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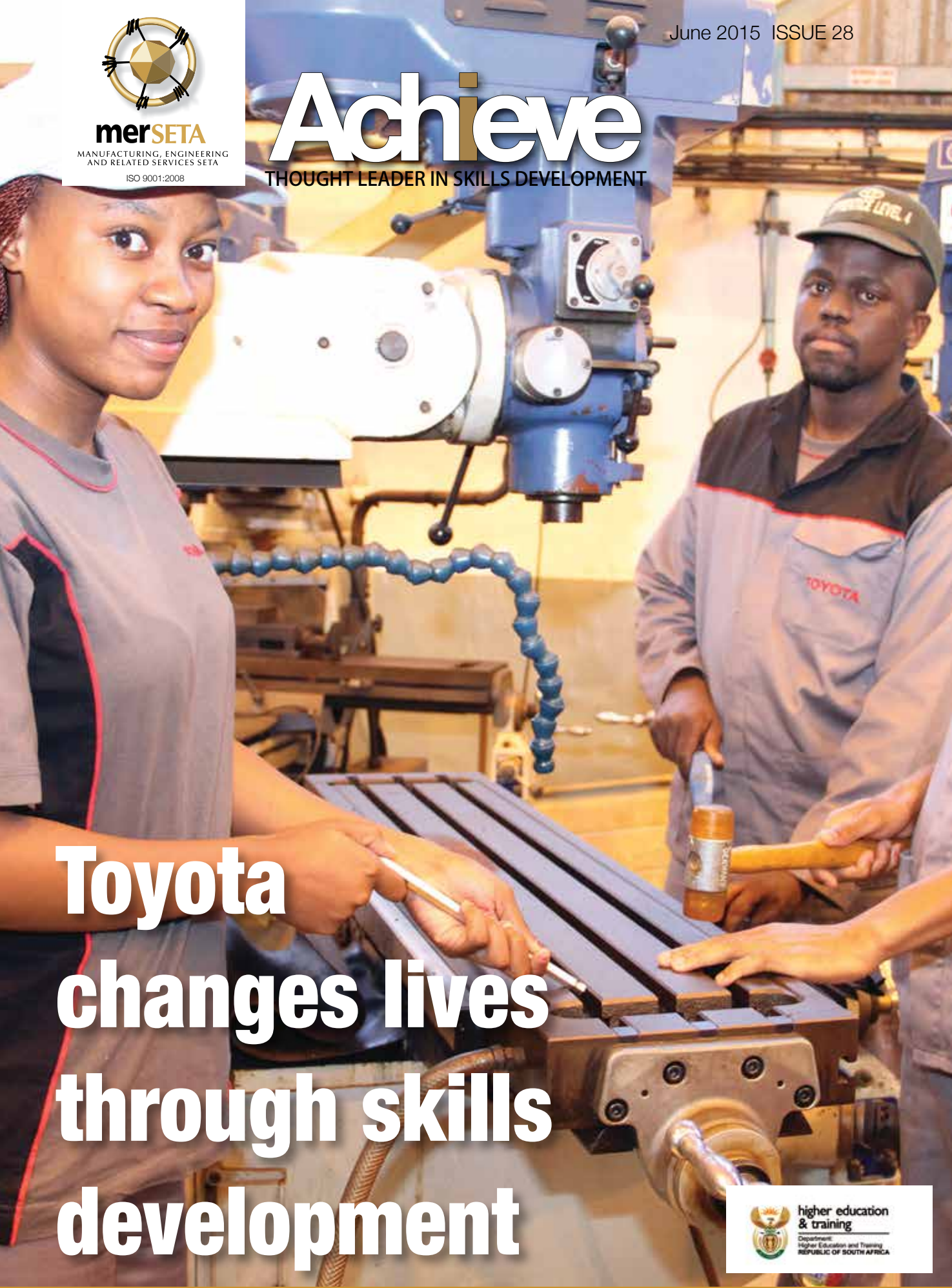
June 2015 ISSUE 28

Achieve

THOUGHT LEADER IN SKILLS DEVELOPMENT



Toyota changes lives through skills development

higher education & training
Department: Higher Education and Training
REPUBLIC OF SOUTH AFRICA

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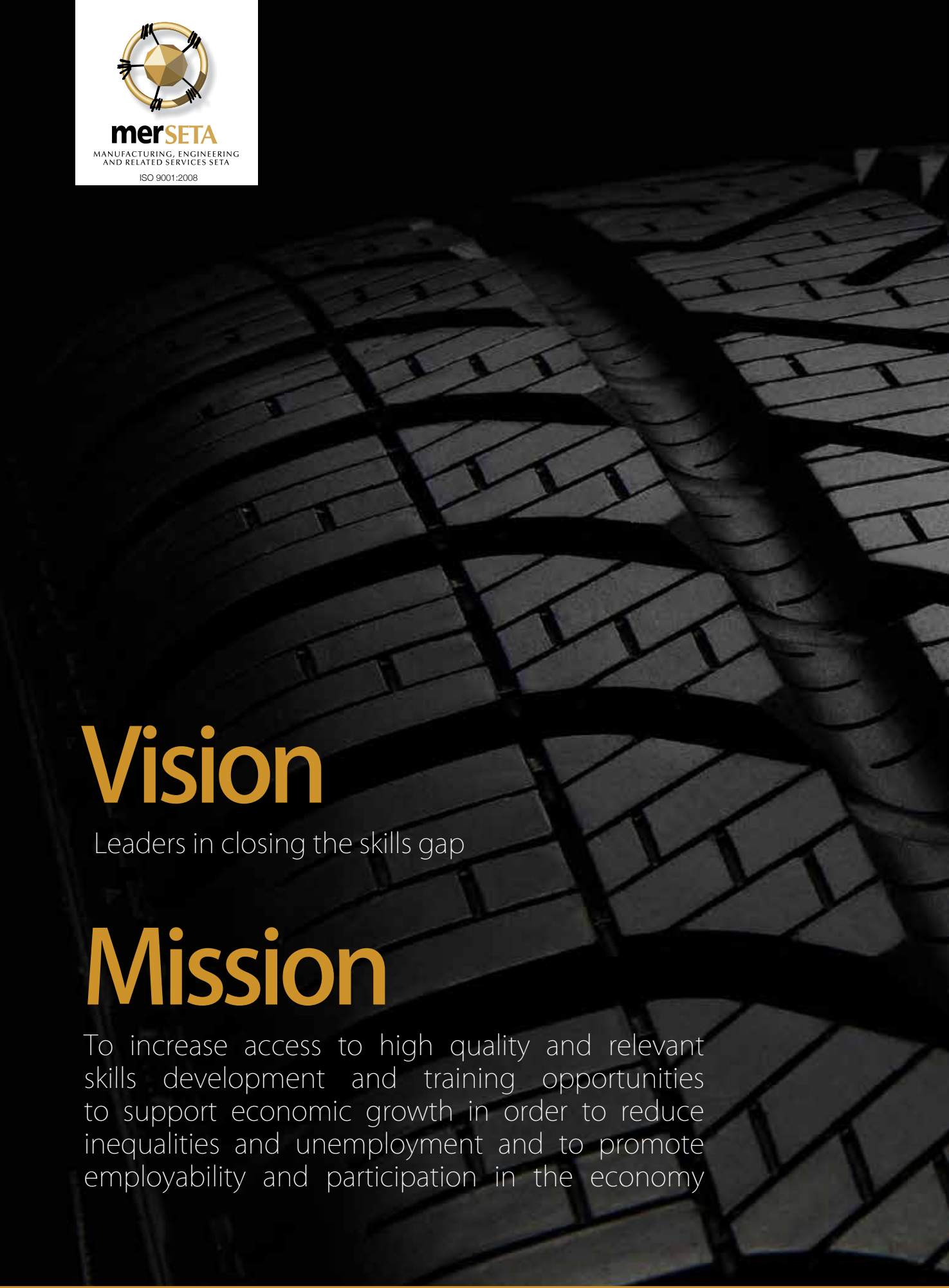

Vision

Leaders in closing the skills gap

Mission

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

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TALKING NOTES

As you read this, South Africa will have celebrated the 39th anniversary of 16 June 1976, the day when, at the height of apartheid rule, hundreds of Soweto school children were shot dead by police for voicing their anger and disgust at being taught in Afrikaans — the language of their oppressor.

The youth took to the streets in protest against Afrikaans being used as a medium of instruction in black schools because of the realisation that the language would not take them far in life other than to make them pliable servants of the universally discredited regime and its supporters and beneficiaries.

They also knew that as a government serving only the narrow interests of a minority, there was no way in which the regime was going to invest meaningfully in their future.

After all, the then government expected of them to be "the hewers of wood and drawers of water", as Hendrik Verwoerd, the architect of apartheid, once said, without batting an eyelid. The youth of 1976 would have none of that.

Thirty-nine years on, South Africa is a democratic and non-racial society that is, among other things, making serious efforts to undo the immeasurable damage that Bantu Education, Verwoerd's creation, has done to the country.

It was former African National Congress president Oliver Reginald Tambo who said: "A nation that does not invest in its youth does not invest in its future."

It is thus pleasing to know, as one of our stories we are carrying in this issue of ***Achieve*** reveals, that over R50 billion in loans and bursaries has been awarded to more than 1.5 million students across the country since the inception of the Tertiary Education Fund of South Africa (now NSFAS).

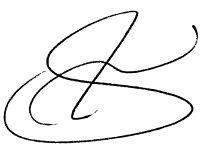
It is also heartening to note that an increasing number of players — big and small, such as Toyota SA as well as Elinem Construction in Newcastle, KwaZulu-Natal, and Kgabo Cars in Soshanguve, north of Pretoria — are putting their shoulders to the wheel to deal with the critical shortage of skills in the engineering and manufacturing sector, the depth and complexity of which are also being closely examined in this issue.
But the big question is: Is the skills shortage in South Africa worse than admitted?

According to the Artisan Training Institute (ATI), there are at present as many as 829 800 vacant positions for highly skilled workers across a diverse range of occupations in South Africa — and this includes posts for artisans.
Industry pundits have put the artisan shortfall at between 40 000 and 50 000 and, if this figure is correct, we are falling short of filling this acute gap, a situation bound to affect the performance of the country's economy going forward.

The electricity crisis is on the lips of everyone in South Africa today.
Renowned political and trend analyst JP Landman spoke about the problem at a breakfast meeting of the Motor Industry Staff Association recently. He said intermittent power supply was a major constraint to South Africa's bid to grow the economy. The question is: How much is the manufacturing and engineering sector affected by this?

On the black economic empowerment front, we carry a story on the R23 billion set aside by the Department of Economic Development over the next five years to fund "new players" as the government makes a big push to industrialise the economy.
The programme will significantly contribute to the transformation of the industry and the creation of jobs.

Be blessed!



Sibongiseni Ziinjiva Ka-Mnguni

Disclaimer: Please note that the editor reserves the right to withhold articles due to space limitations or for any other reason.

A view from THE TOP

Provisional results for the 2014-2015 financial year indicate that the merSETA has exceeded its targets, making a solid difference to the skills development arena in the country

Our preliminary results for 2014-2015 must still be assessed and accredited by the Auditor-General. But initial statistics indicate that the merSETA has exceeded its training targets for the period. This is further proof that the SETA system, when fully operational, can make a sterling difference to the training and upskilling landscape in our country.

Our mandate includes:

i. Developing a sector skills plan within the framework of the National Skills Development Strategy; and

ii. Establishing and promoting learnerships through:
   (a) Collecting and disbursing the skills development levies in its sector; approving workplace skills plans and allocating grants in the prescribed manner to employers, education and training providers and workers;
   (b) Fulfilling the functions of an ETQA as delegated by the QCTO; and
   (c) Monitoring education and training in the sector.

The Operations Division contributed significantly to the merSETA's achievement of 25 out of the 27 numerical indicators. The merSETA achieved 25 targets by more than 120%, and one target by 100%. Only one target was underachieved, namely unemployed bursary candidates completing their studies as a result of the Department of Higher Education and Training's request to transfer all available funds in this area to the National Student Financial Aid Scheme (NSFAS).

The Projects Development Unit has made substantial progress in respect of the following areas of work:

- Strengthening the public Further Education and Training system;
- Building work-integrated learning linkages between Technical, Vocational Education and Training (TVET) colleges and their industrial counterparts; and
- Strengthening opportunities for employment growth in the sector through industrial competitiveness and innovation.

In promoting the responsiveness of TVET colleges to the intermediate skills needs of the sector, the merSETA also launched Dual System Apprenticeships, a DHET pilot initiative to improve the relevance of skills taught at colleges and to strengthen post-qualification employability.

These aspects of our success indicate that the workflow process is exceptional. Our figures still need to be confirmed by the relevant authorities.

But once again, indications are that we have a winning formula.

Dr Raymond Patel
CEO – merSETA

The Vocational Educator: A critical catalyst in the Decade of the Artisan

New inspiration

One of the most gratifying parts of my research work is the privilege of site visits to public Technical, Vocational Education and Training (TVET) colleges, supported by discussions with college management.

Most importantly, it is sharing passionate insights of educators who truly honour their vocation. When compared to the company-based training academies, there is no difference in wanting to be a good educator – rather a tapestry of teaching variants searching for direction.

Ms Helen Brown, Senior Manager: Projects Development

The Vocational Educator and COMET

The COMET Project is starting to build new insights for vocational educators who seek to achieve gains in student learning. This observation is drawn from recent feedback sessions with vocational educators based at TVET colleges whose students participated in the COMET 2014 test series. The merSETA had originally invited three colleges to participate in the first pilot of 2011 for the purpose of measuring problem-solving capabilities in the electro-mechanical field of study (millwright). Welding, electrical and mechatronics were added to the 2014 test series, with two more colleges participating. The motor mechanics occupation is being added to the September 2015 test series.

Results of these COMET tests can be benchmarked between institution type, *(i.e. TVET college:in-company academy:private technical training centre)* or between colleges teaching the same occupation. The notable value of these tests to the educator is that, if the educator uses the first result as a baseline evaluation, he or she will be able to implement post-test teaching adjustments and then measure the impact of these adjustments in the next test series.

A Structured Discussion with Vocational Educators

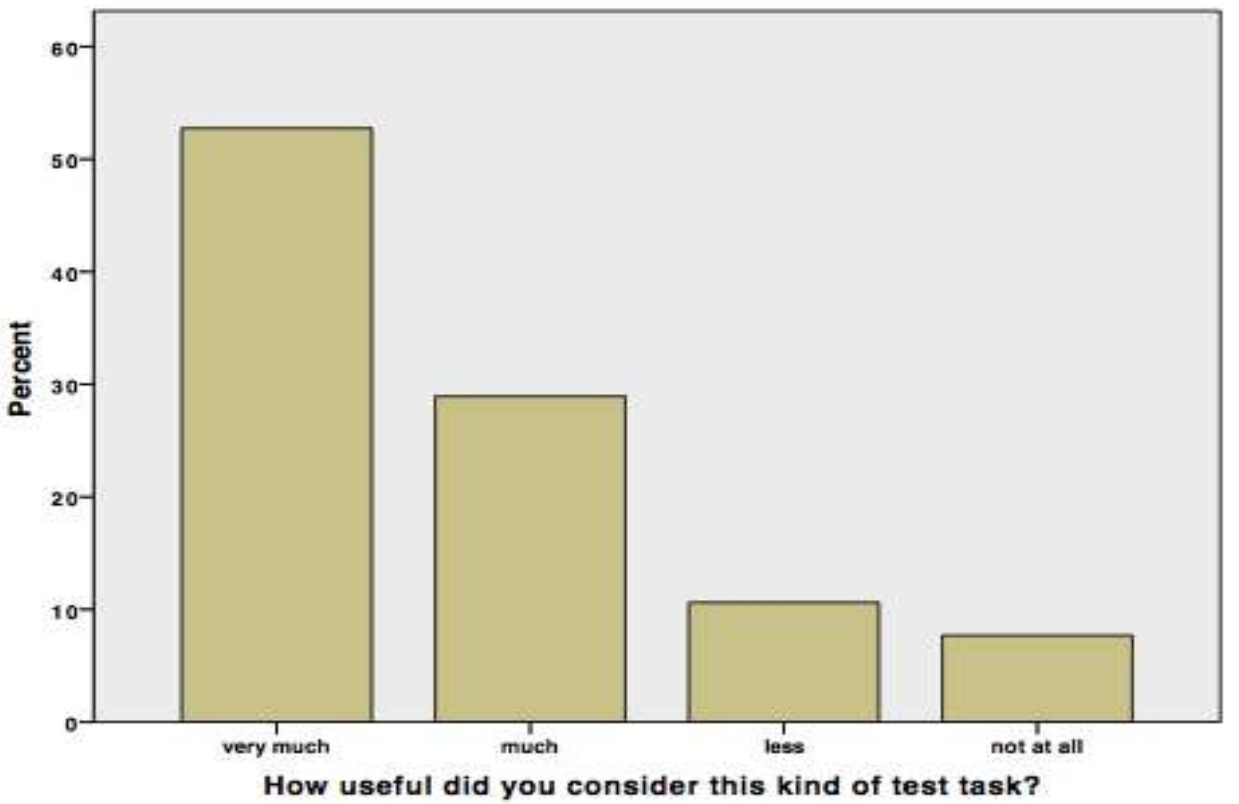
The feedback sessions to educators were structured in the form of a focus group at each teaching site, starting with a presentation of individual student COMET 2014 results and followed by observations from combined test site results. These additional observations were presented in a way that encouraged deeper consideration and dialogue among educators. These additional observations, shared with educators, included the following:

(i) That the results of students in study years 1, 2 and 3 showed no significant difference in average scores, indicating a stagnation in competence development;

(ii) That, in the motivation questionnaire completed at the time

of the COMET test, there was confirmation that the larger proportion of students found the test task "interesting and very useful" as described in Figure 1 below:

Figure 1: Student responses to motivational question



higher average COMET test scores than those that had no WorldSkills winner, as demonstrated in figures 2 and 3 on the next page.

(v) That educators often transfer their problem-solving horizon to the learners as indicated by Prof Felix Rauner during his presentation at the DHET-merSETA TTPRIS Conference in December 2014.

(vi) That educators should manage the report-back of results to their students in a prescribed way.

Outcomes and new directions:

The feedback workshops stimulated useful discussions among educators. Educators were generally motivated to interrogate the content of the feedback and find ways to teach more cooperatively among themselves and in partnership with the industry. The most notable observations in these discussions were common among more than 70% of educators. They are

(iii) That the top 10 students of each occupation were able to achieve high levels of competence. Educators were able to identify their students on this list;

(iv) That in reviewing the average scores of teaching sites that had produced a national WorldSkills winner (thus demonstrating skill proficiency), those sites had also managed to achieve

described below in order of interest:

1. Educator cooperation and learner behaviour: Classroom-based and workshop-based educators concurred that they were not able to predict the top COMET test performers among their learners. They were often surprised to learn who the top COMET scoring learners were. This commonly led to a joint reflection on learner behaviour during both theoretical and practical teaching sessions. Most educators concluded that students with top COMET scores generally asked more questions about the topic

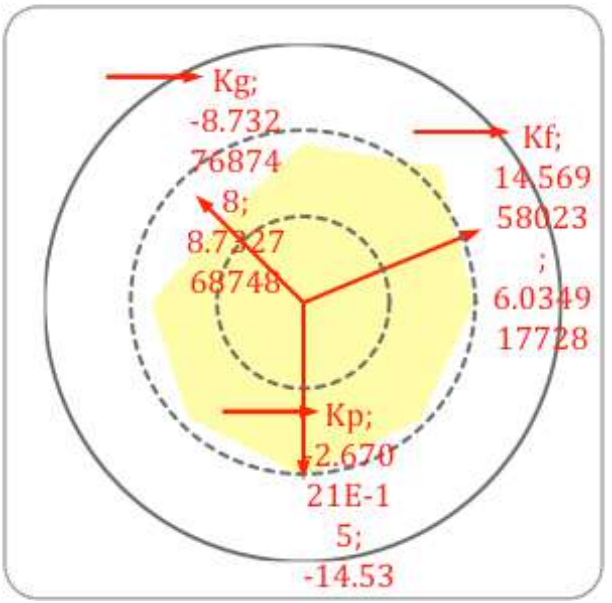


Figure 2: Top 30% average competence profiles at "WorldSkills winner" teaching site.

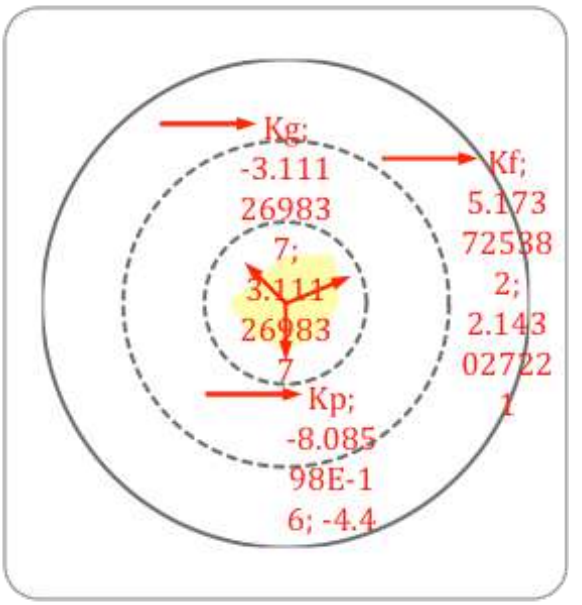


Figure 3: Average competence profiles of all tests at all teaching sites.

being taught. They also took longer to complete practical assignments and, in many cases, had a more mature identity with the skilled work of the occupation being taught.

Some suggestions made:

Technology theory educators need to find ways of cooperating with their practical workshop instruction counterparts by way of linking theory to practical tasks taught. Some examples would be to jointly implement COMET learning tasks, first as a group assignment and then individually as a means to develop conceptual problem-solving skills linked to real problems encountered in the world of work.

Practical assignments and theory classes should be complemented with a visit to a local company that would expand on how the concept/product/assignment fits into a broader work process, how industrial customers set standards for quality and cost, the importance of safety considerations and what criteria the company uses when selecting new skilled workers – i.e. making factory tours valuable to the learning process requires much preparation on the part of the educator and the learner.

2. "Teaching to the test": Educators commented that in many cases, students who scored top marks against the taught curriculum were not top COMET scorers. Further discussion on this topic led to educators reflecting on their teaching method based on preparing for the test against a set curriculum, rather than teaching that would enable deeper problem-solving abilities in the broader workplace context of the occupation. "Teaching to the test" was seen as a gain in the student pass rate at the cost of the students' learning and development that would support a more successful college-to-work transition.

Some suggestions made:

Consider the flexibility of a three-year vocational qualification as opposed to three one-year qualifications. Do not recognise colleges' performance for short-term "work-placements" but rather for proven and sustained employment by means of an apprenticeship/learnership agreement either during or post the full NC(V) qualification as an indicator of successful college-to-work transition. Also, consider a 6-12 month bridging programme for entry into engineering related NC(V) courses.

3. Not enough time for practical mastery: Educators conceded that they often emphasised the theory of the occupation over practical mastery and that this should be addressed in the curriculum design, with more emphasis on workshop practice, work-integrated learning and problem-solving.

(5) Need for Quality Assurance:

Learners and teachers: A strong relationship when it comes to COMPETENCE

Average profile of ***teachers*** *in the Mechatronic Profession Main test* ***COMET South Africa 2014***

Average profile of ***learners*** *in the Mechatronic Profession Main test* ***COMET South Africa 2014***

Universität Bremen

Some suggestions made:

In the case of the NC(V) programme, support the curriculum with e-learning and e-self-assessments that free up formal class time in favour of practical mastery of the occupation; increase scope and depth of practical assignments; use industrial experts from local companies to assist in the original scope and assessment of practical assignments and keep college workshops open on a 12- to 14-hour roster (with controlled access) to support student access to practical hours for individual mastery.

4. Value of occupational problem solving skills recognised:
Educators were motivated to further develop COMET teaching methods in the classroom supported by simulated practical task alignment to real work processes. Educators were motivated to cooperate in a community of COMET practice. Educators agreed, however, that it would be very difficult to implement COMET teaching practice where there was no evidence of educator collaboration.

Some suggestions made:

- Implement a COMET Educators' Certificate;
- Consider a Continuous Professional Development (CPD) points system for vocational educators that is quick and easy to implement;
- Educators earning CPD points should not lose commensurate teaching hours in the regulated weekly requirement; and
- CPD points should be incorporated into the Department of Higher Education and Training's prescribed college funding model, as should post-qualification transition into sustained employment of students.

It must be conceded that these observations have a number of limitations.

Firstly, although focus groups have some advantages in the qualitative analysis of data, the observations still need to be considered in the context of deeper analysis of data from the large scale COMET test held in 2014.

Secondly, vocational educators represented in this exercise are a small sample of the total population of vocational educators.

Thirdly, all the variants of educator instructional practice are not included in the focus group discussions and might, therefore, require additional research inquiry.

Finally, these observations, nevertheless, attempt to inform the work of educational experts committed to strengthening qualitative improvements in the South African TVET system.

Women weld their way into a traditionally man's world

***Achieve** visits Elinem Construction, where women have carved a niche for themselves in an unfamiliar territory*

Elinem Construction apprentices and management.

> *"When we started here, our male colleagues looked down upon us. When we asked for help, they would just tell us: You said you could do this job, so do it"*

The skills shortage in South Africa has become so critical that many local companies in the construction and steel sectors have to import skilled welders from countries such as South Korea, Argentina and the Philippines.

The shortfall of welders in South Africa has been estimated at more than 12 000. Only six people have in the past five years obtained internationally recognised welding qualifications in the country compared with 2 000 in Germany. Three of South Africa's welders with international qualifications are now working abroad.

To address this massive skills shortage, Elinem Construction, which is based in Newcastle, KwaZulu-Natal, started training welders and boilermakers in 2012.

To date, the company has trained 30 boilermakers and 60 welders.
Significantly, many of the trainees are young women seeking to make inroads into fields that were historically dominated by men.

Londiwe Maphalala, Xolisile Skosana and Nothando Zungu, three of the women welders who qualified last year, shared their experiences and journey to success with ***Achieve*** during its visit to Elinem recently.

All three agreed that being women in a highly technical environment such as welding was extremely challenging — some men still find it hard to accept women holding these positions.

"When we started here, our male colleagues looked down upon us. When we asked for help, they would just tell us: "You said you could do this job, so do it'," Maphalala said.

Maphalala took exception to how technical fields were perceived.
"Unfortunately most people don't understand what a welder is. They think you are just a *mashisela*; you just make burglar doors. But there's actually a lot more to it than that," said Maphalala.

Contrary to perception, welding is involved in about 98% of all manufacturing processes – if not in the item produced, then in the machinery used to produce the item. Welding is regarded as the backbone of the manufacturing industry as any infrastructure project such as roads, rail and shipping requires a certain amount of welding.

Zungu says being a woman welder is special in many respects.
She said, unlike other professions, "it's engaging and involves analytical thinking, interpersonal skills and endurance".

"Being a female welder is unique … because people tend to think only men can be welders," she said.

Zungu added that when a woman was involved in a technical field, she was always reminded that she was a woman.

"It is challenging because you have to prove yourself at all times. I didn't know anything about welding until I applied for a learnership at Elinem Construction. They made me understand what welding was all about. That changed my life because

Elinem Construction Training Manager Warren Burchell.

Elinem Construction best welder Nothando Zungu.

I was not employed at the time. I was a student, hoping that one day I would get the opportunity to work."

Maphalala is regarded as the best welder at Elinem Construction.
"I am humbled. It's all thanks to Elinem Construction. As women welders, we took the opportunity given to us seriously because we always have to prove ourselves in this industry. We have to prove that we can do what men can do as welding has traditionally been seen as a man's world," Maphalala said.

Skosana is excited about the opportunity given to her by Elinem.
She said it had changed the way she viewed welding and the role of women in technical fields.
"It has brought a new dimension to my life. I am at present taking care of 10 people, including my grandmother, and life is no longer as hard since I started working here."

Maphalala said it was a misconception to think that women could not lead.

"We have seen a number of women emerge since the dawn of democracy, especially young women in politics, business and other sectors of our economy. That shows that women can lead just like men.

"As young women, it gives us comfort to know that we are following in the footsteps of the giants that have walked before us. I think women can do anything at any time once they have set their mind to it. My vision is to own a construction company one day," said Maphalala.

Zungu encouraged other women to take up welding as a career, saying: "It's not only about the good money that you make but also about the number of opportunities available in the industry.

She, however, issued a warning.
"All that glitters is not gold. This field is demanding physically and this does not make it any easier for a woman. Working at heights can be a daunting task at first but as time goes by you get used to it.

"I couldn't do it at first but as time went by, it became a piece of cake."

This was corroborated by Zungu, who said that, among other challenges, women welders often had to deal with gases.

"These gases can affect your fertility. Some of us are still young and would like to have families in the near future," she said.

There are sufficient opportunities for welders in South Africa, mostly in the energy and manufacturing sectors as the majority of engineering processes, particularly in manufacturing, start with welding. Manufacturing is key to economic growth and increases levels of empowerment.

Welding is an important production process in almost all manufacturing activities. If this sector grows, job opportunities in welding and related industries will increase, resulting in many employment and career opportunities for South Africans who have educational qualifications ranging from Grade 10 to a post-graduate degree.

Welding her way up: Xolisile Skosana.

Toyota changing lives through skills development

Statistics show that the country may have a shortfall of 40 000 qualified artisans against the current production rate of about 13 000 qualified artisans a year. To help mitigate this shortfall, Toyota South Africa has undertaken a vigorous training drive. This could not have come at a better time as the automotive sector is embarking on an aggressive drive to accelerate the training and development of qualified artisans and a technically skilled labour force. ***Sibongiseni Ziinjiva Ka-Mnguni*** *visited the Toyota Academy in Durban and spoke to three of its apprentices.*

Some of the Toyota Academy apprentices.

Apprentice 1:

Stanley Phare from Matatiele in the Eastern Cape studied civil engineering at Coastal College He was doing N6 in electrical engineering when he came across this opportunity at Toyota.

SZM: What brought about this switch from civil engineering to electrical engineering?
SP: After completing my qualification in civil engineering, I couldn't find fulfilment.
Another contributing factor was the lack of opportunities in civil engineering compared to electrical engineering, hence the change.

SZM: How has your training been and what is the duration of your learnership?
SP: The training has been fantastic from the beginning. We are on a Mechatronics learnership. Mechatronics is a combination of electrical and mechanical engineering. I like the synergy between the two. When you do electrical engineering you also need some skills from the mechanical side so you can do your job well. The learnership is 10-and-a-half-months long and I started here on 1 August 2014. As soon as I finish my learnership, I will apply for apprenticeship and then do my trade test.

SZM: How important is the training you gained and how is it going to help you in the future?
SP: With the invaluable skills I've attained, I can start my own business and employ other people. So what we are being taught here comes in very handy; it gives you skills that are priceless.

SZM: How has the opportunity changed your life?

Toyota SA's Head of Department: Learnership, Mr Andy Moodley; Toyota SA's Senior Manager: Technical Training, Mr Owen Dickson; merSETA Client Liaison Manager Mr Musa Mtshali; Toyota SA's Senior Manager: HRD Chrissy Berichon; and Toyota SA's Vice-President: Toyota Academy and External Affairs, Mr Len von Graevenitz.

SP: I am very grateful to Toyota. It has opened my eyes. I now look at things differently. Now I understand why I should know various things and not focus on one thing. This learnership has changed my life completely, and I am now a responsible citizen.

Apprentice 2:

Mxolisi Njhapha, who lives in Umlazi, near Durban, had to choose between commercial and technical studies when he passed Grade 9. He chose technical studies. From Grade 10 he started doing technical drawing, and mechanical and electrical engineering.

SZM: What informed your decision to study technical subjects?
MN: It was informed by advice from my older brother, who did technical subjects at high school. He told me there were a lot of opportunities in engineering. So I took his advice and did mechanical and electrical engineering. At school we were forced to do two trades: electrical and mechanical engineering. I did my N4 in electrical engineering at Bright Technical College. I started my learnership at Toyota in 2010. I was lucky to get on the apprenticeship programme the following year. I am now doing my final year, preparing to qualify as an artisan. I will be doing my trade test between June and September this year [2015].

SZM: You are so close to qualifying as an artisan, what goes through your mind at the moment?
MN: It is just a matter of getting the certificate. But at the same time I am nervous. I am going to the real world after this – it's only then that the reality will dawn. I have been training, being in the plant, I have been working with other artisans. I was under someone. Now I will be on my own.

SZM: How are the preparations for a trade test coming along?
MN: The preparations have been good. I think I am on the right track.

SZM: How has this training changed your life?
MN: It has really changed my life. Being on an apprenticeship is like being in a job because you get paid while you are being trained. To me, it is more like a job.

Shining stars of the Toyota Academy: Ongezi Mdladlamba, Mxolisi Njhapha and Stanley Phare.

Senior Training Officer Casper van Jaarsveldt, level 4 apprentice Brandon Ogle and level 4 apprentice Gaylene Waljee

SZM: What would like to say to Toyota?
MN: I am very thankful for the opportunity I got here at Toyota. If you have been trained at Toyota you can go anywhere because you get the best training.
SZM: Where do you want to see yourself in the next five years?
MN: I want to be one of the best artisans in the country. As soon as I get my wireman's licence, the sky is the limit.

Apprentice 3:

Ongezi Mdladlamba studied and matriculated at Ridge Park College and underwent an electrical engineering course at the Durban campus of Coastal College.

SZM: Why did you choose engineering, especially as a woman?
OM: Honestly my focus was not on doing engineering; I wanted to do climatology. Unfortunately my results were not so good so I could not go to university. I then fell in love with engineering, so I started to pursue it.

SZM: Being a woman in a male-dominated field, how have men treated you?
OM: People don't actually believe that I did engineering. Many men are surprised and others are actually happy that women are entering the engineering field. We are doing harder stuff and less feminine things.
We actually do welding and the guys are very helpful. They know how the machines work. They come to us and show us how things work. Also, our mentors and lecturers are males. They are helpful to us and don't prejudice us because we are females.

SZM: Another argument could be that they are more sympathetic to you because you are women. Perhaps you are given special treatment as women. Are you given special treatment?
OM: Not at all! In class we are all equal. If someone does not know what to do we help each other.
In the welding bay, we help each other, and everybody just helps out. There is no looking down upon us because we are women. Everybody helps out. It's just diversity and it's not as unequal as it was in the past.

SZM: Looking at gender parity, especially in the workplace, would you say that companies like Toyota or the government have done enough to try to get more women into technical fields?
OM: Yes, definitely. There are a lot of women I have seen here on learnerships and apprenticeships. Everybody is getting that opportunity. It's not only males anymore.

SZM: How have you found the training?
OM: Honestly, it is very helpful, because there are things that I didn't know that they have taught us like welding. I didn't know anything about welding, but I have learnt a lot since I started here. They are also going to teach us about spray painting and other things, so it's very helpful.

Skills development key to industrial transformation

By Sibongiseni Ziinjiva Ka-Mnguni

*In this exclusive interview with **Achieve** Editor **Sibongiseni Ziinjiva Ka-Mnguni**, Deputy Minister of Trade and Industry **Mr Mzwandile Masina** talks about the government's efforts to intensify skills development and accelerate socioeconomic transformation.*

The development of a skilled and highly capable labour force is among the key priorities and drivers of industrial transformation.

This is according to Mr Mzwandile Masina, the Deputy Minister of Trade and Industry, whose department is, among other things, charged with the responsibility of facilitating the transformation of the economy to promote industrial development, investment, competitiveness and employment creation.

Mr Masina said industrial development recognises the need for the creation of a skills base that embraces technological advances and modernisation in industrial techniques, hence the close working relations with the Department of Higher Education and Training.

"We are working very closely with the Deputy Minister of Higher Education and Training, Mr Mduduzi Manana, on the 'It's Cool to be a 21st Century Artisan' Programme in trying to build the skills base we need as a country to accelerate the industrial transformation agenda.

"The government is convinced that by empowering our young people, we would have done a great service for the future of this country. The capacity we are building by empowering young people will stand them in good stead when they have to participate maximally and contribute meaningfully to the economic transformation of this country," he said.

Deputy Minister Masina indicated that his department was working hard to ensure that the government helped to transform the economy from being consumption-driven to being production-based.

He said the youth needed to play a critical role in this transformation.

He pointed out that the government had placed young people at the centre of its radical economic transformation agenda.
Asked about the skills drain, he said the government was comforted by the fact that those who had left would return to share their expertise with the rest of the country.

"We are encouraged to see young people gain international experience. South Africa is a great country and those who have left know how great the country is. I have no doubt they will return to share the experience they have gained," he said.

He said localisation was key to accelerating economic growth.
If South Africa was to turn the tide, the acceleration of skills development and the implementation of local content would be some of the important aspects at the top of the agenda.

He said the local content policy was an important instrument that provided the government with the opportunity to leverage its resource endowments to drive its industrialisation objectives, especially if local content policies had been designed to have the ability to encourage backward, forward and/or lateral linkages.

"We are beginning to say there are key commodities and we must ensure that the local content is increased to a certain percentage. So there is work that is already under way to ensure that we boost the local content of our products.

"We can no longer hope to continue to live, prosper, create jobs and sustainable livelihoods for our people if we remain trapped in the global division of labour as producers and exporters of primary products and raw materials and importers of value added products. As long as we stay there, we will be battling over the distribution of resource rents and we will not be taking our productive economy forward."

Foreign direct investment into South Africa increased by 80% in 2013, making the economy again the biggest recipient in Africa, with $8,2-billion pouring in. The Deputy Minister said South Africa was a fertile ground for foreign direct investment.

"South Africa is receiving more foreign direct investment than any other country on the continent. But it is important for the country to continue to enhance its attractiveness as a prime investment destination."

Forging ahead with foreign direct investment, South Africa signed a Trilateral Free Trade Area (TFTA) agreement involving the Southern African Development Community, East African Community and the Common Market for Eastern and Southern Africa.

The TFTA is an important initiative in accelerating regional integration efforts aimed at ensuring that African countries trade with each other on terms, at least, as favourable as other competitors.
The agreement was signed in June in Egypt.

"The TFTA represents an integrated market of 26 countries with a combined population of 625 million people and a total gross domestic product (GDP) of $1,6 trillion," he said.

"This is an important milestone in the implementation of the development integration agenda in Africa aimed at promoting market integration, industrial and infrastructure development.

"In the context of markedly improved growth prospects for Africa alongside intensifying global competition for Africa's resources and markets, the need to enhance access to African markets is more urgent."

Although inroads have been made, the high unemployment rate, especially among the youth, remains a cause for grave concern.

However, the DTI believes that the country is on the right track. "As government, we have insisted that we must add value to our minerals before we export them. Therefore, the private sector must come to the party because our role is to make a conducive policy environment.

"We have come to the realisation that until we create an economy that can benefit the majority of our people, we would not have done justice to South Africa. Beneficiating those minerals will actually help us increase the number of jobs and grow our economy.

"South Africa reportedly has the largest reserves of mineral resources in the world (excluding oil), with an estimated value of $ 2,5 trillion. This endowment is dominated by the platinum group of metals (PGMs) (88% of global reserves), manganese (80%), chrome (72%), vanadium (32%) and gold (30%) but includes a range of other substantial mineral reserves. Mineral beneficiation is an area of work that presents much untapped opportunity but has lagged in terms of policy development and implementation in the past."

"We have come to the realisation that until we create an economy that can benefit the majority of our people, we would have not done justice to South Africa"

Mr Masina added that the government was intensifying its efforts to accelerate socioeconomic transformation to grow the manufacturing sector by promoting black industrialists.

"The government is going to spend about R4 trillion over the next four to five years. So those opportunities must be made available to these black industrialists. We want them to create manufacturing opportunities as we continue to roll out infrastructure development in South Africa."

SA's post-school education sector experiencing phenomenal growth

By Achieve Correspondent

The Department of Higher Education and Training (DHET) is experiencing phenomenal growth in post-school education.

Speaking during his department's budget vote in Parliament recently, Higher Education and Training Minister Dr Blade Nzimande said Technical, Vocational Education and Training (TVET) college enrolments had more than doubled over the past five years and would continue to increase, with 725 000 headcount enrolments expected this year – an increase of just over 39 000 compared with 2014 enrolments.

Minister Nzimande said black and women students were now in the majority in universities.

The National Student Financial Aid Scheme (NSFAS) had supported more than 1,5 million poor students, he said.

The university education system is expected to grow from a headcount enrolment of 983 698 in 2013 to 1,1 million in 2019.

The Minister also acknowledged challenges and financial constraints faced by previously disadvantaged universities.

He pointed out that he had already accepted some of the recommendations of a committee looking into the review of university funding. The recommendations included the implementation over the next five years of a R2 billion historically disadvantaged institutions' development grant.

"This should enable these institutions to become financially stable and improve the quality of their governance, teaching, learning and research. We are also investigating the cost drivers in higher education to better understand the reasons for fee increases," he said.

To cater for learners who do not qualify for admission to TVET colleges or universities, nine community college administrative centres have been established in all provinces. These will be merged with existing public adult learning centres to form community colleges, whose aim, besides offering the national and general senior certificates for adults, will be to prepare students for the labour market or self-employment.

"I am now in the process of reviewing our skills development system following a study of reports and strategic policy documents as well as various departmental policies. I will shortly be publishing proposals on the new SETA landscape for consultation. I am of the view that the main focus of the SETAs must be training at the workplace and the facilitation of partnerships between educational institutions and employers. To do this, SETAs must become skills experts in their sectors and collect reliable data that contribute to national skills planning," he said.

Based on its White Paper, the DHET has started the process of developing a new National Plan for Post-School Education and Training, which will consolidate DHET programmes into a single, coordinated and integrated framework.
This will guide the work of the department over the next 15 years to 2030.

This is expected to be finalised by March 2017.

Since its original inception as the Tertiary Education Fund of South Africa (TEFSA), NSFAS has awarded more than R50 billion in loans and bursaries to about 1,5 million students.

For the 2015-2016 financial year alone, the NSFAS budget from DHET amounted to R6,2 billion – R4 billion for university study loans, R2,2 billion for technical and vocational training college bursaries and R148 million for administration costs.

This is supplemented by recovered funds and donor allocations, which further increase the total budget of NSFAS to R9,5 billion for the allocation of 205 000 university student loans and bursaries and 200 000 TVET college bursaries. For the 2015 Medium-Term Expenditure Framework, the DHET's budget, excluding direct charges, projects increases over three years at an annual average rate of 5,9% – from R39 billion in 2014-2015 to R46,3 billion in 2017-2018. The R41,8 billion for 2015-2016 is an increase of R2,8 billion (or 7,3%) on the 2014-2015 allocation, excluding direct charges.

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No chance of a total blackout – Eskom boss

By Thomas Hartleb

Despite ongoing electricity supply shortages and 5 500MW being taken out of the grid for maintenance purposes this winter, there is no chance of a total blackout, according to acting Eskom CEO Brian Molefe.

Speaking during an update on the state of the country's power crisis, Molefe said the 5 500MW of planned maintenance would be three times more than had been taken out of the system in each of the previous winters.

Power plants were "ageing and volatile", the cold weather had increased demand and maintenance had put pressure on an already strained grid. In addition, this winter was forecast to be colder than previous ones.
"There is no prospect of a blackout in South Africa ... That is out of the question," Molefe said.

During rolling power blackouts, the utility was still able to supply power to 96% of the country. Power cuts were most likely during the morning and afternoon peak periods, Molefe said.

"We will avoid, as far as possible, load shedding during weekdays to minimise the impact on the economy," he said.
Part of the reason the utility was applying to the National Energy Regulator of SA for a 24,7% increase in electricity prices was that it was using R1,5 billion a month to buy diesel for its open-cycle gas turbines.

It wanted a further R10,9 billion to buy diesel, which represented 6,4% of the proposed 24,7% increase.
Running the open-cycle gas turbines added 2 000MW to the grid and without it the country would slide into Stage 2 load shedding, he said.
"If there's no diesel then we will go into load shedding sooner and it will be more severe," he said.

Brian Molefe, acting CEO of Eskom

"We think the diesel is very expensive but the cost of not using diesel during load shedding is much bigger than the cost of power cuts to the economy."
There is a total of 43,5 gigawatt (GW) available in the system and winter demand is about 35GW, plus 1 500MW of "operating reserves".

This leaves a 7GW window for maintenance and planned and unplanned outages. The country's total capacity was expected to be around 46GW or 47GW when various projects, including the Medupi and Kusile power stations, are completed sometime in 2017.

Medupi's Unit 6 is on track for commercial operation at the end of August. The power station, which was projected to cost about R10,5 billion, is at present supplying about 800MW to the grid.

An investigation into the collapse of a coal storage silo at the Majuba power station in Mpumalanga in November last year had been completed and a report would be presented to the government soon.
Repairs will be completed in September.
Replacing the boiler at Unit 3 of the Duvha power station near, Witbank in Mpumalanga, is expected to start in July.

Billions set aside to support budding industrialists

By Independent Correspondent

'We cannot unscramble ourselves from Africa, our continent, without serious economic damage'
– Economic Development Minister ***Ebrahim Patel***

The Department of Economic Development is to set aside more than R23 billion over the next five years to fund "new players" as the government makes a big push to industrialise the economy.

Speaking during his department's Budget Vote in the National Assembly recently, Minister Ebrahim Patel said the fund would contribute to job creation, industrialisation and transformation of the industry and go a long way in eradicating inequality and poverty.

"The Industrial Development Corporation (IDC) is committing R100 billion over five years to industrial development. What is new and what is significant is that we are setting aside R23 billion to promote black industrialists," Minister Patel said.

Economic Development Minister Ebrahim Patel.

"This is a five-year programme intended to support those companies [in which] black South Africans are both owning and controlling the enterprises in the productive sectors of the economy. It is intended to bring more South Africans into the economic mainstream."

He said the decision to set aside the funding was to promote transformation and boost economic growth by unlocking the potential and talent pool of the economy. He said South Africa needed to achieve sustainable and inclusive growth, adding that the funding would be made available on concessional terms.

"Aside from black industrialists, there is, of course, a compelling need to bring more black South Africans into the economy. There are also targeted groups – young people and women – who have not been sufficiently brought into productive activities. So the IDC will make available R9 billion in total – R4,5 billion for women, R4,5 billion for youth – [for this particular purpose]," he said.

The funding will be distributed in the form of loans or equities.

How African firms are creating jobs

The Minister said South Africa's efforts to ensure economic integration with the rest of the continent were yielding results. The country exported more than R300 billion worth of goods to the rest of Africa – an increase of R36 billion.

"Aside from the damage that [xenophobic attacks on foreign nationals] do to our humanity, we cannot unscramble ourselves from Africa, our continent, without serious economic damage.

Our total manufacturing, mining and agricultural exports to the rest of Africa sustained 244 000 direct jobs in South Africa. Of these, 169 000 are in manufacturing. Africa is now more important for growth in manufacturing exports than Europe, the United States or China," he said.

Competition Commission to conduct market research

Patel said the Competition Commission would, during the current financial year, conduct an inquiry into how small businesses in the formal and informal economy could be supported so they could be able to compete in the retail sector. He said the inquiry would also seek to find ways in which small players could be incorporated into the lucrative sector.

"The Competition Commission will be launching a market inquiry into the retail sector, looking into how we can bring more black South Africans, more small businesses into the retail sector. It will examine, among other things, the tenancy arrangements in shopping malls, the growth of township enterprises, small shops, spaza shops and so on. The programme is intended to ensure that we have a competitive but inclusive retail sector," he said.

The Minister added that another inquiry into the healthcare industry, which he announced last year, would conduct its public hearings during the current financial year.

The inquiry was established with the aim of addressing several concerns about the industry, including the cost of healthcare in South Africa.

"The Competition Commission will be launching a market inquiry into the retail sector, looking into how we can bring more black South Africans, more small businesses into the retail sector"

Is the skills shortage worse than admitted?

By Achieve Correspondent

The artisan shortfall represents a shortage of boilermakers, diesel mechanics, fitters and turners, tractor mechanics, forklift mechanics, electricians and earthmoving equipment mechanics.

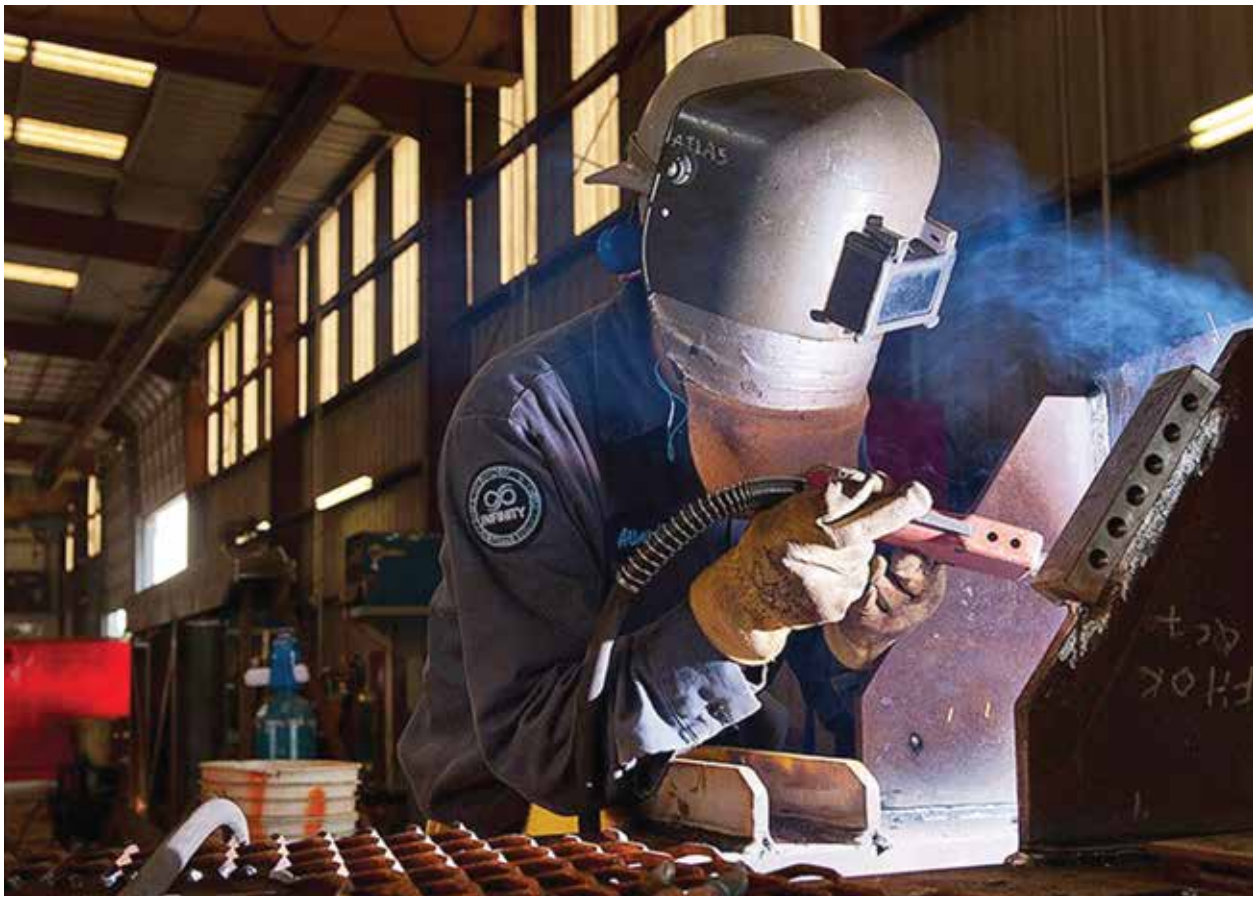
There are currently as many as 829 800 vacant positions for highly skilled workers across a diverse spread of occupations in South Africa – and this includes posts for artisans, says Sean Jones, co-founder and director of black economic empowerment artisan training academy Artisan Training Institute (ATI),

"Some industry pundits have put the artisan shortfall at between 40 000 and 50 000 and, if this figure is correct, we are falling way short of filling this acute gap, something that is bound to affect the performance of the country's economy going forward. It is certainly ironic that while unemployment in South Africa is hovering around 25%, we have a 50 000 shortfall of skilled artisans," says Jones.

The artisan shortfall represents a shortage of boilermakers, diesel mechanics, fitters and turners, tractor mechanics, forklift mechanics, electricians and earthmoving equipment mechanics.

According to the latest *Adcorp Employment Index*, a monthly survey carried out by JSE-listed human capital management group, Adcorp, the skills shortage comes from categories that include senior management; professions – medicine, engineering, accounting and the law — technical occupations; specialised technicians and artisans; and agriculture.

In terms of actual numbers broken down by occupation, Adcorp believes the skills shortage among technicians is 432 100, with 216 200 among managers and 178 400 among professionals. In contrast, however – and very troubling – is that a total of 967 600 elementary workers are over and above the nation's requirements, as are 247 400 domestic workers.



The shortage of highly skilled workers has been artificially induced by the Immigration Act, according to labour economist Loane Sharp.

Looking more closely at the statistics, Adcorp's labour economist, Loane Sharp, says: "To a great extent, the shortage of highly skilled workers has been artificially induced by the Immigrations Act, which makes it exceedingly difficult for foreigners to find work in South Africa.

"The most recent amendments to the Immigrations Act, promulgated in April 2011, prohibit the use of immigration agents and quota work permits, both of which have historically been widely used by South African companies seeking foreign skills."

Adcorp further says South African citizens' wages in highly skilled occupations have been significantly escalated, in inflation-adjusted terms, by 286,4% since 2000.

"It seems extraordinary that such an increase could largely have escaped attention, except that the increase would have been in the interests of skilled South African workers at the expense of the economy as a whole," Adcorp says.

It further claims that the Immigrations Act was intended to improve previously disadvantaged individuals' employment chances by "substantially curtailing" foreign job seekers' attempts to compete for jobs in the local labour market.

"If this interpretation is correct, the Immigrations Act should be viewed in the same vein as the Employment Equity Act. As such, it should have been subjected by Nedlac to the same scrutiny that applies to all related legislation," Sharp says.

SA's education costs continue to outstrip inflation

By Independent Correspondent

Your child in Grade R will cost you at least R1 million in public school tuition by the time he or she graduates from university

It is often said that an investment in knowledge pays the best interest.

A good education is worth its weight in gold, but recent figures released by Stats SA indicate that South African households will have to make more room in their budgets to pay for rising tuition fees.

Stats SA updates education inflation figures in March every year, based on fees charged by schools and tertiary institutions. The most recent update, included in the latest *Consumer Price Index*, shows that the cost of education rose by 9,3% in March this year compared with March last year. This is 5,3 percentage points higher than the headline CPI of 4,0%.

Studies show how education inflation has constantly outstripped general inflation. South African families are bound to feel the pinch.

Leading investment, savings, insurance and banking group Old Mutual estimates that if a child starts Grade R this year, a complete education – including primary school, high school and three years of university – will cost just under R1 million for public school tuition or R2,2 million for private school tuition (in nominal terms).

A provincial breakdown shows where tuition fees have risen sharply. The cost of education rose nationally by 53% in March this year compared with March 2010. In other words, for every R100 a household spent on education in 2010, a household would now have to fork out R153 for the same service. North West and Northern Cape showed the largest increases – 65% and 59% respectively.

Rising education costs present a barrier for those seeking an education.

Stats SA's latest *General Household Survey* reported that 33% of individuals aged 5-24 indicated that a lack of money was the reason they were not attending an educational institution.

Broken down by province, the figure is as high as 45% in KwaZulu-Natal, and as low as 21% in Western Cape. Interestingly, although Northern Cape exhibited a 59% increase in education costs between 2010 and 2015, only 22% of those aged 5-24 indicated a lack of money as a barrier to education.

But what is causing the increase in education costs? A *University World News* article, focusing on higher education, attributed rising costs to a number of factors. Higher education institutions raise their fees on the back of rising maintenance costs, more expensive municipal services and higher enrolment rates. The rand-dollar exchange rate has also increased the cost of imported books and materials.

Stats SA's report on the financial status of higher education institutions shows that total expenses increased by 12% in 2013 compared with 2012, rising from R41,4 billion to R46,2 billion. This rise in spending by higher education institutions was mainly driven by increases in the purchases of goods and services (up by 13%) and compensation of employees (up by 10%). Compensation of employees contributed 55% (R25,6 billion) to higher education spending in 2013, followed by purchases of goods and services at 39% (R17,8 billion).

"Stats SA's latest General Household Survey reports that 33% of individuals aged 5-24 indicated that a lack of money was the reason they were not attending an educational institution"

Metal Chamber Phase II step down research report

Title: Occupational Skills Demand Dynamics in the Metal Industry.

Purpose: The main aim of the research study was to identify and estimate occupational skills demand in the metal industry.

The objectives of the research study were to:

- Identify and estimate the extent of occupational skills demand in the metal industry;
- Identify supply-side weaknesses and bottlenecks currently in the provision of education and training for occupations; and
- Make recommendations for addressing occupational skills demand and improving the technical skills base in the metal industry.

Research methodology

The study used more than one research method through triangulation to enhance confidence in the ensuing findings. It, therefore, used a combination of literature reviews, interviews, workshops and a survey.

Key findings

Occupations in high demand: The table below lists occupations found to be **absolutely** hard to fill:

Professionals	Technicians and associate professionals	Craft and related trade workers
Electrical Engineer Project Manager	Mechanical Engineering Technologist	Millwright
Mechanical Engineer	Metallurgical Engineering Technologist	Fitter and Turner
Construction Project Manager	Patternmakers	Toolmaker
Chemical Engineer	Metallurgical Engineering Technologist	Air-conditioning Mechanic
Metallurgist	Rope designers	
Production/Operations Manager		

Skills gaps: The following ancillary "soft skills" were found to be the major skills gaps in the metals sector:

Leadership skills
Management skills
Production skills
Basic numeracy and literacy
Technical engineering skills
Supervisory skills
Customer service skills
Communication/interpersonal skills
IT skills
Marketing and sales skills

The critical skills shortagewas found to have the following consequences:
Higher production costs
Some employees working longer hours
Declining productivity
Loss of business opportunities
Late delivery of products
Loss of skilled employees
Loss of market share or profitability
Increasing error rates
Loss of business to competitors
Inability to upgrade to new technology

Other key findings

- Technical education at most post-school education and training institutions is not always as relevant or up-to-date as it should be. Technical education often takes place in a classroom environment. Instructors often

teach material (or utilise equipment) that is outdated or irrelevant. Technical education often misses the most important aspect of modern technical work, which requires excellent critical thinking and problem-solving skills in a pressure- packed environment on the factory floor;

- Industry and educational institutions tend to form one-to-one partnerships in an ad hoc manner with limited objectives;

- Qualifications and unit standards are often driven by training providers instead of employers;

- There is a lack of emphasis on high level, specialised skills training (which may not entail a full qualification). Such training includes world-class manufacturing, technical and production training, innovation, machine manufacturers' courses and cutting-edge developments in a specific industry;

- New jobs and new skill requirements are continuously emerging. As they do, the skills needs of employers change to suit changing business processes, technological developments, customer demand, legislative requirements and a host of other factors. New technologies mean that initially few are familiar with these applications, and

- There is concern among some industry representatives that the merSETA grants policy is not geared to meeting the training priorities of these industries.

Recommendations

To prepare workers for the technology-infused, high-productivity workplaces of advanced manufacturing, Science, Technology, Engineering and Maths (STEM) skills must be a key focus of our nation's education system;

Employers must **invest in job-specific, sustainable training programmes** to ensure workers continue to advance with the evolution of new business processes. The investment of skills levies in workforce development through the Skills Development Act and other programmes, such as SIPs, must be focused on training to the demand needs of the metals, engineering and related industries;

Broader and more **sustainable links must be forged between educational institutions and businesses** to ensure the alignment between a wide variety of sources of learning, including TVET colleges, universities and industry-sponsored continuing education programmes. Industry and educators need more formal and frequent communication to refine curricula to meet current and emerging needs. It must be emphasised that **current technology must be taught**. We need to continue to provide strong underpinning engineering principles while also providing students with the opportunity to connect with the physical workplace and current technology. (This is why many universities are strengthening their high-value-add "design-build" activities in the design spines of the engineering curriculum);

Addressing **non-traditional and under-represented labour pools** is a key national priority. Women and historically disadvantaged workers are two significant talent pools that are not yet fully leveraged by these industries. Furthermore, there are skills and experience in other sectors that could be effectively leveraged into metals and engineering organisations. With policies and practices catered to address the needs and requirements of these specific groups, organisations must make an active effort to increase the available talent pool, particularly at management and professional levels.

To **develop faculty** that can deliver an excellent manufacturing education, educators and industry should:

- Keep up to date with new technologies;

- Work with the industry to understand current technical needs and update their curricula; and

- Collaborate with the industry, professional organisations and the government on projects.

Share best-teaching practices, especially when it comes to alternative teaching methods, through appropriate continuing education programmes for instructors at all levels;

The demand for some basic skills is extensive in these industries, such as basic reading skills (defined as the ability to read basic manuals), basic writing skills and basic maths skills (the ability to add, subtract, multiply, divide and handle fractions).

Electricity crisis 'a major economic constraint'

By Achieve Correspondent

Renowned politics and trend analyst JP Landman.

Renowned political and trend analyst JP Landman views the shortage and intermittent supply of electricity as a major constraint on the South African economy at present.

Speaking at a breakfast meeting of the Motor Industry Staff Association (MISA) at Automechanika Johannesburg recently, Landman said it was vital that power generation projects to ease the situation be fast-tracked.

Landman provided detailed facts and figures to support his contention that a satisfactory and stable supply of electricity was vital not only for the effective functioning of industry and business – especially manufacturing – but also for the raising of business confidence and general public sentiment.

He highlighted the massive effect the lack of regular maintenance over the years had had on the state of the generating equipment, saying the maximum capacity of Eskom and non-Eskom power generation was 44 149MW but only 29 000MW was being generated at present, which equates to a 34% shortfall due to planned and unplanned maintenance and repairs.

Landman said demand was running at 31 000MW and this situation – which saw demand far exceeding supply – had to be addressed urgently.

On the positive side, however, Landman noted that there was ongoing substantial investment in infrastructure by the government. This amounted to R1,02 trillion (6,7% of Gross Domestic Product) for the five years to 2013 and stands at R1,08 trillion (6,2% of GDP) for the four years to 2017.

This is the highest economic infrastructure expenditure in 25 years. Major beneficiaries are transport and logistics (R339,2 billion) energy (R166,3 billion) and water and sanitation (R117,4 billion).

Landman went on to debunk the perception that the cost of an extensive and expanding social grant system was a drag on the economy. In fact, he said even the current support for 17-million people equated to only 3,1% of GDP, which was similar to the situation 10 years ago and provided stimulus to the economy in terms of purchasing power and the alleviation of poverty.

Another very interesting observation Landman made was the fact that one must not consider GDP growth rate in isolation.

He said it must always be read in conjunction with population growth. Here he gave the example of Sub-Saharan Africa, where there was a GDP growth rate of 5%. This, he said, was negated by a 5,8% rise in population numbers.

This meant that people in that region were, in fact, getting poorer on a per capita basis.

Goodyear introduces tyre containing next-generation silica

The Goodyear Tyre & Rubber Company has begun using the next-generation silica to increase the fuel efficiency of its tyres. This new silica will be first used in the Goodyear EfficientGrip SUV tyre, launched recently in Latin American markets. Tyres containing the silica will also be introduced in other parts of the world, including South Africa, within the next few months.

For more than a decade, Goodyear researchers worked with PPG Industries, a leading global coatings and specialty coatings company, to examine the effects of chemically treated silica on tyre performance. The aim was to further improve rolling resistance without having a detrimental effect on traction in wet conditions.

In Goodyear's new EffcientGrip SUV tyre, this next generation silica was used in a new tread compound and a new tread pattern to provide both enhanced rolling resistance and improved wet traction.

"Our customers around the world are demanding more fuel-efficient tyres but they want us to minimise the typical trade-offs," says David Zanzig, Goodyear's Director of Global Materials Science.

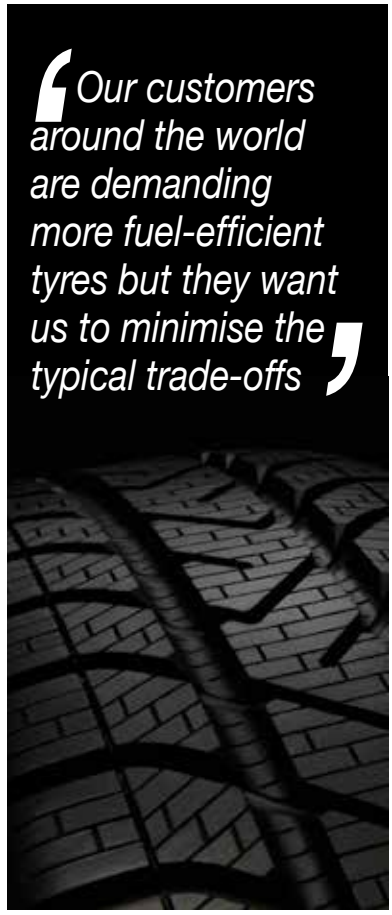
"Our materials scientists worked in cross-functional teams and, together with tyre design and construction engineers, they derived an integrated solution that optimises performance. This new silica plays a critical role in satisfying our customers' needs."

Silica is used as a reinforcing agent in tyre tread compounds. Compared to carbon black, a traditional reinforcing agent for tyres, silica reduces rolling resistance. Lower rolling resistance, in turn, improves a car's fuel economy.

In addition, this new silica – marketed by PPG Industries as AGILON® performance silica – has been shown to have processing advantages that also benefit the environment.

As the silica is easier to mix into compounds, factories can consume less energy in the tyre production process and lessen emissions.

In its efforts to create more environmentally friendly tyres, Goodyear has been exploring its options with silica. Last year, the global company reached supply agreements to purchase silica derived from the ash left behind after rice husks are incinerated.



"Though no one source of these new sources of silica is able to fulfil our total demand, they each play an important part in our materials lineup as we strive to create more environmentally friendly tyres," says Zanzig.

Easter holidays put new car sales in the slow lane

By Independent Correspondent

At 23.615 units in April this year new vehicle exports registered exceptionally strong growth compared with the corresponding month last year.

In amplifying April's new vehicle sales statistics, the National Association of Automobile Manufacturers of South Africa (NAAMSA) said new domestic vehicle sales – particularly all categories of commercial car sales – had been negatively affected by the number and configuration of public holidays during the month.

Supported by incentive packages, new car sales held up relatively well during the month. Strong growth in new vehicle exports also continued. At 44 503 units, new vehicle sales were slightly down compared with April last year, when 46 016 vehicles were sold.

Of the 44 503 vehicles sold in April this year, 38 780 units or 87,2% represented dealer sales, 6,3% constituted sales to the government, 4,2% to industry corporate fleets and 2,3% to the vehicle rental industry.

At 30 184 units, the April 2015 new car market reflected a decline of 594 units or a fall of 1,9% compared with the 30 778 new cars sold during the same period last year. Intense competition in a challenging and difficult trading environment resulted in incentive packages to promote new vehicle sales. Furthermore, a modest recovery in the used vehicle market was noticed.

Domestic sales of new light commercial vehicles, bakkies and minibuses in April this year at 12 077 units reflected a decline of 774 units or a fall of 6.0% compared with the 12 851 light commercial vehicles sold during the corresponding month last year.

Sales of vehicles in the investment-driven medium and heavy truck segments also registered declines. Medium commercial vehicle sales at 777 units and heavy commercial vehicle sales at 1 465 units reflected a fall of 38 units or 4,7% in the case of medium commercials and a decline of 107 vehicles or a fall of 6,8% in the case of heavy trucks and buses compared with the corresponding month last year.

Vehicle exports continued to contribute positively to South Africa's current account of the balance of payments. At 23 615 units in April this year, new vehicle exports registered exceptionally strong growth compared with the corresponding month last year, rising by 6 813 vehicles or 40,5% relative to the 16 802 export sales in the same month last year. Vehicle exports this year were on target to improve by around 25% in volume terms to a record export number of about 325 000 for the year.

At this stage NAAMSA continued to project marginal volume growth in domestic car sales based on an assumption of a slight improvement in the country's economic growth rate, stability in labour relations in the automotive industry, stable interest rates and unchanged credit ratings.

New vehicle industry production would continue to benefit from projected higher export numbers.

SEIFSA rewards excellence

By Independent Correspondent

Hazleton Pumps International and Scaw Metals Group were the biggest winners at the recent Steel and Engineering Industries Federation of Southern Africa's Awards for Excellence at Emperors Palace, Gauteng.

The awards were announced at a dinner on the first day of the Southern African Metals and Engineering Indaba.

South African-based pump manufacturer Hazleton Pumps International took top honours in the Most Innovative Company and Customer Service of the Year categories, whereas Scaw Metals was declared the winner in the Health and Safety and also Artisan of the Year categories.

Power transmission specialist Voith Turbo scooped the Best Corporate Social Responsibility Programme of the Year Award. The Most Transformed Company of the Year Award went to Africa Steel Holdings and automation technology group ABB.

Mr Kaizer Nyatsumba, SEIFSA's Chief Executive, presented four CEO's Awards. These went to:

- Kgaogelo James Sello, the Top 2014 Artisan Student. Sello scored the highest marks when he achieved the Mechanical Engineering N6 Certificate;
- Melco Conveyor Equipment was recognised for making extensive use of SEIFSA's products and services and taking part in the Federation's workshops, events and forums;

Night of the stars: Winners of the inaugural Steel and Engineering Industries Federation of Southern Africa's Awards for Excellence were announced at Emperors Palace.

- The Construction Engineering Association of South Africa was applauded for being SEIFSA's affiliated association that had been most active, having taken part in various SEIFSA activities; and
- Arthur Stuart (Tubby) Boynton-Lee, who won the Lifetime Leadership Award.

The awards were established to recognise and encourage excellence in the metals and engineering sector. Mr Nyatsumba said the sector was faced with several challenges, including the prevalence of cheap imports from Asia, the lack of competitiveness in local manufacturing as well as policy uncertainty.

"In such turbulent economic times and a challenging business environment, we at SEIFSA believe it is critically important for those companies that excel in what they do to get the acknowledgement and recognition they deserve," he said.

He commended all the companies that entered the competition and congratulated the winners in their respective categories.

"I would like to congratulate all the winners and encourage them to continue to work hard towards excelling and providing the sector with examples of excellence. This will inspire other companies to improve their operations so they can be afforded the opportunity to win at future SEIFSA awards," Mr Nyatsumba said.

SEIFSA is a national federation representing 27 independent employer associations in the metals and engineering industries with a combined membership of more than 2 000 companies employing more than 200 000 people.

The federation was formed in 1943 and its member companies range from giant steel-making corporations to micro-enterprises employing fewer than 50 people.

Kgabo Cars at the forefront of skills development

By Achieve Correspondent

The war against the critical shortage of skills in the country's steel and manufacturing sector is an enormous and complex one that needs all hands on deck and contributions from all fronts – no matter how small or modest they might be – to address and subsequently defeat it.

One of the stakeholders that has come on board to systematically and purposefully chip away at this mammoth and growing challenge is Kgabo Cars, a merSETA workplace-approved training centre that emerged in Soshanguve, north of Pretoria, a few years ago to empower aspirant motor mechanics with the necessary skills to reduce unemployment and contribute to the country's economic growth.

Three years after hosting its inaugural graduation ceremony, Kgabo Cars proved its mettle once more when 14 learners successfully completed its Automotive Repair and Maintenance Learnership NQF Level 4 course in what its founder and executive director, Mr Isaac Boshomane, described as the centre's "biggest milestone" on its road to success.

"The graduation means a lot to Kgabo Cars. We fulfilled and will continue to fulfil our promise to upskill our youth from Technical, Vocational Education and Training (TVET) colleges and help to realise the vision of the Minister of Higher Education and Training, Dr [Blade] Nzimande, of turning workplaces into training spaces. We are happy to report that nine of the 14 graduates are employed by Kgabo Cars," said Mr Boshomane.

Fourteen Kgabo Cars students graduate after completing an NQF Level 4 Automotive Repair and Maintenance Learnership course recently.

The first-year [NQF Level 2] was funded by the merSETA, whereas levels 3 and 4 as well as trade test preparation were paid for by the National Skills Fund (NSF).
The total cost of the training was R3 million, of which the NSF paid R1,8 million and the merSETA R800 000. The rest was paid for by Kgabo Cars itself.

Mr Boshomane added his voice to the growing calls for artisan training to be given sufficient time to reach required levels.
"Artisan development, especially in motor mechanics, is not to be rushed for reporting numbers to higher education authorities. It has to be done correctly and has to take the required timeframe. There mustn't be any 'microwaving of mechanics' because people's lives are involved on the road and safety needs to be considered," said Mr Boshomane.

The merSETA CEO Dr Raymond Patel congratulated the learners, saying the merSETA was duty-bound to ensure that such graduation ceremonies become the norm. He went on to say the certificates the graduates were receiving gave them the responsibility to ensure the safety and reliability of tens of thousands of cars on South Africa's roads.

"If a vehicle is faulty, it is a safety hazard. This is indeed an enormous responsibility … one that I'm sure you take with confidence," he said.

"Skills development is crucial if we are to avert a catastrophe arising out of youth unemployment. Unemployment is particularly acute among those aged between 18 and 24, whose prospects for a better life dissipate everyday as they are buffeted by the ill winds of the economic downturn," Dr Patel said.

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Vision

Leaders in closing the skills gap

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

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

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