities. These include government departments, higher education and training institutions, employer organisations, professional bodies, bargaining councils, labour organisations, and civil society partners.

The merSETA also recognises the role of the social economy in contributing to employment and entrepreneurship, especially in marginalised communities and the informal sector. This approach is consistent with the NSDP's emphasis on inclusivity, lifelong learning, and responsive skills systems. Below, Figure 2 below outlines the key role players involved in delivering skills to the economy.

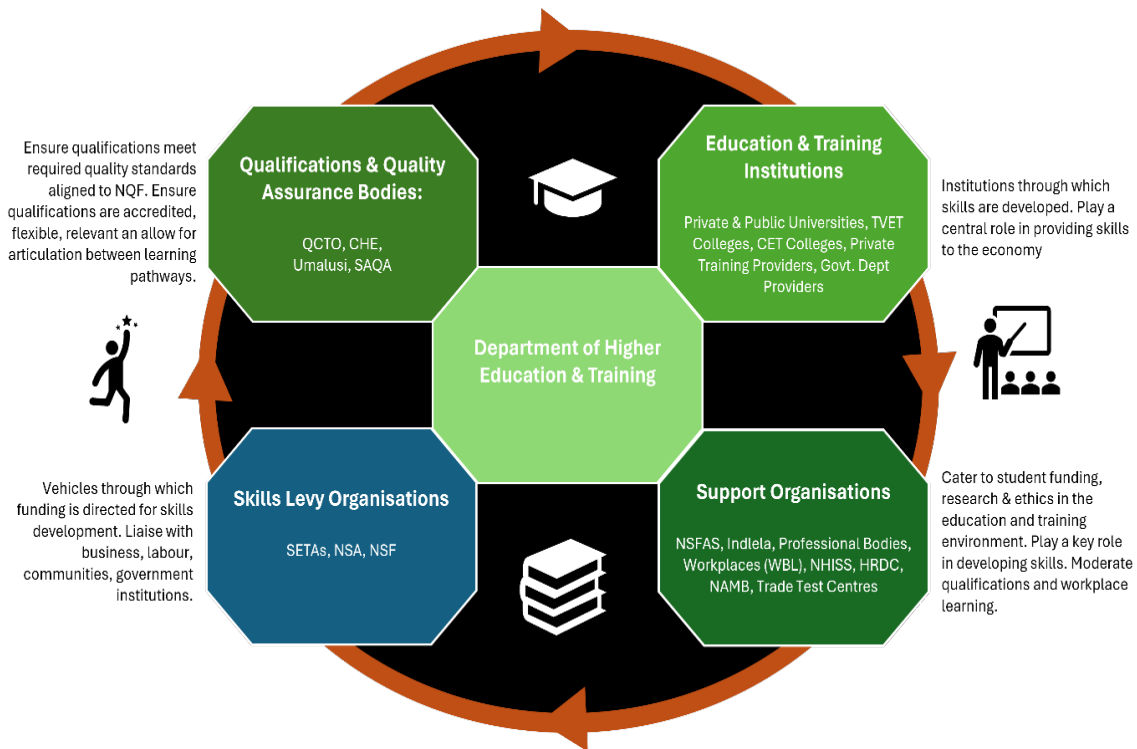


Figure 2: Key PSET role players.

The central player in the PSET system is the Department of Higher Education and Training (DHET). The DHET is responsible for providing a differentiated and fully inclusive post-school system that aligns with South Africa's development goals. All entities within the PSET system, including the 21 Sector Education and Training Authorities (SETAs), the National Skills Fund (NSF), the National Skills Authority (NSA), qualification and quality assurance bodies, public and private Higher Education Institutions (HEIs), Technical and Vocational Education and Training (TVET) colleges, Community Education and Training (CET) colleges, and other support organisations, report to the DHET.

While SETAs are a crucial part of the PSET sector, they also rely on key partners to fulfil their mandates. These partners include government bodies, industry associations, organised employers, trade unions, and civil society organisations. SETAs form partnerships with these entities to ensure they meet their objectives. Education and training institutions are essential for providing the necessary skills to the sector, working in collaboration with these key role players. The Manufacturing, Engineering, and Related Services SETA (merSETA) recognises the importance of the social economy, which includes cooperatives, non-governmental organisations, mutual benefit societies, and social enterprises. These entities contribute to the labour market

and the economic fabric of society. All these role players are vital for building an integrated PSET system that addresses the needs of employees, employers, and national priorities, which is core to the implementation of the NSDP.

The NPPSET, derived from the White Paper on Post-School Education and Training (WPPSET), serves as a roadmap for developing and strengthening post-education and training from 2019-2030. The plan recognises the need for more diverse education opportunities for those leaving school, whether after grade 12 or earlier. It emphasises the necessity of expanding post-school opportunities outside the higher education sub-system to support economic growth, employment, and social development priorities.

The PSET system must work collaboratively to ensure that the labour market and economic trajectory of the country are monitored so that relevant education and training interventions can be implemented. In line with this, the NSDP tasks SETAs with:

- Understanding demand and signalling implications for supply.
- Steering the system to respond to skills supply.
- Supporting the development of institutional capacity in public and private education and training institutions.
- Performing system support functions and managing budgets and expenditures linked to the SETA mandate.

The role players within the PSET system collaborate to enable the merSETA to achieve its mandate. Through a partnership approach, they ensure that the outcomes of the NPPSET, WPPSET, and NSDP are realised. The NSDP outcomes linked to these key players are essential for supplying relevant skills to the labour market.

Figure 3: NSDP Outcomes

Overall, Figure 3 outlines the NSDP Outcomes and their aim to address employment challenges effectively by enhancing workforce capabilities and aligning education with industry demands.

The key role players mentioned below are essential in realising the outcomes of the National Skills Development Plan (NSDP) (DHET, 2019). Many of these organisations partner with merSETA to enhance skills, raise career awareness, connect education with the workplace, promote lifelong learning, and support entrepreneurship and cooperative development through skills initiatives. A vital component of the NSDP is fostering community development through the community college system, non-profit civil society organisations, and social change entities.

Table 2: Key SETA partners and role players

ORGANISATION TYPE	NAME OF ORGANISATION	ROLE	Link to NSDP outcomes
	Department of Higher Education and Training (DHET)	The government’s role is to ensure adequate policies and legislation are in place to	Outcome 2 Legislative and policy directives for the industry

ORGANISATION TYPE	NAME OF ORGANISATION	ROLE	Link to NSDP outcomes
Government Departments	Department of Trade, Industry and Competition (DTIC)	facilitate sustainable economic development as well as address social issues.	have a key impact on skills and skills development. Industrial plans and policies set the direction for economic growth and in turn skill provision is essential.
	Department of Science and Innovation (DSI)	These institutions drive national priorities and skills development should be rolled out in support of the national vision.	
	Department of Environment, Forestry and Fisheries		
	Department of Planning, Monitoring & Evaluation (DPME)		
	Department of Small Business Development		
Education and Training Institutions	Higher Education and Training Institutions	Responsible for skills provision. They are the key delivery mechanisms for a differentiated PSET system and should be supported to provide skills to support economic growth.	Outcomes 1, 2 and 3 The SETA partners with these institutions to implement their mandate along with industry partners.
	TVET Colleges		
	Community Education and Training Colleges		
Employer Organisations	The Steel and Engineering Industries Federation of Southern Africa (SEIFSA)	Employer organisations represent members in collective bargaining, data and information gathering and skills development.	Outcomes 1, 2, 3, 4, 7 and 8 The SETA partners with these institutions to implement their mandate along with education and training partners. Research is conducted in partnership with these organisations to ensure relevant training is provided for the labour market. Special projects and innovation projects are conducted to ensure innovative solutions and R&D for the sector.
	Automobile Manufacturers Employers Organisation (AMEO)	In line with many of the national priorities, these organisations are important for the regulation of the sector as well as ensuring the interests of employers and workers.	
	Retail Motor Industry Organisation (RMI)		
	National Association of Automobile Manufacturers (NAAMSA)		
	National Association of Automotive Component and Allied Manufacturers (NAACAM)		
	Automotive Industry Export Council (AIEC)		
	The South African Tyre Manufacturers Conference (SATMC)		
	Plastics South Africa (Plastics SA)		
Professional Organisations	Engineering Council of South Africa (ECSA)	Its core functions are the accreditation of engineering programmes, registration of persons as professionals in specified categories, and the regulation of the practice of registered persons. Professional organisations ensure that professionals are of high quality and that their skills are up to date and relevant.	Outcomes 1, 2 and 3 Accreditation of programmes and professional registration of engineers in line with priority skills and effective candidacy programmes.
	National Bargaining Forum (NBF) Automotive Sector	The Labour Relations Act provides for the self-regulation of industries through the	Outcomes 3 and 7 Collective bargaining to regulate the sector and

ORGANISATION TYPE	NAME OF ORGANISATION	ROLE	Link to NSDP outcomes
Bargaining Councils	Metal and Engineering Industries Bargaining Council (MEIBC)	medium of Bargaining Councils. Bargaining Councils deal with collective agreements, solve labour disputes, establish various schemes, and make proposals on labour policies and laws (DoL, 2016).	remuneration of apprentices. Works in partnership with unions. Fair remuneration reduces attrition and ensures skills levels in the country.
	Motor Industry Bargaining Council (MIBCO)		
	Bargaining Council for the New Tyre Manufacturing Industry		
Labour Organisations	National Union of Metalworkers South Africa (NUMSA)	Unions play a significant role in advocating and fighting for worker's rights, skills development and improving conditions of employment and advocating for transformation among other things.	Outcome 7 Encourage and support worker-initiated training - driven by critical networks of employee representatives and union officials.
	Metal and Electrical Workers Union of South Africa (MEWUSA)		
	Solidarity		
	National Union of Mineworkers (NUM)		
	United Association of South Africa (UASA)		
	Motor Industry Staff Association (MISA)		
Civil Society	Non-governmental Institutions (NGOs)	These organisations play a significant role in communities and assist the state in terms of providing services required by the community. These organisations are partners for skills development within communities.	Outcomes 1, 2 and 3 The SETA partners with these institutions to implement their mandate along with industry and education partners, particularly in communities.
	Community-Based Organisations (CBOs)		
	Faith-Based Organisations (FBOs)		

The social economy is crucial for community development, promoting social cohesion, inclusion, and solidarity. (National Social Economy, 2019). Compared to other countries, South Africa has a low-skilled workforce, with fewer individuals achieving secondary-level education. Statistics indicate that individuals with lower educational attainment are more likely to be unemployed than their higher-skilled counterparts. (OECD, 2019). The OECD (2019) also reported that there are limited opportunities for adults to acquire additional skills through formal education, training, or the skills levy system. Thus, the role of community colleges is increasingly important to support those in the informal and social economies. Civil society and community colleges need additional focus and support to assist with skills interventions in the post-COVID-19 economy.

1.4 Labour Market Analysis

This section presents an integrated analysis of the merSETA sector's economic performance and the key developments shaping its current and future trajectory. It outlines the sector's contribution to the national economy, recent growth patterns, and structural challenges, while highlighting emerging opportunities and risks. The analysis provides insight into how economic conditions influence employment levels, investment trends, and demand for skills.

1.4.1 Economic Performance and Sectoral Developments

The latest Absa Manufacturing Survey suggests that the manufacturing sector remained under pressure in the second quarter amid a decline in production and lower domestic and export sales. In the first quarter of 2025, South Africa's economy grew by just 0.1%, slowing from the 0.4% growth recorded in the last quarter of 2024 (which was revised down from 0.6%). Four industries expanded, while six shrank. Among the six industries that contracted, manufacturing declined for the second quarter in a row, dropping 2% after a 1.1% fall in the previous quarter, cutting 0.2 points from overall growth. The main weaknesses in manufacturing came from the chemicals, food and beverages, and transport equipment subsectors (BER, 2025). Rudimentary

Key sectoral developments in Q2 of 2025 included:

- **Business confidence:** Sector confidence eased to 33 points in Q2 2025, below the long-term average. Five of eight subsectors saw declines. Metals saw an unexpected rise (+9) due to tariff review developments.
- **Sales trends:** Both domestic and export sales contracted sharply. Domestic sales saw the largest decline since mid-2023, while export sales dropped the most since late 2024, amid global trade policy uncertainty.
- **Investment activity:** Fixed investment saw a slight improvement (+3 net percentage points) from Q1, driven by food & beverages, **metals**, and wood subsectors, though the outlook remains constrained by low demand, regulatory burdens, and political uncertainty.
- **Outlook:** The sector holds the lowest confidence reading. Export prospects remain weak due to US tariffs, trade policy risks, and strained US–SA relations. A net 27% of manufacturers expect business conditions to worsen over the next year.
- **Metals:** Confidence rose unexpectedly to 38 points despite weak production and exports, supported by the suspension of ArcelorMittal's long steel plant closure and ongoing tariff review discussions. Input material shortages and skilled labour gaps remain major constraints.
- **Engineering-related manufacturing:** Capital goods production fell sharply, with net declines of 24% in Q2, driven by low domestic and export demand; investment in machinery and equipment contracted over 12 months.
- **Automotive & transport equipment:** Confidence collapsed to 3 points, with significant production (-64%) and export (-81%) declines due to US tariffs, weaker demand, and persistent port/logistics challenges.

Overall, the manufacturing sector is struggling with weak demand, low confidence, and declining output, with only limited signs of recovery. The sector needs to adapt to these volatile market conditions through reskilling, a focus on production diversification, and skills in innovation and strategic management will help prepare manufacturers.

1.4.2 National Unemployment Context

South Africa continues to face one of the highest unemployment rates globally, posing significant challenges for inclusive economic growth and skills development.

In the second quarter of 2025, South Africa's official unemployment rate increased to 32.8% (7.99 million people), up from 32.2% in the first quarter, with youth unemployment rising to 46.5% (4.85 million), reflecting structural barriers to entry into the labour market. Employment fell by 152,000, driven by losses in manufacturing (-54,000), trade (-50,000), and community services (-48,000), while finance and transport recorded modest gains. The expanded unemployment rate increased to 41.5%, with discouraged work-seekers rising to 3.34 million. Women (35.7%) remain more affected than men (30.2%), and provincial disparities persist, with the Eastern Cape (43.5%) and Limpopo (37.2%) facing the highest unemployment, and the Western Cape the lowest at 22.9%. (StatsSA, 2025).

These high levels of unemployment show an urgent need for targeted skills planning that improves employability, supports labour market entry for young people, and aligns training provision with sectors that demonstrate growth potential. For the merSETA sectors, this means prioritising occupationally directed programmes, work-integrated learning, and reskilling initiatives that respond directly to industry demand while expanding opportunities for under-represented groups.

1.4.3 Employment in the mer Sector

Based on secondary data analysed from Statistics South Africa, employment in the sector has returned to pre-COVID levels; however, the employment growth is still on a downward trend.

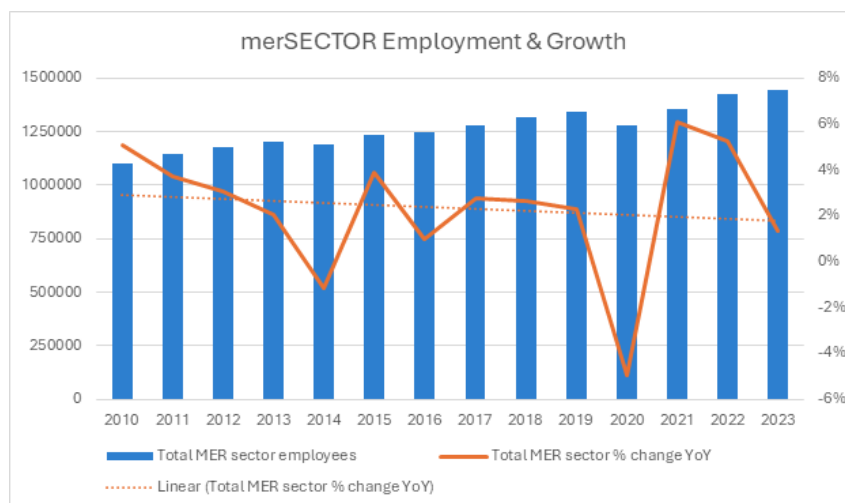


Figure 4 mer Sector Employment and Growth 2010-2023 (QES data, Stats SA 2024)

A key trend in the data is the decline of manufacturing jobs. In 2005, the industry employed 1,40 million individuals. In 2017, 1,18 million were employed, declining to 1,09 million in 2021.

The industry has lost almost 309,000 jobs over 16 years, with the decline in 2021 most likely the result of the COVID-19 pandemic.

1.4.4 Employer Profile

This section outlines the composition and distribution of employers registered within the sector, based on the 2025/2026 WSP/ATR submissions. This section explores the profile of employers in the mer sector, examining the number of employers represented, the size of these organisations, and their geographical distribution. It examines the relative contributions of different sub-sectors and provinces to employment, providing insight into where training capacity and workplace-based learning opportunities are most concentrated in the sector.

Employers by Province and Chamber

Gauteng (GP) emerges as a dominant hub across most sectors, underscoring the concentrated skills development and training programmes in the province. KwaZulu-Natal (KZN) and the Western Cape (WC) also exhibit substantial sectoral activity, suggesting that these regions should be prioritised for targeted, sector-specific skills initiatives. The Eastern Cape (EC) shows a strong presence in Auto Manufacturing and Automotive Component Manufacturing, highlighting the importance of focused skills interventions aligned to these industries. Meanwhile, provinces such as Mpumalanga (MP), Limpopo (LP), Free State (FS), North West (NW), and Northern Cape (NC) display varying levels of participation, presenting opportunities for strategic growth and sectoral expansion. merSETA is working towards a better understanding of these sectors and their regional trends through more detailed research reports.

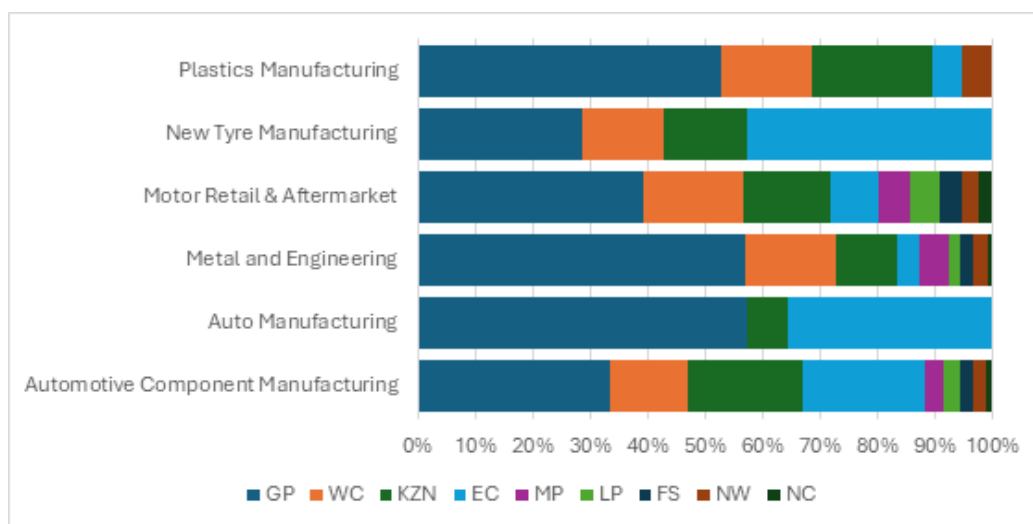


Figure 5: Employers by Chamber and Province (merSETA Data, 2024)

Employers by Size

The merSETA chamber data shows that **small enterprises dominate**, making up **65.28%** (3,109) of the total **4,764** employers. The **Metal and Engineering** chamber is the largest,

comprising **54.18%** (2,581) of all employers, followed by **Motor Retail & Aftermarket** at **32.98%** (1,571). These two sectors together represent over **87%** of total employer coverage.

Table 5: Size of companies by Chamber

Chamber	Large	% (row)	Medium	% (row)	Small	% (row)	Total	% (col)
Auto Manufacturing	12	86%	1	7%	1	7%	14	0%
Auto Component Manufacturing	73	30%	47	19%	124	51%	244	5%
Metal and Engineering	355	14%	568	22%	1648	64%	2571	54%
Motor Retail & Aftermarket	115	7%	286	18%	1170	74%	1571	32.98%
New Tyre Manufacturing	5	71%		0%	2	29%	7	0%
Plastics Manufacturing	79	22%	114	32%	164	46%	357	7%
Grand Total	639	13%	1016	21%	3109	65%	4764	100%

Sector-specific observations reveal that the Automotive Manufacturing and New Tyre Manufacturing sectors are heavily concentrated with large entities, as these comprise mainly of the manufacturing OEMs. Across all the other sub-sectors, there are higher numbers of medium and small enterprises, respectively.

1.4.5 Employees Profile in the mer sector

This section provides an overview of the workforce’s composition and characteristics, offering insight into employees by company size and chamber, the demographic profile, geographic profile, and occupational profile of employees in the sector.

Employees by Chamber and Company Size

Large firms dominate employment across all chambers, especially in Auto Manufacturing and New Tyre, where they account for nearly all employees. Motor Retail & Aftermarket and Plastics Manufacturing have a more balanced distribution, with small and medium companies employing nearly half of the workforce. Metal and Engineering remains the largest employer overall, with nearly 255,000 employees, followed by Motor Retail with over 103,000. Figure 10 below outlines more details.

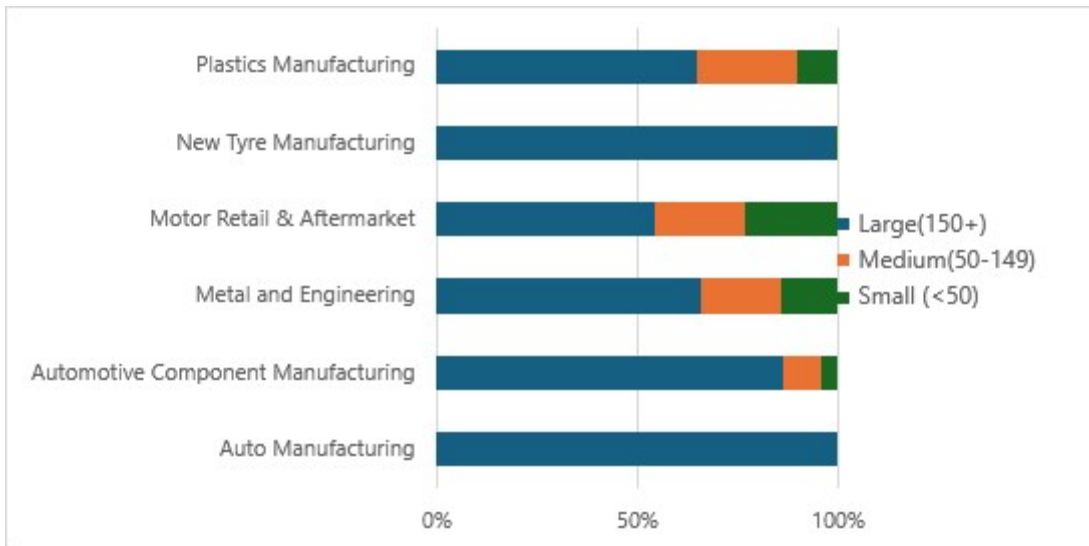


Figure 6: Number of employees by Chamber and Company Size

Employment by Occupational Group and Gender

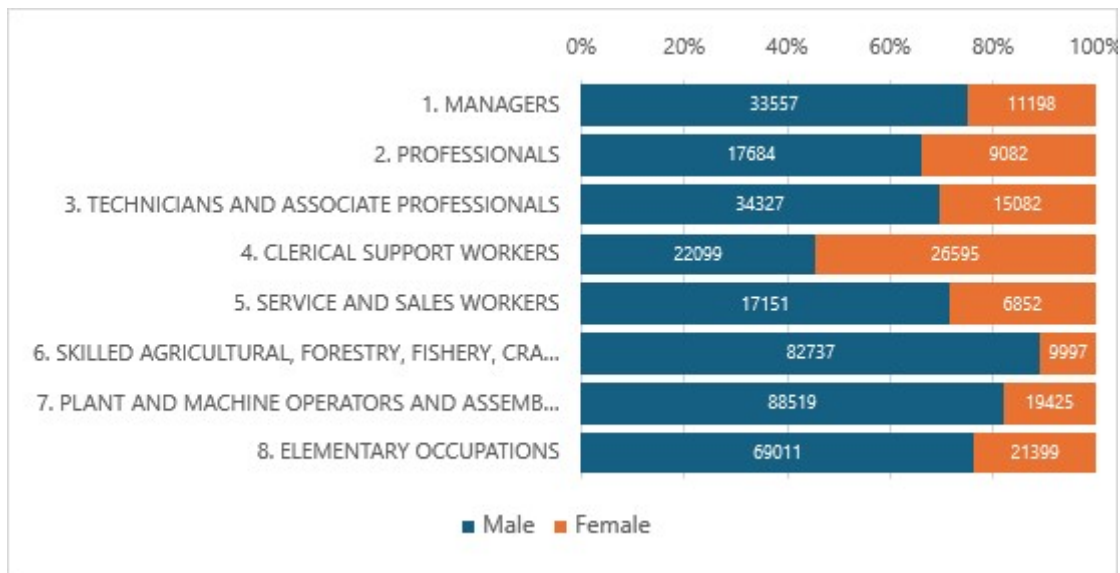


Figure 7: Employment by Occupational Group and Gender

The chart reveals persistent gender disparities across most occupational groups. Male dominance is especially evident in physical, technical, and leadership roles. Female representation is strongest in clerical support and modest in professional/technical fields, suggesting ongoing structural and social challenges related to gender equity in employment. These patterns can inform workforce planning, equity initiatives, and targeted skills development programs.

Employment by Age and Occupational Group

Table 6: Employment by Age and Occupational Group

Occupational Category	15-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65+
1. MANAGERS	1%	4%	9%	14%	18%	16%	15%	11%	8%	5%
2. PROFESSIONALS	3%	12%	18%	18%	15%	12%	10%	6%	4%	2%

3. TECHNICIANS AND ASSOCIATE PROFESSIONALS	3%	9%	15%	17%	17%	14%	11%	8%	5%	2%
4. CLERICAL SUPPORT WORKERS	8%	14%	16%	15%	14%	11%	9%	6%	4%	2%
5. SERVICE AND SALES WORKERS	3%	10%	15%	17%	18%	14%	11%	7%	4%	2%
6. SKILLED CRAFT AND RELATED TRADES WORKERS	4%	11%	17%	18%	17%	12%	9%	6%	4%	1%
7. PLANT AND MACHINE OPERATORS	4%	11%	16%	17%	17%	13%	10%	6%	4%	1%
8. ELEMENTARY OCCUPATIONS	9%	17%	18%	16%	14%	10%	7%	5%	2%	1%
Grand Total	5%	12%	16%	17%	16%	13%	10%	7%	4%	2%

Younger workers (15–24) are mostly employed in elementary occupations, indicating early entry into low-skilled roles. From age 35 upwards, managerial, and professional roles become more dominant, reflecting career growth. Technical and clerical roles remain steady across age groups, suggesting they serve as key mid-level positions. The data highlights clear age-related occupational trends and the need to support upward mobility from low- to high-skilled jobs.

People Living with Disabilities

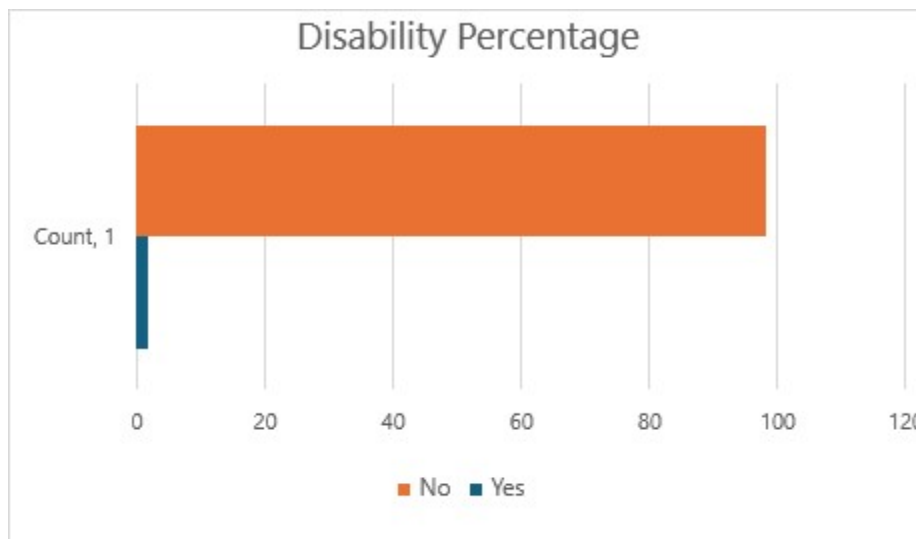


Figure 8 Employees by disability (merSETA data)

The figure above shows that a significantly higher number of individuals reported not having a disability (represented by the orange bar) compared to those who did (blue bar). The disparity is stark, with the count for “No” at 98% while “Yes” is at 2%. This indicates low representation of persons with disabilities in the merSETA sectors. Of those who reported a disability in merSETA sectors are "unspecified," (55%), of the remaining employees living with disabilities (3781), most have unspecified physical disabilities (28%) followed by hearing (22%) and sight (15%).

Table 7: Occupational Group of Employees living with disabilities.

Occupational Group	No. of employees	%
1. MANAGERS	338	9%
2. PROFESSIONALS	214	6%
3. TECHNICIANS AND ASSOCIATE PROFESSIONALS	474	13%
4. CLERICAL SUPPORT WORKERS	1140	30%
5. SERVICE AND SALES WORKERS	118	3%
6. SKILLED CRAFT AND RELATED TRADES WORKERS	463	12%
7. PLANT AND MACHINE OPERATORS AND ASSEMBLERS	609	16%
8. ELEMENTARY OCCUPATIONS	425	11%
Grand Total	3781	100%

The table above shows that most employees living with disabilities are employed as clerical support workers (30%), followed by plant and machine operators (16%) and technicians (13%). Further analysis indicates that higher-skilled occupations such as managers, professionals, and technicians show a wider range of disabilities, including physical, emotional, and sensory impairments, suggesting greater diversity and possibly better support mechanisms at those levels.

Physical disabilities are prevalent across several categories, highlighting the importance of accessible workplace infrastructure. Meanwhile, communication and emotional disabilities These insights point to a need for improved data accuracy, more inclusive workplace practices, and targeted skills development interventions to support people with disabilities across all occupational levels.

Equity by Occupational Groups



Figure 9: Equity and Occupational Group 2020/21-2024/24 (merSETA data)

The chart shows occupational distribution by race within the merSETA sectors. White and Indian/Asian groups are more concentrated in higher-skilled roles such as managers, professionals, and technicians. In contrast, Coloured and Black African individuals are more heavily represented in lower-skilled occupations, particularly in skilled trades and machine operator roles. This indicates persistent inequalities in access to higher-level employment opportunities and underscores the need for the Sector Skills Plan (SSP) to focus on advancing equity, upskilling, and career progression pathways for historically disadvantaged groups.

Employees by Province

Similar to companies by province, employees by province demonstrate a concentration of employees in GP, WC, KZN and EC. The figure below highlights a strong geographic concentration of employment in Gauteng, suggesting centralised economic and industrial infrastructure. This distribution suggests the need for targeted regional strategies to stimulate growth and skills development in underrepresented provinces.

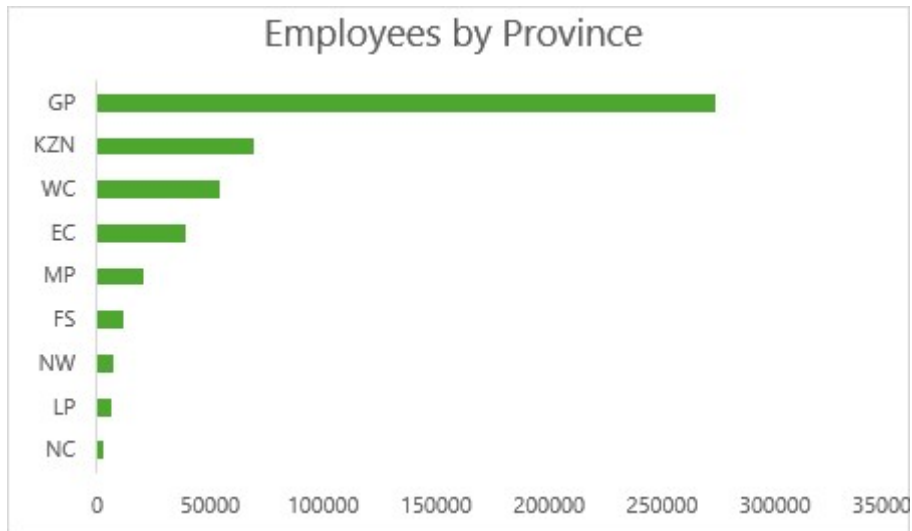


Figure 10 : Employees by Province

Occupational Profile

Occupational profile of the manufacturing and related sectors highlights key priorities for workforce planning and development. The graph shows distinct occupational patterns across merSETA chambers. High-skill roles such as managers, professionals, and technicians are most prominent in Motor Retail & Aftermarket, Metal and Engineering, and Auto Manufacturing, reflecting strong demand for technical and leadership skills. Service and sales roles are concentrated in Motor Retail, while skilled trades and machine operators are key in Automotive Component Manufacturing, Metal and Engineering, and New Tyre Manufacturing. Elementary occupations are more common in Plastics and New Tyre Manufacturing. These trends highlight the need for chamber-specific training strategies that balance both technical and entry-level skills development.

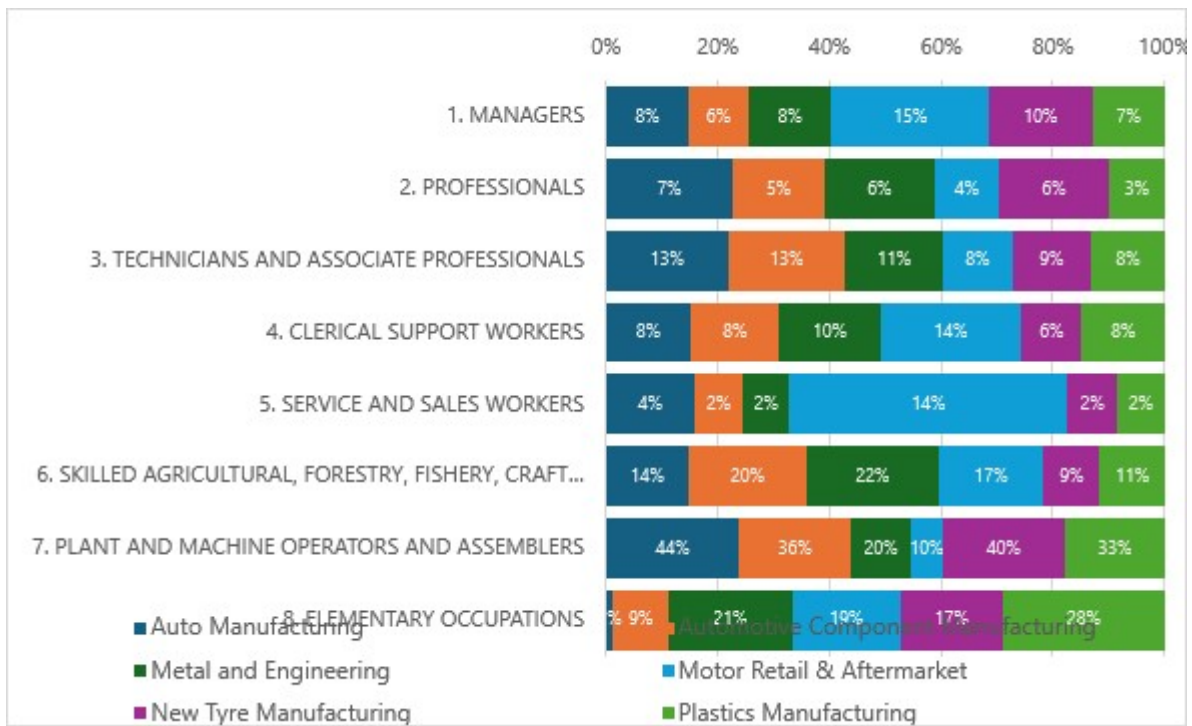


Figure 11: Employment by Occupational Group (merSETA data, 2024/2025)

1.5 Conclusion

Chapter 1 outlines the mer sector's profile, noting economic challenges such as slow growth, energy and logistics issues, and declining investment. While areas like automotive and tyre manufacturing show modest recovery, the sector needs a workforce with technical, digital, and green skills to support re-industrialisation. High youth unemployment, equity gaps, and low representation of women and people with disabilities in skilled roles remain key concerns. Regional imbalances and the dominance of large firms highlight the need for inclusive, targeted skills development. The chapter stresses the urgency of a future-focused skills strategy aligned with industrial changes.

Chapter 2: Key Skills Change Drivers

2.1 Introduction

To improve skills development and close skills gaps, SETAs must analyse economic nuances, national priorities, manufacturing trends, and labour market trends. They should identify skills change drivers that support growth and prosperity in the manufacturing sector. This section identifies major change drivers affecting skills demand and supply, examines their identification, and explores their implications on industry skills planning. The change drivers presented in this chapter were identified through a mixed-method approach combining stakeholder consultations, employer surveys, and chamber discussions with desktop research of industry reports, Stats SA and QLFS data. Historical SSP trends and key policy frameworks were also reviewed to ensure the drivers are evidence-based, sector-specific, and aligned to national priorities.

SETAs must respond to a rapidly evolving manufacturing environment shaped by global economic shifts, digital transformation, and urgent sustainability imperatives. The analysis of key skills change drivers now requires a sharper focus on: The acceleration of artificial intelligence (AI) and automation across production and supply chains. The impact of global trade volatility, geopolitical shifts, and supply chain resilience strategies. The increasing demand for green skills and the integration of sustainability across all manufacturing subsectors. A need for digital literacy and advanced data analytics capabilities at all occupational levels.

Methods to Identify Change Drivers

This chapter aims to distil the complexities of the trends impacting the labour and skills market aligned to technological, economic, educational, and policy-related factors. This section identifies the major change drivers affecting skills demand and supply in the manufacturing sector, examines how these factors have been identified, and explores the implications of these drivers on skills planning within the industry.

2.2 Factors Affecting Skills Demand and Supply

In South Africa's manufacturing sector, several key skills drivers impact the demand and supply of skills. These drivers can be categorised into technological, economic, educational, and policy-related factors. Here are the main ones:

Table 8: Key change drivers and their implications on skills planning

No.	Change Driver	Description	Implications for Skills Planning	Demand/Supply/Both
1	Technological Advancements	Accelerated adoption of Industry 4.0 (AI, robotics, digital twins, etc.). Digitisation increased by 13% between 2022 and 2024.	Demand: there is an increased demand for skills in automation, AI, IoT. Supply: there is an urgent need for revised curricula, STEM focus, industry-academia tech partnerships.	Both
2	Economic and Industrial Trends	Manufacturing GDP share rose to 13.5% in 2024. Ongoing energy constraints and localisation policies continue to shape industrial growth.	Demand: Managerial and productivity skills. Supply: Sector-responsive programs aligned to localisation, industrialisation, and small enterprise support.	Both
3	Global Supply Chain Shifts	Supply chain vulnerabilities due to global instability. Increased emphasis on regional trade and local value chains.	Demand: Logistics, SCM resilience, export expertise. Supply: Regional trade training (AfCFTA), customs compliance, and adaptive logistics education.	Both
4	Labour Market Trends	Youth unemployment rose to 46.5% in Q2 of 2025. Demographic inequities persist, especially for Black African women and persons with disabilities.	Demand: Young, adaptable talent. Supply: Inclusion strategies, mentorship, and entry-level workplace training for underrepresented groups.	Both
5	Green Transition & ESG	Rise in green hydrogen and renewable energy manufacturing. Compliance with ESG and carbon standards is required for both local operations and exports.	Demand: Green skills (energy tech, ESG auditing). Supply: Development of renewable energy curricula and ESG-aligned training standards.	Both

No.	Change Driver	Description	Implications for Skills Planning	Demand/Supply/Both
6	Innovation and R&D	Increased investment in advanced manufacturing R&D (e.g., materials science, biotechnology). R&D expenditure hit 0.75% of GDP in 2024.	Demand: R&D project management, prototyping. Supply: Support for innovation ecosystems, postgraduate STEM development, and technical research skills.	Both
7	Policy and Regulatory Shifts	Legislative updates include PYEI, ERRP, Hydrogen SA, and Employment Equity targets. Export and environmental regulations are also tightening.	Demand: Legal and policy awareness. Supply: Training aligned to new industrial and labour legislation, including compliance and reporting skills.	Both
8	Digital and Occupational Shifts	Emerging roles in digital manufacturing, remote maintenance, and cybersecurity. Traditional roles now require digital fluency.	Demand: Hybrid technical-digital skills. Supply: Micro-credentialing, cross-disciplinary upskilling, and work-readiness in digital environments.	Both
9	US-SA Trade Tensions and Tariffs	2025 U.S. tariffs (up to 30%) nullified AGOA benefits. Impact on automotive, metals, and agri-processing exports. Urgent need to diversify markets and navigate new trade regimes.	Demand: Trade policy navigation, export strategy. Supply: International trade, regional market intelligence, and tariff mitigation training.	Both
10	Remote Working and Flexible Work Models	COVID-accelerated shift to remote and hybrid work persists in administrative, design, and engineering functions. Digital tools are now integrated into factory planning, operations, and global collaboration.	Demand: Remote collaboration, virtual project management. Supply: Training in digital tools (e.g., MS Teams, CAD over cloud), time management, and remote workplace etiquette.	Both

2.2.1 Reflections on Occupational Changes

Over the past five years, the landscape of occupations has significantly transformed due to technological advancements and the evolving nature of work. This reflection will highlight key changes in occupations influenced by automation, digital transformation, and the shift towards remote work and sustainability.

2.2.1.1 Technological Advancements

Automation and AI: The rise of automation and artificial intelligence (AI) has reshaped many traditional roles, particularly in manufacturing and service sectors. Occupations that involve repetitive tasks are increasingly being replaced or augmented by machines. For instance:

- **Manufacturing Operators:** Many have transitioned from manual assembly roles to positions that require oversight of automated systems and robots. Skills in robotics programming and maintenance have become essential.
- **Data Analysts:** With the increase in data-driven decision-making, there is a growing demand for data analysts who can interpret complex datasets and provide actionable insights. The need for proficiency in AI and machine learning has also surged.

2.2.1.2 Digital Transformation

The digitalisation of business processes has led to the emergence of new roles while transforming existing ones:

- **Digital Marketing Specialists:** As businesses shift their focus to online platforms, the demand for digital marketing expertise has skyrocketed, requiring skills in SEO, content creation, and social media management.
- **Cybersecurity Experts:** With the rise in cyber threats, there is an increasing need for professionals skilled in protecting digital assets, leading to a surge in cybersecurity roles.

2.2.1.3 Changing Nature of Work

Remote Work: The COVID-19 pandemic accelerated the adoption of remote work, leading to changes in various occupations:

- **Remote Team Managers:** The need for effective management of remote teams has led to the emergence of roles focused on virtual team dynamics, requiring skills in communication, project management, and remote collaboration tools.
- **Freelancers and Gig Workers:** The gig economy has expanded, with more individuals opting for freelance work in areas such as graphic design, writing, and software development. This shift has necessitated skills in self-marketing and client management.

2.2.1.4 Sustainability and Green Jobs

The global focus on sustainability has also influenced occupational changes:

- **Sustainability Consultants:** There is an increasing demand for professionals who can guide organisations in implementing sustainable practices, requiring knowledge of environmental regulations and sustainable business strategies.
- **Green Energy Technicians:** As the shift towards renewable energy sources accelerates, occupations related to solar and wind energy installation and maintenance have seen significant growth, necessitating specialised technical skills.

The past five years have witnessed substantial changes in the occupational landscape driven by technological advancements and the changing nature of work. Roles have evolved to require new skill sets, emphasising the importance of continuous learning and adaptability in the workforce. As industries continue to adapt to these changes, the focus on upskilling and reskilling will be crucial for both individuals and organisations to thrive in this dynamic environment.

South Africa's manufacturing sector faces a complex interplay of factors driving the demand and supply of skills. From technological advancements like automation and AI to economic considerations such as global competition and supply chain dynamics, the landscape requires a diverse skill set. Labour market trends, including an aging workforce and youth unemployment, highlight the need for strategic workforce planning and inclusive skills development initiatives. Additionally, industry-specific needs and the growing focus on sustainability underscore the importance of adapting skills to meet evolving demands. Embracing innovation and investing in research and

development further contribute to shaping the skill requirements of the sector, paving the way for a dynamic and resilient manufacturing workforce in South Africa.

2.3 Policy Frameworks Affecting Skills Demand and Supply

The concepts embedded in skills development and PSET (Post-School Education and Training) policies hold various meanings, and their correct interpretation is important for successful policy implementation supported by the required skills interventions. This section highlights the national strategy and planning documents that define merSETA's mandate for skills development. The legislative and policy frameworks outline merSETA's constitutional mandate as a public institution governed by the Public Finance Management Act (PFMA). These frameworks require merSETA to develop skills programmes in line with the Skills Development Act (1998), the Skills Development Levies Act (1999), and the National Qualifications Framework Act (2008).

2.3.1 Key Skills Development Policies and Plans for PSET

Table 9: Key Skills Development Policies and Plans for PSET below describes the key policies and strategies that impact skills supply and demand.

Table 9: Key Skills Development Policies and Plans for PSET

Policy/Strategy	Sectoral Impact	Implications for skills planning	Linked NSDP Outcome
Economic Reconstruction and Recovery Plan (ERRP)	The ERRP seeks to realise economic reform through substantial structural change. Despite a myriad of challenges evident in the country's financial profile, the ambitions of the ERRP aim to address issues that have thwarted development, for example, low levels of investment, an increasing budget deficit, and the maladministration of state funds. The South	<p>The focus of all these interventions is on increasing the supply of skills and job opportunities to align with the ERRP's objectives, making them primarily supply-related implications.</p> <p>Considering the ERRP, the merSETA will continue to support the skills development-related outcomes enshrined in the plan by</p>	Outcome 4: Increase access to occupationally directed programmes; Outcome 2: Link education and work

Policy/Strategy	Sectoral Impact	Implications for skills planning	Linked NSDP Outcome
	<p>African ERRP prescribes several ambitious but practical objectives for the required development of the economy. Interventions that ensure, for example, energy and water sustainability and the implementation of “green” interventions, define the objectives of the ERRP.</p>	<p>maintaining a supportive and facilitative role in supplying much-needed skills, knowledge, and competencies required for economic reform. ERRP interventions such as reindustrialisation, energy security, women and youth inclusion, and green economy aspirations guide the merSETA skills planning imperatives. Therefore, the merSETA will continue to support the ERRP as follows:</p> <p>Intensify efforts to support SMMEs to expand the employer pool for the creation of job opportunities and assess its small business support (entrepreneurial) intervention programme to identify weaknesses and strengths to craft innovative ways to create conditions necessary for the growth and sustainability of the emerging business for the creation of more job opportunities</p>	
<p>MEDIUM-TERM DEVELOPMENT PLAN (2024-2029)</p>	<p>merSETA can align its sector with the 2024-2029 Medium-Term Development Plan by strengthening industry partnerships, enhancing data-driven planning, prioritising critical skills,</p>	<p>The Medium-Term Development Plan (MTDP) aims to align with the National Development Plan Vision 2030, identify priority skills, enhance data utilisation, focus on research and</p>	<p>Outcome 2: Link education and work; Outcome 7: Better use of workplace-based learning</p>

Policy/Strategy	Sectoral Impact	Implications for skills planning	Linked NSDP Outcome
	<p>promoting continuous learning and innovation, supporting SMMEs, and aligning with national policies. These strategic actions ensure the workforce is equipped for economic growth and industrial development.</p>	<p>innovation, and support economic development by enhancing workforce employability.</p>	
<p>The Presidential Youth Employment Initiative</p>	<p>The Presidential Youth Employment Intervention (PYEI) is a part of the Presidential Employment Stimulus Programme. PYEI is a multi-sector action plan/ programme directed at addressing South Africa's chronic youth unemployment challenge. The PYEI has identified several priority interventions to accelerate youth pathways into the economy over the next five years, including the establishment of a National Pathway Management Network, delivery of agile workforce development, support for youth self-employment and enterprise in the township and rural economy, the strengthening of workplace experience, and the Presidential Youth Service programme</p>	<p>Supply-related: The merSETA continues to support interventions that can translate into employment opportunities to address barriers young people face and supports the creation of opportunities in the formal and informal sectors.</p> <p>Demand-related: The merSETA will intensify efforts to align training rapidly and effectively with current and emerging industry demand, through a demand-led skilling workstream to bring all relevant actors together in growth areas within the manufacturing industry. This will be done through approaches such as flexible bridging interventions</p>	<p>Outcome 3: Improve foundational learning; Outcome 8: Support career development services</p>

Policy/Strategy	Sectoral Impact	Implications for skills planning	Linked NSDP Outcome
<p>Employment Equity and B-BBEE Act</p>	<p>The EE Act and the B-BBEE Act are key legislations for transformation. They are designed to achieve equity in the workplace by promoting equal opportunities and fair treatment in employment, and development aimed at economic inclusivity. The two Acts are central to the socio-economic objectives of skills development. Cabinet has approved the submission of the Cabinet has approved the submission of the Employment Equity Amendment (EEA) Act 4 of 2022</p> <p>The Bill amends the Employment Equity Act of 1998 (Act No 55 of 1998) with new measures to promote diversity and equality in the workplace. The Amendment Bill seeks to advance the transformation of South Africa's workforce by setting equity targets for economic sectors and geographical regions and requiring enterprises to develop transformation plans (Gov,2023). The law requires employers with more than 50 employees to submit employment equity plans for their companies, spelling out how they will achieve these targets (Gov,2023). Employers</p>	<p>Both demand and supply:</p> <p>The merSETA will continue to drive a deliberate process informed by a proper strategic partnership model that will produce a skills ecosystem model that links studying, working, living and skill development in an inclusive, sustainable, and social way. To achieve this, there is a need to bring together a spectrum of partnerships (social partners) that will gather relevant labour market information, address bottlenecks, and prioritise skills needs within the manufacturing sector and economy while being cognisant of the everchanging global conditions.</p> <p>Supply-related: The Employment Equity Act Code of Good Practice for people with disabilities indicates that discrimination is socially constructed, and therefore it can be avoided by providing information that can ensure better knowledge, awareness and understanding of challenges that people with disabilities are faced with. In addition, the</p>	<p>Outcome 6: Skills development support for transformation; Outcome 5: Improve equity in skills development</p>

Policy/Strategy	Sectoral Impact	Implications for skills planning	Linked NSDP Outcome
	are then required to submit annual reports to the Department of Employment and Labour.	merSETA recognises an urgent need to formulate explicit strategies for training, skilling, and removing barriers for persons living with disabilities to ensure that they develop to their full potential.	
White Paper on Post-School Education and Training (PSET)	The White Paper on PSET sets out strategies to improve the capacity of the PSET system to meet South Africa’s needs as it outlines policy directives to guide the DHET and related institutions to contribute to building a developmental state with a flourishing economy. In this light, the merSETA seeks to establish linkages between education and training and the world of work through the PSET system as an enabler in positioning skills development as a key driver in the appropriate supply of qualified and skilled incumbents	<p>All the implications here are primarily supply-related:</p> <p>In this light, the merSETA seeks to establish linkages between education and training and the world of work through the PSET system as an enabler in positioning skills development as a key driver in the appropriate supply of qualified and skilled incumbents in support of the White Paper.</p> <p>The merSETA seeks to establish linkages between education and training and the world of work through the PSET system as an enabler in positioning skills development as a critical driver in the supply of qualified and skilled incumbents. Thus, the effective collaboration between the merSETA, PSET institutions, and sector employers is crucial in</p>	<p>Outcome 2: Link education and work; Outcome 7: Workplace-based learning</p>

Policy/Strategy	Sectoral Impact	Implications for skills planning	Linked NSDP Outcome
		<p>supplying the most relevant and appropriate skills to the sector. The merSETA will therefore continue to support the White Paper as follows:</p> <p>The Skills Strategy linked to the ERRP aligns with the White Paper by emphasising the importance of workplace experience. Therefore, the merSETA will strengthen cooperation between education and training institutions to promote work-integrated learning to better equip the learners for the labour market</p>	
<p>National Skills Development Plan (NSDP)</p>	<p>The NSDP aims to “ensure that South Africa has adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development.”</p> <p>The merSETA therefore continues to link education and work through research, evidence-based planning, and informed decision-making, thereby responding to occupations in high demand across the manufacturing sector</p>	<p>Both the following implications are primarily supply-related</p> <p>The NSDP comprises several outcomes to which the merSETA aligns itself. Informed through evidence-based skills planning (underpinned by evidence-based research) and effective decision-making, educating, and training unemployed and employed learners remains a priority for the merSETA. Thus, the merSETA will continue to support the NSDP</p>	<p>Outcome 1 (Increase access), Outcome 2 (Link education and work), Outcome 8 (Career development services)</p>

Policy/Strategy	Sectoral Impact	Implications for skills planning	Linked NSDP Outcome
		<p>as follows:</p> <p>Increase access to occupationally directed programmes.</p> <p>Support career development services</p>	
<p>Just Energy Transition Framework (JETF)</p>	<p>South Africa has been grappling with various energy challenges, including a heavy reliance on coal for electricity generation and persistent issues of energy poverty. It has also made commitments to reduce greenhouse gas emissions and increase the share of renewable energy in its energy mix. To this end, the country has developed the framework to address both environmental concerns and social justice issues in the process of transitioning to a low-carbon or renewable energy system. It aims to ensure that the transition is fair, inclusive, and equitable, considering the needs and well-being of all stakeholders, including workers, communities, and marginalised groups.</p>	<p>A cleaner and 'greener' future will benefit all. The JETF sets ambitious targets for South Africa, especially for the energy sector. The merSETA will therefore endeavour to support the JETF according to the following:</p> <p>Demand-related:</p> <p>Technological Proficiency: Familiarity with emerging technologies such as automation, data analytics, and artificial intelligence can help drive innovation in the manufacturing sector, improving operational efficiency and reducing environmental footprint.</p> <p>Both demand and supply:</p> <p>The most important among these dimensions would be the reskilling and upskilling of the labour force. The merSETA would need to</p>	<p>Outcome 4: Increase access to occupational programmes; Outcome 5: Equity and inclusion; Outcome 6: Skills for green economy</p>

Policy/Strategy	Sectoral Impact	Implications for skills planning	Linked NSDP Outcome
		support adult workers to ensure they are better equipped to navigate the transition and would involve a skills analysis to identify demand, as well as putting in place substantive short and long-term training programmes.	
Hydrogen South African Strategy	The Hydrogen economy has a prominent role to play in the manufacturing just energy transition, providing employment and support to vulnerable workers, communities, and small businesses. The strategy seeks to propel the country into becoming one of the biggest global players in the hydrogen market and leverage the opportunity as part of the ERRP.	<p>Both Demand and Supply-related: Green hydrogen economy skills cannot be developed in isolation but require a consolidated and collaborative approach that involves stakeholders from across various industry sectors.</p> <p>Demand and Supply-related: Partnerships between the public and private sectors for effective policy and regulatory interventions are deemed pivotal. As the manufacturing industry charts its course towards a green hydrogen future, collaboration with academia, TVET colleges, industry, government, and international partners becomes indispensable. The transition to a hydrogen economy necessitates bold aspirations and collaborative efforts from all stakeholders.</p>	Outcome 4: Access to occupational programmes; Outcome 6: Skills for green economy; Outcome 2: Education-work linkages

Policy/Strategy	Sectoral Impact	Implications for skills planning	Linked NSDP Outcome
		<p>Supply-related: The merSETA supports skills interventions which are rapidly developing the skills required for the green hydrogen economy as it is deemed critical for South Africa's economic development and sustainability.</p> <p>Supply-related: It is therefore imperative that the merSETA prioritises the training and development of a green hydrogen-ready workforce. This will ensure that essential skills are not imported from abroad.</p> <p>Both demand and supply-related: For the merSETA to support the development of skills needs assessment for a nascent industry such as green hydrogen, it is a strategic imperative. It enables proactive, targeted development of the skills required and expertise necessary to drive the industry's growth, innovation, and competitiveness—positively contributing to the growth of the South African economy.</p>	

2.3.2 Reimagined Industrial Strategy

The Reimagined Industrial Strategy introduced a novel approach to industry-level planning, implemented through a series of Masterplans starting in 2019. These Masterplans established a collaborative framework where the government, the private sector, and labour unions collectively developed and executed plans. This process exemplified a new flexible state approach to addressing the varied concerns of individual companies and other stakeholders, particularly labour and working-class communities.

A prominent example is the Tshwane Automotive Special Economic Zone (TASEZ), which set a new benchmark for Special Economic Zones. TASEZ featured a notably faster and more coordinated development process. The investment was spurred by an anchor firm, Ford, while the Department of Trade, Industry and Competition (DTIC), the Gauteng government, and the City of Tshwane pooled their resources and expertise. This strong foundation facilitated the rapid initiation of ten investments by component firms, establishing the SEZ with a network of interconnected producers.

This initiative was strongly aligned with pre-existing policies, including state support through the Automotive Production and Development Programme (APDP) and investment funding via projects like the Automotive Investment Scheme (AIS). The model of rapid action, partnership-driven execution, state coordination, and alignment with broader support programmes provide a robust framework for revitalising industrial policy¹. South Africa is undergoing economic policy reforms related to electricity, rail, ports, and water infrastructure, with a focus on reimagining industrial policy. The country faces energy supply constraints and environmental consequences from coal reliance, which require greener energy policies and investment in renewable energy sources. The modernisation and expansion of local logistics networks, including railways and ports, are crucial for operational performance, rolling stock upgrades, and capital investment. Streamlined logistics systems drive growth in labour-intensive sectors and enhance export capacity, generating significant income for the country. Public-Private Partnerships (PPPs) are essential for success, fostering innovation and inclusive growth. Aligning policy reforms with infrastructure plans can lead to outsized

¹ <https://www.thedtic.gov.za/wp-content/uploads/dtic-industrial-policy-review.pdf>

returns and drive inclusive growth. A recap of the master plans aligned to the merSETA sectors is presented in the table below:

Table 10: Sectoral Master Plans

Sectoral Master Plans	
Broad Objectives:	
<i>Aligned to the re-imagined industrial strategy which incorporates the sectoral master plans coupled with the Economic Reconstruction and Recovery Plan.</i>	
<ul style="list-style-type: none"> • Enabling the state to put the country on a trajectory of transformation and growth. 	
<ul style="list-style-type: none"> • To re-industrialise South Africa and promote the localisation agenda. 	
<ul style="list-style-type: none"> • Highlights the manufacturing sector as a high labour absorbing sector as it allows many to access a decent livelihood which is imperative for the well-being of workers, their families, and communities. 	
Sector	Vision
Steel Master Plan	Highlights the need for long-term thinking as the industry has been in decline the default status is one of meeting immediate needs for survival.
Plastics Master Plan	To be a proactively adapted industry that can fully supply the growing, and forever changing needs of the local and export markets; Build an industry that can create jobs, advance transformation, and economic inclusion; and sustainably industrialise in an environmentally responsible manner.
Automotive Master Plan 2035	A globally competitive and transformed industry that actively contributes to the sustainable development of South Africa's productive economy, creating prosperity for industry stakeholders and broader society

Overall, the drivers highlighted in this chapter and the key themes emerging from the policy landscape are synergistic. The changes in the industry, driven by economic context, are reflected in policy proposals that indicate the government's commitment to supporting growth and prosperity for its citizens.

Skills development relies on strategic interventions through partnerships and adequate funding to ensure positive outcomes for learners and workers in the labour market. The highlighted drivers and proposed interventions are rooted in policy imperatives across the PSET and industry landscape, necessitating collaborative efforts across sectors and industries. The previous SSP examined the notion of redundancy, emphasising the need for interventions to address displacement and

redundancy, which remains a key focus given that most workers in the sector are low-skilled and semi-skilled.

2.3.3 Reflection of the merSETA Response to Key National Strategies

Over the past five years, merSETA has engaged with several national strategies and plans to address the skills implications in South Africa. This reflection will start with the merSETA's intention to align with the Government of National Unity (GNU) and the 7th administration's Medium-Term Development Plan (MTDP) 2024–2029 priorities.

A detailed reflection on focusing on the Economic Reconstruction and Recovery Plan (ERRP), the National Skills Development Plan (NSDP), and the Presidential Youth Employment Initiative (PYEI). Each of these strategies has significant implications for skills development, and merSETA has responded by aligning its initiatives to support these national outcomes.

2.3.4 The Medium-Term Development Plan (MTDP) 2024–2029

The MTDP outlines South Africa's strategic vision for addressing critical socio-economic challenges over the next five years. Anchored in the principles of inclusive growth, poverty reduction, and the development of a capable and ethical state, the MTDP serves as a roadmap for transforming the nation's Post-School Education and Training (PSET) system. It emphasizes the need for a skilled workforce to support key sectors such as renewable energy, advanced manufacturing, and localisation. The plan aligns with national priorities to promote social cohesion, reduce inequality, and create sustainable employment opportunities.

Incorporating the MTDP into the SSP is essential to ensure that skills development strategies directly address the priorities identified by the government. By aligning the SSP with the MTDP, merSETA can effectively contribute to building a resilient and inclusive economy. This integration ensures the workforce is equipped with relevant skills to meet future industry demands while supporting critical initiatives such as the Just Energy Transition, workplace-based learning, and governance improvements in the PSET sector.

2.3.5 Economic Reconstruction and Recovery Plan (ERRP)

The ERRP aims to drive substantial structural changes in the economy, addressing challenges such as low investment levels and job creation. It emphasises the

importance of increasing the supply of skills to support interventions in sectors like energy sustainability and green initiatives. In response to the ERRP, merSETA has focused on supporting Small, Medium, and Micro Enterprises (SMMEs) by intensifying efforts to assist SMMEs the SETA also aligned its skills development programs with the ERRP outcomes, ensuring that the skills provided meet the demands of the evolving economic landscape.

National Skills Development Plan (NSDP)

The NSDP is designed to ensure that South Africa has adequate and high-quality skills necessary for economic growth and social development. It identifies key outcomes that the SETA should focus on, including increasing access to occupationally directed programs and supporting career development services. To align with the NSDP, the SETA has implemented evidence-based planning and prioritised research and data analysis to inform skills planning and ensure that training programs are relevant to current and future job markets. Additionally, merSETA developed training initiatives that specifically target occupations experiencing high demand within the manufacturing sector.

Presidential Youth Employment Initiative (PYEI)

The PYEI is a multi-sector action plan aimed at addressing youth unemployment in South Africa. It seeks to create pathways for young people into the economy through various interventions, including workplace experience and support for self-employment. In alignment with the PYEI, they actioned a Rapid Alignment of Training Programs and worked to ensure that training initiatives are closely aligned with the needs of the industry, facilitating better employment outcomes for youth. merSETA also supported initiatives that create job opportunities in both formal and informal sectors, addressing barriers faced by young people entering the workforce.

The SETA's responses to these national strategies reflect a proactive approach to addressing the skills implications in South Africa. By aligning its initiatives with the ERRP, NSDP, and PYEI, merSETA is contributing to the development of a skilled workforce capable of meeting the challenges of a dynamic economic environment. This strategic alignment not only supports economic recovery but also fosters inclusive growth and social development.

The SETA's responses to these national strategies reflect a proactive approach to addressing the skills implications in South Africa. By aligning its initiatives with the ERRP, NSDP, and PYEI, merSETA is contributing to the development of a skilled workforce capable of meeting the challenges of a dynamic economic environment. This strategic alignment not only supports economic recovery but also fosters inclusive growth and social development.

2.4 Measures in Place to Support MDTP Outcomes

The merSETA has implemented a range of measures to support the Medium-Term Development Plan (MTDP) as part of its broader strategic realignment for the 2025–2030 period. These measures are framed around improving internal capacity, aligning with national priorities, and enhancing operational efficiency.

Table 11: Measures in place to support MDTP Outcomes

Policy/Strategy	merSETA Planned Measures	Demand / Supply Focus	Linked NSDP Outcome(s)
Medium-Term Development Plan (MTDP) 2024–2029	- Organisational redesign through the TransfoMER Project to strengthen delivery capacity. - Adoption of comprehensive M&E framework and data-driven decision-making. - Strategic alignment with national policies (NSDP, ERRP, PYEI). - Strengthened partnerships with SETAs, employers, TVETs and local government (esp. rural development, youth employment, digital access). - Enhanced discretionary grant evaluation and project management.	Both (internal capacity building and sectoral alignment)	Outcome 2: Link education and work; Outcome 7: Improve workplace-based learning; Outcome 8: Strengthen career development
Economic Reconstruction and Recovery Plan (ERRP)	- Support reindustrialisation and localisation programmes. - Expand support for SMMEs to create job opportunities. - Develop innovative small business support interventions. - Promote skills for energy security and the green economy.	Supply (skills programmes, SMME support) and Demand (aligning training to industrial growth)	Outcome 4: Increase access to occupational programmes; Outcome 6: Support transformation and equity; Outcome 2: Link education and work
Presidential Youth Employment Initiative (PYEI)	- Introduce flexible bridging interventions for youth entry into growth industries. - Support township and rural economy entrepreneurship initiatives. - Strengthen workplace-based experience opportunities. - Align training rapidly to industry demand through demand-led skilling.	Both (workplace entry and demand-led training)	Outcome 3: Improve foundational learning; Outcome 5: Improve equity in skills development; Outcome 8: Support career development services

2.5 Conclusion

This chapter explores the complex drivers of skills change in South Africa's manufacturing sector, stressing the need for strategic workforce planning and inclusive skills development. In summary, skills demand in the manufacturing sector is being reshaped by a few powerful forces: rapid technological and digital shifts, the green transition and ESG imperatives, evolving global trade and supply chain dynamics, persistent youth unemployment and equity challenges, and new policy and regulatory frameworks such as the ERRP, MTDP, JETF and Hydrogen SA. Together, these change drivers will have the most significant impact on skills planning for 2026/27, reinforcing the need for continuous reskilling, stronger PSET–industry linkages, and agile, evidence-based strategies to build a workforce that is both inclusive and globally competitive.

Chapter 3: Sectoral Skills Demand and Supply Analysis

3.1 Introduction

This chapter of the SSP examines sectoral occupational demand, training provision, and occupational supply. It highlights challenges and key focus areas, sectoral priority occupations, and interventions that form the basis for SETA's strategic decisions to fulfil its mandate. The methodologies used to determine these priorities are also described.

Key information for this chapter is derived from SETA mandatory grant data, workplace skills plans, and sector surveys. Secondary research, including data from Higher Education Institutions (HEIs) and TVET Management Information Systems (MIS), as well as statistical reports, are also utilised.

3.2 Occupational Shortages and Skills Gaps

The Post School Education and Training (PSET) system is a crucial institutional mechanism that must respond to societal needs. The South African education system has become the primary vehicle for delivering knowledge, skills, and values, with a significant portion of the national budget dedicated to both schooling and post-schooling education. The Higher Education Institutions (HEI), Community Education and Training (CET), and Technical and Vocational Education and Training (TVET) college subsystems are the largest components of the PSET system. SETAs play a critical role in skills development within the PSET framework. Leveraging their sectoral knowledge and funding capacity, SETAs align with national and

sectoral priorities. Understanding the supply and demand sides of skills is essential for driving sectoral and

3.1.1 Sectoral Occupational Demand and Priority Occupations

3.1.1.1 Hard-to-Fill Vacancies

The analysis of hard to vacancies is derived from the 2024/25 WSP information which requests that employers indicate both their total number of vacancies for the year and of those, the number of vacancies that they were unable to fill. For the analysis – the hard-to-fill vacancies constitute positions that employers could not fill for 12 months, in summing those across all employers, the list of hard to fill vacancies are indicated for occupations in which there were five or more vacancies.

In total the data shows that there were 2533 total vacancies in the 2024/25 year for employers who submitted data to the merSETA. From the total vacancies there were 1422 hard to fill vacancies.

OFO Group	OFO Code	Occupation	Reason for Vacancy	Sum of I
1. Managers	2021-122101	Sales and Marketing Manager	Candidates lack specific skills	10
	2021-122102	Sales Manager	Candidates lack specific skills	62
	2021-122105	Customer Service Manager	Candidates do not have the right experience	14
2. Professionals	2021-216302	Industrial Designer	Candidates lack specific skills	6
3. Technicians and Assoc Professionals	2021-311904	Manufacturing Technician	Candidates lack specific skills	10
	2021-312201	Production / Operations Supervisor (Manufacturing)	Vacancy situated in remote/difficult to access location	9
	2021-313916	Manufacturing Production Technicians	Candidates lack specific skills	16
	2021-331201	Credit or Loans Officer	Candidates do not have the right experience	28
	2021-332302	Purchasing Officer	Candidates do not have the right experience	42
4. Clerical Support Workers	2021-431102	Cost Clerk	Candidates do not have the right experience	21
	2021-441903	Program or Project Administrators	Candidates do not have the right experience	99
5. Service and Sales Workers	2021-522302	Motorised Vehicle or Caravan Salesperson	Candidates lack specific skills	236
	2021-522303	Automotive Parts Salesperson	Candidates do not have the right experience	51
	2021-541401	Security Officer	Candidates lack specific skills	14
6. Skilled Trades Workers	2021-641502	Carpenter	Candidates do not have the right experience	20
	2021-642602	Solar Installer	Candidates lack specific skills	6
	2021-642702	Refrigeration Mechanic	Candidates do not have the right experience	10
	2021-643201	Industrial Spraypainter	Candidates lack specific skills	10
	2021-651202	Welder	Candidates lack specific skills	34
	2021-652301	Metal Machinist	Candidates lack specific qualifications	16
	2021-652302	Fitter and Turner	Candidates lack specific skills	10
			Candidates do not have the right experience	10
			Candidates lack specific qualifications	6
	2021-653101	Automotive Motor Mechanic	Candidates lack specific skills	122
	2021-653303	Mechanical Fitter	Candidates lack specific qualifications	6
	2021-653306	Diesel Mechanic	Candidates lack specific skills	31
	2021-653307	Heavy Equipment Mechanic	Candidates lack specific skills	10

	2021-671101	Electrician	Candidates do not have the right experience	7
	2021-684305	Quality Controller (Manufacturing)	Candidates do not have the right experience	12
	2021-684904	Panel beater	Candidates lack specific skills	10
7. Plant and Machine Operators	2021-712102	Metal Manufacturing Machine Setter and Minder	Candidates do not have the right experience	16
	2021-712201	Electroplater	Candidates do not have the right experience	7
	2021-714204	Plastics Production Machine Operator (General)	Vacancy situated in remote/difficult to access location	7
	2021-714301	Paper Products Machine Operator	Candidates lack specific qualifications	8
	2021-734206	Loader Operator	Candidates do not have the right experience	8
	2021-734402	Forklift Driver	Candidates do not have the right experience	12
8. Elementary Workers	2021-811204	Caretaker / cleaner	Candidates do not have the right experience	416
	2021-862914	Sheltered Workshop Worker	Candidates lack specific skills	10
Grand Total				1422

Number of HTFV

In total the data shows that there were 2533 total vacancies in the 2025/26 year for employers who submitted data to the merSETA. From the total vacancies there were 1422 hard to fill vacancies as outlined in the table below.

OFO Group	No. HTFV	%
1. Managers	86	6%
2. Professionals	6	0%
3. Technicians and Assoc Professionals	105	7%
4. Clerical Support Workers	120	8%
5. Service and Sales Workers	301	21%
6. Skilled Trades Workers	320	23%
7. Plant and Machine Operators	58	4%
8. Elementary Workers	426	30%
Grand Total	1422	100%

In terms of occupational category, most HTFVs were for Artisans, Sales workers, and elementary workers. Demand tended to be higher demand in elementary, clerical and technician roles in the 2024/2025 year.

3.1.1.2 Reasons for Hard to Fill Vacancies

The reasons for hard-to-fill vacancies are mostly related to a lack of experience and specific skills. The requirements to have specific qualifications only accounted for 3% of total HTFVs and the location of the vacancy accounted for 1% of HTFVs.

Reason for HTFV	Total	%
Candidates do not have the right experience	773	54%
Candidates lack specific skills	597	42%
Candidates lack specific qualifications	36	3%
Vacancy situated in remote/difficult to access location	16	1%
Grand Total	1422	100%

Overall reasons for hard to fill vacancies suggest that employers are discerning in terms of experience and specific skills rather than actual qualifications which suggests that there would be a higher demand for specific skills related courses and programmes rather than whole qualifications for each of the occupations.

3.3 Skills Gaps

The top five skills gaps in the manufacturing sector are concentrated in new technology, new work processes, new products, problem-solving, and management and leadership. These gaps cut across nearly all occupational groups, reflecting the sector's struggle to adapt to rapid

technological change, shifting production methods, and innovation demands. At the same time, the need for stronger problem-solving and leadership highlights the importance of both technical and soft skills in driving competitiveness and productivity.

Table 12: Top 5 Skills Gaps

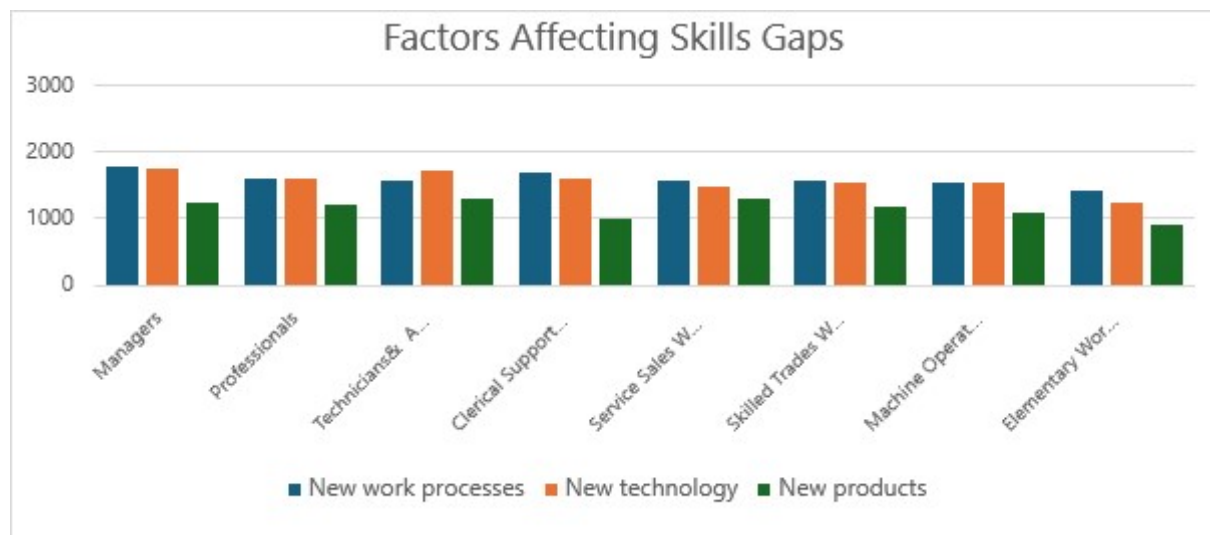
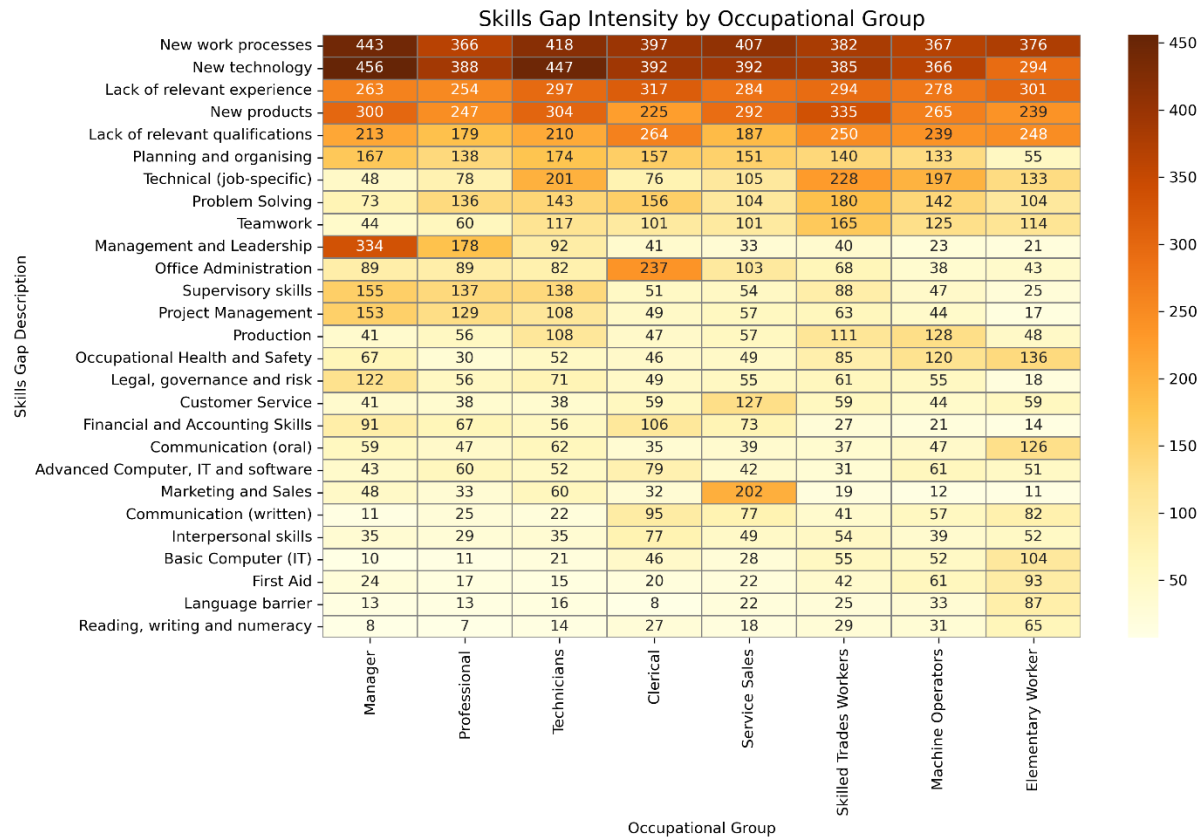


Figure 12: Factors Affecting Skills Gaps

3.4 Supply Side Analysis

This section discusses the state of education and training provision in South Africa. The state of education and training provision in South Africa is broad, ranging from basic education to post-school education and training (PSET). The future growth prospects of a sector are dependent on the availability of appropriate and affordable skills; therefore, an analysis of the supply side, to determine the extent to which the state of skills meet the demand is necessary.

Education is one of the most important factors influencing a country's progress, welfare, and level of economic and social development. South Africa has one of the highest rates of public investment in education in the world. South Africa continues to spend a large share of its national budget and wealth on education (both schooling and post-schooling), and even exceeds benchmarks set by UNESCO. In 2023, South Africa allocated **6.15% of its GDP** to education, up from 6.17% in 2022 well above the UNESCO guideline of 4–6%

Essentially, the South African workforce continues to battle challenges such as the skills gap, a high youth unemployment rate and economic uncertainty, which present challenges for both organisations and job seekers alike. However, the root of unemployment is not only a lack of jobs; a key underlying issue is the inadequately educated workforce which is the main challenge of post-school education and training. From a human capital perspective, education and training improve the productivity of individuals. In this sense, it is important to consider the education levels and training of the population when evaluating the skills supply.

3.4.1 The State of Education and Training Provision

3.4.1.1 Level of Education in the South African Population

South Africa's commitment to the development of a skilled and capable workforce is reflected in its NDP and strategic plans, such as the Medium-Term Strategic Framework (MTSF) (Department of Planning, Monitoring and Evaluation [DPME], 2014). A proxy measure of the skills and capabilities of South Africa's workforce is its highest level of educational attainment (HLEA).

The HLEA is often used globally to compare the education levels of people across nations. Such comparisons serve as a barometer of the extent to which countries perform in terms of their education systems and are used by investors to assess investment potential in a country. Moreover, a person's educational attainment is one of the most important determinants of his or her life prospects in terms of employment, income, health status, housing, and many other amenities (PSET Monitor, 2024). More years of schooling in the population reflect a workforce that is more highly skilled and productive, leading to improved long-term economic growth and social outcomes (PSET Monitor, 2024).

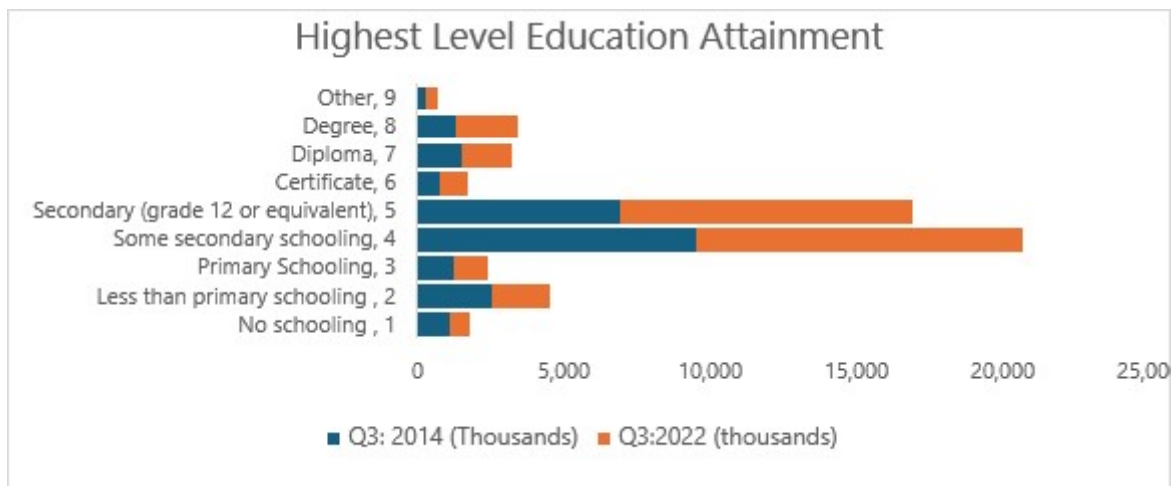


Figure 13: Highest Level education Attainment.

The above figure demonstrates the education levels of persons aged 25–64 years have improved over the past eight years. The share of the population aged 25–64 years who have completed secondary education as their HLEA (Grade 12 or equivalent), increased from 27.4% in 2014 to 33.2% in 2022, while those who have degrees increased from 5.2% to 7.0% in the same period.

Education plays a crucial role in equipping young people with the skills and competencies necessary to succeed in the workplace. However, according to the Quarterly Labour Force Survey (QLFS) for the first Quarter of 2024, only 9.8% of the employed youth were graduates. Limited educational attainment, as well as social and economic disadvantages, are the primary factors driving elevated rates of unemployment, and the significant proportion of youth in employment, education, or training (NEET) in South Africa (Statssa.gov.za, 2024).

The increased expenditure demonstrates the recognition of the importance of lifelong learning, and the need to equip individuals with the necessary skills and knowledge to thrive in a rapidly changing world. Furthermore, the data in the below diagram shows that despite the increase in public expenditure on PSET, it has remained inadequate to meet the National Development Plan (NDP) targets for enrolment in the TVET and CET sub-sectors.

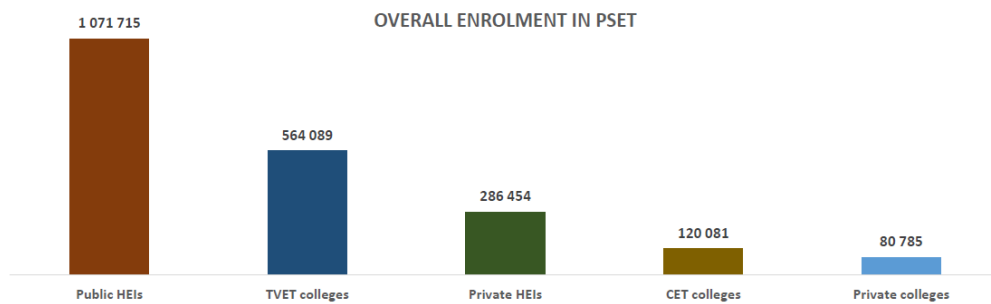
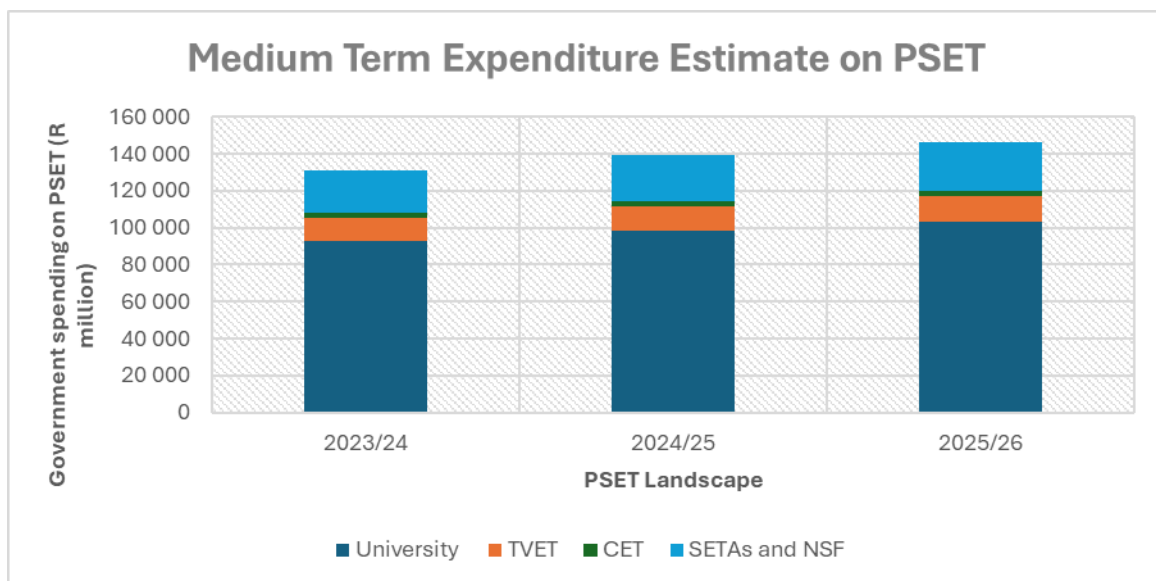


Figure 14: Overall Enrolment in PSET, 2023

Public HEIs dominate post-school enrolments with just over 1 million students, followed by TVET colleges at 564 089. Private HEIs, CET colleges, and private colleges contribute smaller shares, highlighting the continued reliance on universities and TVETs as the primary skills pipelines. In 2023, public HEIs enrolled 1.07 million students (down 0.6% from 2022) and private HEIs 286 454, with enrolments dominated by young Africans and more females across most fields. Most graduates came from Science, Engineering and Technology (29.8%) and Business and Management (26.2%). For skills planning, this highlights the need to address declining enrolments, reduce oversupply in humanities, and strengthen alignment with demand in engineering, ICT, and artisanal fields (DHET, 2023).



3.4.1.2 Schooling pipeline

Labour market research points to a significant demand for science-and-technology-based occupations at both professional and technician levels. Encouragingly, an examination of university enrolment and graduation data reveals that universities are, in a broad sense, responding positively to occupations in high demand (OIHD).

The extent of skills mismatches between education and the labour market is higher in South Africa than in many other countries. This problem can only be partly attributed to the PSET system's not providing programmes that are responsive to the needs of the labour market; it remains imperative for the PSET system to continuously identify, develop, and deliver programmes that are flexible and relevant to the ever-changing needs of the economy and the labour market.

Employers face persistent supply-side challenges, including mismatches between graduate skills and industry needs, weak work readiness, and low throughput rates in HEIs and TVETs. Declining enrolments in critical STEM fields, uneven training quality, and limited industry–education alignment further constrain the pipeline, leaving many firms struggling to secure skilled talent where it is most needed.

Given the special importance of building skills needed for mathematically oriented and scientific professions, DPME has set national targets for the number of learners achieving marks in mathematics and physical sciences required by university faculties such as engineering, commerce, and medicine. Previously, DPME's targets focused on achieving a 50% mark in the two subjects. In the 2019 to 2024 Medium Term Strategic Framework (MTSF), the country's five-year plan released in 2020, the threshold was raised to 60%. The thresholds 50%, 60%, and 70% are important as they are all used by universities, depending on the institution and faculty concerned (NSC Report, 2024).

STEM education (Science, Technology, Engineering, and Mathematics) in South Africa (SA) is vital for the nation's economic growth, technological development, and global competitiveness. This stream has become increasingly important in South Africa as the country seeks to address the skills gap in industries such as manufacturing, construction, and automotive services. It is increasingly being recognised as a key driver for innovation and societal advancement (National Science and Technology Forum, 2024).

There was a marginal decline in the physical science pass rate this year. Candidates who passed at the 30% level decreased from 76,2% in 2023 to 75,6% in 2024. There was a corresponding decrease in the physical science pass rate at the 40% level over the past two years from 51,1% to 49,9%. In addition, there was a significant improvement in the mathematics pass rate in 2024. Candidates who passed at the 30% level improved from

63,5% in 2023 to 69,1% in 2024. There was a corresponding improvement in the pass rate at the 40% level over the past two years from 43,6% to 47,9% (Diagnostic Report NSC, 2024).

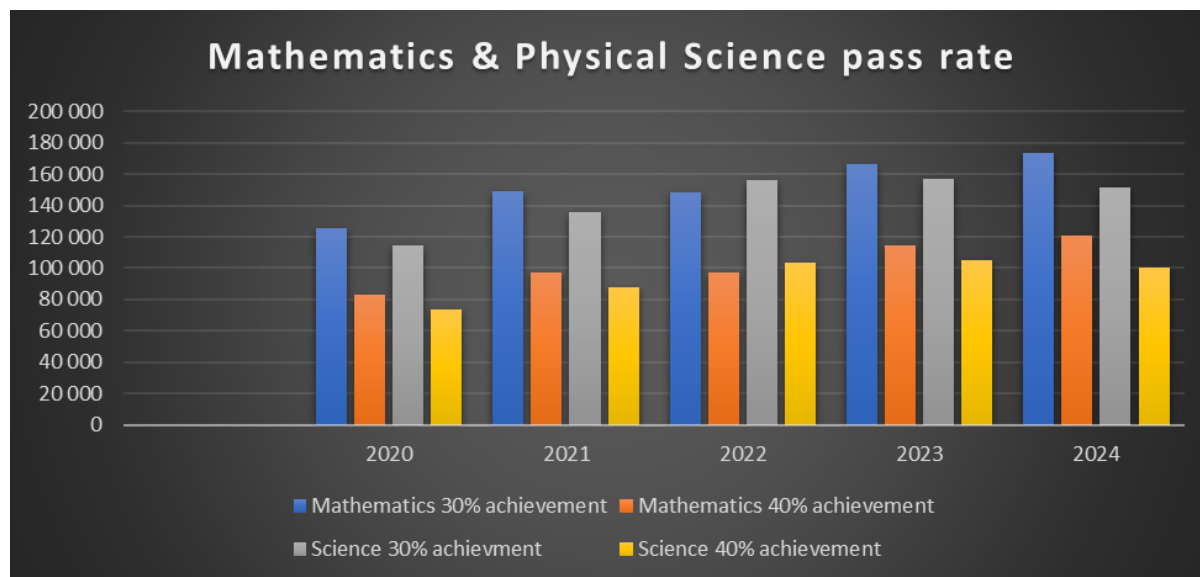


Figure 15: Mathematics and physical science pass rate 2020-2024.

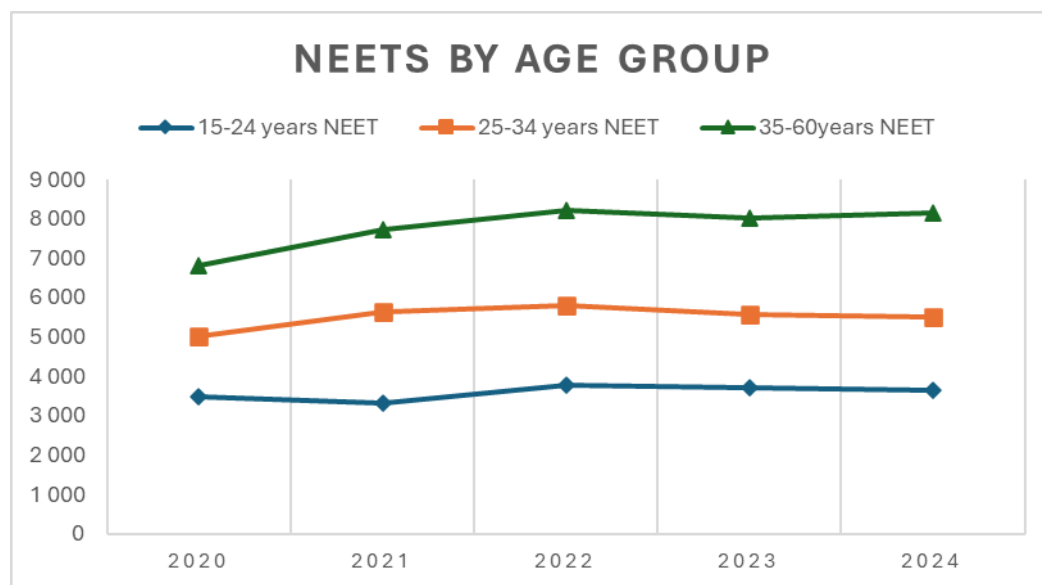
In addition to addressing the high drop-out rate, we need to relook at our curriculum content to ensure that it is fit for purpose and equips learners with the necessary skills for the job market of the future. We need to upskill our teachers, train more teachers in the core STEM subjects of science, technology, engineering, and math, and implement a culture of accountability in the education space.

3.4.1.3 Access to CET colleges

The purpose of CET colleges is to cater for the needs of unemployed youth and adults with lower levels of education who are not studying. This is expected to help them progress into other post-school institutions, improve their chances of finding work and start businesses. There are currently nine CET colleges in South Africa, with one in each province. The WPPSET (DHET, 2013) and the NDP envisage one million students enrolled in CET colleges by 2030. To achieve this target, enrolments in CET are expected to increase at an average of 10.5% year-on-year from 2019 to 2030 (DHET, 2019c). According to the Master Skills Plan report, (2024) Community Education and Training colleges should focus on job skills training for sustainable livelihoods.

The 2013 White Paper for Post-School Education and Training proposes the creation of Community Education and Training (CET) colleges to enhance post-school youth and adults' employability and skills and to facilitate further education at TVET colleges or universities (DHET 2023, 1).

Emphatically, the CET is an emerging sector within the PSET system, and the foundation of the sector evolved from the former Adult Basic Education and Training (ABET), which focused predominantly on basic literacy and numeracy for adults. Furthermore, the CET sector plays its unique role in the provision of the necessary skills required for economic development and to halve poverty and indignity. Moreover, the CET Colleges target out-of-school youth and adults who require various forms of skilling as part as part of government instrument for the provision of mass skills programme as a contribution and a response to ERRP.



Information about NEETs assists the PSET landscape to make informed decisions about PSET provisioning. Furthermore, CET provide skills development opportunities for communities, including NEETs, young people, and older individuals. They offer training programs for illiterate individuals, adults who have not completed schooling, and vocational, literacy, digital literacy, and employability skills. CETCs increase accessibility to learning opportunities, especially in areas where traditional institutions may be limited (DHET, 2024).

Additionally, the data reveals that participation in PSET is not keeping pace with the growing number of NEET youths, due largely to significant declines in enrolment in TVET and CET colleges. Thus, PSET opportunities are not enough to curb the high number of people who are NEET in the country.

The majority of persons who are NEET in South Africa have education levels below matric, suggesting that higher levels of educational attainment are a contributing factor to the reduction of NEETs in South Africa. Overall, the PSET system has a crucial role to play in enabling the attainment of basic skills, including reskilling and upskilling.

As part the merSETA’s strategic intent, to enhance the manufacturing sector development through innovative methods, capacity building, and strategic partnerships. The merSETA’s

Annual Performance Plan (APP) highlights the strategic priority of TVET and CET colleges' growth, linked to outcome 5 of the National Skills Development Plan (NSDP). Support is provided through bursaries for lecturers, infrastructure support and entrepreneurship.

3.4.1.4 PSET Race and Gender of Supply

There are still inequalities in terms of race and gender in PSET in the workplace, however in terms of skills supply there are more females obtaining HEI degrees.

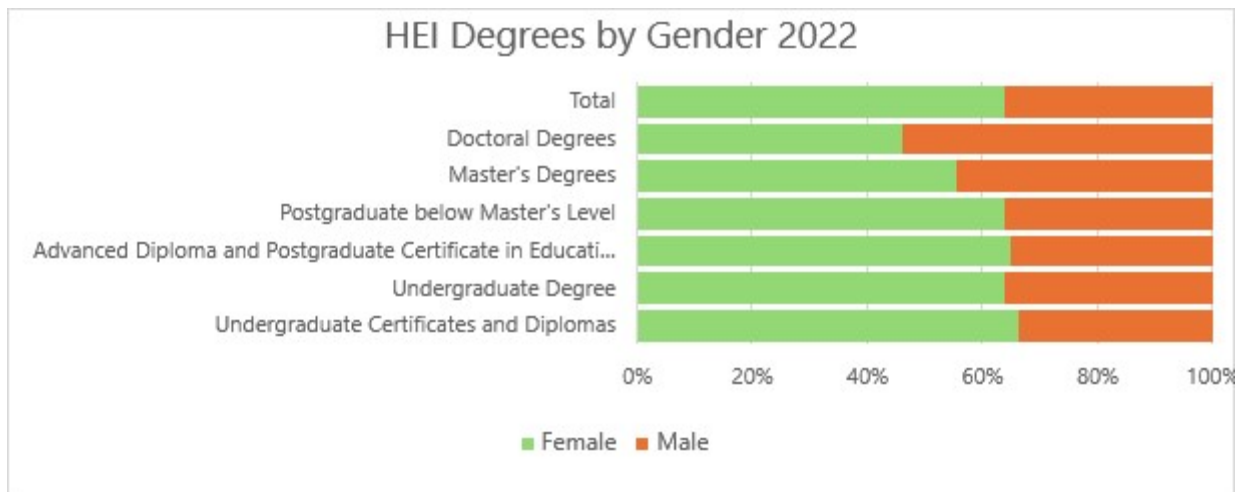


Figure 16: HEI Degrees by Gender (DHET,2023)

The figure on HEI degrees by gender shows a majority of females across all categories except doctoral degrees.

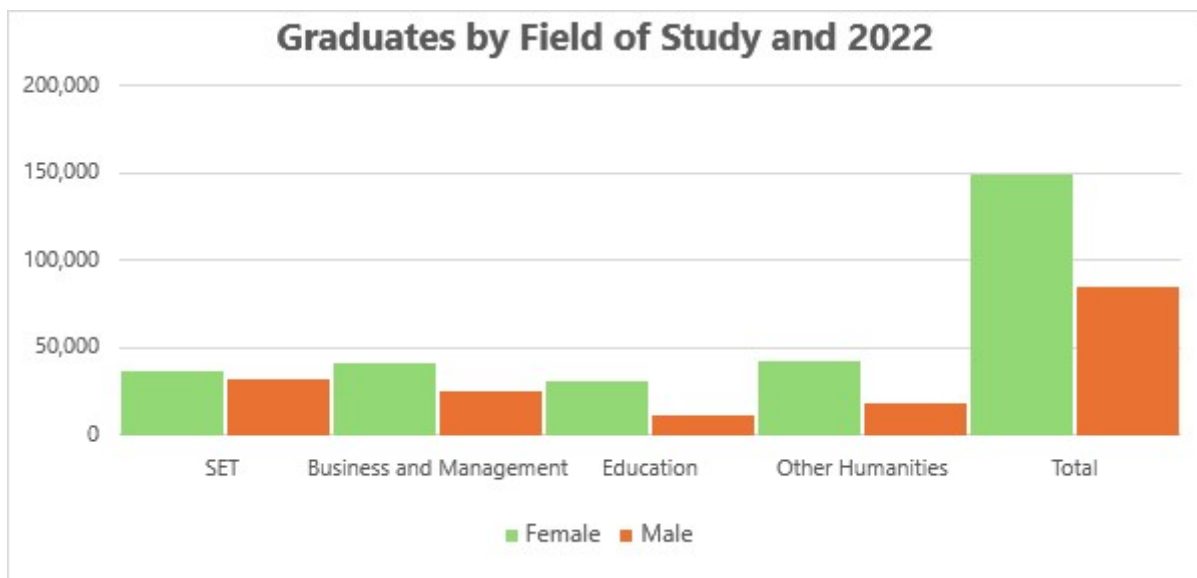


Figure 17: Graduates by Field of Study and Gender (DHET, 2023)

In terms of the field of study, there are also more females across all categories graduating, including SET degrees.

3.4.1.5 TVET College Supply

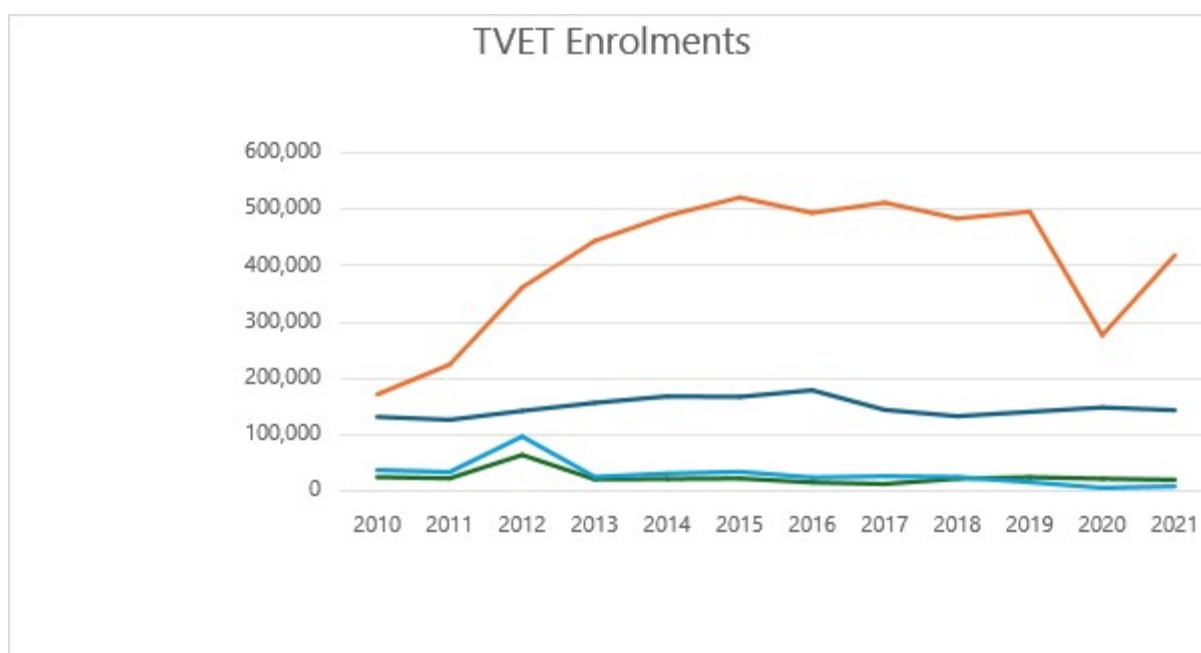


Figure 18: TVET Enrolments

In 2021, there were 589 083 students enrolled in TVET colleges, and this was a 30.2% (136 806) increase compared to 2020 (452 277). The only increases in this period were recorded for Report 191 and skills programmes, where enrolment increased by 51.7% (142 042) and 71.1% (2 765) respectively. Enrolment declined in the other programmes (NC(V), Occupational Qualifications, Pre-Vocational Learning Programme (PLP) and Level 5 and 6 qualifications) between 2020 and 2021. Tracking uptake of occupational qualifications under the OQSF will have to be tracked and monitored going forward, particularly in respect of assessments and accreditation of providers to provide a steady supply of graduates to the market.

3.4.1.6 Students with disabilities participating at PSET institutions.

The Strategic Policy Framework on Disability for the Post-School Education and Training (PSET) system guides the improvement of access to and success in post-school education and training for people with disabilities. The strategic policy framework aims to ensure transformation and redress regarding full inclusion, integration, and equality for persons with disabilities in the post-school education and training system.

The NDP and the WPPSET aim to foster a more dynamic, equitable and inclusive society. The WPPSET provides a blueprint for inclusive PSET provision in South Africa to address the challenge of disability across the PSET landscape. The DHET therefore embraces the principles of mainstreaming (ensuring that persons with disabilities participate equally with

others in any activity and service as intended for the public) and including people with disabilities in all PSET institutions, as reflected in the Strategic Policy Framework on Disability for the Post-School Education and Training System (DHET, 2018b).

Participation of students living with disabilities in the PSET sector has remained disappointingly low. Although little formal evidence is available about the reasons for this, it is generally known that the absence of proactive interventions, and lack of capacity and resources contribute to this phenomenon.

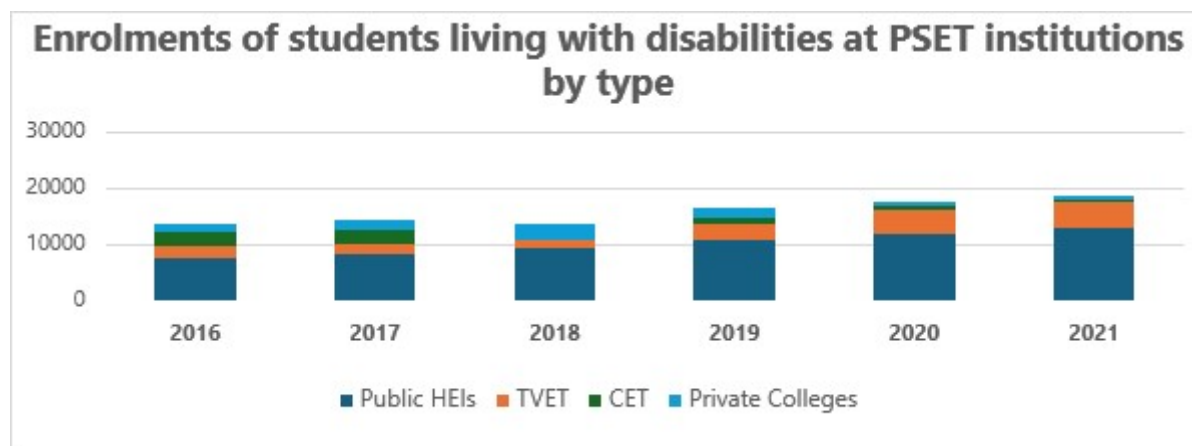


Figure 19: Enrolments of student living with disabilities at PSET institutions by type.

The above figure shows the enrolment of students with disabilities at PSET institutions from 2016 to 2021. There were 18,304 students with disabilities enrolled at PSET institutions in 2021, accounting for 1% of total enrolment for the year. The share of students with disabilities across institutional types was also low at 1.2% at public universities, 0.8% at TVET colleges, 0.2% at CET colleges and 0.6% at private colleges. Enrolment of students living with disabilities at PSET institutions by institution type 2016-2021.

3.5 Extent of Occupational Supply

The skills supply context occurs during a period of significant change in the South African skills supply ecosystem. The transition process of occupational qualifications in South Africa is a significant milestone, with outdated qualifications phased out and new ones aligned with industry needs. The Quality Council for Trades and Occupations (QCTO) manages this transition, enhancing the supply of relevant skills in the workforce. The process also ensures that qualifications meet workplace demands, driving economic growth and employment opportunities. The recent government gazette introduces an extension for certain trades, allowing artisans with unregistered occupational qualifications to receive a minimum of 1 year and a maximum of 2 years of extension. This process aligns qualifications with industry needs, positively impacting skills supply, and the recent gazette provides flexibility for specific

qualifications during this transition. The merSETA will closely monitor this process and assist stakeholders in understanding and implementing it accordingly.

3.3.1 Learnerships and Apprenticeships

This section provides a full profile of those enrolled to complete an apprenticeship and learnerships during 2019/20 to 2023/24. A combination of sources, such as data from the Annual Report as well as QMR, shows that a fair estimation of completion rates for learnerships is between 40-70% and between 40- 50% for apprentices. Apprenticeships do take longer to complete than learnerships, typically 3 to 4 years, and would naturally have a higher dropout rate.

Apprenticeship/Artisan work is skilled work in that knowledge connects tasks to procedures, and there is a link between the understanding of isolated components into a whole functional system. The skills of an apprentice comprise of a collection of skills that make up an occupation. In comparison to apprenticeship, learnerships are work-based learning programmes with a threefold purpose to provide learning in a structured and systematic form than apprenticeships, linking the structured learning to multiple sites of the work experience, and training with practical work experience that culminates into a nationally recognised qualification.

The annual registration and completion figures for apprentices and learnerships since the 2019 financial year are shown in Figure 37 and Figure 38 below. Apprenticeships and learnerships form a crucial part of the supply of skills to the sector. Therefore, the merSETA continues to support the uptake of these learning pathways and continues to monitor trends in registrations and completions. The merSETA provided support to almost 10000 employed learners to promote skills development in the workplace, enhancing their skills, enabling better productivity, and addressing scarce skills within the mer-Sector through learning interventions such as learnerships. The discrepancy between enrolment and completion rates is aptly illustrated in the below Figure, the gap between the two is increasing instead of declining. Even more worrying is that completion rates appear to decline more instead of increasing or remaining constant.



Figure 20: Apprenticeships entered and completed 2019/20-2023/24.

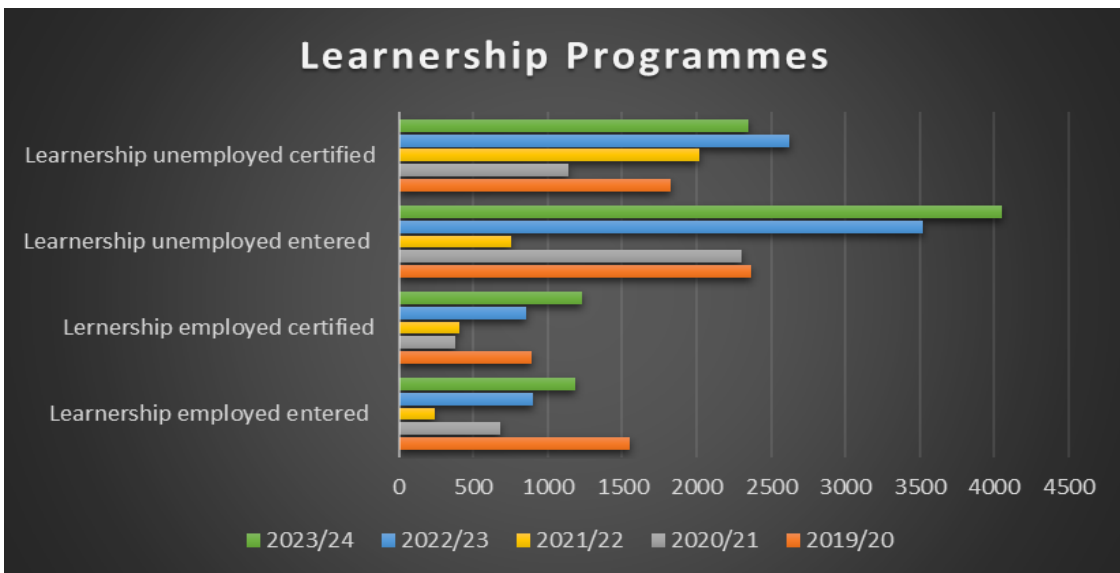


Figure 21: Learnerships entered and completed 2019/20-2023/24.

The merSETA has made a noticeable contribution to skills development in the last five years. The overall decline in enrolments and completion within the PSET system places severe pressure on SETAs to enhance the pipeline of skills supply for the labour market. The following section provides an overview of the merSETA’s contribution to the skills supply for the manufacturing sector. Skills programmes demonstrates a clear distinction in the availability of unemployed learners to participate in programmes, with fewer employed learners entering and completing programmes.

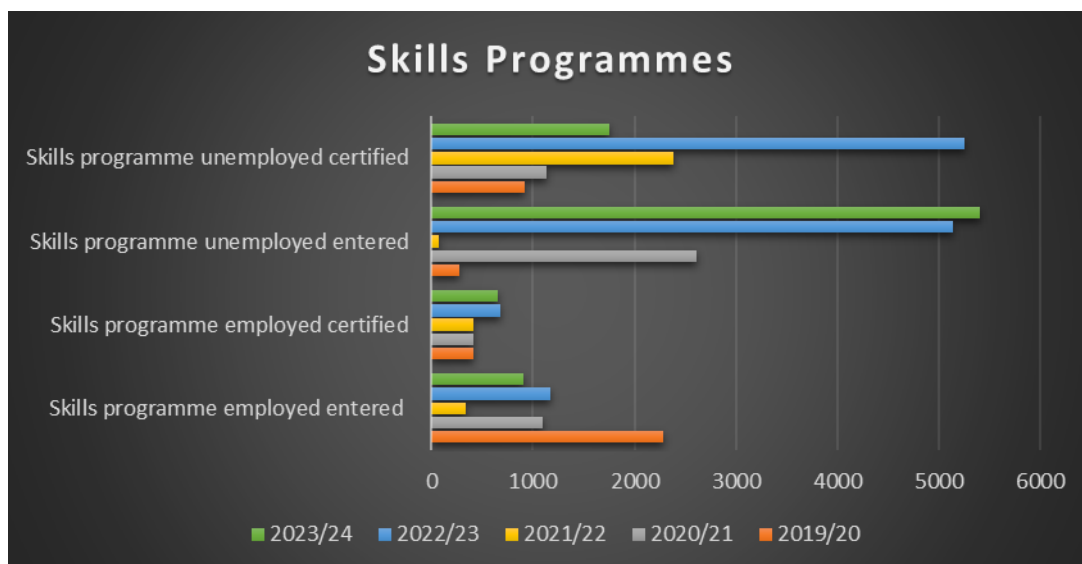


Figure 22: Skills Programmes entered and completed 2019/20-2023/24.

3.6 Sectoral Priority Occupations

3.6.1 Methods & Processes Followed to Compile Priority Lists

The methodology employed in to determine skills priorities for 2025/26 comprises research conducted to support SSP compilation and forecasting which highlighted key skills requirements in consultation with the chambers and their respective sectors. In addition, the previous SSP priority skills lists were reviewed to track skills that remain priorities and identify new and emerging skills trends. The final priority list includes skills that were highlighted as priorities in the period 2023-2025 across SSP lists and lists compiled in consultation with the chambers through the research project. The list is then ranked in order of priority in terms of the number of vacancies and representation across chambers. The final list of skills priorities and emerging skills were reviewed by the merSETA MANCO and signed off by the acting CEO.

3.6.2 Emerging skills

Analysis of previous skills priorities across the merSETA scope of coverage reveals that there is indeed a general increase in the need for skills relating to changing technologies, new manufacturing processes and most recently the move towards a just energy transition, including skills related to the green economy and the circular economy as alluded to in Chapters 1 and 2 of this document.

Overall, there is a requirement for computer literacy across all occupations including elementary occupations. In addition, technological advances pertaining to electric vehicles and renewable energy seems to be prevalent in the automotive sector. The metals and plastics sectors are also experiencing shifts in skills required across occupations, particularly in small and medium sized organisations driven by the circular economy. These trends need

to be further investigated to determine the extent of their impact on existing occupations and emerging occupations.

For the purposes of examining emerging skills, priority skills lists were contrasted with the most recent skills demands identified across the sectors through merSETA research projects. Occupation that are emerging are not necessarily new occupations, but they are emerging as skills that are in demand now, more so than in the past and different to the most prevalent skills identified by the sectors as priorities. The table below list the skills that have been identified in this regard. These will require further workshopping for finalisation with sector stakeholders.

Table 13: Emerging Occupations

OFO CODE	Occupation	Rationale
2021-261902	Legislation Facilitator	Tighter regulations and transformation need create demand for facilitators to ensure compliance in manufacturing
2021-325701	Environmental and Occupational Health Inspector	Rising safety and green compliance needs drive demand for inspectors in manufacturing plants
2021-261107	Legal Manager	Rising complexity of contracts, labour laws, and trade regulations in manufacturing necessitate in-house legal expertise to manage compliance and mitigate risks.
2021-734204	Excavator Operator	Infrastructure expansion, mining inputs, and construction linked to manufacturing value chains are driving demand for skilled heavy equipment operators.
2021-214603	Metallurgical Engineer	Advanced materials, 4IR processes, and the shift to greener production methods require metallurgical engineers to optimise manufacturing quality, efficiency, and sustainability.
2021-121301	Policy and Planning Manager	Stronger alignment of manufacturing skills with industrial policy and national growth strategies increases demand for managers skilled in evidence-based planning and policy development.

3.6.3 Sectoral Priorities

The most in demand sectoral priorities identified through the research as described in the 3.6.1 above are presented in the table below:

OFO CODE	Occupation	Auto Component Manufacturing	Auto Manufacturing	Metal and Engineering	Motor Retail & Aftermarket	New Tyre Manufacturing	Plastics Manufacturing
2021-214401	Mechanical Engineer						
2021-122102	Sales Manager						
2021-411101	General Clerk						
2021-718905	Engineering Production Systems Worker						
2021-214101	Industrial Engineer						
2021-671203	Mechatronics Technician						
2021-712101	Metal Processing Plant Operator						
2021-714101	Rubber Production Machine Operator						
2021-721901	Product Assembler						
2021-312201	Production / Operations Supervisor (Manufacturing)						
2021-522302	Motorised Vehicle or Caravan Salesperson						
2021-522303	Automotive Parts Salesperson						
2021-651202	Welder						
2021-652301	Metal Machinist						
2021-652302	Fitter and Turner						
2021-653101	Automotive Motor Mechanic						
2021-653303	Mechanical Fitter						
2021-653306	Diesel Mechanic						
2021-671101	Electrician						
2021-215101	Electrical Engineer						
2021-684305	Quality Controller (Manufacturing)						
2021-684904	Panel beater						
2021-311501	Mechanical Engineering Technician						
2021-714204	Plastics Production Machine Operator (General)						
2021-652201	Toolmaker						
2021-671202	Millwright						
2021-714208	Plastics Manufacturing Machine Minder						
2021-734402	Forklift Driver						

The Sector Skills Plan (SSP) analysis reveals a need for understanding the supply and demand sides of skills to drive economic growth. It reveals a shortage of skills in sectors like Artisans, Sales workers, Technicians, and Managers due to lack of experience and specific skills. South Africa's education and training provision is crucial for meeting skills demand, but challenges like limited educational attainment contribute to high unemployment rates. Skills mismatches between education and the labour market are also highlighted, necessitating

flexible programs and continuous monitoring. The top 20 priority occupations identified include Industrial Engineers, Sales Managers, Finance Managers, and Electricians.

3.7 Conclusion

The Sector Skills Plan (SSP) analysis reveals a need for understanding the supply and demand sides of skills to drive economic growth. It reveals a shortage of skills in sectors like Artisans, Sales workers, Technicians, and Managers due to a lack of experience and specific skills. South Africa's education and training provision is crucial for meeting skills demand, but challenges like limited educational attainment contribute to high unemployment rates. Skills mismatches between education and the labour market are also highlighted, necessitating flexible programs and continuous monitoring. The top 20 priority occupations identified are Industrial Engineers, Sales Managers, Finance Managers, and Electricians.

Chapter 4: SETA Partnerships

4.1 Introduction

This chapter provides a comprehensive analysis of existing partnerships, detailing the organisations and institutions with which the merSETA collaborates, the duration of these partnerships, their objectives, and the factors contributing to their success. Recognising that effective partnerships are central to the Post-School Education and Training (PSET) system, the chapter underscores how collaboration between SETAs, higher education institutions, TVET colleges, industry stakeholders, government, and communities strengthens the alignment between skills supply and labour market demand (DHET, 2020)

The chapter explores strategies for strengthening current partnerships and outlines planned partnerships, highlighting the objectives of each and the SETA's most successful partnership approaches. The purpose of this chapter is to evaluate and enhance the effectiveness of SETA's partnerships, ensuring they continue to play a pivotal role in building a responsive, integrated PSET system that meets the evolving needs of the sector and contributes to national development priorities.

4.2 Approach to Partnerships

Over the past five years, the merSETA has developed and implemented a comprehensive partnership model designed to support the organization in fulfilling its mandate as outlined in the Skills Development Act of 1998. This legislation emphasises the importance of SETAs establishing collaborative relationships with both public and private sector stakeholders. In

alignment with the outcomes of the NSDP, merSETA’s partnership model is geared toward ensuring that South Africa cultivates a skilled workforce that is adequately prepared to contribute to economic growth, job creation, and broader social development.

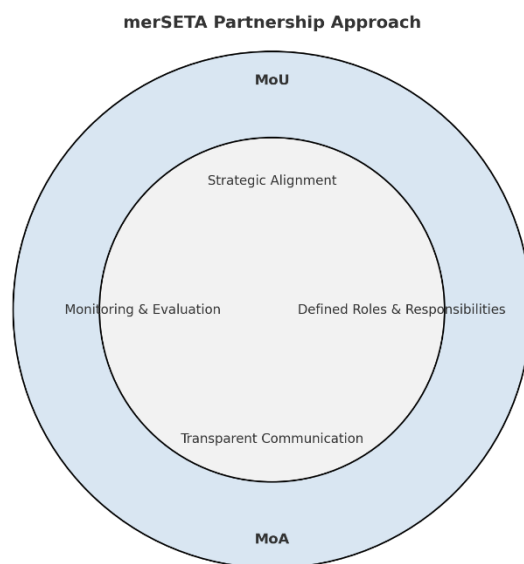


Figure 23: merSETA Partnership Approach

The merSETA Partnership Approach illustrates how partnerships are structured and sustained within the PSET system. At its core are four guiding principles; strategic alignment, defined roles and responsibilities, transparent communication, and ongoing monitoring and evaluation—which operate in a continuous cycle to ensure effective collaboration. These principles are underpinned by a strong governance and legal framework, formalised through MoUs (to initiate collaboration) and MoAs (to bind commitments and resources). Together, this approach ensures that partnerships are intentional, accountable, and responsive to sectoral and national skills priorities. Ultimately, the merSETA partnership model is a dynamic and responsive framework that supports the development of high-quality, demand-driven skills. It reflects the organization’s commitment to innovation, collaboration, and sustainable impact in South Africa’s evolving skills development landscape. Below is a table that defines different types of partnerships that merSETA engages in.

Table 14: Types of Partnerships and their definitions

4.3 Analysis of Existing SETA Partnerships

The purpose of partnerships can be varied, but they primarily serve to support the SETA in fulfilling its skills development mandate. To this end, the partnerships are all related to the merSETA strategy in terms of its strategic focus areas, aligning with the outcomes of the NSDP. The merSETA partnership analysis is presented in the table below, as per the DHET-

prescribed template, which outlines the type of partnership, the partner organization, the start and end dates of the partnership, its objectives, and the value added by the partnership.

Strategic Partnerships

Institution/Partner Organisation	Start–End Date	Objectives	Value-Add
DHET, NSFAS, DBE, DSD, Offices of the Premier	2016–2028	Align skills with national priorities; train youth, inmates, and support economic initiatives	Supports systemic policy alignment and high-impact interventions
Provincial & Local Government Departments	2019–2028	Local skills alignment, support community development through apprenticeships, ARPL	Boosts regional employment and transformation
Local NGOs, CBOs, Cooperatives	2015–2026	Community-level interventions: youth development, GBV support, rural skills	Addresses social issues while enabling employability
HEIs, Private Research Bodies, Chambers	2020–2028	Enable data-driven planning, foster innovation, and applied research	Provides insights for policy, strengthens evidence-based decisions
NSFAS, Ikusasa, University Foundations	2021–2026	Fund higher education and reduce student debt	Increases access to tertiary education, promotes equity
Inclusive Skills Providers	Ongoing	Support disability inclusion in skills training	Fosters inclusive education, enables full participation in the economy
World Skills SA	2022–2026	Prepare learners for international skills competitions	Enhances national competitiveness and learner confidence

Education and Training Partnerships

Institution/Partner Organisation	Start–End Date	Objectives	Value-Add
TVET Colleges (all provinces)	2019–2028	Develop artisan pathways, enable access to 4IR-aligned training, and support infrastructure	Broad access to vocational skills, increased trade-test readiness
Universities – UWC, UCT, NMU, DUT, etc.	2016–2028	Support qualification and lecturer development, research, and bursaries	Improves HEI capacity, enhances sector-specific research and innovation
CET Colleges (FS, KZN, NC, WC)	2022–2026	Support adult education and second-chance learning opportunities	Improves literacy, numeracy, and employability of adult learners
Centres of Specialisation (COS)	2024–2027	Develop trade-specific specialisation capacity	Strengthens TVET trade readiness, raises training quality

Industry and Professional Bodies Partnerships

Institution/Partner Organisation	Start–End Date	Objectives	Value-Add
Various employers across the sector	Ongoing	Provide workplaces for skills programmes and training for employees	Expands WBL opportunities, strengthens employer-SETA alignment
Industry Chambers (via Research & Innovation)	Ongoing	Strengthen industry-based professional alignment and occupational standards	Improves the responsiveness of training to industry demand
NUMSA (Labour Union)	2021–2026	Fund targeted bursaries for union members	Ensures labour representation and equity in skills development

4.4 Partnership Challenges and Mitigation Strategies

The merSETA has reflected on partnership challenges and continually strives to ensure that partnerships are successful; however, challenges still arise. The table below summarises common challenges and mitigation strategies across key partnership types.

Table 16: Partnership Challenges and Mitigation Strategies

Partnership Type	Partnership Challenges	Mitigation Strategies
TVET	Not all TVET colleges have the same ability to ensure successful implementation.	Due to the reduced number of workplaces, the SETA must look for alternatives to meet the workplace component, particularly in terms of technologies such as simulations and virtual learning.
	The inability of the SETA to support infrastructure and equipment has raised the quality of education somewhat and provides more scope to partner.	Learner support and management from enrolment to completion and work placement must be carefully managed and monitored.
	There is still a weakness in terms of partnering with employers to open their workspaces as training spaces	Uptake of SETA programmes must be assessed to better understand demand, supply, and plan accordingly - evaluation of programmes is key.
	Low employer involvement in WBL success.	Launch targeted employer collaboration campaigns, establish WBL coordination units, and embed WBL requirements in partnership agreements.
HEI	Like TVET colleges, uptake of courses/qualifications can be problematic and recruiting learners may not yield successes.	Strengthen career awareness campaigns, align curricula to industry needs, and offer bursaries

Partnership Type	Partnership Challenges	Mitigation Strategies
	The workplace component is becoming ever more important with learners requiring work placements to gain practical experience.	Develop structured internship and work-integrated learning programmes in collaboration with industry and embed them in academic qualifications.
	Conceptualisation and clarity on required outcomes and outputs are not always in place resulting in mismatch between the HEI and SETA expectations.	Track enrolment and completion trends in key sectors through M&E tools and adjust interventions or funding priorities accordingly.
Government partnerships	Lack of traction with regards to implementation.	Ensure pre-partnership readiness assessments and jointly develop implementation plans with defined roles, KPIs, and timelines.
	Capacity to fully support the project/programme remains problematic.	Provide targeted capacity-building interventions and embed project management support in partnership agreements.
Research merSETA commissioned	Time delays and availability of key respondents may delay project completion.	Adopt flexible research tools (e.g. virtual focus groups, asynchronous surveys) and diversify respondent sources to mitigate non-responsiveness.
	Loadshedding, poor planning and lack of facilities may delay progress.	Video and visual resources assist providers in better understanding the sector and their processes, even though they could not meet on site.
Research Chamber commissioned	·Capacity to conceptualise, develop and critically review research proposals limits scope of potential projects.	Capacity development of Chamber members in terms of research skills has significantly improved their ability to conceptualise projects.
	·Agreement and teamwork among members may delay implementation.	Establish clear governance and decision-making protocols, define timelines and responsibilities, and assign project leads for coordination.
	·Risk of topic misalignment with sector priorities.	Align research topics with previous findings, labour market intelligence, and national skills priorities.

4.5 Successful Flagship Partnerships

The merSETA has established national and international partnerships to facilitate skills development, improve its understanding of the sectors, to improve skills planning and keep abreast of innovations in the sector. This section presents some of the successful flagship partnerships that the merSETA entered into. A prime example of a flagship partnership is the one between merSETA and the University of the Western Cape (UWC) through its Institute for Post School Studies (IPSS). The Partnership was initiated in 2016 and was concluded in March 2023. It comprised seven workstreams that have assisted in the supply of PhD graduates and research outputs and articles, as well as lecturer development for the PSET sector. The UWC reported that the partnership with merSETA was different from others due to

the effective governance structures put in place to ensure delivery and high quality, namely the Project Management Committee and Project Steering Committee. In addition, the HEI commented on the considered and thoughtful approach implemented to not only ensure success but also ensured project integrity and the best outcomes for the learners and institutions involved. The tables below further elaborate on some recent flagship partnerships implemented.

Table 17: Successful Flagship Partnership Examples

Project Name	Purpose & Objectives	Outcomes and key results
TVET 4.0 for the Solar Photovoltaic Technician Qualification (SPVT)	<p>Purpose: To prepare 7 TVET Colleges located within the designated Renewable Energy Development Zones (REDZ) for the teaching and learning associated with the SPVT qualification.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Each College is to employ 3 recently qualified Electrical Engineering graduates to complete a development program and the Advanced Diploma TVET Lecturer (NMU). • SARETEC as the accredited SPVT qualification provider carries the oversight responsibility for the implementation of the program over the 7 TVET Colleges. • A key element in the program is the installation of a mini solar farm at each College that is designed for teaching and learning as well as an energy supply for the college. • The curricula linked to the ICT4APP will be utilised for SPVT qualification to track learner completion of the knowledge components online, book learners for practical projects at the TVETC and assign learners to workplace projects at approved workplaces. 	<ul style="list-style-type: none"> • 21 Candidate SPVT Lecturers selected and employed by 7 TVET colleges. • Candidate SPVT Lecturers complete the Adv. Dip TVET Lecturer • Candidate SPVT Lecturers complete the gaps identified in the Electrician Trade qualification to prepare for the Electrician Trade Test • Candidate SPVT Lecturers complete the gaps identified in the SPVT Occupational Qualification to prepare for the EISA. • Candidate SPVT Lecturers assist the TVET College processes related to the SPV infrastructure acquisition, installation, operation, and maintenance. • TVET Colleges apply for SDP accreditation at the QCTO for the SPVT qualification. • Pilot project with first learners on the SPVT qualification commences
New Tyre Chamber Career Map Tool	<p>Objectives:</p> <ul style="list-style-type: none"> • Develop a career mapping tool for key occupations in the new tyre chamber. • Develop Software coding to support the mapping of identified role profiles in the sector with each role profile defining technical skills, soft skills and qualification prerequisites required. 	<ul style="list-style-type: none"> • Software developed and deployed on the merSETA system (URL for access: ntc.merset.org.za) • A user manual to assist correct usage and management of the career mapping tool against standardised OFO codes. • New role profiles can be added.
ViroVent Innovation Project	<p>Purpose:</p> <ul style="list-style-type: none"> • To encourage the utilisation of existing hi-tech engineering related laboratory infrastructure 	<ul style="list-style-type: none"> • The project was associated to the mechanical ventilator at the start of the C-19 pandemic as a means through which learning, and skills were to be acquired.

Project Name	Purpose & Objectives	Outcomes and key results
	<p>housed at HEIs towards the supply of skills in a new manufacturing paradigm demanding rapid technology innovation management and diffusion into industry production environments.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Each HEI partnership had unique planned outcomes which included the following: • Registered post graduate students; unemployed graduates and P1 and P2 WIL placements (UJ, UCT) • Asynchronous short learning programs and mentorship to support stage gate knowledge and skill acquisition (UCT, UJ, NMU) • New short course curricula (UCT, UJ) • Student publications (UCT) • New patents registered (NMU) • Product development competitions (UCT) • BiPAP ventilator designed, prototyped, tested and SAPRHA certification (UCT, UJ) 	<ul style="list-style-type: none"> • Two HEI consortia and one standalone university responded to the Request for information which was progressed into full scale projects. • A follow-on project+C20 has been approved for UCT and its consortium members to further develop their approach into an “Industrialisation Fellowship” designed to support the industrialisation of new products (or reverse engineered products) for localised manufacture of new products and components. • The Industrialisation Fellowship followed the principle of inviting capable master’s and PhD students into wrap around support to get new products and components into the South African manufacturing eco-system.
<p>FESTO-TVET: Establishment of the 4IR Skills Development Centre</p>	<p>Purpose:</p> <ul style="list-style-type: none"> • Public-private partnership with merSETA and Original Equipment Manufacturer (OEM), FESTO PTY LTD to establish 4IR Skills Centres in TVET colleges in all 9 provinces. • Objectives: • Establish and equip a centre at a selected college with 4IR equipment and tools. • Develop and introduce curricula that will have the following components to support TVET Colleges: • Awareness training for industry 4.0 • Introduction to industry 4.0 for Management • Industry 4.0: Applications and practice. • Train 80% of identified TVET staff to a maximum of 40. 	<p>The project has been implemented in 6 TVET Colleges</p> <ol style="list-style-type: none"> 1. Ekurhuleni East, Gauteng 2. Maluti, Free State 3. Lephalale, Limpopo. 4. West Coast, Western Cape 5. Waterberg, Limpopo 6. Vhembe, Limpopo

Project Name	Purpose & Objectives	Outcomes and key results
	<ul style="list-style-type: none"> • Train 70% of identified management to a maximum of 30 to increase their knowledge about Industry 4.0. • Develop at least two trainers per TVET on hands-on training to become Master Trainer for Industry 4.0 • Each identified TVET is equipped with Industry 4.0 lab equipment and teach Industry 4.0 in their classes. • 70% of students per year in the addressed vocations gain Industry 4.0 related knowledge and skills during vocational education required by industry and improve their employability. 	
NMU-CIPSET	<p>Purpose: Establishing a student driven association (cooperative) by TVET learners and embedding curricula informing the students of the solidarity economy and the benefits of establishing a cooperative.</p> <p>Objectives: The project aimed to design a curriculum for the solidarity economy and assist students who had embarked on TVET qualifications aligned to the merSETA scope of coverage, mostly artisanal skills to support a cooperative who would offer maintenance services to municipalities, the NMU and other local government departments in the Eastern Cape.</p>	<p>The project was realigned to empower the participating student in such a way as to allow them to unpack their vision for the association and using available resources through the university (NMU) and surrounding areas to establish the GreenTEC cooperative. The cooperative comprising mostly female youth has been formalised and are now fully self-sufficient They applied successfully for funding for equipment and offices from the Department of Social Development. Since the project concluded – GreenTEC have refurbished an old greenhouse and are running seedling production from there and offering services in school maintenance.</p> <p>Further to this the work will continue through NMU to establish rural solidarity economies.</p>

4.6 Planned Partnerships

For the merSETA to continue to deliver on its mandate and align to its strategic outcomes, partnerships must be put in place to service the sectors in line with sectoral master plans as well as national strategies and plans. A key focus will be to partner with other SETAs on the recently launched SETA Integrated High Impact Programmes (SIHIP) and the MDTP priorities. In response to the question of whether new partnerships are needed, it is considered that in light of the above, new partnerships are required as a vehicle to continue to deliver the skills development mandate. The rationale for the proposed partnerships is to strengthen merSETA's ability to respond to evolving sector needs, technological advancements, and national development priorities. Aligned with the NSDP, these partnerships will support inclusive skills development in areas such as green energy, digital transformation, and local manufacturing.

Partnerships should be strategically planned to address skills needs, support youth and other marginalised groups. Collaborations with employers, local government, and TVET colleges are key to aligning skills development with emerging technologies and industry demands. Expanding these partnerships will also support transformation, reduce unemployment, and foster small business growth. Through the SIHIP Partnerships and Projects, merSETA will work with SETAs, PSET partners, and industry to drive rural development, infrastructure and institutional support, graduate employment, entrepreneurship, digital innovation, and shared ICT services. Based on an analysis of the drivers of skills as well as the policy framework within the reimagined industrial policy, and the MDTP the following considerations inform future partnerships.

Partnership Theme	Key Potential Partners	NSDP Outcomes Aligned	SSP Priority Areas Addressed
1. Green and Just Energy Transition	CSIR, Eskom, Sasol Green Hydrogen, TVETs with green skills focus	Outcome 4, Outcome 5, Outcome 7	Green skills development; Transition support for carbon-intensive industries; Renewable energy occupations
2. Digital Transformation and Industry 4.0	Digital Council Africa, UJ Technopreneurship Centre, Smart TVET Hubs	Outcome 2, Outcome 4, Outcome 6	Automation and robotics; Data analytics; AI integration; Smart factory training
3. Automotive and Component Manufacturing	AIDC, NAACAM, NAAMSA, Automotive-focused TVET Colleges	Outcome 1, Outcome 2, Outcome 4	Localisation in auto supply chains; EV and hybrid tech; Tooling and mechatronics

4. Township and Rural Industrialisation	SEDA, NYDA, CBOs, Local Municipalities under DDM	Outcome 3, Outcome 7, Outcome 8	Informal sector technical skills; SMME development; Youth and women in manufacturing
5. Infrastructure and Construction Ecosystems	Construction-focused TVET Colleges	Outcome 1, Outcome 4, Outcome 8	Construction-related trades; Local production of infrastructure inputs; Integrated development
6. Circular Economy and Advanced Materials	CSIR, Mintek, Private Sector Recyclers, Waste Sector Employers	Outcome 5, Outcome 6, Outcome 7	Recycling and material recovery skills; Sustainable production; Innovation in waste management
7. Cross-Cutting Research and Foresighting	HSRC, LMIP, UJ, Wits, National Planning Commission, dtic-affiliated research units	Outcome 1, Outcome 9, Outcome 10	Labour market intelligence; Future skills forecasting; Impact assessment and policy-aligned planning

Table 18: Potential future partnerships

4.7 Conclusion

Partnerships have proven to be a powerful mechanism through which merSETA delivers its mandate. The chapter highlighted a wide range of collaborations—with TVETs, HEIs, employers, government, NGOs, and research institutions—that have enabled increased workplace-based learning, improved curriculum alignment, supported innovation, and extended skills development to marginalised communities. Flagship partnerships such as the UWC research partnership, the FESTO 4IR Skills Centres, and the GreenTEC cooperative demonstrate how targeted, well-managed partnerships can produce high-impact results. These collaborations have enhanced employability, supported transformation, and promoted sectoral innovation. As merSETA moves forward, partnerships will remain central to driving inclusive growth and future-focused skills development across the manufacturing and related sectors.

Table 17: Successful Flagship Partnership Examples

Project Name	Purpose & Objectives	Outcomes and key results
TVET 4.0 for the Solar Photovoltaic Technician Qualification (SPVT)	<p>Purpose: To prepare 7 TVET Colleges located within the designated Renewable Energy Development Zones (REDZ) for the teaching and learning associated with the SPVT qualification.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Each College is to employ 3 recently qualified Electrical Engineering graduates to complete a development program and the Advanced Diploma TVET Lecturer (NMU). • SARETEC as the accredited SPVT qualification provider carries the oversight responsibility for the implementation of the program over the 7 TVET Colleges. • A key element in the program is the installation of a mini solar farm at each College that is designed for teaching and learning as well as an energy supply for the college. • The curricula linked to the ICT4APP will be utilised for SPVT qualification to track learner completion of the knowledge components online, book learners for practical projects at the TVETC and assign learners to workplace projects at approved workplaces. 	<ul style="list-style-type: none"> • 21 Candidate SPVT Lecturers selected and employed by 7 TVET colleges. • Candidate SPVT Lecturers complete the Adv. Dip TVET Lecturer • Candidate SPVT Lecturers complete the gaps identified in the Electrician Trade qualification to prepare for the Electrician Trade Test • Candidate SPVT Lecturers complete the gaps identified in the SPVT Occupational Qualification to prepare for the EISA. • Candidate SPVT Lecturers assist the TVET College processes related to the SPV infrastructure acquisition, installation, operation, and maintenance. • TVET Colleges apply for SDP accreditation at the QCTO for the SPVT qualification. • Pilot project with first learners on the SPVT qualification commences
New Tyre Chamber Career Map Tool	<p>Objectives:</p> <ul style="list-style-type: none"> • Develop a career mapping tool for key occupations in the new tyre chamber. • Develop Software coding to support the mapping of identified role profiles in the sector with each role profile defining technical skills, soft skills and qualification prerequisites required. 	<ul style="list-style-type: none"> • Software developed and deployed on the merSETA system (URL for access: ntc.merset.org.za) • A user manual to assist correct usage and management of the career mapping tool against standardised OFO codes. • New role profiles can be added.
ViroVent Innovation Project	<p>Purpose:</p> <ul style="list-style-type: none"> • To encourage the utilisation of existing hi-tech engineering related laboratory infrastructure 	<ul style="list-style-type: none"> • The project was associated to the mechanical ventilator at the start of the C-19 pandemic as a means through which learning, and skills were to be acquired.

Project Name	Purpose & Objectives	Outcomes and key results
	<p>housed at HEIs towards the supply of skills in a new manufacturing paradigm demanding rapid technology innovation management and diffusion into industry production environments.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Each HEI partnership had unique planned outcomes which included the following: • Registered post graduate students; unemployed graduates and P1 and P2 WIL placements (UJ, UCT) • Asynchronous short learning programs and mentorship to support stage gate knowledge and skill acquisition (UCT, UJ, NMU) • New short course curricula (UCT, UJ) • Student publications (UCT) • New patents registered (NMU) • Product development competitions (UCT) • BiPAP ventilator designed, prototyped, tested and SAPRHA certification (UCT, UJ) 	<ul style="list-style-type: none"> • Two HEI consortia and one standalone university responded to the Request for information which was progressed into full scale projects. • A follow-on project+C20 has been approved for UCT and its consortium members to further develop their approach into an “Industrialisation Fellowship” designed to support the industrialisation of new products (or reverse engineered products) for localised manufacture of new products and components. • The Industrialisation Fellowship followed the principle of inviting capable master’s and PhD students into wrap around support to get new products and components into the South African manufacturing eco-system.
<p>FESTO-TVET: Establishment of the 4IR Skills Development Centre</p>	<p>Purpose:</p> <ul style="list-style-type: none"> • Public-private partnership with merSETA and Original Equipment Manufacturer (OEM), FESTO PTY LTD to establish 4IR Skills Centres in TVET colleges in all 9 provinces. • Objectives: • Establish and equip a centre at a selected college with 4IR equipment and tools. • Develop and introduce curricula that will have the following components to support TVET Colleges: • Awareness training for industry 4.0 • Introduction to industry 4.0 for Management • Industry 4.0: Applications and practice. • Train 80% of identified TVET staff to a maximum of 40. 	<p>The project has been implemented in 6 TVET Colleges</p> <ol style="list-style-type: none"> 1. Ekurhuleni East, Gauteng 2. Maluti, Free State 3. Lephalale, Limpopo. 4. West Coast, Western Cape 5. Waterberg, Limpopo 6. Vhembe, Limpopo

Project Name	Purpose & Objectives	Outcomes and key results
	<ul style="list-style-type: none"> • Train 70% of identified management to a maximum of 30 to increase their knowledge about Industry 4.0. • Develop at least two trainers per TVET on hands-on training to become Master Trainer for Industry 4.0 • Each identified TVET is equipped with Industry 4.0 lab equipment and teach Industry 4.0 in their classes. • 70% of students per year in the addressed vocations gain Industry 4.0 related knowledge and skills during vocational education required by industry and improve their employability. 	
NMU-CIPSET	<p>Purpose: Establishing a student driven association (cooperative) by TVET learners and embedding curricula informing the students of the solidarity economy and the benefits of establishing a cooperative.</p> <p>Objectives: The project aimed to design a curriculum for the solidarity economy and assist students who had embarked on TVET qualifications aligned to the merSETA scope of coverage, mostly artisanal skills to support a cooperative who would offer maintenance services to municipalities, the NMU and other local government departments in the Eastern Cape.</p>	<p>The project was realigned to empower the participating student in such a way as to allow them to unpack their vision for the association and using available resources through the university (NMU) and surrounding areas to establish the GreenTEC cooperative. The cooperative comprising mostly female youth has been formalised and are now fully self-sufficient They applied successfully for funding for equipment and offices from the Department of Social Development. Since the project concluded – GreenTEC have refurbished an old greenhouse and are running seedling production from there and offering services in school maintenance.</p> <p>Further to this the work will continue through NMU to establish rural solidarity economies.</p>

Chapter 5: SETA Monitoring and Evaluation

5.1 Introduction

This chapter delves into the critical role of monitoring and evaluation (M&E) within the realm of sector skills planning, with a specific focus on the approach adopted by merSETA). Effective M&E is essential for assessing the impact of initiatives and ensuring that strategic goals are met. The chapter outlines how merSETA leverages insights from previous Annual Reports and Tracer studies to inform its research and planning processes. Additionally, this chapter will examine how the strategic priorities outlined in the previous SSP have been incorporated into the Strategic Plan and Annual Performance Plan. Moving forward, the chapter discusses the necessary mechanisms to address unmet strategic skills priorities and proposes measures to ensure the achievement of current strategic outcomes. Through a comprehensive analysis, this chapter aims to provide a robust framework for enhancing sector skills planning and driving continuous improvement within merSETA's operations.

5.2 Sector Skills Planning Reflections

The merSETA approach to Monitoring and Evaluation (M&E) has remained consistent over the past four years and is structured around the following components:

- **Environmental Scanning/Monitoring:**

Continuous monitoring of economic, social, technological, legal, and environmental developments within the mer sector helps to build an informed understanding of the broader context. This enables the development of credible and responsive plans aligned with both sectoral and national priorities.

- **Strategy Formulation:**

The merSETA's strategic planning process comprising the SSP, Strategic Plan, Annual Performance Plan, Operational Plan, and Service Level Agreement (SLA), is grounded in a robust M&E framework. During this phase, output and outcome targets are developed based on analysis of historical performance trends and sector dynamics. Monitoring supports the refinement of outputs, while evaluation informs the setting of realistic and impactful outcome-level targets.

- **Implementation:**

The implementation of programmes, projects, and activities requires continuous monitoring of outputs (such as deliverables, activities completed, and targets

achieved) to ensure timely delivery within budget. Evaluation, on the other hand, assesses the outcomes and long-term impact of these initiatives by determining whether the intended changes or improvements in the sector have been achieved. Together, monitoring and evaluation enhance decision-making, promote learning, and support adaptive management.

- **Reporting:**

Reporting is integral to ensuring transparency, accountability, and effective oversight of merSETA's financial and non-financial performance. Regular reporting on a quarterly and annual basis facilitates performance monitoring of outputs and supports evaluation of outcomes and impacts. This process enables timely corrective actions and continuous improvement of the organisation's strategic and operational efforts.

5.2.1 Using data and information to support research and skills planning.

The importance of dependable, credible, and valid data cannot be overstated for effective skills planning, monitoring, and reporting. This SSP has presented the trends over the 2020 –2024 period and this data sets a trajectory for the future performance of the merSETA underpinned by key research insights and national priorities. Furthermore, the merSETA presents its data to its sector stakeholders and partners to corroborate current and emerging trends as well as to facilitate key discussions on the trajectory of the sectors and the requirements to ensure that the sectors survive and potentially thrive under restrictive socioeconomic and sociopolitical conditions both locally and globally.

In summary, the following bullets describe the use of data for M&E and effective skills planning:

- Learner data and QMR data are used to compile the SSP and derive priority skills and occupations.
- Monthly QMR data are used to monitor progress towards indicator targets.
- Data are used for discretionary grant allocations according to priority occupations and key national priorities such as the ERRP and the PYEI.
- Data are used for discretionary grant allocation across all SLA targets which is further utilised to track performance against set targets.
- Learner, provider, and employer data used for tracking and tracing learners and evaluation studies.
- Learner data trends and employer trends are triangulated with economic and primary research data to better understand the sector, the labour market, and the economy.

5.3 Plan of Action

The merSETA aims to achieve 84% of its performance indicator targets and has recognised inefficiencies that contribute to its underperformance. Overall, it is recognised that the SETA has embarked on a period of transition as it moves towards the 2025 – 2030 period of implementation. Overall, the action plan sets in motion a redesigned merSETA supported by enabling systems and effective project management protocols embedded in the notion of end-to-end project and MoA management. This approach will also adopt the principles of doing the right things correctly to effect success for mer sector learners, employers, and skills development partners. All these measures are still in progress and continuously improving with each SSP update.

5.3.1 Measures to ensure a well constituted and effective merSETA.

5.3.1.1 Organisational Redesign

The merSETA is in the implementation phase of its redesigned organisational structure. The redesign was conceptualised on the premise of driving a high-performance culture underpinned by a well-resourced and capacitated structure. The project was named “TransfoMER” which sought to realign the merSETA organisational structure, its mandate, strategy, and organisational processes towards the achievement of a professional and capable organisation grounded in ethical leadership, best practice, governance and management, appropriate competencies (staff, governance, structures, implementing partners and stakeholders) and good employee experience. The project was implemented in consultation with staff and sought to ensure that staff members recognised the importance of their work in achieving the overall SETA mandate.

5.3.1.2 Tracking Organisational Risks and Risk Mitigation

A comprehensive audit action plan was developed to track the organisation's efforts to amend inefficiencies across all units and divisions.

Risk management was recognised as a critical support service to ensure that the SETA can successfully implement and achieve its mandate. To this end a risk manager was put in place and the organisation's risks and risk mitigation activities were updated. The table below details the top ten strategic and operational risks.

Table 19: Top Ten Strategic Risks

Top Ten Strategic Risks	
Risk Category	Principal Risk
Technology	<ul style="list-style-type: none"> Inadequate technology investments to drive business value and protect the organisation
Reputational & Leadership	<ul style="list-style-type: none"> Suspension of Key management
Regulatory	<ul style="list-style-type: none"> Lack of traction in terms of the transition into new occupational qualifications

Governance	<ul style="list-style-type: none"> • Ineffective Internal audit function
Reputational	<ul style="list-style-type: none"> • Ineffective internal control environment
Governance	<ul style="list-style-type: none"> • A breach of ethical conduct across all governance structures, management, and staff
Governance	<ul style="list-style-type: none"> • Poor stakeholder relations management
Technology	<ul style="list-style-type: none"> • Inadequate implementation of ICT governance
Regulatory	<ul style="list-style-type: none"> • Inability to spend budget and commit surplus funds
Knowledge management	<ul style="list-style-type: none"> • Loss of institutional memory and lack of capacity due to lack of capable and committed human resources
Top 10 Operational Risks	
Risk Category	Principal Risk
Finance	<ul style="list-style-type: none"> • Inaccurate commitment schedules
Operations	<ul style="list-style-type: none"> • Incorrect/ inaccurate performance information
Information Technology	<ul style="list-style-type: none"> • Poor data management
Information Technology	<ul style="list-style-type: none"> • Enterprise architecture not fit for purpose
Operational	<ul style="list-style-type: none"> • Poor record keeping
Operational	<ul style="list-style-type: none"> • Overdue payments
Human resource	<ul style="list-style-type: none"> • Conflict of interest
Human resource	<ul style="list-style-type: none"> • Lack of effective change management
Finance	<ul style="list-style-type: none"> • Inaccurate operational commitment register
Finance	<ul style="list-style-type: none"> • Rising bad debts

5.3.1.3 Improved Data Systems

The importance of effective data and information management at merSETA cannot be over emphasised. Reliable and valid data is important for improving all SETA operations from planning to implementation and reporting. Without good data and data processes, all strategic decisions are stifled. Data should drive key decision-making and strategies. To this end, data management and data governance is cited as fundamental for operational efficiency and effectiveness.

The merSETA ICT unit has reviewed its systems and processes inclusive of the NSDMS system and MIS systems to assess requirements for improvements across several key operational activities and has developed an action plan to improve system functionality.

5.3.2 Measures to improve support of national policies and strategies.

The SSP has highlighted several key national strategies and plans, particularly those aligned to the reimagined industrial strategy as set out by the DTIC. Overall, key themes emanate from these policies, strategies and plans which need to be interpreted in terms of their impact on skills demand and supply. These themes centre around topics such as the just energy transition, re-industrialisation, economic growth, poverty, unemployment, SMME development, community development etc.

The merSETA has aligned many of its projects and interventions through discretionary grant funding to address key national priorities directly and indirectly, for example, the SETA may fund a special project closely aligned with youth unemployment specifically or fund young unemployed learners on programmes aligned to indicator targets linked to the SETA SLA.

5.3.2.1 Economic Reconstruction and Recovery Plan (ERRP)

The ERRP aims to build the South African Economy to reach its full potential by being sustainable resilient and inclusive.

- Skills for the ERRP are intrinsically linked to the mer sector and have been prioritised for discretionary funding.
- Access to learning opportunities should be prioritised for the youth, women, and marginalised groups to ensure inclusivity.
- SETA partnerships have been promoted as the best vehicle through which the SETA achieves its mandate. As such, enablers to identify partners for strategic projects should be prioritised.
- The ERRP is aligned to the NDP and should be continually tracked and monitored to set the economy on a trajectory of growth.

5.3.2.2 Sectoral Master Plans

The sectoral master plans are aligned to the re-imagined industrial strategy which incorporates the sectoral master plans coupled with the ERRP. The implementation of these plans established a collaborative framework where the government, the private sector, and labour unions collectively developed and executed plans for expedited assistance to sectors. Under the merSETA scope of coverage, the following plans should be tracked and supported:

Master Plans within the merSETA scope of coverage	
Steel Master Plan	Highlights the need for long-term thinking as the industry has been in decline the default status is one of meeting immediate needs for survival.
Plastics Master Plan	To be a proactively adapted industry that can fully supply the growing and forever changing needs of the local and export markets; Build an industry that can create jobs, advance transformation, and economic inclusion; and sustainably industrialise in an environmentally responsible manner.
Automotive Master Plan 2035	A globally competitive and transformed industry that actively contributes to the sustainable development of South Africa’s productive economy, creating prosperity for industry stakeholders and broader society

Table 17: Master Plans within the merSETA scope of coverage

5.3.2.3 SETA Integrated High Impact Programmes (SIHIP)

SETA Skills Summit of April 2024 saw the launch of SIHIP which aims to address pertinent and persisting challenges hindering growth and stifling skills development due to low absorption of qualified labour, particularly among the youth, therefore the SIHIP supports SETA collaboration and partnership in terms of infrastructure, workplace-based learning (incl.

internships), entrepreneurial and cooperative development and 4IR related programmes. Ultimately it envisions a skills development system that ensures adequate, appropriate, and high-quality skills that can drive sustainable economic growth, employment creation, and social development. The merSETA should thus align its strategic planning to contribute to the following:

- Rural Development for Community Impact
- Infrastructure development and public sector Institutional Delivery capacitation
- Significant reduction of unemployed people including graduates
- Sustainable entrepreneurial, SMME and Cooperatives development
- Holistic digitisation and advancement of technological infrastructure, research, and development
- Effective and efficient shared services on Information and Communications Technology (ICT) for SETA-wide Learner Information Management system

5.3.3 Measures to improve performance aligned to skills priorities.

The following plans, programmes and projects should be implemented to assist the merSETA to attain its mandate and achieve its set targets for the 2025 – 2030 period:

5.3.3.1 Developing a Programme Evaluation Plan

As part of the skills planning scope, the merSETA has made provision to implement evaluation projects across key skills programmes. Evaluation studies will help to identify areas of improvement and ultimately help merSETA to set goals more efficiently. The SETA is in the process of also hiring an in-house Evaluation Specialist to help implement these projects.

5.3.3.2 Tracer Studies and Learner Absorption

Further to the implementation of evaluation projects it is critical to conduct large-scale tracer studies to account for learner destinations after completing skills programmes. This further improves the potential performance of the SETA. The tracer studies add value in the following ways:

- Assessment of Program Effectiveness
- Alignment with Labour Market Needs
- Focused, Effective Planning.
 - Informed Decision-Making: to make informed decisions about funding, program expansion, and changes aimed at improving the overall effectiveness of programmes.
 - Strategic Planning: These studies provide data that support strategic planning and the allocation of resources to areas where they are most needed.
- Improving Employment Outcomes

- Career Guidance and Counselling

Status of Implementation of Interventions in Support of National Strategies and Plans			
National Strategy/Plan	merSETA Interventions	Status of Implementation	Comments
National Skills Development Plan (NSDP)	<ul style="list-style-type: none"> - Integrated Post-School Education and Training (PSET) strategies - Sectoral partnerships with government, industry, labour, and civil society 	Active and ongoing	Alignment is central to merSETA's SSP; promotes demand-led skills development across priority sectors, merSETA
Economic Reconstruction and Recovery Plan (ERRP)	<ul style="list-style-type: none"> - Learnerships, internships, bursaries, skills programmes, artisan development - Support for scarce and critical skills development 	Largely implemented; part of broader DHET performance	merSETA contributes to over 160,000 beneficiaries supported nationally; some limitations in scarce skills enrolments noted
Sector Masterplans (e.g., Automotive, Manufacturing)	<ul style="list-style-type: none"> - Skills pipeline development for automotive and component manufacturing - Localisation and value-chain skills initiatives 	Automotive sector: Advanced Other sectors: Partial or unclear	Strong implementation in the automotive sector; less explicit reporting for sugar, poultry, steel, etc.

Table 20: Status of Implementation of Interventions to Support National Strategies

5.3.3.3 Partnerships

Partnerships are the vehicle through which most of the SETA's priorities are met. The partnerships model has assisted the merSETA in framing its partnerships and related agreements to better assure positive outcomes and successful projects and programmes.

5.3.3.4 Improved Discretionary Grant Processes

The merSETA has actively worked on improving its discretionary grant funding processes to ensure alignment with strategic intentions and ensure fair and ethical evaluation of grant applications by adopting supply chain management principles. These processes will continually be improved over time to ensure quicker turnaround times and more efficient implementation.

Furthermore, the merSETA has strategically aligned the timing of funding windows to ensure it meets its performance targets and aligns with key priorities as expressed in the SSP, and Strategic Planning documents.

5.3.3.5 Improved MoA Management and QMS System

Partnerships are the vehicle through which all merSETA's strategic outcomes and mandate are met. Given the organisation's difficulty in securing 100% performance, it is imperative to revisit the processes of managing projects and contracts in a more efficient and effective manner. The SETA has developed a foundational concept of end-to-end MoA management at the regional level to better support stakeholder engagement and improve the quality of data and tracking of key target indicators. This is supported by the implementation of a QMS system to embed standard process flows and internal controls through standard operating procedures.

The merSETA integrates strategic priorities from its previous Sector Skills Plan (SSP) into its Strategic Plan and Annual Performance Plan through a structured approach. This includes environmental scanning, data utilization, evaluation of past performance, alignment with national policies, and feedback mechanisms. Despite struggles to meet performance targets, merSETA has supported nearly 90,000 learners through various interventions. The organization is implementing a comprehensive Plan of Action to achieve 100% of its performance indicator targets, focusing on learner-related outcomes. A redesign of the organizational structure is underway to foster a high-performance culture and enhance strategic priority implementation. Regular monitoring and reporting mechanisms are in place to ensure strategic priorities are met.

5.4 Conclusion

The merSETA, a national skills development organisation, has a consistent approach to monitoring and evaluation, ensuring alignment with sector and national priorities. It uses reliable data sources to inform strategic interventions. Despite performance challenges, merSETA has supported numerous learners through various interventions. It has developed a comprehensive Plan of Action to address inefficiencies and improve performance. The organisation aligns with national policies to address youth unemployment and industrial development. The launch of the SETA Integrated High Impact Programmes (SIHIP) demonstrates its commitment to collaboration. Plans include a Programme Evaluation Plan, tracer studies, partnerships, and enhanced grant processes.

Chapter 6: Strategic Skills Priority Actions

This chapter consolidates key findings from chapters 1 to 5. It also provides a set of skills development priority actions from which realistic and achievable plans can be developed and implemented. Following the adoption of the SSP, the merSETA, along with its AA, will review the 5-year Strategic Plan (SP), update the Annual Performance Plan (APP) and Service Level Agreement (SLA). These then become the basis upon which the merSETA leadership and staff will develop their operational plan inclusive of programmes and projects to be implemented aligned to strategic skills priorities and actions.

6.1 Skills Findings from Previous Chapters

Chapter 1 Chapter 1 outlines the mer sector's profile, noting economic challenges such as slow growth, energy and logistics issues, and declining investment. While areas like automotive and tyre manufacturing show modest recovery, the sector needs a workforce with technical, digital, and green skills to support re-industrialisation. High youth unemployment, equity gaps, and low representation of women and people with disabilities in skilled roles remain key concerns. Regional imbalances and the dominance of large firms highlight the need for inclusive, targeted skills development. The chapter stresses the urgency of a future-focused skills strategy aligned with industrial changes.

Chapter 2 This chapter explores the complex drivers of skills change in South Africa's manufacturing sector, stressing the need for strategic workforce planning and inclusive skills development. In summary, skills demand in the manufacturing sector is being reshaped by a few powerful forces: rapid technological and digital shifts, the green transition and ESG imperatives, evolving global trade and supply chain dynamics, persistent youth unemployment and equity challenges, and new policy and regulatory frameworks such as the ERRP, MTDP, JETF and Hydrogen SA. Together, these change drivers will have the most significant impact on skills planning for 2026/27, reinforcing the need for continuous reskilling, stronger PSET–industry linkages, and agile, evidence-based strategies to build a workforce that is both inclusive and globally competitive.

Chapter 3 The Sector Skills Plan (SSP) analysis reveals a need for understanding the supply and demand sides of skills to drive economic growth. It reveals a shortage of skills in sectors like Artisans, Sales workers, Technicians, and Managers due to a lack of experience and specific skills. South Africa's education and training provision is crucial for meeting skills demand, but challenges like limited educational attainment contribute to high unemployment rates. Skills mismatches between education and the labour market are also highlighted,

necessitating flexible programs and continuous monitoring. The top 20 priority occupations identified are Industrial Engineers, Sales Managers, Finance Managers, and Electricians.

Chapter 4 Partnerships have proven to be a powerful mechanism through which merSETA delivers its mandate. The chapter highlighted a wide range of collaborations—with TVETs, HEIs, employers, government, NGOs, and research institutions—that have enabled increased workplace-based learning, improved curriculum alignment, supported innovation, and extended skills development to marginalised communities. Flagship partnerships such as the UWC research partnership, the FESTO 4IR Skills Centres, and the GreenTEC cooperative demonstrate how targeted, well-managed partnerships can produce high-impact results. These collaborations have enhanced employability, supported transformation, and promoted sectoral innovation. As merSETA moves forward, partnerships will remain central to driving inclusive growth and future-focused skills development across the manufacturing and related sectors.

Chapter 5 The merSETA, a national skills development organisation, has a consistent approach to monitoring and evaluation, ensuring alignment with sector and national priorities. It uses reliable data sources to inform strategic interventions. Despite performance challenges, merSETA has supported numerous learners through various interventions. It has developed a comprehensive Plan of Action to address inefficiencies and improve performance. The organisation aligns with national policies to address youth unemployment and industrial development. The launch of the SETA Integrated High Impact Programmes (SIHIP) demonstrates its commitment to collaboration. Plans include a Programme Evaluation Plan, tracer studies, partnerships, and enhanced grant processes.

6.2 Planned Strategic Priority Actions

6.2.1 Actions for improved SETA performance and reporting priorities.

Informed by the insights from the preceding chapters and in particular chapter 5, the SETA must implement a disciplined approach to ensure that the mandate of closing the skills gap is met. A well-functioning internal working environment within the merSETA has been fostered through interventions which have come to fruition in 2024/25, which represents a year of transition to, and well-oiled, effective, and efficient internal operations supported by project management principles and enabling systems.

6.2.1.1 Discretionary Grant Implementation

Strategically planning DG funding windows in alignment to merSETA strategic outcomes will assist in achieving indicator targets and provide the needed skills to the mer sector to support growth.

6.2.1.2 Building supportive and enabling systems for reporting

Reflecting on the merSETA's performance over the past four years has demonstrated the importance of MoA management, valid, reliable, and complete data and systems that enable efficiencies across all stakeholder touchpoints, both internally and externally. A revamped approach to the management of data and information through robust internal controls is critical. The quality management system should further foster excellence in business processes in conjunction with the monitoring and reporting function of the merSETA.

6.2.1.3 Building Efficiencies in the merSETA business model

Ever increasing sophistication in delivering the skills development mandate is required. Just as our sectors are adapting to innovative technologies and efficiencies in production – so too must the SETA and the skills development ecosystem.

6.2.2 Actions in Support of Sectoral and National Priorities

The SSP has highlighted the key themes linked to national priorities, especially as they are expressed through the NDP and NSDP. These link to the support of marginalised people, particularly the youth, the unemployed, people with disabilities, impoverished communities, rural communities, and fledgling small businesses in the manufacturing sector.

6.2.2.1 Skills for the Just Energy Transition (JET)

The shift from fossil fuels to renewable energy and sustainable business practices requires a keen approach to better understanding the types of skills that are needed to propel South Africa in the direction of zero carbon emissions. The just nature of the transition implies that careful consideration is required to upskill and reskill both employed and unemployed people to be able to access employment and self-employment opportunities.

6.2.2.2 Skills for Reindustrialisation, Localisation and Economic Development

The SSP has documented key national and sectoral priorities to support economic growth. It is recognised that skills alone cannot spur economic growth but that they are a critical enabler of growth from the level of the individual to the level of the organisation, and the local and global economies. As an intermediary for skills, the merSETA will prioritise skills development initiatives aimed at supporting industrialisation, localisation, SMME growth, the digital economy, the social economy, and transformation. It is further imperative to address issues of inequality, unemployment and marginalisation of youth, women, and people with disabilities. Advocacy is required to ensure that all sections of society are aware of the potential to access decent livelihoods and lifelong learning with the mer sectors and that the manufacturing sector holds the potential to spur economic growth.

6.2.2.3 Skills for the future world of work (advanced manufacturing, digitalisation, and AI)

Disruptions in the labour market because of changes brought by advances in manufacturing in the 4IR, and the growth of the gig economy require that South Africa re-evaluates the notion of jobs and occupations. Key priorities will include supporting skills for entrepreneurship in the formal economy, social economy, sharing economy and gig economy. Key to unlocking opportunities for learning will be exploring the use of immersive learning technologies, simulated learning, and micro-credentialing to skill, upskill and reskill.

6.3 Conclusion

The manufacturing and engineering related services sector faces a skills gap, particularly in low to mid-level skills. To address this, a strategic plan, annual performance plan, and service level agreements are needed, informed by data-driven insights. Strategic partnerships are crucial for economic growth and reindustrialisation. Robust data management systems are essential for informed decision-making. The sector's rapid evolution necessitates the adaptation of skills development programs. Inclusivity and accessibility are crucial for marginalised groups. Agility and innovation are needed to respond to changing market dynamics and emerging skill requirements. By prioritising strategic planning, partnerships, and data-driven insights, the merSETA can effectively address the skills gap and support economic growth.

References

- African Review of Business and Technology. (2021). *South African tyre market to see modest growth*. African Review of Business Technology.
- Automotive Export Manual. (2020).
- BER. (2025). *ABSA Manufacturing Survey : Quarterly Analysis of Manufacturing Activity*. Cape Town: BER.
- BER. (2025). *Economic Snapshot May 2025*. Cape Town: BER.
- Department of Trade, Industry and Competition (Dtic). (n.d.).
- DHET. (2019). *National Skills Development Plan (NDSP) 2030*. Pretoria: Government SA Gazette.
- DHET. (2020). *National Skills Development Plan (NSDP) 2030*. Pretoria: DHET.
- DHET. (2023). *Statistics on PSET*. Pretoria: DHET.
- Engineering News. (2024, February 08). Retrieved from www.engineeringnews.co.za:
<https://www.engineeringnews.co.za/article/amsa-announces-six-month-deferral-to-longs-closure-after-agreements-on-short-term-measures-2024-02-08>
- Financial Times. (2025, January 24). *South Africa in emergency talks to save 'critical' steel plants*.
- Fleetwatch. (2022). *Tyre industry body commits to building a sustainable and ethical tyre industry in South Africa*. Fleetwatch.
- Mark Intel Advisors. (2023). *South Africa tyre market research report: 2023-2023*. Mark Intel Advisors.
- Masuku, B. and A. Nzewi. (2021). The South African informal sector's socio-economic exclusion from basic service provisions: A critique of Buffalo City Metropolitan Municipality's approach to the informal sector. *Journal of Energy Southern Africa*, 2413-3051.
- NAAMSA. (2024). *2024 Statistics and announces that SA Auto Industry Celebrates a Century of Automotive Excellence*. naamsa.
- National Social Economy. (2019, May 11). *Draft Green Paper*. Retrieved from <https://lib.uct.ac.za/government-publications/articles/2019-04-24-national-social-economy-draft-green-paper>

National Treasury. (2024). *Budget Review: Economic Outlook*. Pretoria: National Treasury.

OECD. (2019). *OECD Skills Strategy 2019: Skills to Shape a Better Future*. Paris: OECD Publishing.

Retail Motor Industry Organisation . (2024). *The economic outlook for South Africa 2024*. RMIO.

SA Plastic Pact. (2020). *South African Plastic Pact*.

SAISI. (2022). *Steel Matters* . South African Iron and Steel Institute.

SEIFSA. (2024). *SEIFSA report outlines risks for Metals & Engineering sector in 2024*.

Statistics South Africa. (2021). *Manufacturing industry: Financial, Report No: 30-02-03*. Statistics South Africa.

Statistics South Africa. (2024, September 3). *Gross Domestic Product, Second Quarter 2024*. Retrieved from www.statssa.gov.za.

Statistics South Africa. (2024, November 3). *Manufacturing: Production and Sales (Preliminary)*. Retrieved from www.statssa.gov.za.

Statistics South Africa. (2025, March 04). *Gross Domestic Product*. Retrieved from www.statssa.gov.za.

Statistics South Africa. (2025). *Quarterly Labour Force Survey (QLFS)*. Pretoria.

Stats SA. (2022). *Labour Market Dynamics in South Africa*. Johannesburg: Statistics South Africa.

Stats SA. (2024). *Gross Domestic Product (GDP), 1st Quarter 2024*. Pretoria: Stats SA.

StatsSA. (2025). *Quarterly Labour Force Survey Q2 2025*. Pretoria: StatsSA.

TIPS. (2021). *Plastic Industry Master Plan for Growth*. TIP.

Workday. (2023, June 13). *The Future of Manufacturing: A Search for Stability, Next-Gen Skills*. Retrieved from [workday.com: https://blog.workday.com/en-us/2023/future-manufacturing-search-for-stability-next-gen-skills.html](https://blog.workday.com/en-us/2023/future-manufacturing-search-for-stability-next-gen-skills.html)

ANNEXURE 1: SECTORAL PRIORITY OCCUPATIONS LIST

Rank	OFO Code	Occupation
1	2021-214101	Industrial Engineer
2	2021-122102	Sales Manager
3	2021-671202	Millwright
4	2021-121101	Finance Manager
5	2021-671101	Electrician
6	2021-121901	Corporate General Manager
7	2021-652301	Metal Machinist
8	2021-214401	Mechanical Engineer
9	2021-122101	Sales and Marketing Manager
10	2021-651202	Welder
11	2021-671208	Transportation Electrician
12	2021-652302	Fitter and Turner
13	2021-311501	Mechanical Engineering Technician
14	2021-653306	Diesel Mechanic
15	2021-651302	Boiler Maker
16	2021-653303	Mechanical Fitter
17	2021-132104	Engineering Manager
18	2021-132401	Supply and Distribution Manager
19	2021-653101	Automotive Motor Mechanic
20	2021-718905	Engineering Production Systems Worker
21	2021-311301	Electrical Engineering Technician
22	2021-311801	Draftsperson
23	2021-226302	Safety, Health, Environment and Quality (SHE&Q) Practitioner
24	2021-311904	Manufacturing Technician
25	2021-432101	Stock Clerk / Officer
26	2021-411101	General Clerk
27	2021-121905	Programme or Project Manager
28	2021-312201	Production / Operations Supervisor (Manufacturing)
29	2021-214104	Production Engineering Technologist
30	2021-671204	Lift Mechanic
31	2021-652201	Toolmaker
32	2021-734402	Forklift Driver
33	2021-431101	Accounts Clerk
34	2021-243301	Industrial Products Sales Representative
35	2021-622303	Automotive Parts Salesperson
36	2021-643202	Vehicle Painter
37	2021-332302	Purchasing Officer
38	2021-132402	Logistics Manager
39	2021-311401	Electronic Engineering Technician
40	2021-215101	Electrical Engineer
41	2021-684904	Panelbeater
42	2021-331201	Credit or Loans Officer
43	2021-311201	Civil Engineering Technician
44	2021-432201	Production Coordinator
45	2021-431102	Cost Clerk
46	2021-251201	Software Developer
47	2021-242303	Human Resource Advisor
48	2021-325705	Safety Inspector
49	2021-714101	Rubber Production Machine Operator
50	2021-714208	Plastics Manufacturing Machine Minder
51	2021-524903	Sales Clerk / Officer
52	2021-132107	Quality Manager
53	2021-642702	Refrigeration Mechanic
54	2021-351201	ICT Communications Assistant
55	2021-712101	Metal Processing Plant Operator
56	2021-642701	Air-conditioning and Refrigeration Mechanic
57	2021-643201	Industrial Spraypainter
58	2021-242101	Management Consultant
59	2021-714202	Plastic Compounding and Reclamation Machine Operator
60	2021-241102	Management Accountant
61	2021-313501	Metal Manufacturing Process Control Technician
62	2021-214605	Metalurgerist
63	2021-652205	Master Toolmaker

ANNEXURE 2: PARTNERSHIPS

Type	Partner	Scope	Start Date	End Date
Bursary	Ikusasa Student Financial Aid Programme	Upliftment Fund NPC	2021/03/31	2024/03/31
	National Student Financial Aid Scheme (Nsfas)	(blank)	2023/03/27	2026/10/31

	University of KZN Foundation Trust	(blank)	2024/03/28	2026/09/30	
CET College	Free State CET College	(blank)	2023/01/30	2024/10/31	
	KZN CET College	(blank)	2022/03/31	2024/10/31	
	NC CET College	(blank)	2022/03/30	2024/10/31	
	Western Cape CET College	(blank)	2023/03/31	2026/03/31	
COS	Centres of Specialisation	Discretionary Grant	Various	2024/09/30	
				2026/09/30	
				2027/09/30	
Government	Cooperative Governance & Traditional Affairs (COGTA)	(blank)	2023/03/31	2026/10/31	
	Department of Agriculture, Land Reform & Rural Development	(blank)	2022/08/11	2024/09/30	
	Department of Basic Education	(blank)	Various	2027/09/30	
				2022/03/31	2026/09/30
	Department of Economic Development & Tourism	(blank)	2021/05/30	2025/09/30	
	Department of Roads & Public Works	Apprenticeships/ARPL-80	2019/09/09	2024/09/30	
	Department of Small Business Development	(blank)	2016/03/29	2026/09/30	
	Moses Kotane Institute	(blank)	2023/09/18	2025/10/30	
HEI	Cape Peninsula University of Technology	(blank)	2022/03/31	2026/09/30	
			2024/03/27	2026/09/30	
	Central University of Technology	(blank)	2020/10/30	2024/09/30	
			2023/07/03	2025/09/30	
	Durban University of Technology	(blank)	2023/12/21	2025/10/30	
	Mangosutho University of Technology	(blank)	2022/03/16	2026/09/30	
			2024/03/27	2026/09/30	
	Nelson Mandela University-Yr21	50 Bursaries	2021/07/14	2025/03/31	
	Tshwane University of Technology		Short learning Programmes on Smartphone, Automotive, Electrical, Robotics and Leadership Training	2021/03/23	2024/03/31
			Skills Development in Domestic Appliances for 600 TVET college students	2020/06/22	2024/03/31
(blank)			2023/07/03	2025/09/30	

			2024/02/14	2027/03/31
			2024/03/27	2026/09/30
	University of Cape Town	(blank)	2022/09/27	2025/03/31
			2023/02/14	2026/03/31
	University of South Africa	(blank)	2023/03/17	2027/09/30
	University of the Free State	Establishment of 4IR Centre for Data and Digital Engineering and Research capacity in Computer Science and Technology	2020/05/20	2024/03/31
		(blank)	2023/03/30	2028/03/31
	University of the Western Cape	(blank)	2022/10/31	2025/12/31
			2024/03/28	2026/09/30
	Walter Sisulu University	(blank)	2023/03/31	2024/06/30
Industry Partner	AIDC	(blank)	2022/02/17	2026/09/30
			2024/03/28	2026/09/30
	CSIR	(blank)	2024/03/28	2026/09/30
	Customised Business Advisory Solutions	Development of Occupational Qualifications Vehicle Body Builder (Motor body builder)684905	2017/06/27	Month to month
	East Cape Training Centre	(blank)	2021/03/23	2025/09/30
	Eastern Cape Development Cooperation	(blank)	2023/06/13	2026/09/30
	Enterprise Development Project	Discretionary Grant	Various	2026/09/30
				2027/09/30
				2028/09/30
	EON Knowledge Metaverse	(blank)	2022/06/28	2027/06/27
	Grange Hill Investments	(blank)	2024/02/01	2028/09/30
	Motseki Business Consulting	Boiler and Pressure Vessel Inspector	2014/08/12	Month to month
	Retail Motor Industry Organisation (RMI)	(blank)	2021/05/06	2024/03/31
Labour Union	NUMSA	210 Bursaries	2021/10/26	2026/09/30
Local Government	EC Office of the Premier	Apprentices and P1/P2	2020/07/30	2024/09/30
		(blank)	2022/02/17	2026/09/30
			2022/12/13	2026/09/30
			2023/03/01	2027/09/30
			2023/12/30	2028/03/31
	FS Office of the Premier	Funding of Skills Programs, Artisans, and candidacy skills development interventions.	2021/03/15	2024/09/30
	(blank)	2022/01/21	2026/09/30	

			2023/03/31	2027/03/31
	Gauteng Department of Education	(blank)	2023/03/27	2024/10/31
	KZN Department of Economic Development, Tourism & Environmental Affairs	Artisan Recognition of Prior Learning (ARPL)-450	2019/12/13	2024/09/30
	KZN Office of the Premier	Skills & Apprenticeships	2019/03/20	2024/03/31
	LP Office of the Premier	(blank)	2022/01/19	2026/09/30
			2024/01/30	2028/06/30
	Mpumalanga Department of Education	143 unemployed learners on artisan learning programmes	2015/03/11	2025/03/31
	NC Office of the Premier	(blank)	2023/03/31	2027/03/31
NGO/CBO/NPO	NGO/CBO	NGO/CBO Training	2015/12/01	2026/09/30
	Gauteng City Region Academy (GCRA)	(blank)	2023/03/31	2026/10/31
People With Disabilities	People With Disabilities	Discretionary Grant	Various	2026/09/30
TVET College	Boland College	Learnerships NQF Level 2/3-45	2019/10/25	2024/09/30
		(blank)	2020/10/13	2024/09/30
			2022/03/23	2026/09/30
	Capricorn TVET College	Apprenticeships-45	2019/09/09	2024/09/30
		(blank)	2023/06/13	2027/09/30
	Coastal KZN TVET College	(blank)	(blank)	2024/09/30
	College of Cape Town	Apprenticeships-45	2019/09/09	2024/09/30
		(blank)	2021/03/15	2024/09/30
			2023/08/08	2027/09/30
	Ehlazeni TVET College	(blank)	2024/03/18	2026/09/30
	Ekurhuleni East TVET College	Apprenticeships-30	2020/11/11	2024/09/30
		(blank)	2022/06/24	2026/09/30
			2023/08/24	2027/09/30
	Ekurhuleni West TVET College	(blank)	2024/02/07	2027/01/31
			2024/02/21	2028/09/30
	Elangeni TVET College	(blank)	2023/03/30	2025/09/30
	False Bay College	Learnerships NQF Level 2/3-180	2019/10/03	2024/09/30
		Tools and equipment for False Bay TVET College	2018/11/22	2024/03/31
		(blank)	2022/03/30	2026/09/30
			2023/03/30	2025/09/30
	Gert Sibanda TVET College	(blank)	2024/02/01	2028/09/30

	Goldfields TVET College	(blank)	2024/02/05	2027/01/31
	Ikhala TVET College	(blank)	2022/08/25	2026/09/30
	Ingwe TVET College	(blank)	2020/10/13	2024/09/30
			2023/06/23	2027/09/30
	King Hintsa TVET College	Apprenticeships-70	2020/10/28	2024/09/30
		(blank)	2023/03/31	2025/09/30
	Lephalale TVET College	(blank)	2022/08/01	2026/09/30
	Letaba TVET College	(blank)	2024/03/28	2026/09/30
	Mopani Southeast TVET College	Apprenticeships-40	2019/09/17	2024/09/30
		(blank)	2022/08/01	2026/09/30
	NC Rural TVET College	(blank)	2023/05/05	2026/09/30
	NC Urban TVET College	(blank)	2022/03/28	2024/09/30
	Nkangala TVET College	Apprenticeships-30	2019/10/28	2024/09/30
		(blank)	2022/01/21	2026/09/30
			2023/06/29	2027/09/30
			2024/03/28	2026/09/30
			(blank)	2024/09/30
	Northlink College	Apprenticeships-70	2019/12/19	2024/09/30
		NQF Level 2-90	2019/01/25	2024/09/30
		(blank)	2023/03/31	2025/09/30
	Sedibeng TVET College	(blank)	2023/06/08	2027/09/30
	Southwest Gauteng TVET College	(blank)	2023/06/13	2025/09/30
	Tshwane North TVET College	Apprenticeships-15	2019/09/09	2024/09/30
	Umfolozzi TVET College	(blank)	2022/06/24	2026/09/30
			(blank)	2024/09/30
	Vhembe TVET College	(blank)	2020/11/27	2024/09/30
	Vuselela TVET College	Apprentices 30	2019/03/14	2024/09/30
		(blank)	2024/02/07	2027/01/31
	Waterberg TVET College	(blank)	2024/02/02	2028/09/30
	West Coast College	Apprenticeships-60	2019/09/25	2024/09/30
		(blank)	2020/11/27	2024/09/30
			2023/05/31	2025/06/30
			2023/06/13	2027/09/30
			2024/02/06	2027/01/31
Various	TVET Support	Discretionary Grant	Various	2026/03/30
Worker Initiated Project	Worker Initiated Project	(blank)	Various	Various
World Skills	World Skills	(blank)	2022/03/30	2026/10/31

ANNEXURE 3: 5 DIGIT LEVEL SIC CODE

Chamber	SIC CODE	DESCRIPTION
Plastics	33431	Manufacture of plastic bags
New Tyre	33711	Manufacture of tyres and tubes
New Tyre	33712	Rebuilding and retreading of tyres
New Tyre	33790	Manufacture of other rubber products
New Tyre	33791	Calendaring
New Tyre	33792	Compounding
Plastics	33801	Injection molding
Plastics	33802	Blow molding
Plastics	33803	Extrusion
Plastics	33804	Plastics processes
Metal	35101	Basic iron and steel industries, except steel pipe and tube mills
Metal	35102	Steel pipe and tube mills
Metal	35201	Refining of precious metals, e.g. gold, silver, plati
Metal	35202	Manufacture of primary non-ferrous metal products
Metal	35310	Casting of iron and steel
Metal	35320	Casting of non-ferrous metals
Metal	35411	Manufacture and/or repairs of movable metal structure and other metal parts
Metal	35412	Manufacture of basic metals, fabricated metal products, machinery, and equipment
Metal	35419	Manufacture and/or repairs of structural metal products and components including doors, windows, and gates.
Metal	35420	Manufacture of tanks, reservoirs, and similar container
Metal	35430	Manufacture of steam generators, except central heat
Metal	35510	Forging, pressing, stamping, and roll-forming of metal; powder metallurgy
Metal	35520	Treatment and coating of metals; general mechanical
Metal	35521	Treating and coating of metals
Metal	35522	General mechanical engineering on a fee or contract basis
Metal	35530	Manufacture of cutlery, hand tools and general
Metal	35592	Manufacture of cables and wire products
Metal	35593	Manufacture of springs (all types)
Metal	35594	Manufacture of metal fasteners
Metal	35599	Manufacture of other metal products n.e.c.