SEIFSA NEWS

JULY / AUGUST 2019

CELEBRATING WOMEN OF STEEL

SEIFSA NEWS GONE DIGITAL

Dear Valued SEIFSA News Reader,

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In this issue we pay tribute to women who have made it against all odds. From the co-Founder of South Africa's only 100% Black-Owned Raise Boring firm, to the first Women to sit at the helm of an almost 100 year-old Engineers' Association and an Award winning engineering Student who is determined to succeed, we say you are an inspiration. We Salute You.

July / August 2019

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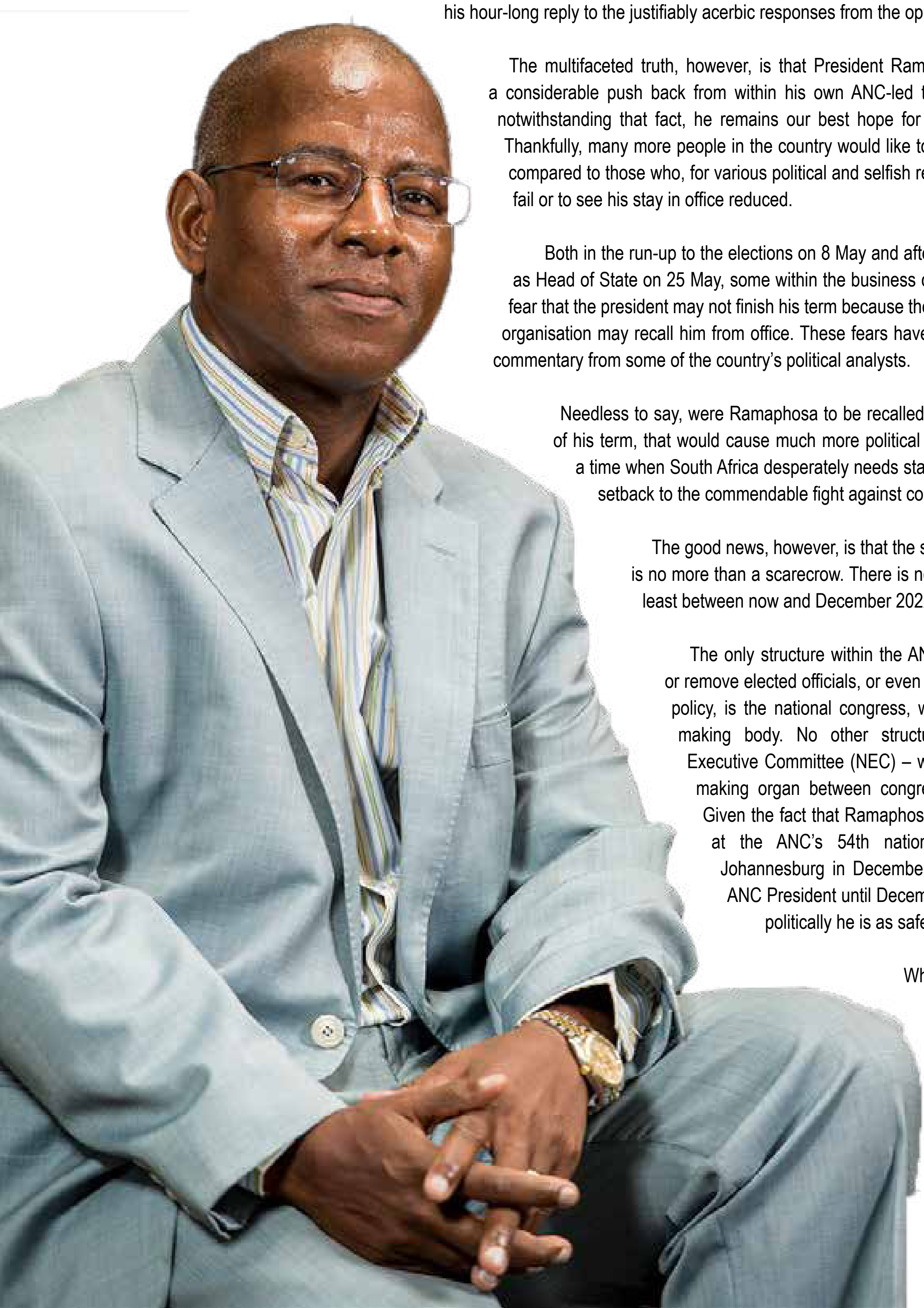
FROM THE CHIEF EXECUTIVE OFFICER'S DESK

Like many others, one must say that one was not overly inspired by President Cyril Ramaphosa's State of the Nation Address on 20 June. In fact, it was more disappointing than uplifting, and did not show the President in a positive light. He did not come across as being sufficiently in touch with present-day reality or as having a viable plan to deal with our current challenges.

He did much better – and came across as more of his usual confident self – when he delivered his hour-long reply to the justifiably acerbic responses from the opposition parties on 26 June.



The multifaceted truth, however, is that President Ramaphosa has to contend with a considerable push back from within his own ANC-led tripartite alliance – and that, notwithstanding that fact, he remains our best hope for the country at the moment. Thankfully, many more people in the country would like to see him succeed in his job, compared to those who, for various political and selfish reasons, would like to see him fail or to see his stay in office reduced.

Both in the run-up to the elections on 8 May and after Ramaphosa's inauguration as Head of State on 25 May, some within the business community have continued to fear that the president may not finish his term because those opposed to him within his organisation may recall him from office. These fears have been fuelled by uninformed commentary from some of the country's political analysts.

Needless to say, were Ramaphosa to be recalled from office before the expiry of his term, that would cause much more political uncertainty in the country, at a time when South Africa desperately needs stability. It would also be a huge setback to the commendable fight against corruption.

The good news, however, is that the so-called possibility of a recall is no more than a scarecrow. There is no chance of it happening – at least between now and December 2022 – and this is why.

The only structure within the ANC with the authority to elect or remove elected officials, or even to approve the organisation's policy, is the national congress, which is its highest decision-making body. No other structure, including the National Executive Committee (NEC) – which is the highest decision-making organ between congresses – has such authority. Given the fact that Ramaphosa was elected democratically at the ANC's 54th national conference at Nasrec, Johannesburg in December 2017, he is due to remain ANC President until December 2022. During this period, politically he is as safe as houses.

While he remains ANC President, Ramaphosa is automatically the organisation's choice for the country's presidency.

Similarly, while he remains ANC Deputy President, David Mabuza is untouchable as the country's Deputy President. Although the Constitution confers the right to appoint a Deputy President on the Head of State, in reality Ramaphosa had no choice but to appoint his ANC number 2 as South Africa's Deputy President, for the same reason that it was the desire of the majority of delegates to the ANC's 54th national conference for Mabuza to be Ramaphosa's under-study.

Therefore, the frenzied speculation, ahead of Ramaphosa's announcement of his new Cabinet, that he might appoint Dr Nkosazana Dlamini-Zuma or some other woman as Deputy President of the Republic was woefully ill-informed, wishful thinking. Ramaphosa, who has been a member of the ANC's NEC since his election as Secretary-General in Durban in 1991 when the organisation held its first post-unbanning conference in the country, would have known better than giving in to pressure to appoint somebody other than Mabuza would immediately have swelled the ranks of his enemies within the ANC. From that moment onwards, he would have had the majority of NEC members and rank-and-file ANC members opposed to him and baying for his blood. He was never going to make the kind of fatal mistake that President Thabo Mbeki made when he fired Jacob Zuma as Deputy President in 2005.

So, why was it possible for Mbeki and Zuma to be recalled in 2008 and 2018 respectively? Well, the answer is simple: neither man was ANC President at the time. They had already served their two terms as ANC presidents and were merely deployees as Presidents of the country.

Some, including people within the ANC in KwaZulu-Natal and the gossip-mongering leadership of the Economic Freedom Fighters, have often said that the ANC's mid-term National General Council (NGC) would be Ramaphosa's Waterloo. They have threatened that a vote of no-confidence would be passed on Ramaphosa then, as a consequence of which he would be recalled as South African President.

Again, that is nothing more than scare mongering. For the reason given above, the NGC has no authority whatsoever to pass a vote of confidence or no-confidence against a sitting ANC President – or, indeed, any one of the elected leaders of the organisation, including Secretary-General Ace Magashule. To be held around June next year, the NGC does not even have authority to approve or change any policy.

Instead, the NGC – which takes place half way between the organisation's five-yearly conferences – is a platform to review current policies and to propose new policies. Any policies adopted by the NGC then get submitted, with the NEC's approval, to the forthcoming national congress for further deliberation and approval or rejection.

Therefore, Ramaphosa is safe as South African President until, at the very least, December 2022 when his term as ANC President expires. Unless he were to mess up badly between now and then, as the incumbent, he will go into the ANC's 55th national congress in December 2022 as a hot favourite for re-election – if he should be challenged at all, that is.

Since 1994, no sitting ANC President has failed to be re-elected upon expiry of his first term in office. Nelson Mandela voluntarily stepped down at the Mahikeng conference in December 1997, but would have been re-elected unopposed, had he availed himself. Mbeki was re-elected unopposed in Stellenbosch in December 2002 and Zuma – who was opposed by his deputy, Kgalema Motlanthe, at the Mangaung conference in 2012 – went on to win with a huge margin. Therefore, barring any calamity, Ramaphosa is certain to be re-elected as ANC President in 2022. That would ensure that he is untouchable as the country's President during his first five years in office.

So, why was it possible for Mbeki and Zuma to be recalled in 2008 and 2018 respectively? Well, the answer is simple: neither man was ANC President at the time. They had already served their two terms as ANC presidents and were merely deployees as Presidents of the country. Since they were no longer in the position by right and were merely deployed by the organisation, the NEC could exercise its right to decide to recall them.

Therefore, talk of a possible recall of Ramaphosa is no more than idle gossip. His challenge, for now, is a possible adverse finding by the Public Protector on former Bosasa boss Gavin Watson's donation to the CR17 electoral campaign – or on any other matter during his term. Inevitably, such a finding would give ammunition to political opponents inside and outside the ANC and would make his life difficult in Parliament.

Kaizer M. Nyatsumba
Chief Executive Officer

CELEBRATING WOMEN OF STEEL

Every year on 9 August we celebrate Women's Day in South Africa, a day that pays homage to the women of our nation who took a stand against the oppression of the apartheid government. In a 1956 protest lead by Lilian Ngoyi, Helen Joseph, Albertina Sisulu and Sophia Williams-De Bruyn, the women took to the streets to rise up against the legislation that required black South Africans to carry the "pass" (special identification documents which infringed on their freedom of movement during the Apartheid era). Approximately 20 000 women from all over South Africa marched to Pretoria – many carrying the children of their white bosses on their backs – to stage a peaceful march to the Union Buildings.

After dropping off bundles of petitions containing more than 100 000 signatures at Prime Minister J.G Strijdom's offices, they stood in silence for thirty minutes. A song was composed in honour of this important occasion, "Wathint' Abafazi Wathint' imbokodo!" (Now you have touched the women, you have struck a rock).

There is no doubt that women have, indeed, come a long way since the dawn of democracy. Twenty-five years later, women continue to break down barriers and gender stereotypes in business, politics and many other spheres of life.

In our very own predominantly male-dominated metals and engineering sector, there is a tsunami of women who are slowly but surely rising to occupy senior positions in the industry.

In this issue we pay tribute to women who have made it against all odds. From the co-Founder of South Africa's only 100% Black-Owned Raise Boring firm, to the first Women to sit at the helm of an almost 100 year-old Engineers' Association and an Award winning engineering Student who is determined to succeed, we say you are an inspiration. We Salute You.

MADE IT AGAINST ALL ODDS

NONHLANHLA NGWENYA

BUSINESS OWNER

Growing up in Umlazi, a township located south-west of Durban, Nonhlanhla Ngwenya, the only child of her late parents Bafana and Thandi Zwane, never imagined, even in her wildest dreams, that she would one day become an engineer let alone own shares and be a board member in an international engineering firm.

"I could not dream of becoming an engineer growing up because I had never seen an engineer or even heard of industries that employ engineers. I had never seen people employed in sectors even remotely related to engineering. There were simply no role models."

The first time Ms Ngwenya heard of the word engineering was during a high school outing to a career exhibition at the Durban City Hall and having been very good in Mathematics and Physical Science something sparked at that stage but it was only much later after graduating from Vukuzakhe High School and being accepted to study at the then University of Natal that she really started considering engineering as a career.

"Though something did spark that day, I was really not that interested in pursuing engineering as a career when I first heard about it. I was a typical girl who associated technical trades with dirt and I really didn't think it was for me."

In spite of being a girl who associated technical trades with dirt, Ms Ngwenya, though an only child, grew up in a home full of boys who were her young uncles and cousins that her father who was a Crane Driver and Mother a Teacher became foster parents to.

"My parents were the ones in their families who were relatively better off financially and both took it upon themselves to not only provide for their younger siblings, nephews and nieces but also

I grew up with a whole lot of boys around me and we would, out of curiosity, dismantle all things electronic in the house and more often than not fail to assemble them back together so we were constantly in trouble for destroying home appliances

to see them through school. So I grew up with a whole lot of boys around me and we would, out of curiosity, dismantle all things electronic in the house and more often than not fail to assemble them back together so we were constantly in trouble for destroying home appliances."

But that was as far as her interest in things technical went. It was only when she had to make a choice of a career she would pursue at University that she started to 'flirt' with an idea of studying something related to Maths and Physics.

"I knew I was good at Maths and Physics so I took up Chemistry and Biological sciences, which was typically a course for people like me who were not sure of what it is that they wanted to study and as the first year progressed I realised that the course didn't gel with me. I was doing well, passing all my modules but it just didn't excite me."

CHOOSING LIFE OVER UNIVERSITY

So, the then young Ms Ngwenya knew that she would not continue with the course during her second year but even before first year was over, she developed a serious illness that caused her lungs to fail and was admitted to hospital for two months. As if to make things worse, while still in hospital fighting for her life, her mother unknowingly brought her a letter from the University informing her that she had been financially excluded from the institution owing to non-payment.

"Imagine being in a hospital bed fighting for your life and worrying that you were missing out on your studies and suddenly, you get a letter saying don't bother coming back because you owe tuition fees. That alone almost killed me."

So, there she was in hospital worrying not only about her health but about being kicked out of varsity and trying to figure out how she was going to raise money to pay the University, by then she knew that her parents could not help her because they simply had no money. But a good Samaritan came to her rescue, paying the balance owed for the first year and miraculously she made it through first year and her health improved but only for a while.

"By the time I was ready to go back to Varsity for year two, I got ill with the same chronic asthma that forced me out of varsity for two months during my first year. The doctor who had been treating me suggested that I move to the then Transvaal region where the air was drier, otherwise, he said I wouldn't live long."

So, by January 1995, Ms Ngwenya found herself packing her bags to relocate to Mpumalanga to live with relatives.

"By the time my parents decided to move me to Mpumalanga to live with my aunt and uncle, the asthma had gotten so worse that my daily survival routine involved pumps, inhalers and nebulisers. And so, I went to Witbank with no hope of going back to varsity. At the time it felt like I had to choose varsity and die or choose to stay at home away from home and survive. I chose life."

But by the third week after relocating to Mpumalanga her health had drastically improved, she no longer needed the pump, and by mid-January her younger cousins went back to school and she'd be left home alone with absolutely nothing to do and that's when she decided to leave the house and find some tertiary institution she would attend.

THEN ENTERED A CERTAIN MR STRYDOM

"I realised that though the town was very small, there were a couple of satellite campuses around. There was a University of Pretoria satellite campus and there was also a Pretoria Technikon campus. By that time I had decided that I'd venture into Engineering and I visited both campus only to find that the satellite campus of the University of Pretoria only offered Humanities but the Pretoria Technikon offered Engineering and so I applied to study there and I was accepted but I didn't have the thousand rand required for registration."

Having asked her parents back home as well as both the aunt and uncle who couldn't raise the thousand rands required, Ms Ngwenya went back to the Technikon registration office to plead and beg out of determination and that was when a certain Mr Strydom who was the head of engineering told her to go back and find, at least half of the thousand rand, she went back to her parents and relatives who somehow managed to scramble together the five hundred rands.

"And so I went back to Mr Strydom and I told him how much the family had managed to scramble together and having seen my matric results and having had faith in me he decided to finance me out of his own pocket and thus opened the door into an engineering career for me."

BUT THE STRUGGLE CONTINUED

But even after the registration fees were paid, Ms Ngwenya still had no money for books and transport but somehow, she managed by using 'left over' exercise books from her high school going cousins and by photocopying chapters of books from her fellow students at Technikon.

Going through Technikon definitely had its own challenges. The first being the language barrier. Even though the Technikon used dual medium instruction, on campus the language spoken was predominantly Afrikaans.

"So, there I was a child from KwaZulu Natal struggling to understand the language I was taught in and as if that was not enough one of the lecturers walked in one day and said there were too many of us in class but he wasn't worried because by the end of the first semester, at least a third of the students would be gone because Electrical Engineering wasn't for sissies he said looking at my direction and that of other women in class. In fact, that same lecturer had encouraged us to consider studying public administration or human resources because he wasn't convinced we'd make it but miraculously, I made it to third year, where I again faced being expelled for non-payment."

And that's when Mr Strydom stepped in again. "I was so close to completing my studies and I was doing so well, academically, but I risked financial exclusion again because I simply could not afford to pay my tuition fees, so I went back to Mr Strydom who told me about an advertisement for a SEIFSA bursary he had seen in some newspaper he had read at home the previous day. And so, Mr Strydom helped her complete the application form and even paid for the application to be delivered using speed mail because the closing date was the following day. Barely a week after they had posted the application, Ms Ngwenya was called for an interview at SEIFSA and she got the bursary.

"So, the first time I heard of SEIFSA was through a newspaper advert, and SEIFSA went on to fund the third year of my studies and I did very well that year."

THE WORLD OF WORK

After graduating with her Electrical Engineering Diploma, she managed to get herself recruited by Eskom for experiential training but after that training, she had to go back and look for a job elsewhere because Eskom only hired its own bursary recipients.

"I was awarded for being the best student at that training, but I was still not offered employment, so I had to watch people who did not perform better than me get jobs at Eskom while I was preparing for the world of unemployment."

About a month after she had finished the experiential training at Eskom, Mr Strydom called her informing her of a position for a Junior lecturer that had become available at the Technikon, needless to say, she got the position.

Then while lecturing at the Technikon, a recruitment crew from Telkom paid a visit to the institution looking to offer bursaries to top performing students and again miraculously, she found herself making an impression to the Telkom recruiters and that's how her journey at Telkom began.

A couple of years after joining Telkom, Ms Ngwenya found herself being headhunted by Eskom, this time as a Supervisor of the same team of young men and women she had gone through experiential training with.

"And that's when I realised that God had his own plans for me. I was saddened by the fact that I was the only one not employed after the experiential training because I was not an Eskom bursary recipient but a few years later I went back to Eskom as their Supervisor."

Her career at Eskom spanned almost a decade moving from electricity generation, to transmission, distribution, customer service and ultimately to the technology side of things. Concurrently, she read for her Honours and Master Degrees in Technology Management through the University of Pretoria.

"Around that time, I also gave birth to my first child and I had serious post maternal complications that resulted in a serious stroke from which I fully recovered. Thanks to God who healed me, the support from my family and those around me at the time, as well as the support I received from Eskom's management and colleagues. Eskom was in fact really amazing and their wellness programme contributed greatly to my recovery. By 2008, I had fully-recovered and I felt that God had given me a second chance in life and I was ready to take advantage of the next opportunity that came along."

And that opportunity came in 2009 in the form of the Central Energy Fund (CEF), which headhunted her for a Special Projects Manager position in its Clean Energy Division, a task that involved looking into energy efficiency and renewable energy as part of South Africa's energy mix aimed at dealing with power outages that were rife at the time.

Ms Ngwenya stayed at the CEF for approximately six years until the company embarked on a restructuring exercise.

"I was on maternity leave around that time after giving birth to my second child and I decided to take up voluntary retrenchment, look after my health and explore other opportunities that life had to offer. And that's when the idea of establishing my own company started."

So, she and her colleague, Mpho, started Mphono Energies, a company specializing in energy efficiency, renewable energy, waste to energy, project and programme management.

We had skills in the entire value chain from project conceptualisation to project implementation and that's how we got involved with KSB Pumps and Valves (KSB). We approached them seeking business opportunities, we were hoping they would engage our services, but they happened to be looking for Black Economic Empowerment partners. Given our technical backgrounds, expertise and networks, they encouraged us to apply to become shareholders, we applied as individuals, went through a rigorous assessment process and we were both accepted, and we now own 18% shares in KSB.

COMING FULL CIRCLE

And it was through the KSB BEE deal that Ms Ngwenya heard of the name SEIFSA again. KSB is the member of the Pumps and Valves Association that is federated to SEIFSA and through KSB I was nominated to the SEIFSA Board as a Non-Executive Director. KSB encouraged me to consider it, I did and the rest as they say is history.

Looking back, Ms Ngwenya acknowledges the role played by other people, mostly strangers, to get her where she is and her ultimate goal is to help others, particularly young women the same way the likes of Mr Strydom helped her.

"Throughout my very difficult journey, I realised that there were always people who helped me along the way, and I feel that I also need to give back to the next generation, in which ever way I can."

As our interview was drawing to a close, I asked her …your name literally means good luck…you cheated death twice and risked being kicked out of tertiary institutions more than once, do you feel you were just lucky to have made it against all odds?

She looked at me, shook her head and said, No, it must have been God's Grace, a stubborn faith, hard work and determination."

WOMEN LEADERS SHOULD BE AT THE FOREFRONT OF WOMEN EMPOWERMENT

CAROL LLOYD – BRANCH MANAGER

Women who occupy leadership positions in different sectors of the economy, including the metals and engineering (M&E) sector should be at the forefront of empowering other women, in particular young women, to become the next generation of leaders, so says Macsteel Branch Manager Carol Lloyd.

"Women who have reached the apex of their careers understand the challenges that women have to go through to reach the top, the onus should, therefore, be on them to make sure that they break the barriers and minimise those challenges for other women. This should be a norm and not an exception in all sectors of the economy and all spheres of life."

Though Ms Lloyd emphasises the importance of women leaders to light up the path for other women, she cautions that the next generation of women leaders should also take it upon themselves to work hard to reach their career aspirations and to not wait to be handed success on a 'silver platter'.

"The foundation of success for a young woman is hard work, a good support system of mentors, colleagues, family and friends," says Ms Lloyd.

Remarking on transformation, as far as women representation in senior and previously male dominated positions is concerned Ms Lloyd says transformation is indeed taking place albeit at a slow pace.

"But there is no doubt that there is an increase is the number of women who, for instance, occupy technical positions when compared to a decade ago. Opportunities exist but it is up to them (young women) to be driven, to roll up their sleeves and work."

But most importantly, Ms Lloyd says that youngsters need to exercise a great degree of patience. "Nothing happens overnight, I think that is the most important thing that the young generation needs to learn. They need to learn that success is about ploughing one's efforts, nurturing the efforts by hard work, dedication and willingness to learn and ultimately they will reap the harvest of success."

She adds that she's seen a lot of young people come in from institutions of higher learning and want to become instant managers without any previous work experience.

She attributes this phenomenon to enormous pressure young people face, which emerges from the materialistic societies we live in that judge people according to what they have achieved and what they own.

Instead of obsessing about achieving instant success, young people, according to Ms Lloyd ought to use the opportunities they are given to learn everything there is to learn about the tricks of their trades and excel at what they do.

WHO IS MS LLOYD?

Ms Lloyd who was born in Benoni says growing up she was an overachiever in high school who put enormous pressure on herself to excel at everything she did. She infact recalls being very anxious to graduate from High School and to get on with her life.

"So, similar to today's youngsters, I was also in a hurry not to become an instant success but to learn as much as I could and reach my career aspirations in good time, and so after achieving my National Senior Certificate I continued pursuing short courses through different institutions of higher learning until I obtained my Integrated Marketing Management (IMM) certificate at age 40."

However, prior to joining Macsteel, Ms Lloyd admits that as ambitious as she was back then she was not aware of the existence of the steel industry.

"I was good with numbers, so all I knew was that I wanted to work for a company that would enable me to work with what I was good at and what I enjoyed, which was numbers."

In 1992, Ms Lloyd was recruited as an internal Sales Clerk and over time, she progressed to work as the Sales Manager within the company's Piping Division. Her progression continued as the years went by taking up the opportunity to manage the Steel Division as well and got to learn and fully-comprehend how the Division functioned; the different contracts, customers and markets and in 2013, almost four years later into that Division, her Mentor who had been the driving force behind her continuously progressing career retired.

"I felt like I was losing a Father but his departure opened an opportunity for me to step into his big shoes. Fortunately, Peter Smith, our Business Executive, had enough confidence in me to appoint me to take over my Mentor's responsibilities as the Germiston South Branch Manager.

In her current position, Ms Lloyd's day-to-day tasks include designing her Branch's strategy, monitoring customer service, leading and inspiring her 135 people team and most importantly ensuring fairness and equity in everything she does.

Asked how many women she has empowered after occupying her position as the Branch Manager, Ms Lloyd says although the steel industry is predominantly male dominated, Macsteel does offer opportunities for both men and women, thus, her team comprises of both men and women but admits that women still tend to occupy less technical positions than men.

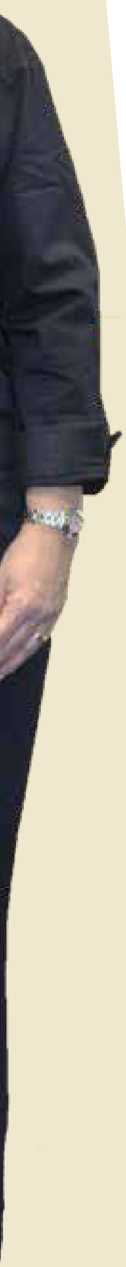
"It's still early days, transformation wise, but things are definitely changing. There are many incoming women engineers and technicians but as with men in other sectors of the economy, there are still those who will try to intimidate women and my advice is for women to stand their ground and dissolve that old traditional thinking that old fashioned men, particularly in the steel sector still possess.

As women we need to stand up and say we are women and we are as good as everybody else. We have to respect ourselves, understand our self-worth and know what we are capable of."

ADDRESSING THE CHALLENGE OF YOUTH UNEMPLOYMENT

Inspite of the challenges that the South African economy in general and the M&E sector finds itself in, Ms Lloyd still believes that the sector still has the role to play in addressing the high unemployment rate challenge, particularly among the youth.

"However, the current stagnant economic conditions call for Government to stimulate economic growth through infrastructure spending, so that jobs can be created and so that young people can be employed, otherwise we will have a situation where companies like Macsteel present apprentices with technical experience and after their apprenticeship ends go back to jobless.



FACTBOX

- Ms Lloyd has two children, a son and a daughter.
- Her daughter has successfully completed her Masters in Zoology at the University of Johannesburg while her son is in 2nd year of his Masters in Zoology at the same university
- Her hope for the future is for the tide of corruption and greed to turn and for things to get better with each and every individual having equal opportunities and playing his/her own part in the economy and society
- She has four dogs that help her distress at the end of a long day
- She gives back to her community through volunteering at a rehabilitation centre, contributes regularly to various charities and supports community initiatives.
- She is a lover of sport and rallies behind national sport teams when they play

WE NEED TO REINFORCE THE EDUCATION IS KEY MESSAGE TO OUR CHILDREN

TSHEPISO MOTHIBINYANE

BUSINESS OWNER

In late 2016, when Tshepiso Mothibinyane and her business partner, who is also her spouse, approached Atlantis Group, an international mining contracting company that specialized in raise boring, for business opportunities, they had no idea that the company was in fact, in the process of searching for a Black Economic Empowerment (BEE) partner to join the business.

"We approached Atlantis, through Laone Consulting Engineers, an engineering firm we started in 2015, hoping that they would bring us on board as a service provider that would render engineering consulting services, but the Universe had its own plans," says Ms Mothibinyane.

After several meetings with the business owners and an approval to form a strategic partnership, the Mothibinyanes approached the Industrial Development Corporation (IDC) to assist with funding. They succeeded in getting the IDC to fund this opportunity and officially became 40% shareholders of the Atlantis Group of companies in September 2017.

Although the BEE deal did not go as anticipated resulting in a strategic unbundling of the business, the experience gained at Atlantis and elsewhere in the industry gave birth to Laone Mining and Engineering, which seeks to establish itself as one of South Africa's leading raise bore drilling specialists.

"The negotiated unbundling of Atlantis Group not only gave birth to a new fully independent company, Laone Mining and Engineering, but it also saw the new kid on the block take over some strategic assets within South Africa." The metamorphosis also resulted in Laone Mining and Engineering becoming the first and only 100% black-owned (with 51% black woman ownership) Raise Boring company in South Africa.

But as the business grows, I would transform the company by increasing female representation not only at head office but also onsite because I have no doubt in my mind that women are just as capable of performing technical duties

Laone Mining operates in a highly niched and specialized space, competing against two major listed companies. With active operations currently running in South Africa, Ms Mothibinyane is of the view that Laone Mining and Engineering is strategically positioned for exponential growth both within South Africa and the rest of the African continent.

"Though we are currently a small company employing approximately 35 people on site and at head office, we are poised to grow given the fact that the mining industry is under pressure to transform and we are the only 100% Black-owned company operating in this space. We also boast a team comprising of experts with combined mining and engineering experience that spans almost a hundred years."

The main challenge that Ms Mothibinyane sees as having the potential to dampening the company's growth potential in the short term is that raise boring is a highly capital intense business, which makes use of extremely expensive equipment. "We need to continuously invest in equipment, which doesn't come cheap, but we are working on deals that will bring not only more clients on board but also more equipment, which is much needed to service new business."

The growth of the company will also enable Ms Mothibinyane to realize her lifelong dream of empowering other women through employment. "We inherited about 25 technical employees when we took over the drilling contract from Atlantis. Of the 25 employees who work onsite, 24 are men but as the business grows, I would transform the company by increasing female representation not only at head office but also onsite because I have no doubt in my mind that women are just as capable of performing technical duties."

WHO IS MS MOTHIBINYANE?

Ms Mothibinyane, the youngest of four siblings was born in a small village of Taung (between Vryburg and Kimberly) in North West Province. She did her schooling in Taung until Grade 10 then moved to Mabopane, Outside Pretoria, to live with her Sister, where the then young Ms Mothibinyane attended the last two years of High School and subsequently matriculated. She was accepted to study Bachelor of Science in Physics at the University of Cape Town (UCT).

"I was met with a whole lot of challenges when I moved to Cape Town. Firstly, I left for University when the funding I had applied for hadn't come through and I had no money to even pay the registration fee, so the first week was a struggle but fortunately the funding came through on the second week and I was sorted financially." In spite of having been 'sorted' financially, Ms Mothibinyane still had to confront challenges of a different kind including not fitting in because she came from a disadvantaged background and was certainly not easy to integrate into the urban society.

"I was very aware that I didn't have much because most students who attended UCT, at the time, came from wealthy backgrounds. Some would even come to campus driving cars. That alone just made me feel out of place. There was also the language barrier, yes they spoke English but most of the students had this "posh English accent" which was very intimidating."

Determined to stay and complete her studies, Ms Mothibinyane befriended students who came from similar backgrounds as hers and they became each other's pillars of strength. "And we made it. I graduated with a BSc Honours (Physics) in 2004 and continued to pursue an MSc in Physics through what is now called the Nelson Mandela Metropolitan University while working at the Centre for Scientific and Industrial Research (CSIR) as a Researcher Intern.

After graduating with her Masters' Degree in 2007, Ms Mothibinyane was offered a full-time position at the CSIR where she stayed for a year prior to joining Sasol Technology's Research and Development (R&D) Division in 2008. Two years into the R&D position, she moved into the strategy and international business development arena (from June 2011 to March 2015), followed by the Policy and Regulatory environment. Ms Mothibinyane has acquired sound knowledge of both the South African and International business environment as well as the regulatory landscape over the years.

"In 2016, after about eight years at Sasol, I left the corporate world to join a family business as I firmly believed that SMMEs have a huge role to play in our society and the economy. "The vast knowledge and different skills gained over the years from the corporate world have really worked well for me, as these have contributed to the success of our company."

EDUCATION IS KEY

Remarking on the challenge of high youth unemployment rate currently facing South Africa, Ms Mothibinyane says young people are reluctant to pursue post high school education nowadays. This, she attributes to social media platforms that display images of people, in particular socialites, who pose with designer clothes and fancy cars appearing to have made it without any effort.

"I blame social media for the state we're in. Young people are under enormous pressure. They want it all and they want it now so they leave school in pursuit of lavish lifestyles they see flaunted on social media but it is up to us as parents to reinforce the message that education is key to our children if we are ever to rid ourselves of high youth unemployment."

When not at work, Ms Mothibinyane spends time with her family. She is also passionate about food and can be found enjoying her favourite meal, Lasagna, while catching up on her favourite TV series "The Queen".

SEIFSA welcomes new members

The following companies became members of associations federated to SEIFSA during June 2019 - July 2019

01

Cape Engineers and Founders' Association (CEFA)

- Filmatic Packaging Systems (Pty) Ltd

02

Constructional Engineering Association (South Africa)

- Belfa Solutions (Pty) Ltd
- Bell Equipment Sales SA Limited
- CAV Tech (Pty) Ltd
- Fronesis Strategic Recruitment (Pty) Ltd
- Sibisi & Associates (Pty) Ltd

03

Electrical Engineering and Allied Industries Association (EEAIA)

- ABB Powergrids (Pty) Ltd
- Biagi Saga Technologies (Pty) Ltd

04

Light Engineering Industries Association of South Africa

- Aluvin Securiseal (Pty) Ltd
- V.V. K Engineering

05

SARACCA

- Namuku General Dealer

06

SEIFSA Associate Membership

- Absolute Health Services (Pty) Ltd
- Dawns Trucking cc
- Edison Lebone (Pty)Ltd

Southern African Metals & Engineering INDABA '19

The Metals and Engineering Indaba

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PROGRAMME AT A GLANCE

- Logistic Costs & Competeviness
- SoEs: Enablers or Hindrances?
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- Automotive Production
- Industrial Policy Action Plan
- An Assessment of 'The New Dawn'
- Local Manufacturing in the Spotlight
- Africa and Free Trade

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BECOMING THE FIRST WOMEN TO LEAD ENGINEERS' ASSOCIATION

MELANIE MULHOLLAND

CHIEF EXECUTIVE OFFICER

On 1 April 2019, Melanie Mulholland made history when she became the first woman to lead the 99-year old Cape Engineers and Founders Association (CEFA) as its Chief Executive Officer. But how did the former SEIFSA Human Capital and Skills Development Executive find herself at the helm of the almost 100-year old Association? SEIFSA News spent time with her to find out. This is her journey.

Ms Mulholland was born in Cyprus, an Island country in the Eastern Mediterranean. She is one of the two daughters born to parents who were in the Airforce.

So, why was it possible for Mbeki and Zuma to be recalled in 2008 and 2018 respectively? Well, the answer is simple: neither man was ANC President at the time. They had already served their two terms as ANC presidents and were merely deployees as Presidents of the country.

"Being born to parents who were in the Airforce meant moving around a lot. So, I was born in Cyprus, lived in Malta and in Wales , England and Cornwall and moved to South Africa in December 1981 where my parents ultimately settled, so I grew up and attended school here."

After matriculating from Jeppe High School for Girls in 1990, Ms Mulholland went straight to the corporate world. Her first job was with the First National Bank as a Clerk at the Bank City Branch, in Johannesburg Central.

"Back then, I was not sure what career I wanted to pursue, all I knew was that I was passionate about people and about educating adults."

So, after starting at FNB as a Bank Clerk, she graduated to the Bank's Foreign Exchange Department and, eventually, her lifelong dream of educating became a reality when she was moved to the Bank's Group Training Division where she was involved in designing, developing and facilitating training programmes for the Bank. She left FNB in 1999 when her family migrated to the United Kingdom (UK) shortly after giving birth to her second son but came back in 2001.

"South Africa had become our home. We couldn't last in the UK for even three years, we just had to come back home. South Africa is such a beautiful and unique country, we didn't realise this until we left."

So, by 2001, she was back in South Africa but without a job thus she reached out to old acquaintances in an attempt to find employment and it was not long before she found herself at the employ of the BankSeta as the Skills Development Specialist.

"I had always been passionate about educating adults and I had left FNB having started working in the Group's Training Division and years later, there I was at BankSeta living my dream."

She says her responsibilities at the Seta entailed, among others, enabling education programmes about skills development, staying abreast of legislation impacting skills development in South Africa and uplifting and empowering people to be the best versions of themselves.

After being promoted to Manager from Specialist, Ms Mulholland left the BankSeta in 2008 to start a consultancy, which she claims was relatively successful.

"Through the consultancy, I was involved in things such as ISO 9000 and I learned a lot of things outside skills development but I missed my passion and eventually I decided to go back to corporate and focus on what I was passionate about."

Thus, she jumped at the opportunity of applying for the position of Skills Development Manager at SEIFSA when she saw the opening advertised in 2010.

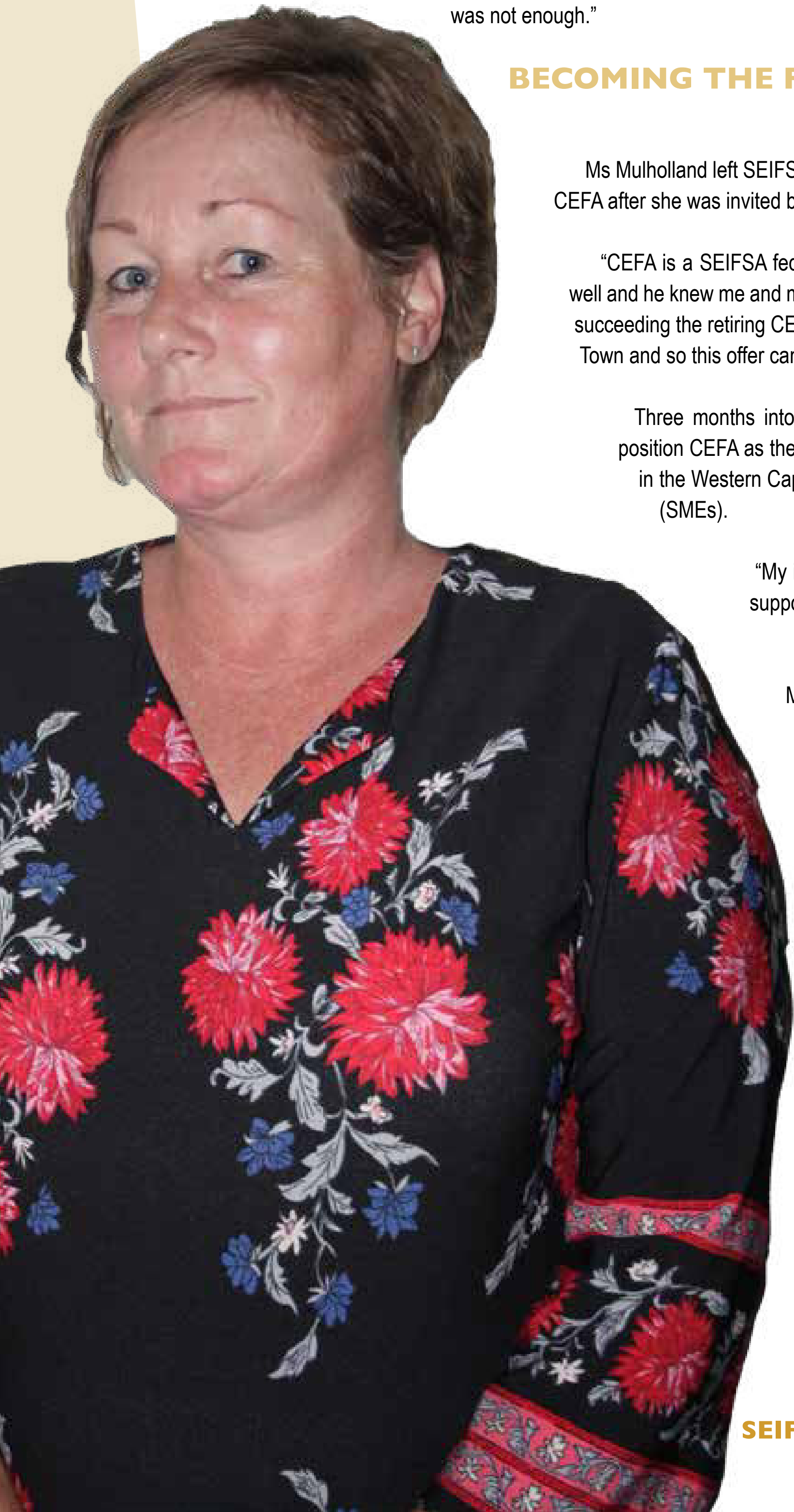
"I was offered the position and accepted. It was not easy in the beginning as there was a lot I had to learn about the metals and engineering sector but I learned and became better each day until I took over the position of Human Capital and Skills Development Executive when my predecessor resigned from SEIFSA in 2016.

"Under my predecessor, to whom I reported, I gained a lot of confidence owing to the fact that he entrusted me the responsibility of sitting and contributing at various forums such as Business Unity South Africa, merSeta and others, which brought me up to speed with all things concerning the broad economy and the metals and engineering sector, in particular.

BACK TO SCHOOL

In 2012, Ms Mulholland made a decision to further her education and acquire a post matric qualification through registering with the University of South Africa where she pursued a Bachelor of Arts in Human and Social Studies with specialisation in Psychology, Philosophy and Industrial Relations. She successfully completed her studies in 2014 and graduated with a Bachelor of Arts Degree in Human and Social Studies.

"I realised that the only way to get ahead is through education this is why I opted to go back to school and further my studies. Yes, I had obtained several certificates for short courses I had taken while employed but I realised that that was not enough."



BECOMING THE FIRST WOMEN TO LEAD CEFA

Ms Mulholland left SEIFSA at the end of March 2019 to become the first women to lead CEFA after she was invited by the Chairperson of CEFA to apply for the position.

"CEFA is a SEIFSA federated Association I, therefore, knew the previous CEO very well and he knew me and my work. So when the Chairperson approached me to consider succeeding the retiring CEO at CEFA, I was already in the process of relocating to Cape Town and so this offer came just at the perfect time and I, of course, accepted it."

Three months into her job, Ms Mulholland says her main area of focus is to position CEFA as the credible and recognised voice for the engineering profession in the Western Cape and to offer more support to small and medium enterprises (SMEs).

"My initial priorities are to take the Association to new heights and support SMEs, which are struggling in current economic conditions."

When not at work, Ms Mulholland volunteered at Mandarin South Africa (MSA), an institution aimed at fast-tracking learners' scholarstic progress through various educational initiatives. As a result of her involvement, the MSA Executive Committee awarded Ms Mulholland an Honorary Professorship for her life-long commitment and achievements in the field of social development and VET education, training, administration and research as well as for many contributions to advancing the role of VET in the 21st century.

When not at work or volunteering at MSA, Ms Mulholland reads.

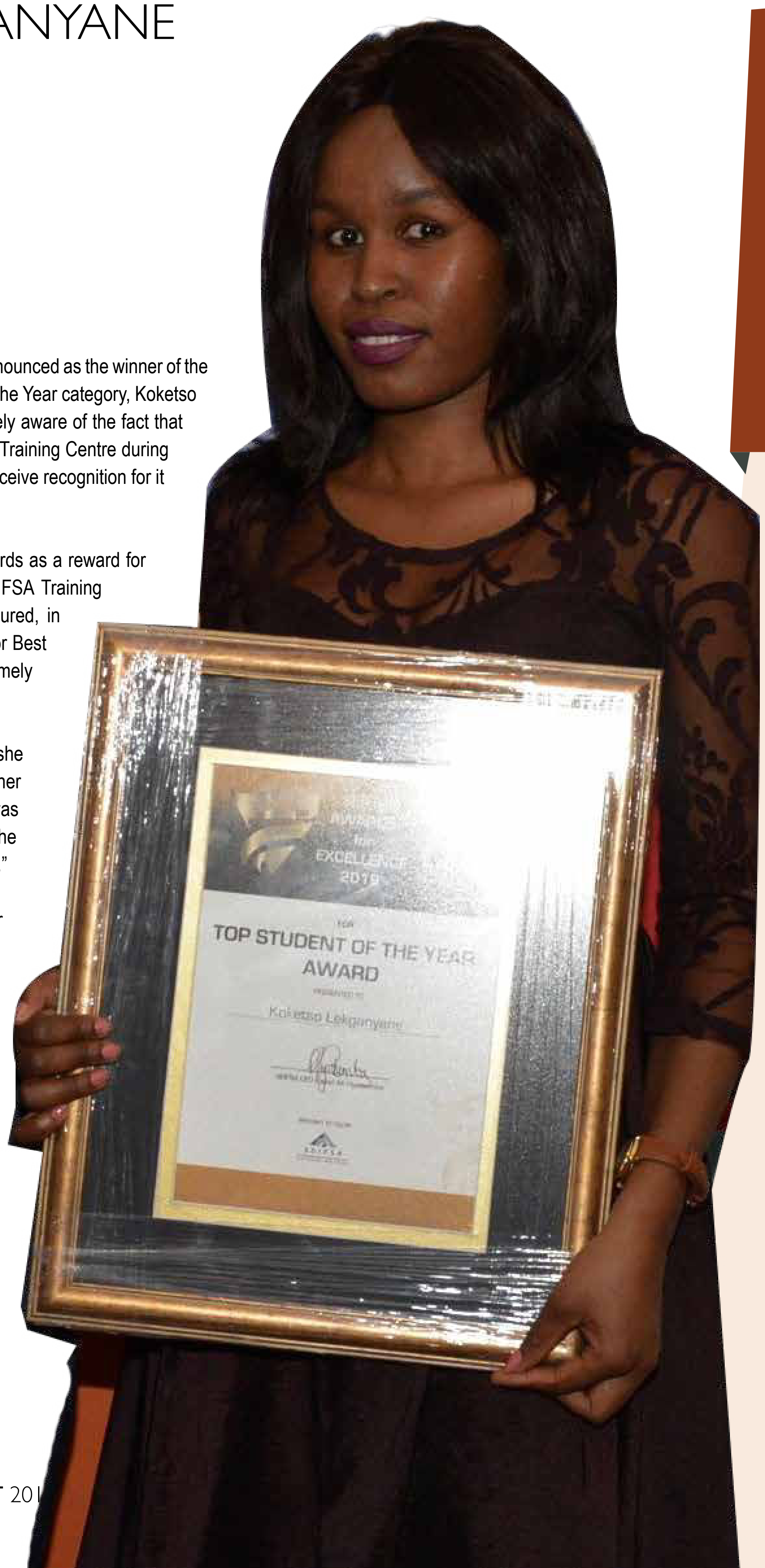
" I am an avid reader, I read everything from biographies to to fiction and self-developing books"

Asked what she was currently reading, Ms Mulholland said she is simultaneously reading *Rules of Magic* by Alice Hoffman and Peter James's *Dead At First Sight.*

THE SKY IS THE LIMIT

KOKETSO LEKGANYANE

APPRENTICE



When Koketso Lekganyane's name was announced as the winner of the SEIFSA Award for Excellence in the Student of the Year category, Koketso did not believe her ears. Though she was acutely aware of the fact that she had been the Best Achiever at the SEIFSA Training Centre during 2018, she did not know that she was going to receive recognition for it in the form of an Award for Excellence.

"I thought I was invited to the SEIFSA Awards as a reward for being the Best Performing Student at the SEIFSA Training Centre. I didn't know I was going to be honoured, in fact, I didn't even know there was a category for Best Performing Student, so I was confused but extremely happy when my name was called."

Confused and happy, the 25-year-old says she made her Father very proud that night. "My Father has always been proud of me but I think that was the proudest day of his life. He was so happy. The Award was a very pleasant surprise for all of us."

Though the Award came as a surprise for the Lekganyanes, Ms Lekganyane is not new to winning. In 2014, while still an Engineering student at Capricon College, in Polokwane, she and her colleague won the regional leg of an engineering competition that pitted students in institutions of higher learning against each other.

The Pneudrive Challenge, a mechatronic competition launched in 2008 by SEW Eurodrive and Festo, is a design competition aimed at highlighting mechatronic innovation. It targets third and fourth year students in the engineering faculties of mechanical, electronic engineering and mechatronic studies.

I've always wanted to be a successful engineer and I decided to leave Limpopo and come to Gauteng with my father who moved for the purposes of growing his pest control business because like him I also believed that I had more chances of succeeding in Gauteng than in Limpopo

"The competition was divided into three categories, regional, national and international, so we won the reginal leg forcing students from other institutions to eat humble pie. We were then sent to Cape Town to compete at the National level and that's where we were forced to eat humble pie."

Though Ms Lekganyane and her colleague came back defeated from Cape Town, she says she went back to Limpopo motivated and even more determined to succeed and after completing her N4 in mechatronics, she relocated to Gauteng where she continued and completed her N6 through the Ekurhuleni West College (EWC).

"I've always wanted to be a successful engineer and I decided to leave Limpopo and come to Gauteng with my father who moved for the purposes of growing his pest control business because like him I also believed that I had more chances of succeeding in Gauteng than in Limpopo."

After graduating from EWC in 2017 where she also graduated top of the mechanical engineering class, she started looking for an internship and it wasn't long before she was hired by a global engineering firm but she soon left the company because she found herself being tasked with administrative jobs in an office environment.

"I wanted an internship that exposed me to engineering related duties not office work, I couldn't graduate without that sort of internship so doing office work was not going to help me much. I then went to speak to the managers at the firm and explained what it is that I wanted to get out of the internship, they understood and ended up sending me to another engineering firm where I got exposed to technical duties."

Though the new company exposed her to technical trades, Ms Lekganyane opted to leave the company owing to exposure to unsafe working environment. "There were lot of safety issues onsite so I opted to stay at home. In January 2018, I managed to get an internship at a solar company where my tasks included electrical work. That was a great experience for me."

In May, she received a call for an interview from ACTOM Power Transformers, her current employer, and in June, she was along with other candidates, offered an apprenticeship contract and sent to the SEIFSA Training Centre (STC) for six months where she completed an institutional component of apprenticeship and graduated top of her class and awarded a SEIFSA Award for Excellence. She is now doing her second year Boilermaker Apprenticeship at ACTOM Power Transformers

THE SKY IS THE LIMIT

Though she graduated top of her class and even received an Award for it, Ms Lekganyane says her journey is only just beginning.

"At some point in the future, I would like to go back to school and pursue the design side of engineering. I am exposed to it at ACTOM and I think it is something I would like to pursue in future."

With a Diploma is mechatronics, a boilermaker experience and the design certificate, Ms Lekganyane believes she can be anything she wants to be and that only the sky would be the limit for her.

FUNBOX

- When not at school and work, Ms Lekganyane sings in a church choir at ZCC
- She enjoys going out with other young women from church for fun
- Her biggest wish is to take her parents on vacation to either Cape Town or Durban where they will see the ocean for the first time
- She also dreams of renovating her parents' home and enable a better life for them

ALLEVIATING YOUTH UNEMPLOYMENT ONE APPRENTICE AT A TIME

KGOMOTSO MONONYANE
HUMAN RESEOURCES MANAGER

South Africa is one of the countries with extremely high rates of unemployment in the world. Data from Statistics South Africa indicate that over the 1994-2018 period, the number of unemployed people has more than doubled. Data also indicates that young people are the ones most affected by the unemployment scourge, with youth unemployment reported to be over 55 percent.

The seriousness of unemployment, in general, and youth unemployment, in particular, calls for urgent intervention not only to halt the scourge that is unemployment but also to ensure that social ills that are a direct result of unemployment including poverty and crime, among others, are also simultaneously dealt with.

"Social ills such as poverty and crime, among others, can be directly attributed to unemployment, this therefore means that significantly reducing unemployment will result in the significant reduction of these social ills, which is why businesses need to urgently address the youth unemployment challenge," said ACTOM Power Transformers Human Resources Manager Kgomotso Mononyane.

Ms Mononyane added that it is for this reason that ACTOM Power Transformers plays its part in addressing the youth unemployment challenge, through offering opportunities to young learners to pursue training through technical training centres, in order to acquire the necessary skills. They often offer them apprenticeships in the Electrical and Boilermaker Trades.

"We currently have eight apprentices on site who will be with us for a total of four years. The apprentices are exposed to different departments within ACTOM Power Transformers in order to gain experience in more than one occupation, this will enhance their chances of being employed in different sections of the Transformer Industry.

When asked where and how ACTOM finds and recruits the young men and women for apprenticeships, Ms Mononyane said that the company has cordial relationships with most technical and vocational education and training (TVET) colleges, especially the Ekurhuleni West College, which is almost always their first port of call when looking for apprentices.

"There are times when we recruit based on the requirements of the contract we receive, a client may request us to find young people from Escourt, KwaZulu Natal, for example, because they operate in that region and want to empower the youth from that particular area."

In such instances, Ms Mononyane would place advertisements in the area and travel to that region to interview the applicants. The successful candidates would then be offered an apprenticeship. After completion of the apprenticeship they would return to their various regions to take up employment.

Asked to explain the criteria used to recruit the young people, Ms Mononyane said that in addition to assessing the dedication and willingness to learn, they also prioritise children from extremely disadvantaged backgrounds and they always ensure that there is a 50/50 percent of women and men representation.

"We have to prioritise those who come from less privileged backgrounds to make sure that we contribute towards poverty alleviation. We once recruited a young man who had come from KZN with no relatives or friends in Gauteng. He built himself a shack, looked for an employment opportunity and owing to his determination we recruited him and he's done very well.

Most of the young people really come from a poor background and these are typically the ones who really take advantage of the opportunities presented to them, they are the ones who are mostly very eager to learn and excel."

We once recruited a young man who had come from KZN with no relatives or friends in Gauteng. He built himself a shack, looked for an employment opportunity and owing to his determination we recruited him and he's done very well

In fact, Ms Mononyane says that there is almost always a 100 percent pass rate at first attempt, which shows the determination of the young people ACTOM Power Transfomers offers opportunities to.

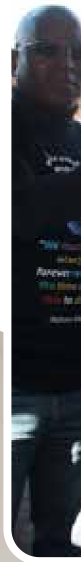
In addition to recruiting and training them for the world of work, Ms Mononyane says they also offer them support by constantly visiting the training centre to ensure that they are coping with their studies.

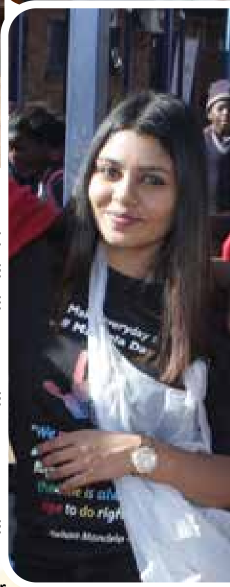
ABOUT MS MONONYANE

In 1996, Ms Mononyane matriculated from Tsogo High School in the North West Province. In 2001, she graduated with a National Diploma in Human Resources Management from the Vaal University of Technology, where she also went on to pursue a BTech in Human Resources Management, which she completed in 2002. In addition, she possesses a Certificate in Labour Law, which she obtained in 2007 from the University of South Africa.

A Skills Development Facilitator registered with the ETDP SETA, Ms Mononyane has been in the employ of ACTOM Power Transformers for seven years. Prior to joining the company in 2012, she was Rheinmetall Denel Munitions's HR and Development Manager responsible for Potchefstroom and Boksburg. She has also worked at JDG Financial Services as an HR Manager; and held the same position at DHL. At the South African Revenue Services, she was an HR administrator. Her HR career began at Sasol as the administrative assistant for the petrochemical giant's synthetic fuels division in 2003.

SEIFSA TEAM DEVOTE TIME TO RENOVATE PHUMULA GARDENS PRIMARY SCHOOL





In line with the International Nelson Mandela Day, SEIFSA once again visited Phumula Gardens Primary School, in Erkuhuleni to carry out some much-needed renovations. This year, Team SEIFSA collaborated with Macsteel making the 2019 Mandela Day even bigger and better.

On the day, the Team renovated and painted the library, contributed towards empowering small business owners by bringing them on board to install a burglar door, which was donated by Macsteel as well as window mesh for windows and classes situated in areas vulnerable to break-ins.

In addition to carrying out the renovations and upgrading security, Team SEIFSA also painted murals for the school using a professional stencil artist who drew the sketches, while the SEIFSA TEAM painted the pictures. The pencil painting of Madiba produced by the artist was framed and handed to the school.

As part of its Corporate Social Responsibility initiative, in 2014 SEIFSA, adopted Phumula Gardens Primary School as part of its Corporate Social Responsibility initiative. Since our adoption of the school, we have donated several items, including old office furniture, which is currently being used in classrooms.

During last year's Mandela Day, Team SEIFSA visited the school and carried out renovations needed at the time. The Team also planted four vegetable gardens, this to help the school eradicate extreme poverty.

Inspite of SEIFSA's ongoing contributions, the school and its children who typically come from child-headed households and live in RDP houses nearby remain poor and in desperate need of donations.

School Principal Ms Mazaka said some of the urgent items currently required by the children include:

- Sanitary towels
- School uniforms for children with poor parents or no parents at all,
- Soccer and netball kits as well as different-sized poles for the burgeoning netball programme at the school

Ms Mazaka also told SEIFSA News that it is currently impossible to hold an assembly consistently, especially in winter, as there is no space that shelters approximately 2000 from the cold in the morning. In addition, there is no shelter for learners when they wait outside the school for transport in the afternoon.

We would, therefore, like to appeal to SEIFSA member companies to work with us in helping change lives at Phumula Gardens.

No contribution is too small: it could be material, financial or take any form.


SEIFSA
OUR PASSION, YOUR SUCCESS
partnering


SEIFSA
partnering
with


Mandela Day

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CEA (LBD) Accredited Companies as at 22 July 2019

- Adcorp BLU a div of Adcorp Workforce Solutions (Pty) Ltd
- Adcorp Blu a division of Adcorp Staffing Solutions (Pty) Ltd
- ALOS Holdings (Pty) Ltd
- AMT Africa Recruitment
- AMT Placement Services
- BDM Management (Pty) Ltd
- Boardroom Appointments
- CAP Personnel Placements (Pty) Ltd
- CDR Contracts (Pty) Ltd
- Consortium Personnel Consultants cc
- Eduardo Construction (Pty) Ltd
- EFS Labour Consultants cc
- ESG Recruitment cc
- Fempower Personnel (Pty) Ltd
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- Inqaba Services (Pty) Ltd
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- Ithemba Langemphela
- ITL International Task Labour cc
- Khuboni Placements TES (Pty) Ltd T/A Express Employment Professionals Park town
- Lady of the Waters 46 cc t/a Spartan Technical Services
- Lapace Construction (Pty) Ltd
- Lavoro Matkri (Pty) Ltd
- Lekang Projects & Security Services cc
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- Phakisa Technical Services (Pty) Ltd
- Quyn International Outsourcing (Pty) Ltd
- Scribante Labour Consultants (Pty) Ltd
- Sebcon Contracting Services
- Seven Stars Investments (Pty) Ltd
- SFG Engineering
- Sindawonye Services
- Sizuluntu Staffing Solutions (Pty)Ltd
- Stratostaff (Pty) Ltd
- The Workforce Group (Pty) Ltd
- Themba Njalo Camden
- Transman (Pty) Ltd
- Tributum Emawi (Pty) Ltd
- Vusithemba Mpumalanga

AN OPPORTUNITY TO REPRESENT THE METALS AND ENGINEERING SECTOR **ON THE RMA BOARD OF DIRECTORS**

The Steel and Engineering Industries Federation of Southern Africa (SEIFSA) invites applications from individuals interested in being nominated for appointment to the Board of Directors of The Rand Mutual Assurance Company Limited (RMA).

Until recently, former SEIFSA Industrial Relations and Legal Services Executive Bridgette Mokoetle represented the sector on the RMA Board of Directors. Following Ms Mokoetle's resignation, the RMA has asked SEIFSA to nominate "black, female individuals, preferably with a finance-related background and who have operated at Non-Executive Director level", for consideration for appointment onto its Board of Directors.

According to the RMA, its Board Nominations Committee will consider nominees against the following criteria:

- "The transformation requirements imposed by the COIDA licence issued by the Minister of [Employment and] Labour;
- "The applicable BBBEE Codes;
- "The over-arching requirements that all Board Members of RMA meet the fit and proper requirements imposed by the Prudential Standards applicable to insurers;
- "The skills gap that exists on the RMA Board and its Committees".

Individuals meeting the criteria stipulated by the RMA and keen to be nominated by SEIFSA should please send their CVs to Ms Lerato Lebeko, Executive Personal Assistant to the CEO, on the address Lerato@seifsa.co.za. They must themselves be employed within the metals and engineering sector.

INTERNATIONAL WATCH

SWEDAN

Swedish Steel Prize 2019 is now open for entry

Applications are now being accepted for the Swedish Steel Prize 2019, the steel industry's most prestigious award, which celebrates its 20th anniversary this year.

The Swedish Steel Prize is an award for ideas and products that have an impact on future steel solutions, and it attracts competitors from across the world. It will be awarded on November 14th, 2019 in Stockholm, Sweden as part of the Swedish Steel Prize 2019 event.

This year marks the 20th anniversary of the Swedish Steel Prize. Over the past two decades, the award has inspired creative engineers, designers and inventors to utilize the endless potential of steel to change our world for the better.

The Swedish Steel Prize is open to any individual, company or institution and is awarded to the method or product that best displays how the properties of the chosen grade of steel has contributed to a significant innovation.

All entries are assessed by an independent jury. Together they review each entry based on its level of innovation, creativity, sustainability, performance and competitiveness. Out of the box thinking as well as entries addressing the environment, digital solutions and new trends in the economy are especially encouraged.

"The Swedish Steel Prize is a celebration of innovation and good engineering. We are looking for solutions that really push the limits of steel – alone or in a combination with another material – and with a sustainable or digital twist that can help make the world a better place," explains Eva Petursson, Chair of the Swedish Steel Prize jury and head of SSAB's research and innovation.

The winner of the Swedish Steel Prize receives a diploma, a statuette by the sculptor Jörg Jeschke and intense media exposure. In conjunction with the Swedish Steel Prize event, SSAB will also make a SEK 100,000 donation to charity.

The prize ceremony takes place at the end of a fascinating and renowned event where participants from across the world meet to learn about new steel technologies, be inspired, network with peers and celebrate innovation.

For the full rules, to read about previous finalists and to apply, competitors can go to www.steelprize.com/apply. All applications must be received before the deadline of August 15th for consideration.

European steel market to face increasing pressure: S&P Global

The European steel market is facing increasing pressure from weak demand, market protectionism and persistently high iron ore and coking coal prices, analysts from S&P Global said in a webinar recently.

While steel capacity curtailment is under way, with a 4.2 million mt/year production cut announced by ArcelorMittal, this may be insufficient to accommodate more gloomy scenarios, and more players can be expected to reduce production, said Elad Jelasko, director, credit analyst (commodities) at S&P Global Ratings on the webinar.

"The question is will this be sufficient to accommodate current softness? ...Our view is it won't be enough to compensate the market weakness," Jelasko said.

Liberty Steel and US Steel have also announced production curtailments at some European steelmaking facilities in recent weeks.

Recovery of the European economy is slowing down, the automotive industry is set to contract in 2019, and there is a potential relocation of car lines to Japan, said Jelasko, adding that friction is present in current trade negotiations between the US and Europe, particularly in the area of automotive trade. Steel demand in Europe is to increase by only 0.3% this year, with "a fragile recovery of up to 1.2% in 2020," he said.

In addition, "there is no evidence" that the European Commission's import safeguard measures are contributing to the European market, while the hike in Co2 certificate prices is also proving problematic for steelmakers," Jelasko said.

European steel market prices have suffered downwards pressure for months amid global steel overcapacity and growing import levels, which have recently grown to account for nearly one quarter of market consumption.

"ArcelorMittal has only limited headroom to accommodate the softer scenario prices," Jelasko said. "However, a BBB-/Stable rating on ArcelorMittal has been maintained on its commitment to debt reduction."

PROTECTIONISM SEEN DISRUPTING GLOBAL SUPPLY CHAINS

Jelasko, together with S&P Global Market Intelligence senior metals and mining research analyst Max Court and MI Pangiva Supply Chain research analyst Chris Rogers all noted protectionism in steel markets has complicated market scenarios globally.

"There is increasing evidence of disruption to markets caused by increased protectionism," said Court.

Widespread protectionism in steel markets triggered by the US' introduction of Section 232 steel import tariffs in March 2018 "is affecting in general iron and steel supply chains," according to Rogers. "Global supply chains are being disrupted by trade war."

Source: S&P Global Platts

Double whammy for EU as China slaps anti-dumping tax on stainless steel

China plans to impose an anti-dumping tax on some stainless steel imports from the European Union and three Asian countries. For the 28-nation bloc, the move is more than just a key export market for steel being at risk.

China said last week it will slap taxes to deter steel producers in the European Union, Japan, South Korea and Japan from "dumping" some of their stainless steel products in the country.

Beijing will impose anti-dumping duties of 18.1% to 103.1% on stainless steel billets and hot-rolled stainless steel plates imported from the EU and the others, effective July 23, China's Ministry of Commerce said in a statement.

The decision came after a probe by Chinese regulators showed that "there was dumping of the investigated products and it has caused substantive damage to the industry in China," the ministry said. The Chinese move is a twin blow for the EU steel producers, who are already suffering from global overcapacity, mainly attributed to Beijing's inability to cut production despite several assurances. China is by far the world's biggest steel producer accounting for more than half the global output.

"This move is only one of a series of protectionist measures we're seeing popping up around the world," Charles de Lusignan, a spokesman for Eurofer — the European Steel Association — told DW.

"So not only is an export market for EU steel at risk — the EU has been a reliable, long-term supplier of stainless steel to the Chinese market — it is that we risk deflection of otherwise China-bound stainless steels from Indonesia, Japan and South Korea, all of which are already major steel exporters to the EU," he said.

European steel producers are already reeling from diversion of steel to the EU triggered by the US tariffs on steel imports introduced last year by the Trump administration.

Source: DW.com

ENABLING **YOUTH EMPLOYMENT**

Recently released statistics indicate that the South African economy contracted in the second quarter of 2019 and unemployment rose. Most worrisome is the unprecedented level of unemployment amongst youth, which sits at a staggering 55.20 % and remains one of South Africa's most serious socio-economic concern.

Pressure from the youth has steadily escalated with movements such as #FeesMustFall and calls for the scrapping of experience requirements in entry-level positions as these are recognised as major barriers to youth entering the workplace. Government has responded by indicating the removal of experience criteria for entry-level public sector jobs, extensions to NFAS funding for more students and partnerships with business including Yes4Youth.

Economic pressures and growing impact of the Fourth Industrial Revolution (4IR) have seen pressure placed on organisations and workers with skills requirements changing faster than curricula and an increase in the scope of flexible work opportunities. The Temporary Employment Services (TES) industry, often criticised as creating a casualisation of labour, is in fact rather an enabler of 4IR workplace realities, facilitating the development and transition of work-ready skills for organisations and workers.

FASTER ENABLER OF YOUTH EMPLOYMENT

Research conducted by Professor Haroon Bhorat of the Development Policy Research Unit (DPRU) at the University of Cape Town clearly shows that the TES industry employs and absorbs youth at a higher rate than any other sector in South Africa. Acting as a bridge to the workplace, the TES sector provides work readiness programmes and is one of the largest skills development facilitators, enabling young people to access employment.

The age-old challenge of getting a job without experience, but having no job to provide the required experience, is often solved by the temporary and contract opportunities facilitated by TES. For many young people who begin their careers with TES, the valuable exposure, skills, references and experience gained across different organisations and industries, enables them to apply for and secure long-term employment.

PROMOTING PROFESSIONALISM AND PROTECTING THE VULNERABLE

The TES and Private Employment Agencies industries are currently self-regulated, although the Employment Services Act will require licensing with Department of Labour once s13 is promulgated. It is illegal for agencies to charge fees of any kind and workers are reminded to report any that do.

Agencies that belong to associations under the Confederation of Associations in the Private Employment Sector (CAPES) are not only audited to ensure full compliance with all prevailing legislation but are also bound to strict Codes of Ethics and Professional Practice.

Workers, particularly youth who might be more vulnerable as a result of their lack of experience, are encouraged to work via agencies who belong to these Associations.

Does your Association have news to share with SEIFSA News readers?
If so, please send your contributions to ollie@seifsa.co.za and copy zandile@seifsa.co.za.

merSETA

MANUFACTURING, ENGINEERING AND RELATED SERVICES SETA

The merSETA is one of 21 Sector Education and Training Authorities (SETAs) established to facilitate 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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BLOCKCHAIN TECHNOLOGY IS IMPORTANT IN SERVICING THE LOGISTICS NEEDS OF LOCAL MANUFACTURING COMPANIES TOWARDS A ROBUST INDUSTRIAL ECONOMY, WRITES MICHAEL ADE.

Most businesses the world over are still struggling to understand the opportunities and challenges presented by the next-generation technologies of the fourth industrial revolution (or 4IR) – and South Africa (SA) is no exception. Although a lot has been written and spoken about the pioneering technological concepts underpinning the 4IR – such as artificial intelligence (AI), automation, robotics, internet of things, 3D printing and blockchain – there seems to be a slow gradualness in adopting these game-changing production tools by local manufacturing businesses. This is partly due to the dearth of relevant skills, but largely due to poor understanding of potential derived benefits.

Nonetheless, the aforementioned ground-breaking industrial manufacturing concepts should be driven and propagated to a tipping point to ensure a common understanding of underlying dynamics and obtain relevant buy-in from local stakeholders and policy makers. Indeed, the technological developments could be instrumental in ensuring that manufacturing regains its mojo and increased contribution towards the 5% GDP growth required in terms of the NDP, to reduce poverty and inequality,-including unemployment below 15%, by 2030.

Despite its perceived challenges, the 4IR is rapidly gaining momentum globally since its inception in 2010 and is increasingly becoming a direction taken by most emerging markets. The news that Google, the US technology giant, recently opened a first of its kind AI research laboratory in Ghana to help deal with relevant high-tech challenges in Africa was refreshing. This is despite Africa being a laggard and playing catch up, with similar research centres already opened in the US, Europe and Asia.

For SA, the implications are that the propagation of the 4IR could undermine inclusive growth, especially given the poor growth, high unemployment rate and scarcity of relevant high-tech skills. Lower-skills jobs will become more vulnerable, needing workers to either re-skill or up-skill in order to stay relevant. Consequently, one of the areas where re-skilling or up-skilling may create more local job opportunities is in blockchain in logistics, which is gaining traction globally, with businesses and corporates becoming the early adopters of this immense technology.

Blockchain spawns innovation development and is becoming a vital expanse. With significant benefits in sight, the overall market for blockchain is expected to boom, with some estimates by DHL projecting growth of blockchain technology from a low base of $411.5 million in 2017 to $7.68 billion by 2022. While blockchain in logistics is not fully matured, it holds huge potential and companies should seek to understand its functionality, value, tangible rewards and obstacles to overcome.

While some companies within the Steel and Engineering Industries Federation of Southern Africa (SEIFSA) and broader manufacturing do understand the need to adopt automation in value creation through integral automation solutions, or champion automation in the steel machine tool industry, a large majority are still lagging behind in embracing blockchain know-how. Despite local companies' low readiness levels, blockchain technology can still be a central transformational technology today, as companies strive to promote competitiveness and trade integration with the rest of Africa.

Blockchain will arguably be a game-changer in servicing the logistics and trading needs of the local steel industry, where intermediate products or inputs mainly produced in the minefields, mills, foundries or foreign countries need to be transported, since they are often far away from customers or country of provenance. Practically, blockchain in manufacturing can be used to improve trade and supply chains and to create platforms for businesses.

In a blockchain network, when a ship leaves an overseas port, for instance, all parties involved in the trade transaction(s) – including local logistics companies – are simultaneously informed of progress from the date of shipment to the estimated time of arrival, including information on relevant quantities, customs and exchange control implications, incoterm, inspection and quality verification requirements. Blockchain greatly reduces bureaucracy or paperwork and eliminates intermediaries by tracking a product's life cycle and ownership transfer, even as it changes hands between the manufacturer, logistic service provider, wholesaler, retailer, and consumers.

In addition to promoting faster and leaner logistics in global trade or improving efficiency as well as transparency and traceability in supply chains, blockchain adds visibility and predictability to logistics operations. It can accelerate provenance and counterfeit tracking of goods by SARS, thereby enabling responsible and sustainable supply chains. Similarly, it cuts down on circumvention and mis-declaration of imports, thereby minimising revenue loss to the fiscus.

As with many emerging technologies, considerable hurdles must be overcome before blockchain in logistics can achieve mainstream adoption by local manufacturing industries. The lack of skills, common standards and governance of blockchain in each industry, variations in digital readiness and poor recognition of the mutual benefits of blockchain-based collaboration act as stumbling blocks. Moreover, the fragmented and competitive nature of the logistics industry, characterised by the multiplicity of individual trucking companies often relying on manual data entry and paper-based documentation to adhere to customs processes, is challenging.

Blockchain spawns innovation development and is becoming a vital expanse

Local manufacturing companies and logistics forums - including the Positive Freight Solutions Forum and All Truck Drivers Association - can nevertheless benchmark standards and procedures with international forums, such as the Blockchain in Transport Alliance (BiTA), which was founded in August 2017, focusing in freight, transportation, logistics and affiliated industries. With a membership of about 500 companies in over 25 countries, BiTA is the largest global commercial blockchain consortium. Additionally, enhanced collaboration by businesses in the M&E cluster, including those in broader manufacturing, will trigger the greatest benefits from blockchain transformation.

Government support is also key in companies adapting and adopting blockchain technology by systematically changing business models to embrace the relevant tools. Managers – particularly those in logistics, IT and trade functions – should re-skill, gain blockchain expertise and proactively adopt blockchain-based solutions in logistics as the technology holds out the promise of creating jobs – especially amongst the youth – and increasing productivity, with lucrative opportunities for businesses.

Dr Michael Ade is a Chief Economist at the Steel and Engineering Industries Federation of Southern Africa.

TREND ANALYSIS OF THE BUSINESS EXPECTATIONS AND PURCHASING MANAGERS' INDICES

The Steel and Engineering Industries Federation of Southern Africa (SEIFSA) closely monitors the movements in the business expectations index and Purchasing Managers' Index (PMI), including its five sub-indices namely: business activity, new sales orders, inventories, supplier delivery and employment. The ensuing commentary provide an insight to the trend of these variables over a 16-month period.

BROAD DEFINITION OF THE BUSINESS EXPECTATIONS AND PMI INDICES.

The business expectations index supplies information on the expectations of businesses on economic activity over the short-term.

The composite PMI and its five sub-components provide insight into the health of the broader manufacturing sector, including its heterogenous Metals and Engineering (M&E) cluster of industries. The headline PMI (also a lead indicator) and its five sub-indices are therefore important in the decision-making processes of businesses.

Summarily, the business activity sub-index gauges production activity and output levels in the sector. The inventory sub-component gives an indication of the volume required to fill new sales orders and to ensure that a fairly consistent level of inventory is maintained throughout. The possible movement in employment numbers in the domestic economy is indicated by the employment sub-index. The new sales order sub-index can assist production decisions based on the expected new sales orders. Lastly, supplier performance sub-index captures information on how readily raw materials and products are accessible and how fast delivery performance is. If raw materials and products are more readily obtainable this month when compared to last month and delivery performance is faster, it is captured by the supplier delivery sub-index. The benchmark or neutral level of the PMI and its sub-indices is 50 and separates expansion from contraction.

The graph below captures the movements in the sub-indices of the headline PMI and business expectations over a 16-month period, between January 2018 and April 2019.

Figure 1: PMI sub-indices and business expectations

A comparison of the PMI sub-indices shows that the best performing sub-index over the 16-month period was the supplier performance index which trended above the neutral level for 15 months during the period under observation, indicating that delivery performance was relatively fast. The worst performing sub-index was the employment sub-index which trended below the benchmark level during the entire timeframe, affirming that employment remains a critical issue in the domestic economy.

The three remaining sub-indices (business activity, new sales orders and inventories) on the other hand moved in and out of the contractionary terrain over the 16-month period, highlighting the volatility in the data.

Figure 2: Supplier delivery, employment sub-indices and business expectations

Business expectations as captured by the Absa business expectations index, exhibited a generally decreasing trend between January 2018 and April 2019, decreasing from 72.8 percent in January 2018 to 41.7 percent in October 2018 which was the lowest reading. Thereafter, the data rebounded in November 2018 and increased to 62.3 percent in April 2019. The general upward trend from November 2018 indicates that business expectations have generally been on the upside over the past six months.

Figure 2 above also largely illustrates the opposite movement in the supplier performance and employment indices. This conflicts with expectations as it is expected that if supplier delivery is maximised there would be room to employ more people and further improve the process.

ALTHOUGH Q1 METALS AND ENGINEERING SECTOR PERFORMANCE WAS DISAPPOINTING, **RECOVERY IS IMMINENT**

In February 2019, SEIFSA published its annual State of the Metals and Engineering Sector Report for the 2019 – 2020 period. Below is a summary of the recently published Review. The full Review is available on the SEIFSA website. Companies that purchased the 2019 - 2020 State of the Metals and Engineering Sector Report can download the Review free of charge.

Q1 2019 HIGHLIGHTS:

The optimism anticipated at the beginning of 2019 seemed to have waned as captured by most macroeconomic indicators, and the performance of the M&E cluster has constricted, with output dropping in quarter 1 of 2019 when compared to quarter 1 of 2018. Although the broader Manufacturing Sector (including its M&E cluster) recorded a net increase in preliminary production value, recording an output of 2,5 percent in quarter 1 of 2019 when compared to the revised value of quarter 1 of 2018 (1,0), manufacturing value industry decreased by 8,8%, contributing -1,1% percentage points to GDP growth. The dismal performance was underpinned by a weak local and global environment and heightened load shedding, which also negatively impacted on the growth rate of the mining (-10,8%), transport (-4,4%), electricity (-6,9%), trade (-3,6%) and construction (-2,2%) sectors.

The negative contribution of industrial production largely led to a decrease in the real Gross Domestic Product (GDP) (measured by production) by 3,2 percent in the first quarter of 2019, following an increase of 1,4 percent in the fourth quarter of 2018.

Gross fixed capital formation declined for the fifth consecutive time by 4,5% in quarter 1 2019, following prolonged periods of decline in quarter 1 (-9,3%), quarter 2 (-3,8%), quarter 3 (-0,7%) and quarter 4 (-2,5%) of 2018, implying that no greenfield investments were made in the economy (especially in transport equipment, construction works and non-residential buildings).

Production for all the sub-components that constitute the M&E sub-cluster contracted by 1,5 percent against our forecast decreased growth of 0,5 percent for quarter 1 2018, with the same number of sub-components (53 percent) still posting negative growth levels. The motor vehicle parts, accessories and related products and the household appliances sub-components improved the most, while the other transport and the general purpose machinery sub-components contracted the most when the actual data are compared to the forecast.

On average, most of the sub-industries (except for Household appliances) with lower export-to-output ratios generally experienced the most severe contractions in output in Q1 2019, due to dependence on the domestic market for sales. Against the backdrop of the aforementioned, we revise our assessment of the local and international macroeconomic environment downward, generally contributing moderately to the revised forecast, against the backdrop of a dip in real GDP in quarter 1 of 2019. This is based on signs of domestic and global headwinds.

GLOBAL ECONOMY OUTLOOK

Global growth softened further in the first half of 2019 as trade and manufacturing decelerated, amid heightened policy uncertainty, also negatively affecting confidence. The risk of an economic shock arising from a trade war increasingly took a toll on business confidence, thereby worsening financial market sentiment and tightening financial conditions for vulnerable emerging markets in mid-2018 and then in advanced economies later in the year. Unfortunately, all these weighed on global demand, with extended ramifications for South Africa's M&E cluster of industries.

Although conditions have eased in 2019 as the United States (US) Federal Reserve Bank signalled a more accommodative monetary policy stance and markets became more optimistic about a possible US-China trade deal, the optimism still remains slightly more restricted than in the last quarter of 2018.

Global trade growth (trade volume) in 2019 has also been revised downwards by a full percentage point, to 2.6 percent, the weakest since the global financial crisis. Amid high policy uncertainty and weakening prospects for global demand, industrial production decelerated, particularly for capital goods, including electronic components such as semi-conductors. Prices of most industrial commodities increased in the first half of 2019, but remained well below peak values from last year. Moreover, heightened trade tensions have recently weighed on prices of some commodities, particularly metals, and the resultant forecasts for the year as a whole have been downgraded due to weaker-than-expected global growth.

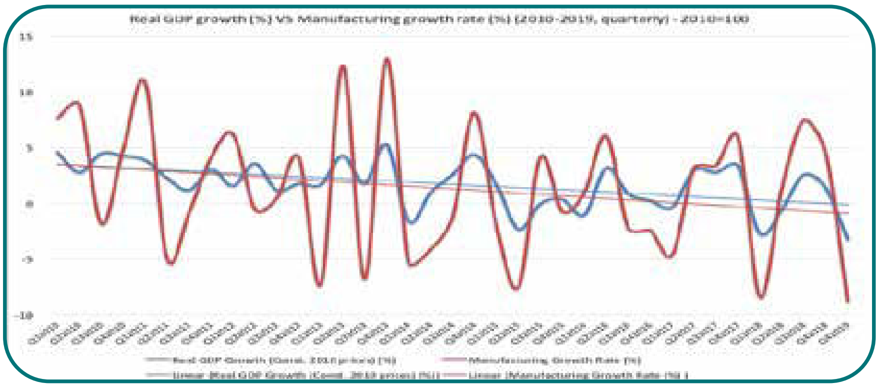
Although posting a disappointing recovery due to weakening external demand, supply disruptions and elevated policy uncertainty, Sub-Saharan Africa is expected to continue growing from an estimated 2.5 percent in 2018 to higher levels in 2019 (2.9 percent) and 2020 (3.3 percent), as domestic demand gathers pace and oil production recovers in large exporting economies. Worryingly, the expected recovery is significantly slower than previously projected, reflecting persistent headwinds in major economies, and it is largely insufficient to make progress in poverty reduction on the continent. Encouragingly, Ethiopia and Rwanda are projected to grow the fastest in 2019 at 7.9 percent and 7.8 percent respectively. However, given that global growth is projected to rise gradually to 2.7 percent in 2020 and to 2.8 percent in 2021, amid a high probability of a weakening in trade tensions, we maintain our assessment of the global economic performance as contributing favourably (albeit lower than expected) to our metals and engineering outlook.

DOMESTIC ECONOMIC OUTLOOK

At the beginning of 2019, general consensus projected the South African economy to grow moderately between 1.3 percent and 1.7 percent, with the State of the Metals and Engineering Sector Report forecasting a moderate 1.3 percent improvement. However, the prognosis has been downgraded against the backdrop of a dip in commodity prices, a disconcerting trade war, a slowdown in global trade and softening industrial activity. These are compounded by poor local business, investor and consumer sentiments or deteriorating high-frequency data and business expectations, leading to a downward revision in a number of forecasts of real GDP growth in 2019, to between 1.0 percent and 1.3 percent.

The annual real GDP growth (measured by production) has generally slowed in 2018 (0.8 percent) compared to 2017 (1.4 percent), but is projected to grow slightly in 2019 (1.1 percent) and 2020 (1.5 percent). Although the projected growth for 2019 will be constrained by the dismal performance of the economy in the first quarter, with a negative GDP growth of 3.2 percent, the consensus amongst economists is that the contraction won't completely derail growth forecasts for 2019. Despite the existence of downside risks and persistent structural bottlenecks, lagardly improving perceptions (both political and business) have ensured that the outlook remains generally promising, with the output gap also expected to improve in 2020. Moreover, the broader manufacturing output is generally firm, further supporting the basis for improved domestic growth after continuous implementation and effective monitoring of measures aimed at addressing increasing intermediate input costs.

FIGURE 1: REAL GDP GROWTH (%) VS BROADER MANUFACTURING GROWTH RATE (%) (Q1 2010 - Q4 2019)



Source: SEIFSA; Quantec; Stats SA, 2019

Figure 1 above illustrates the generally declining trend in the broader manufacturing sector's contribution to real GDP from Q1 2010 to Q1 2019, despite slowly improving or positively trending production numbers, underpinned by increasing intermediate input costs. Specifically, manufacturing growth rate deteriorated in Q1 2019 (-8.8 percent) when compared to Q1 2018 (-8.4 percent) while real GDP growth – a proxy for domestic demand – also declined in Q1 2019 (-3.2 percent) when compared to Q1 2018 (-2.7 percent). The trend shows a worrisome dip in local demand, given its importance to the M&E sub-sectors.

TABLE 2: M&E 2019 INITIAL FULL YEAR FORECAST

2019 FORECAST	Q-1 2019	Q-2 2019	Q-3 2019	Q-4 2019	Full year 2019
The Metals and Engineering (M&E) Cluster	%	%	%	%	%
(Weighted average adj. for exchange rate volatility)					1.8
	-0.5	0.4	-1.7	0.4	
Rubber Products	2.2	6.0	1.2	2.5	3.0
Plastic products	1.6	-0.1	-3.9	-0.6	-0.7
Basic iron and steel products	-1.3	-1.2	-5.8	-1.1	-2.3
Non-ferrous metal products	0.3	2.1	-0.9	1.9	0.8
Structural metal products	7.0	2.0	-1.8	1.5	2.2
Other fabricated metal products	-0.5	-3.4	-4.1	-3.0	-2.8
General purpose machinery	2.8	3.6	5.6	4.1	4.0
Special purpose machinery	-0.8	-0.2	-5.6	0.1	-1.6
Household appliances	-1.9	1.5	3.8	0.3	0.9
Electrical machinery	-2.9	6.2	5.6	3.8	3.2
Bodies - motor vehicle, trailers and semi	-13.0	-9.4	-12.3	-1.4	-9.0
Parts/Accessories (motor veh)	-7.6	-4.3	-4.2	-0.1	-4.0
Other Transport	0.5	7.9	10.6	1.6	5.2

Source: Quantec, 2019; SEIFSA, 2019

Table 2 above recaps the initial forecast results for all M&E sub-components for the full year 2019, while Table 3 below extracts and juxtaposes the simulated forecast results presented in Q1 of 2019, with the actual production performance. Disturbingly, the actual recorded production growth performance (-1.5 percent) is weaker than our simulation (-0.5 percent) for the quarter.

TABLE 3: METALS AND ENGINEERING CLUSTER (Q1 2019) PRODUCTION (ACTUAL VS FORECAST)

2019					
METALS AND ENGINEERING SECTOR PRODUCTION UPDATE (Year on Year % Movement)					
Sub-Industries	January	February	March	Actual Q12019	Forecast Q12019
Rubber products	0.0	1.8	-11.3	-3.2	2.2
Plastic products	2.1	-1.6	6.3	2.2	1.6
Basic iron and steel products	-13.3	8.6	1.6	-1.1	-1.3
Basic Non-ferrous metal products	4.9	-4.0	0.0	0.3	0.3
Structural metal products	9.0	-3.8	-0.1	1.7	7.0
Other fabricated metal products	-3.5	3.0	6.3	1.9	-0.5
General purpose machinery	-11.6	-9.6	-6.1	-9.1	2.8
Special purpose machinery	8.6	-2.6	9.7	5.2	-0.8
Household appliances	6.7	15.2	-12.1	3.3	-1.9
Electrical machinery and apparatus	-9.1	-3.9	-7.2	-6.7	-2.9
Bodies for motor vehicles, trailers, and semi-trailers	-5.3	-4.7	-6.0	-5.3	-13.0
Parts/Accessories (motor veh)	-9.7	-2.6	-9.4	-7.2	-7.6
Other Transport Equipment	-0.2	-10.9	-27.3	-12.8	0.5
Weighted Average	-2.2	-1.0	-1.2	-1.5	-0.5

Note: Figures are year-on-year movement

Source: SEIFSA, 2019

REBOUND IN BUSINESS ACTIVITY AND BUSINESS EXPECTATIONS ARE KEY IN SUPPORTING PRODUCTION AND TRADE

SEIFSA expects a rebound in the M&E sector output for the rest of 2019, in line with an up-tick in the composite seasonally adjusted purchasing managers index (PMI) in April 2019 (47.2) from March 2019 (45.0). The performance of the PMI, a lead indicator for the broader manufacturing sector, is underpinned by a generally promising outlook for both the Business Activity and the Business Expectations indices, despite a snag in the inventories index, as captured in figure 5.

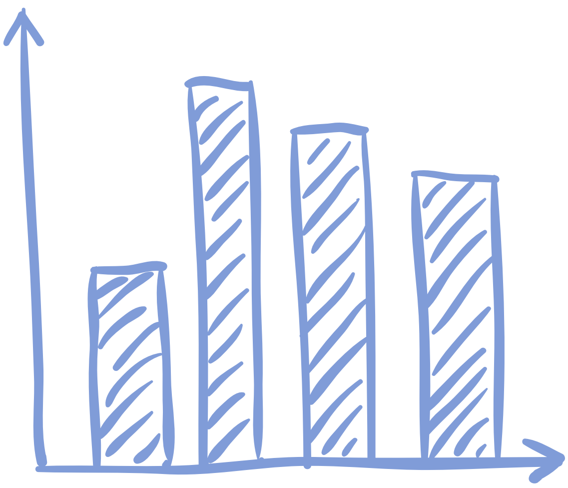
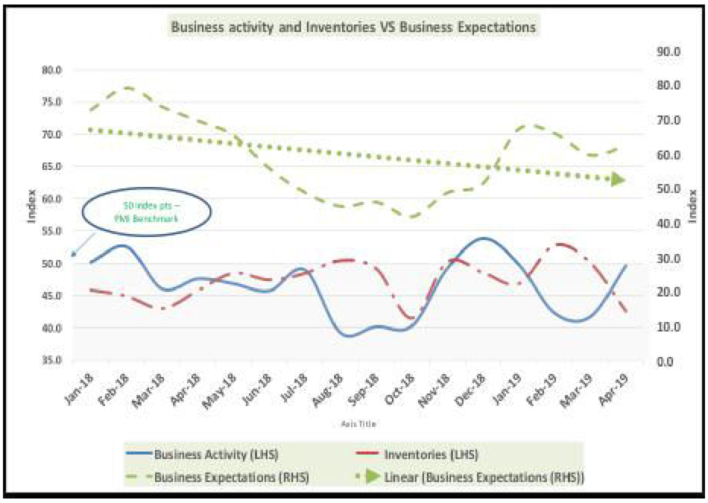


FIGURE 5: BUSINESS ACTIVITY AND INVENTORIES VS BUSINESS EXPECTATIONS



Source: ABSA PMI, 2019

The Business Activity sub-index improved to 49.6 in April 2019, from a lower 41.7 in March 2019, while the Business Expectations sub-index also improved to 62.3 in April 2019, from a lower 59.6 in March 2019. However, a concern is with the poor inventory turnover, as the inventories sub-index declined to 42.5 in April 2019, from a higher 50.1 in March 2019, due to poor capacity utilisation.

The rebound in both the Business Activity and Business Expectations sub-indices is important for the sector, also providing solace to stakeholders and potential investors. Given that these are the first data for the month, the information provides a good preview into upcoming levels of economic activity in the month, to be undertaken by key stakeholders including purchasing executives or production and procurement managers.

However, despite the uptick, the caveat is that the headline PMI data still exhibits a lot of uncertainty, with the volatility driven by unpredictable input prices because of factors affecting supply, including the variable exchange rate. Accordingly, firmer demand, higher competitiveness and improved capacity utilisation are necessary for businesses in the M&E sector to cushion the negative effects of increasing intermediate input costs, also enabling the sector to increase its GDP share.

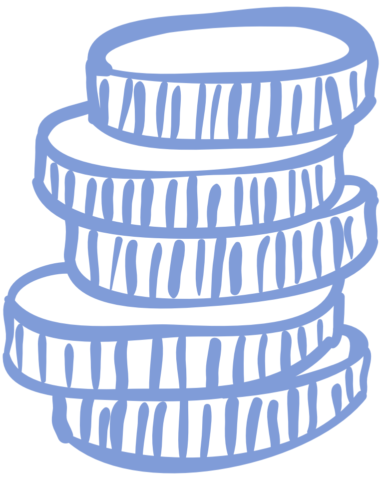
REVISION TO THE 2019 OUTLOOK

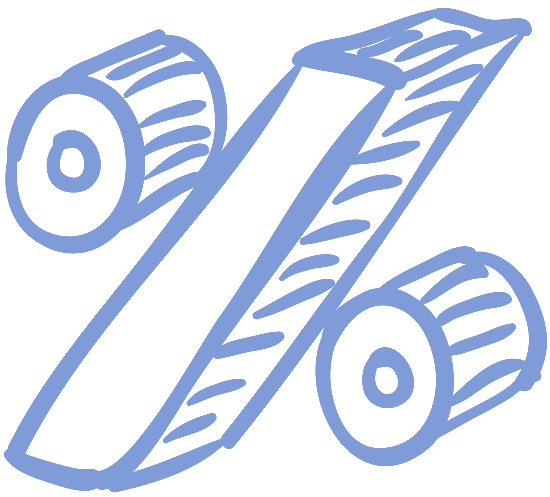
Table 11 below captures our revised modest outlook for 2019, taking into account the weaker-than-expected Q1 2019 data and revision to our macroeconomic variable contributions. The revised outlook simulates the sector expanding by 1.6 percent, down from the initial 1.8 percent.

TABLE 11: REVISED FORECAST (BASED ON Q1 ACTUALS)

2019 REVISED FORECAST	Actual	Forecast	Forecast	Forecast	Revised forecast	Initial full year forecast
The Metals and Engineering (M&E) Sector	Q-1 2019	Q-2 2019	Q-3 2019	Q-4 2019	Full year 2019	Initial Full year 2019
(Weighted average adj. for exchange rate volatility)					1.6	1.8
	-1.5	0.4	-1.7	0.4		
Rubber Products	-3.2	6.0	1.2	2.5	1.7	3.0
Plastic products	2.2	-0.1	-3.9	-0.6	-0.6	-0.7
Basic iron and steel products	-1.1	-1.2	-5.8	-1.1	-2.3	-2.3
Non-ferrous metal products	0.3	2.1	-0.9	1.9	0.9	0.8
Structural metal products	1.7	2.0	-1.8	1.5	0.8	2.2
Other fabricated metal products	1.9	-3.4	-4.1	-3.0	-2.2	-2.8
General purpose machinery	-9.1	3.6	5.6	4.1	1.1	4.0
Special purpose machinery	5.2	-0.2	-5.6	0.1	-0.1	-1.6
Household appliances	3.3	1.5	3.8	0.3	2.2	0.9
Electrical machinery	-6.7	6.2	5.6	3.8	2.2	3.2
Bodies - motor vehicle, trailers and semi	-5.3	-9.4	-12.3	-1.4	-7.1	-9.0
Parts/Accessories (motor veh)	-7.2	-4.3	-4.2	-0.1	-3.9	-4.0
Other Transport	-12.8	7.9	10.6	1.6	1.8	5.2

Source: SEIFSA, 2019 (computed using Stats SA data)





ITAC GRANTS INDUSTRY APPLICATION TO INCREASE THE RATE OF CUSTOMS DUTY ON CERTAIN TUBES, PIPES AND HOLLOW PROFILES, SEAMLESS, OF IRON (EXCLUDING CAST IRON) STEEL

During the second half of 2018, the International Trade Administration Commission of South Africa (ITAC) received an application from the South African Iron and Steel Institute (SAISI) on behalf of ArcelorMittal South Africa Limited – Tubular Products Division (AMSA), requesting an increase in the rate of customs duty on tubes, pipes and hollow profiles, seamless of iron or steel, classifiable under tariff heading, 7304 from 10% ad valorem to 15% ad valorem. The application proposed the creation of additional 8-digit tariff sub-headings under tariff heading 7304, as well as on residual tariff subheadings to avoid circumvention.

The Steel and Engineering Industries Federation of Southern Africa (SEIFSA) was invited by the tariffs investigating officials at ITAC to comment on the matter on behalf of SEIFSA membership and the Economics and Commercial Division through the office of SEIFSA's CEO, submitted comments.

Based on the motivation submitted by the applicant, SEIFSA highlighted the negative effects of a blanket import tariffs on smaller companies in the sector and suggested that if need be, the following should be done by ITAC.

- Grant an equal protection to the mid and down-stream steel sectors in the form of countervailing tariffs by excluding imported inputs – not manufactured locally – by the aforementioned sectors from the import tariffs.
- Provide a lee-way for struggling local companies to increase on margins by mitigating input costs through the importation of cheap products not manufactured locally.
- Recognise that by generally increasing the tax to the World Trade Organisation (WTO) bound rate of 15% ad valorem, smaller businesses that depend on cheaper imported inputs with no local production capacity will go out of business. The survival of smaller businesses is equally vital given their importance in the supply value chain and in creating jobs.

In its recent Report no. 601 dated the 17 April 2019, ITAC - after due consideration - granted SAISI's application on behalf of AMSA to increase the customs duty on certain tubes, pipes and hollow profiles from 10% to WTO bound rate of 15% ad valorem, with recommendations. However, the decision was not a blanket decision as allowance was granted for certain categories of imported products, to the betterment of smaller businesses. The duty for products not manufactured locally stayed at 10% ad valorem. ITAC's consideration effectively aligns with part of SEIFSA's concerns in leaving the duty for products not manufactured locally unchanged at 10% ad valorem.

Specifically, in light of the foregoing, the Commission recommended that the rate of customs duty be increased from 10% ad valorem to 15% ad valorem on related products classifiable under tariff subheading 7304.19, through the creation of an additional 8-digit tariff subheading under 7304.19; under tariff subheading 7304.23, through the creation of an additional 8-digit tariff subheading under 7304.23; and under tariff subheading 7304.29, through the creation of an additional 8-digit tariff subheading under 7304.29.

The Commission found that the increase in the general rate of customs duty through the creation of additional 8-digit tariff subheadings adequately caters for products not manufactured domestically and recommended that the duties be maintained at 10% ad valorem on related products classifiable under tariff heading 7304.19; under tariff heading 7304.23; and under tariff heading 7304.29.

In terms or reciprocal commitments, the applicant committed to increase its capital investment expenditure, increase supply-side measures and create additional jobs in the three years following tariff support.

SEIFSA is largely happy with the decision as it is a win-win for all stakeholders in the upstream, mid and downstream sectors. To an extent, it effectively levels the playing field and partly addresses the concerns raised in the Industrial Policy Action Plan (IPAP, 2018/2019), which cited unequal trading platforms - in the form of higher tariffs and non-tariffs barriers - in potential exports markets as a key challenge. SEIFSA has often argued that based on rational motivation from beleaguered local producers and within the confines of the WTO rules, temporary import tariffs should be systematically approved to protect struggling industries by enabling them to be more resilient amid unfair foreign trade policies.

PARADIGM SHIFT REQUIRED TO ADDRESS YOUTH UNEMPLOYMENT

We are living in a time where Government is vehemently driving learning programmes. With more than half of the young people in the country unemployed, President Cyril Ramaphosa in his State of the Nation Address (SONA) said Government will, within the next decade, create no fewer than two million new jobs for the youth. The National Skills Development Plan (NSDP) aims to have the number of learners trained in companies increased significantly by 2030. The buzz around the Youth Employment Services initiative, Tshepo One Million, offerings from companies in the form of experiential learning has given hope to the youth of South Africa. However, what is the impact on companies that take on these learners? Is it a tick-box exercise to meet legislative requirements or are these learners being taught skills that would enable them to add meaningful value to the workplace? Training initiatives are supposed to address both the current and future need of the company, relating to skills deficits and succession planning, amongst other areas.

There are multitudes of young job seekers. It's an easy exercise to fill learning programmes with numbers, but what truly sets an individual apart? According to the Business and Industry Advisory Committee,there are vital skills and character qualities that one must possess. The type of skills required are the '4 C's:

- Creativity - Innovative ideas and solutions in the workplace
- Critical Thinking
- Communication
- Collaboration

The character qualities voted as being 'very high' in the workplace are:

- Ethics
- Leadership
- Resilience
- Mindfulness
- Courage

SHIFTING MINDSETS

We can agree that when it comes to learners, the foundation of being teachable is critical. Many learners enter the workplace with the mindset of 'I want to become a manager' or earn an instantaneously big salary, it is our responsibility within Organizations to shift their thinking from the 'manager'/'money' post to a 'purposeful' career. So many learners have been placed repetitively on internships and learnerships, this is not always as a result of being incompetent but an indication of how tough it is to find employment. The common concerns regarding training interns, I don't have the time to train these learners, I have to redo the work because they've done it incorrectly, my work is confidential, why train them up if they're going to leave after etc. This type of thinking has to be phased out.

Imagine if we trained learners up in the same manner that we train new employees? We would have valuable contributors to the workplace. Organizations need to transform by training

the youth and eliminate the resistance that exists in training up the next generation. What makes learners different from new employees? The fact that they probably don't have experience and that their contract is short term.

However how much more would we benefit if we shifted our mindset from the thinking of them as a short-term inexperienced learner and rather a capable prospective employee? The mindset shift doesn't come easy, but look at the success stories that exist amongst learners as a result of being invested in. What sets the absorbed learners apart is that someone took the time to teach them, to train them, to afford valuable on the job training, to allow them to make mistakes, to ask questions, to experiment, to discover and to grow. More often than not, organizations don't allow room for this because mistakes are costly, but we have all made mistakes. No amount of money can transcend a well-trained up future leader.

The vicious cycle of training up learners to let them go should be viewed as a virtuous cycle of training for the sake of employability. It is always a good idea to bring in another group of learners before the previous group leaves, as they will now learn the power of mentoring by providing guidance to the new learners. It can also be used as a test to apply all that they have been taught and it allows the new learner to benefit from peer to peer interactions, allowing them to feel more comfortable while settling in.

The futures of work is changing so extensively that progression is not tantamount to an upward move on the succession path any longer. Succession paths are now parallel moves and could consist of a move in a different direction altogether. In an attempt to grow in the workplace, individuals find themselves moving in varied directions, through different departments as a part of their career journey. In line with the way the fourth industrial revolution is impacting business and the skills sets required, having a vast experience and a vast knowledge places one in good stead.

Companies that are qualifying the youth for employment are commendable. It is a reward in itself knowing that you have provided the skill for an individual to find employment or better still become an entrepreneur

JOBS ARE EVOLVING, SKILLS SHOULD FOLLOW SUIT

The world of artisans is a diverse world with a skill set that is ancient yet similar to almost all other industries of the South African economy, it is under enormous threat with the notion and fear of the fourth industrial revolution that is being brought about by technological advances. This has seen a large number of master artisans exiting the trade in search of greener pastures owing to fear of losing their job.

The fourth industrial revolution has, indeed, arrived. The closing down of 100 Standard Bank branches bears testimony to the impact of technological advances on the economy and employment.

NOT ALL IS DOOM AND GLOOM

To an ordinary person, the fourth industrial revolution is a bad idea that will make all jobs redundant. This is why professionals operating in the metals and engineering industry should take the time to assess and clarify the industries skills needs against the future job specifications on its own merits and company by company to have a proper gauge of the future skills matrix requirements.

While we are creating a pipeline for new individuals, we have the benefit of master artisans with incomparable skills honed through years shining in competence. Should they now be treated as irrelevant. I say a resounding No. The working environment changes every two years, we should, therefore, do 'maintenance' on our skills. Failure to transform and to continue doing things the same way they have always been done should end if artisanship is to survive. Other jobs in the sector are also continuously evolving and current employees are facilitating this process.

In an automatic process the workers are acquiring new future relevant skills, going through the teething processes, providing skills certainty that can be transferred when the new pipeline comes into the workplace. This is phenomenal the transition is actually slowly happening. It's just not formalized.

Reskilling provides a competitive advantage, as we know many companies rely on the quality of its products, satisfied customers and experts human resource. This is the winning formula which secures profit margins. We can, however, state that if the subject matter experts are not up to scratch, the quality suffers, customers become dissatisfied, the market share is threatened and so also profits and jobs.

However, the maintenance of skills, if carried out continuously, provides a golden opportunity for industry to contribute on their own terms ensuring job security and feeding into their own continuous existence.

The company's adamant to stay in their lane doing what has been done because it works will not survive. Many companies over a century old are grappling with the speed of change. The good news is that we as human beings are highly adept to change if communicated and if the environment promotes change. The other good news is that while we are experiencing dwindling employment statistics, the last quarter saw 43000 jobs created in the informal sector.

How do we keep this amazing momentum going? How do we beat the odds? How do we maintain our skills?

- Ensure that your Skills Development Facilitators (SDF) are strategic in their skills planning intent and are on top of new developments in the industry, because not all future skills training will require the training budget as alluded to earlier.
- Sharing of current information by your SDF pertaining to ground-breaking ideas for your company /industry will ensure the staff are up to date
- Subscribe to blogs, industry publications
- Don't only keep your eye on the ball in your own company or industry. Keep your ear on the ground for likened industries and companies and new developments in their arena which may create innovative growth opportunities
- Decide where you want to be as an individual in terms of your own career within the industry and sacrifice to do short courses that can diversify your skills sets
- Stay abreast of new technologies local and internationally that relates to your industry /company
- Volunteer to be part of new developmental opportunities this will give you first hand knowledge which you can translate into your company
- Utilize online resources and research regularly

Don't plan ''new" skills apart from the current work. Plan it in conjunction to ensure a smooth transition and a safe landing in an uncertain economic environment.

Jobs are continually evolving skills should follow suit.

SAFETY AWARENESS – FOCUS ON ISO 45001 : 2018, BS OHSAS 18001 & OHS ACT 83 OF 1993

Since 1993, the South African OHS Act 85 of 1993 has been the mainstay of Occupational Health & Safety. In 1999 the British BS OHSAS 18001 was introduced and the specification was updated in July 2007. In March 2018 the international standard ISO 45001 : 2018 was introduced. ISO 45001 takes much of what is already in OHSAS 18001 and adds to it, reorganizes it to match current ISO formats, and modifies some areas. The new format allows easier integration with other ISO Standards such as ISO 14001 and ISO 9001. ISO 45001 brings the responsibility of safety to company leadership and establishes how safety incorporates into the entire organization, rather than making it a responsibility of safety management and safety committees.

ISO 45001 - Occupational health and safety helps organizations to improve employee safety, reduce workplace risks and create better, safer working conditions, all over the world. The standard follows other generic management system approaches such as ISO 14001 and ISO 9001. ISO 45001:2018 specifies requirements for an occupational health and safety (OH&S) management system, and gives guidance for its use, to enable organizations to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as by proactively improving its OH&S performance.

ISO 45001:2018 is applicable to any organization regardless of its size, type and activities that it wishes to establish, implement and maintain an OH&S management system to improve occupational health and safety, eliminate hazards and minimize OH&S risks (RBT) (including system deficiencies), take advantage of OH&S opportunities, and address OH&S management system nonconformities associated with its activities.

ISO 45001:2018 helps organizations to achieve the intended outcomes of their OH&S management systems, consistent with the organization's OH&S policy. The intended outcomes of an OH&S management system include:

a) Continual improvement of OH&S performance;

b) Fulfilment of legal requirements and other requirements;

c) Achievement of OH&S objectives and risk based thinking and mitigation.

ISO 45001:2018:

It is applicable to the HSE Risks under the organization's control, taking into account factors such as the context in which the organization operates and the needs and expectations of its workers and other interested parties (internal and external stakeholders).

Does not state specific criteria for OH&S performance, nor is it prescriptive about the design of an OH&S management system.

Enables organizations, through their OH&S management systems, to integrate other aspects of health and safety, such as worker wellness / wellbeing.

Does not address issues such as product safety, property damage or environmental impacts, beyond the risks to workers and other relevant interested parties.

Can be used in whole or in part to systematically improve occupational health and safety management. However, claims of conformity to the standard may not be acceptable unless all its requirements are incorporated into an organization's OH&S management system and fulfilled without exclusion.

BS OHSAS 18001 (British Standard Occupational Health & Assessment Series 18001) - Plan-Do-Check-Act (PDCA) is the operating principle of BS OHSAS 18001. OHSAS 18001 specification was updated in 2007 among other changes, the new specification was more closely aligned with the structures of ISO 9000 and ISO 14000. It is applied to all processes and the OH&S Management System (OH&SMS) as a whole. BS OHSAS 18001 is the internationally recognized management system standard that helps to manage occupational health and safety (OH&S), minimize risk, safeguard your reputation, and keep your workplace safe. It is a flexible and scalable solution, not just applicable to industries traditionally associated with high risks such as construction, mining, or engineering. It is designed for organizations large or small whether you are manufacturing a product or delivering a service. BS OHSAS 18001 helps to create a framework proactive and reactive about the way OH&S is managed. Organisations use it to meet regulatory requirements, and to help achieve business objectives. It's structured in a way that requires you to review and continually improve your OH&S processes which helps avoid complacency and stay on top of changes to legislation.

WAGE NEGOTIATIONS IN THE **LIFT AND ESCALATOR INDUSTRY** 2019

INTRODUCTION AND BACKGROUND

The Lift Engineering Industry Collective Agreement is a sectoral agreement applicable to the lift engineering industry, comprising the installation, repair and maintenance of lifts, escalators and elevators. The sector resides under the scope and jurisdiction of the Metal and Engineering Industry Bargaining Council.

Negotiations traditionally take place on an annual basis between representatives of the Lift Engineering Association (LEA), a registered employer organization federated to SEIFSA and the South African Equity Workers Association (SAEWA), the majority representative trade union in the sector. The LEA is represented by SEIFSA's Industrial Relations and Legal Division in the annual negotiations with the SAEWA.

THE FIRST ROUND AND THE COMMENCEMENT OF NEGOTIATIONS

The first round of negotiations took place on 29 May 2019 at the MEIBC under the facilitation of the senior CCMA commissioner Berlin Niger.

This was after a letter, as was sent to the MEIBC. The letter is issued, as per Clause 10 and Annexure E(2) of the Negotiating Procedures of the Metals and Engineering Industries Bargaining Council Constitution, in which, the Lift Engineering Association of SA (LEA), acting in accordance with the mandate of its constituent members, requested the (MEIBC) to convene a negotiating meeting, as envisaged by Annexure E, item 2 of the said Constitution.

This was then followed up by a letter from SAEWA. The matter was then discussed at the MEIBC Manco meeting held on 21 May 2019, at which a date was set for the first round of negotiations, namely 29 May 2019.

After the formal introductions, which included observers from NUMSA and MEWUSA, the negotiations commenced with SAEWA stating that they hope the negotiations will be productive and settlement will be reached before 1 July 2019. They said that their members experience financial challenges and they accept that the employer will say likewise, however a solution must be found to these challenges and the industry must move forward. SAEWA then explained their proposals / demands and the employer had an opportunity to ask questions for clarity.

The South African Equity Workers' Association (SAEWA's) key demands were:

- A wage demand of 10% to address the cost of living increases
- A two year wage agreement, with SAEWA demanding a wage increase of CPI + 3% for the second year,
- The various allowances to all increase by a percentage similar to the general wage increase,
- The tool insurance be increased to R5000,
- That the family responsibility leave be aligned to the latest amendment of ten (10) days paternity leave,
- To replace clause 42(a), which refers to an office bearer of a representative union, in terms of clause 15 of the Act (LRA), to be entitled to 10 days leave per annum, during working hours for the purpose of performing the function of the official, and lastly,
- That the definition of Dirt Allowance also include Lift Repairs.

The response from the employer caucus of the LEA, commenced with the employers stressing that the following factors needed to be taken into account, during this round of negotiations, namely;

- These are difficult economic and trading times and a highly-competitive market.
- Operational costs need to be restrained to the same level as the consumer price index (CPI), the latest figure being 4.4%.
- The spares and equipment are all imported products, these are a significant and expensive cost factor.
- Business has slowed down, and there are very few new contracts if any, and everyone is aware that there is hardly any construction taking place, which means that there are hardly any new projects and contracts for these companies.
- Likewise, there are hardly any new maintenance contracts for these companies to sign up, and importantly, CPI is the figure that is used for the fee escalation of these maintenance contracts and sometimes is even below CPI.
- It must be taken into account that employees in this sector are on good remuneration packages and are paid above the minimums and they have very favourable benefits.
- This sector is a very competitive sector, especially when dealing with smaller, non-party companies.
- New standards and regulations (EN 81-20) have been introduced into the sector and these become effective in November 2019. These are to introduce more imported components into lifts and escalators and will have a direct impact on escalating costs.
- The companies are under pressure to keep operational costs increases closely linked to the CPI increases for the reasons given, and therefore employers stress the importance of basing the wage increases on the CPI figure. This figure is currently 4.4%.
- Historically the wage increases in this sector have always been around the CPI figure, and similarly this year, needs to be around the CPI figure.

After an employer initial response and then a union caucus, with a union response, the employers further response was as follows;

- They are not opposed to a two-year deal and that they will revert back on a wage model for year two, which will be based on CPI, and will have a maximum and a minimum figure for what the wage increase can be.
- They agree that the allowances can increase by the same percentage as the wage increase.
- They can agree to the R5000 proposal for the tool insurance, but that this will leave employees worse off as at the moment it is open without any maximum limit. The employer said that the excess amounts for tools must be revised upwards as well.
- On the paternity leave the employer will compile wording for the relevant sections in the agreement, which will mean that the current wording in clause 17(a) will need to be amended and a new subsection created for paternity leave based upon the current requirement to allow for 10 days paternity leave.
- On clause 42, and more specifically the demand relates to 42(a) which refers to office bearers of unions in terms of clause 15 of the LRA, receiving leave during working hours. The employers initially said that there shouldn't be a fixed amount but it should be open, but after further discussion, negotiation and caucusing on the matter, the employers agreed to five days leave, per office bearer, per year.
- That the dirty allowance is for work that is abnormally dirty and that the current definition correctly addresses this. The employers cannot agree to include lift repairs into the definition, as this is normal everyday work that all employees covered by this agreement are engaged in every day, and that often this work is not very dirty. The dirty repair work of lifts is already covered and that is repair work on hoists and ropes.

- On wages, some employers said that they are reluctant to make any offer, as the gap between where the employers can settle, which is around the CPI figure, and the demand from the union of 10%, is just too great and too wide. However, in the interests of trying to engage as constructively as possible and expedite the negotiations the employers are prepared to make a bold step and offer the current CPI figure of 4.4%. It must be noted that the employer will not be able to make any further offer until the gap between what the employer can offer and the union's demand closes significantly.

The trade union after a caucus responded and on most of the items there was agreement, except for:

- The dirt allowance,
- The employer proposal to increase the insurance excess that the employee would need to pay on the second and third claim,
- The wage offer was rejected and the union revised their demand from 10% to 9.8%,
- The union reiterated the need for,
- Clarity on the wage model and increase for the second year, and
- For wording to be developed for the family responsibility and paternity leave section.

After another employer caucus the employer responded by:

- Reminding the union that the wage increase is on actuals and not minimums, which is a significant difference, and that the employees receive significant additional benefits over and above their wages and their allowances and the increases thereof,
- Reiterating the employer position on the dirt allowance. There was agreement between the parties on the matter and the item was removed from the list of proposals/demands.

The union's final response was to be in agreement on all matters, except:

- The excess for the tool allowance,
- For wording to be drafted on the family responsibility and paternity leave and the wage model for year two, and
- On the wage increase. The union did however revise their wage increase demand downwards from 10% to 8%.

At this juncture the meeting closed, with the union encouraging the parties to engage in such a way that we can settle before the end of June.

THE SECOND ROUND OF NEGOTIATIONS

The parties agreed to meet on 11 June 2019, the Commissioner said that he would need to see if he is available on the 11th and that he would revert back to the MEIBC on this.

The Commissioner was only able to meet on 19 June 2019, so the second round of negotiations proceeded on the 19th. The main issue of contention was the wage increase, with the employer offering 4.4% and the union demanding 8%.

After some caucus time and the Commissioner spending time with each party individually, the commissioner suggested he put forward a mediator's proposal to attempt to break the impasse. Even though neither party had a mandate, the proposal was that this meeting come to an end and that both parties revert back to the MEIBC after a week and advise if they can accept a 6% settlement. If parties can agree, then another meeting will be scheduled to finalise the terms of the agreement. However if either party rejects the proposal, then the parties can agree to arrange further negotiation dates or declare a deadlock and a dispute. This could mean that the parties resort to industrial action to resolve the dispute.

The parties reverted back with the union agreeing to accept the 6% proposal, however the employers by a small margin rejected the 6% settlement proposal.

This led to SAEWA declaring a dispute on 9 July 2019 with the MEIBC. We now await the MEIBC to arrange a dispute resolution meeting.

We hope that there will be an agreement reached at this meeting, so that the matter can be resolved and employees can receive their increases. If there is no agreement, then the parties may resort to industrial action.

When agreement is finally reached, The Lift Engineering Industry Collective Agreement will remain in force and effect until at least 30 June 2020, unless the parties agree to a two year deal, then until 30 June 2021. This ensures another year or two of peace and stability for the industry. Which will be a credit to all those that took part in the negotiations.

SEIFSA

Steel and Engineering Industries Federation of Southern Africa

OUR PASSION, YOUR SUCCESS

2019

Upcoming SEIFSA Workshops / Events

August - September 2019

DIVISIONS: Economics and Commercial (**EC**), - Health, Safety, Environment & Quality (**SHEQ**), - Industrial Relations (**IR**) and Legal Services (**L**)
Human Capital & Skills Development (**HC&SD**) SEIFSA Training Centre (**STC**) - Small Business Hub (**SBH**)

MONTH	DATE	DURATION	REGION	PRICE (Member)	PRICE (Non-member)	DIVISION	WORKSHOP/ EVENT
Aug	4	1/2 day	SEIFSA	R 2 345,40	R 2 931,75	Legal	CCMA/Barg Council & Labour court proccesses & applic
	5	1/2 day	SEIFSA	R 2 393,27	R 3 530,07	EC	Theory and Calculation of Contract Price Adjustment
	7	1 day	BOKSBURG	R 2 961,67	R 3 703,58	IRLS	Water-tight Dismissals - Chairing Disciplinary Hearings
	8	1 day	SEIFSA	R 3 015,52	R 3 769,40	Legal	Key Aspects of Labour Law
	13	Seminar	SEIFSA	R 1 067,42	R 1 179,78	HCSD	Breakfast seminar
	15	1 day	SEIFSA	R 3 015,52	R 3 769,40	Legal	The Protection of Personal Information (POPI) Act
	16	1/2 day	SEIFSA	R 2 273,60	R 2 853,97	IRLS	A Grading workshop – Get the pay right
	23	1/2 day	BOKSBURG	R 2 393,27	R 3 530,07	EC	Theory and Calculation of Contract Price Adjustment
	23	1/2 day	BOKSBURG	R 2 273,60	R 2 853,97	IRLS	Retrenchments, Short-time and lay-offs – Do's and Don'ts
	26	1 day	SEIFSA	R 3 015,52	R 3 769,40	Legal	Managing Incapacity & Poor Work Performance
	27-28	2 days	SEIFSA	R 4 488,78	R 5 606,76	HCSD	Supervisory Training workshop(Unit Standard aligned)
Sept	6	1/2 day	SEIFSA	R 2 393,27	R 3 530,07	EC	Theory and Calculation of Contract Price Adjustment
	6	1 day	SEIFSA	R 3 015,52	R 3 769,40	Legal	Managing Incapacity & Poor Work Performance
	6	1/2 day	BOKSBURG	R 2 273,60	R 2 853,97	IRLS	Managing Absenteeism and Sick Leave
	9	1/2 day	DURBAN	R 2 393,27	R 3 530,07	EC	Theory and Calculation of Contract Price Adjustment
	12	Seminar	SEIFSA	R 1 067,42	R 1 179,78	HCSD	Organisational Change management - Breakfast seminar
	13	1 day	SEIFSA	R 3 015,52	R 3 769,40	Legal	The Protection of Personal Information (POPI) Act
	13	1/2 day	BOKSBURG	R 2 273,60	R 2 853,97	IRLS	Main Agreement vs BCEA
	16	1/2 day	WEST RAND	R 2 393,27	R 3 530,07	EC	Theory and Calculation of Contract Price Adjustment
	17	1 day	SEIFSA	R 2 961,67	R 3 703,58	IRLS	Key Aspects of the LRA
	19	1 day	SEIFSA	R 2 991,59	R 3 733,50	HCSD	Employment Equity successful submissions
	20	1/2 day	SEIFSA			HCSD	Wellness day
	25-26	2 days	SEIFSA	R 4 488,78	R 5 606,76	HCSD	Supervisory Training workshop(unit standard aligned)
	25	1 day	SEIFSA	R 3 015,52	R 3 769,40	Legal	Key Aspects of Labour Law

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