SEIFSA NEWS

MAY / JUNE 2019

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SEIFSA NEWS GOES DIGITAL

Dear Valued SEIFSA News Reader,

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Mandela would have noticed qualities in Ramaphosa that convinced him that South Africa would be in good hands with the latter at the helm. He must be smiling with contentment from heaven, as he looks down at South Africa today, now that his wish has finally come true.

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FROM THE CHIEF EXECUTIVE OFFICER'S DESK

The **new tendency** of pseudo-entrepreneurs demanding a stake in public tenders won by companies pose a serious threat to the country and its economy, **argues Kaizer Nyatsumba**.

A society's descent into lawlessness does not happen overnight. It takes place over a number of months and years, often indirectly encouraged by authorities' failure to take decisive, punitive action against those committing various criminal acts. Inevitably, a society whose leaders tolerate – or conveniently turn a blind eye to – any form of criminality or malfeasance deteriorates over time into a state of utter anarchy.

South Africa is not there yet, but it could easily get there if the situation is not arrested speedily.

Until recently, far too many people in this country got away with so much. As has become evident from the various commissions of enquiry currently taking place in the country, many among our political leaders and those connected or close to them have committed many vile deeds with absolute impunity. They have looted with gay abandon and lived well beyond their legal means. They have turned public office and entities into their own private fiefdoms and milked them dry.

Among the consequences, as we have witnessed in recent days, has been the rolling load shedding that has been visited upon us by Eskom and firmly consigned us to the status of a backward, third-world country. However, perhaps the most insidious consequence of the general criminality by some political mandarins has been the unwitting setting, for the ordinary citizen, of an example that it is fine – if not commendable – to cut corners, to steal and generally to break the law. After all, if putative leaders can shamelessly engage in such activities and get away with it, then, the logic will go, it must similarly be fine for ordinary citizens to do the same.

South Africa desperately needs an urgent, sustained crackdown on all forms of crime, from the most heinous to the apparently benign. That crackdown should focus as much on those in the private sector and ordinary individuals, as it should on those in the public sector. We need a sustained effort aimed at inculcating a new culture of zero tolerance for crime.

While we welcome the good work done by the various commissions of enquiry established by President Cyril Ramaphosa, we wait with bated breath to see if widespread arrests, prosecutions and convictions – especially of prominent, high-profile individuals – will follow suit. Were that to happen consistently, it would go a long way towards sending a powerful message to all and sundry not only that corruption will not be tolerated during the era of “a new dawn”, such as it is, but also that the commission of crime will inevitably lead to dire consequences for those involved.

Precisely because of the kind of example that has been set by South Africa’s political leaders and some of their reckless pronouncements on the economy, in recent years the business community has been on the receiving end of a sustained campaign to harass and intimidate it. A new breed of opportunists – some of whom call themselves entrepreneurs – has sprung up in different parts of the country to target the business community.

Routinely, they target various companies that have won tenders from the public sector and demand 30% sub-contracting of the said business to them. They unleash violence to take over construction sites and to prevent any work from taking place, unless the companies thus victimised yielded to their vile blackmail. Often, this is in addition to members of the local communities demanding to be prioritised for employment on those projects, even if they may not have the requisite skill, experience or expertise.

This terrible culture is fast spreading to different parts of the country, in the process posing a serious threat to investment. Some companies are known to have packed up their bags and walked away from tenders that they had won, while others have even reconsidered their investments in South Africa – at a time when the country desperately requires investment to grow the economy and create jobs.

Among the companies that have been terribly affected by this scourge of lawlessness have been members of employer associations affiliated to the Steel and Engineering Industries Federation of Southern Africa (SEIFSA). Many of them have laid charges against those involved in such acts of criminality and even obtained court interdicts, all to no avail. Others, on their own or in partnership with SEIFSA, have registered their concerns with the various provincial governments and some national Cabinet Ministers.

Regrettably, none of these efforts has so far yielded positive results. Precisely because of the aforementioned culture of impunity and the general inefficiency of our police service, the thugs – who often appear to be politically connected – have continued to harass, victimize and generally terrorize the business community. In a country in which “demand” is possibly the most popular word, where everybody – including students, local communities and workers – demands something from somebody else, often the Government, these pseudo-entrepreneurs have also continued to demand, shamelessly, 30% of the value of won business opportunities.

We are not talking here about people who have sought to negotiate black economic empowerment partnerships with companies winning public tenders, or who could add some value to the companies thus cornered. Instead, these are men and women who are eager to muscle in because they can – and know that there is a high probability (if not certainty) that they will get away with it.

We in the metals and engineering sector join other sectors of the economy to call on government and the country’s law-enforcement agencies to move swiftly to bring an end to these horrible acts of intimidation, violence and economic sabotage. We fully support and champion transformation, but will have no truck with economic terrorism.

Although we have previously raised our concerns on this matter in meetings with the relevant stakeholders, including with President Ramaphosa and his Ministers during the last CEO Initiative gathering at the Union Buildings in September last year, we have not yet witnessed any change for the better. If anything, we have seen these acts of criminality spreading to other parts of the country and affecting even more of our members.

In the interest not only of our sector or the business community, but also of South Africa itself, we call on President Ramaphosa and all tiers of government to condemn this new tendency equivocally and to urge compatriots to desist therefrom, and we call on the SAPS and other law-enforcement agencies to do their work.

5TH ANNUAL SEIFSA AWARD WINNERS ANNOUNCED

HC Heat Exchangers and Pamodzi Unique Engineering were amongst the big winners announced at the glamorous SEIFSA Awards for Excellence ceremony held at the Sunnyside Park Hotel in Parktown, Johannesburg recently.

The ceremony attended by metals and engineering sector movers and shakers saw HC Heat Exchangers walking away with the Most Innovative Company of the Year Award and Pamodzi Unique Engineering voted the Most Transformed Company of the Year.

Other winners were Babcock International (Environmental Stewardship Award), Howden (Health and Safety Award), Vesco Plastics (Customer Service of the Year Award), SNC Lavalin (Artisan Development of the Year Award) and Schneider Electric (Best Corporate Social Responsibility Award).

Former Cape Engineers and Founders Association Executive Director Colin Boyes was honoured with the CEO's Award for Outstanding Contribution to the Industry, Koketso Lekganyane got the CEO's Award for Student of the Year for excelling at the SEIFSA Training Centre in 2018, KSB Pumps and Valves was named Company of the Year for its outstanding support for SEIFSA and the Constructional Engineers Association got the nod for being the Association of the Year.

MOST INNOVATIVE COMPANY OF THE YEAR AWARD

The judges were impressed by the work done by HC Heat Exchangers's improvement of its offering by using its expertise to afford clients an opportunity to replace existing equipment that had an insufficient life cycle.

"Through designing and supplying this solution, the company moved away from being one of the many suppliers offering a commercial product to becoming a partner supplier and offering a complete solution to suit customers' needs," the judges stated.

SEIFSA CEO Kaizer Nyatsumba said an exciting development in this category is the donation by the SA Innovation Summit of three tickets for the upcoming Innovation Summit scheduled for 11-13 September 2019 in Cape Town. The top three entries in this category will be part of the conversation with a global network of innovators, discover new technologies and connect with fellow global leaders.

MOST TRANSFORMED COMPANY OF THE YEAR AWARD

Pamodzi Unique Engineering was praised for having embraced transformation fully by not only focusing on just the ownership aspect of the Broad-Based Black Economic Empowerment codes, but also making significant progress in the employment equity as well as the enterprise and supplier development elements. This saw Pamodzi moving from level 6 on the scorecard in 2014 to level 2 in 2017. The judges were also impressed by the work the company has done to entrench its company culture, which is centred around the theme of "Togetherness".

ENVIRONMENT STEWARDSHIP AWARD OF THE YEAR

Babcock International's victory followed the company's initiative to protect, control and conserve water usage. This included the company's monthly monitoring of its own water usage, its use of water meters through its different sites as well as its recycling and re-use of its own water. These initiatives, among others, resulted in a saving of approximately 5000 litres of water.

HEALTH AND SAFETY AWARD

To win the Health and Safety Award, Howden demonstrated a multifaceted approach to risk management by implementing several programmes to influence positively the safety culture within the organization. Cognisance was taken of the influence of technology as a communication tool and customised software was used effectively to raise health and safety awareness.

ARTISAN DEVELOPMENT AWARD

In the artisan development category, SNC Lavalin stood out from its competitors as exceptional for a number of reasons, including the fact that the company not only committed to building its own training centre, but also committed to training key artisan trade skills that will both benefit itself and address South Africa's scarce and critical skills needs such as the electrical, boilermaker and welding trades.

CUSTOMER SERVICE OF THE YEAR AWARD

Vesco Plastics's victory in the Customer Service of the Year category followed the company's demonstration of improved customer service excellence and its resourcefulness based on specific customer requirements.

BEST SOCIAL RESPONSIBILITY PROGRAMME AWARD

Schneider Electric's "Isiboniso: creating access to education and energy programme" – situated at the semi-rural Isiboniso Primary School in Orange Farm won the company the Best Corporate Social Responsibility Award.

Schneider Electric donated to the school two large, fully-furnished classroom containers with solar lighting products, joined by a roof structure that provides protection from extreme weather conditions. It also donated a solar street to assist with visibility and security on the school grounds at night and to provide a well-lit area for children to play.

CEO AWARD FOR OUTSTANDING CONTRIBUTION TO THE INDUSTRY

Former Cape Engineers and Founders Association Executive Director Colin Boyes was honoured with the CEO's Award for Outstanding Contribution to the Industry

CEO AWARD FOR STUDENT OF THE YEAR AWARD

Koketso Lekganyane got the CEO's Award for Student of the Year for excelling at the SEIFSA Training Centre in 2018

CEO AWARD FOR COMPANY OF THE YEAR AWARD

KSB Pumps and Valves was named Company of the Year for its outstanding support for SEIFSA

CEO AWARD FOR ASSOCIATION OF THE YEAR AWARD

Constructional Engineers Association got the nod for being the Association of the Year.

SEIFSA CEO Kaizer Nyatsumba commended all the companies that had entered for the awards and congratulated the winners in the respective categories. He also thanked Rand Mutual Assurance for its support as a sponsor in one of the categories.

"SEIFSA maintains that it is critically important for those companies which excel at what they do to get the acknowledgement and recognition they deserve from their industry peers," Mr Nyatsumba said.

He encouraged all companies operating in the metals and engineering sector – and not only those which are members of employer associations affiliated to SEIFSA – to continue to work hard to excel.

THE DA'S POOR PERFOMANCE IN THE ELECTIONS WAS A BLESSING IN DISGUISE, **WRITES KAIZER NYATSUMBA**

As the dust settles following our sixth democratic elections, it is clear that the South African electorate has sent the country's political parties a few solid messages. In the main, these messages have been aimed at the two largest political parties, the African National Congress (ANC) and the Democratic Alliance (DA), although the most important one has been more generally intended rather than specifically targeted at those parties.

To move forward, it is important that we are sufficiently discerning to decode and understand the messages sent by the electorate. That way, we will be better placed to come up with the necessary remedies and, in the case of some parties, reckless, precipitate actions can be avoided.

For me, the overriding message that has come through from these elections is the degree to which South Africa has become racially divided. By voting in such overwhelming numbers for the right-wing Freedom Front-Plus (FF Plus) and the Economic Freedom Fighters (EFF), the electorate on either side of the political divide has indicated the extent to which the country has become polarised. On the right, the FF Plus has emerged as the dominant voice of the aggrieved, conservative white and coloured minorities, while the EFF has entrenched its position as the voice of the discontented, impatient and even angry black majority on the left.

For various reasons, those who have turned to the FF Plus on the right have felt either left out or unfairly targeted, hence the need for them to "Hit Back", in the appropriated words of former Democratic Party leader Tony Leon in 1999, while those on the left have decried the slow pace of economic transformation in the country and the remaining remnants of racism and the concomitant arrogance which continue to be with us. They have been the "nationalize everything" brigade to whose response the FF Plus called on its supporters to "slaan terug".

Clearly, the middle ground has shifted. That would explain the DA's poor showing in these elections. From now on, the challenge will be to move the country forward sufficiently economically and in terms of transformation in order to reconsolidate the middle ground.

To a great extent, the biggest loser in these elections was the DA, which was expected to build on the momentum which saw it performing so marvellously during the 2016 local government elections and emerging as a leader of coalition governments in three new metropolitan councils, including two in Gauteng, the country's industrial heartland. Instead, the party not only retreated electorally, but it also fared worse this time around than it did in the 2014 national elections.

There are three main reasons for that poor performance. The first one is the degree to which the DA, like the ANC, has been riven with internal divisions ahead of these elections. In the main, these differences have been along both racial and ideological lines. The harder leader Mmusi Maimane tried to position the DA as a social democratic party that would appeal to black voters, the more those conservatives (most of whom were former members of the National Party and the Conservative Party, who had joined the DA when Tony Leon's Democratic Party and Marthinus van Schalkwyk's New National Party merged to form the new entity) "fought back" against him and his ideals.

Maimane and those who support him realised, like Helen Zille before him, that the DA's only chance of ever growing to challenge for meaningful power is if it made itself sufficiently attractive to more black compatriots than was the case during Leon's era. Therefore, they figured correctly, it would have to review some of its fundamental beliefs and values and grudgingly arrive at the conclusion that "race is a proxy for disadvantage" in the country. Having made that jump, logically it had to accept that policies that sought directly to confront the continuing disadvantage confronting black South Africans had to be adopted – and many among its traditional, conservative members baulked.

In the main, this became a black-versus-white conflict within the DA leadership. Very clearly, there was a conservative white caucus, which dominated the DA's benches in Parliament and the provincial legislatures and was threatened by thorough-going transformation, and there was an increasingly influential black caucus which was alive to the fact that fundamental changes had to be made. There was, then, a real fight for the soul of the DA.

As the conservative wing of the party lost the battle, some remained within the DA's leadership and continued myopically – even on the eve of the elections – to fight a rear-guard battle against Maimane and his cohorts. However, it is now evident that many among their rank and file supporters returned to their natural ideological home and ensconced themselves in the comfortable embrace of the right-wing FF Plus. That is why the latter did so well in these elections, at the expense of the more progressive DA.

Secondly, the DA handled the whole Patricia De Lille saga most shambolically. It is very clear, to the disinterested observer, that many within the DA in the Western Cape had their daggers drawn at De Lille and wanted her gone at all costs, to hell with due process. When their numerous attempts to get rid of her through a vote of no confidence in the Cape Town City Council failed, they continued to manufacture lie after lie about her and to throw as much mud at her in the hope that some of it would stick. To their chagrin, De Lille emerged victorious each time and each time they ended up with bloodied noses. And yet, still they continued to lie to the South African public, right until the elections, that they had fired De Lille as a member when, in fact, she had resigned from their party.

When it came to its handling of De Lille, the DA showed exactly the same kind of arrogance that has been shown by the ANC towards the South African populace. This is particularly so when one considers just how differently the party handled controversies generated by some of its apparently-more-favoured members like Helen Zille. For some reason, when it came to De Lille, it was as if the DA was completely devoid of reason and did not give a hoot how the matter played out in the public domain.

Thirdly, the DA had no appealing message in these elections. So used was it to loping grenades at Jacob Zuma in Parliament, when the latter was still president, that it persisted with a near-identical strategy against the much-cleaner and more popular Cyril Ramaphosa. Maimane appeared to be so desperate to create the impression that Ramaphosa was not at all different from the man he had succeeded as ANC leader and the country's president, even when it was apparent that nobody bought into that false narrative.

Instead of spelling out a compelling vision which indicated clearly what it stood for, the DA continued to be obsessed with the ANC, as if the electorate needed reminding just how deeply mired in dirt the latter was. The party persisted with its free-market obsession that the answer to South Africa's failing State-owned companies was simply for the Government to dispose of those assets. Instead of a nuanced approach, the DA's response was a mantra: privatise, privatise, privatise.

The party needs to learn – and quickly – that dogma is hardly an appropriate response to a complicated situation.

While the results are certainly a disappointment for the DA, in reality they could prove to be a blessing in disguise. Thanks to the FF Plus, the DA has now managed to shed its right-wing baggage. It should now proceed firmly with its commendable project of positioning itself as a social democratic – rather than liberal – party that seeks to appeal to all South Africans who seek to protect the country's Constitution and to grow the economy through a free market. Now freed of its unclear identity, it should boldly go out to attract many more black South Africans and actively to champion transformation.

There is a growing number of progressive, economically-literate black people in the country who are persuaded by logic rather than historical accomplishments during the liberation struggle, and who want a prosperous, corruption-free country of which they can be proud. They need a political home. The DA should go after them unashamedly, now that it can no longer be held back by the white right within its fold. It should ensure that its benches in the country's legislatures are as representative as its public marches and rallies.

Thanks to the FF Plus's solid showing, the DA can no longer be accused by its detractors as "a white party". The conservative white compatriots who had made the DA its home have now moved on to the FF Plus. The DA should say "good riddance" and wish them well.

While Zille began the process of repositioning the DA, the person who has taken it furthest has been Maimane. For that, he deserves credit. Instead of the party tossing him out now because of the poor election results, it would be well advised to keep him and to work with him to build a new DA. Over time, it may even be necessary to rebrand the party and give it a new name.

Hopefully, Maimane will have learned his lessons: that he should be more focused on giving the electorate a real alternative, including when it comes to policies, and not be so overly obsessed with the ANC and its leaders. By all means, he and the other opposition leaders should continue to work hard to keep the governing party in check, but they need to out-grow their obsession now and spend more time on selling viable and nuanced policy alternatives, and not dogmas.

If very little has been said about the ANC in this piece, it is because that organisation was at its weakest in this election. Bizarrely, even as we counted down to the elections, its leaders continued to differ publicly and to have a go at one another. Personally, I had expected the organisation to do far worse in these elections. It is thanks to Ramaphosa that it managed a respectable showing.

However, it is to be welcomed that the era of one-party dominance now seems to be behind us – except in Limpopo and Mpumalanga. Over time, there, too, the situation will change. South Africa's electorate, which appears to be growing in sophistication, has to be commended for this kind of outcome.

CYRIL RAMAPHOSA WILL DO WELL NOT TO LET NELSON MANDELA AND US DOWN

Notwithstanding the by-now legendary weaknesses of the African National Congress (ANC), its leader, Cyril Ramaphosa, was by far the best man – among the motley crew of competitors – available in the May 8 election to lead South Africa. Not only has he got the requisite presidential gravitas, which is a bonus, but so far he has shown himself to be just what the country needs as it tackles head on the excesses of our recent past and ultimately seeks to rid itself of corruption.

He has a presence and most of the time he commands attention when he talks. During the year when he was finishing his predecessor's term of office as Head of State, he did a commendable job, despite being hemmed in by all sorts of constraints within his own organisation.

Thanks to him, the ANC has managed to hold onto a wafer-thin national majority in our sixth democratic elections. Were it not for the Ramaphosa factor, there is a good chance that the ANC – which is so riven with ugly internal divisions and has become a repulsive hotchpotch of conflicting ideologies and interests – would have struggled to obtain a simple majority in these elections. Over the past few months, it became patently clear that while Jacob Zuma was certainly the high priest of moral degeneration and a symbol of the rot to which our country had sunk, he was merely the most visible manifestation of the malaise which had come to consume the ANC.

As various opinion surveys pointed out over the past few months in the run-up to the election, Ramaphosa – whose popularity eclipsed that of his party – was by far the most potent weapon in the ANC's arsenal. By all accounts, had he stood for the position of president on his own, outside of the stench-drenched ANC, Ramaphosa would have won by a much bigger margin, were it possible in our electoral system for individuals to run for president directly. This means that more South Africans would have been happy to cast their votes for Ramaphosa, as an individual, rather than to indicate support – by default – for men and women of questionable integrity on the ANC's election lists by placing an "x" next to Ramaphosa's picture on the ballot paper on 8 May.

To our utter dismay, the party of our liberation has become an arrogant, soulless, self-absorbed entity without a cohesive organising philosophy. Various interests – most of which are personal in nature – and ideologies co-exist within it. Finding two people within that organisation who hold the same views on the most pressing challenges confronting the country is a rarity – and that is before one even broadens the tent to include traditional allies Cosatu and the South African Communist Party.

As the post-election euphoria subsides, we will all do well to remember that even Ramaphosa is not a messiah. He is a fallible human being like anyone of us. And while he may aspire to Mandela's values – and that is commendable – at the end of the day he is just another politician.

As he has now officially been sworn in as the fifth president (Kgalema Motlanthe was the third) of a democratic South Africa, there are some things that Ramaphosa will do well to keep in mind. This, then, is gratuitous advice to him.

While it is very early days yet, Ramaphosa has the potential to go down in our history as the second most popular – and, hopefully – successful president, after Madiba, should he surround himself with the right calibre of people and be humble enough to heed constructive advice from any well-meaning quarters. While doing so is certain to lead to the sharpening of daggers against him by some within his organisation, it is of paramount importance that he remembers that, from the moment that he is sworn in by the Chief Justice as the fifth President of our Republic, he is accountable to all South Africans, and not only to his organisation or those who voted for it or him. That fact alone should oblige him to act in the best interests of the country as a whole, and not only a part of it.

Yes, he will continue to have battles to fight within the ANC-led alliance, but he will have to bear in mind that leadership is not a popularity contest, hence no leader worthy of that appellation has ever sought – let alone managed – to please all the people all the time. Since he has risen to his political ne plus ultra through the ANC, naturally he will have to work hard to sell his vision and values to the organisation and to take as many of his comrades along with him as possible on this journey to a new, corruption-free dispensation. However, he also has a duty to offer leadership, rather than always to seek consensus. He will have to guard against being prisoner to a mob.

Ramaphosa's evocative Thuma Mina in his State of the Nation Address last year was so powerful that it had the potential to be a potent rallying cry for South Africa. It reminded some of us of President John F Kennedy's seminal speech wherein he exhorted Americans to "ask not what your country can do for you, but ask what you can do for your country".

Regrettably, that call was soon sullied as it was appropriated by the ANC to become the organisation's slogan, instead of the rallying national call that it was meant to be to the country from the Head of State. Ramaphosa himself was not without blame in this regard. As a result, Thuma Mina lost some of its evocative power as it became yet another partisan slogan.

While much euphoria and optimism greeted Ramaphosa's election as stand-in president last year during the early months of his presidency, by the end of the year much of that uplifting mood had evaporated or waned considerably. Although the poor state of our economy, rising fuel costs and Eskom's parlous state were among the factors responsible for that situation, by no means were they the only ones.

Ramaphosa himself must take responsibility for at least one important factor. Responding extemporaneously to a Parliamentary question from Democratic Alliance Leader Mmusi Maimane about payment made by Bosasa to his son, Ramaphosa chose to give the first answer that came to mind: the money, he said, was for services rendered by his son, who had a valid contract with Bosasa and he had had occasion to peruse it. Barely a few days later, his office issued a statement to amend and qualify that initial reply.

Whether rightly or wrongly, that incident began to raise some uncomfortable questions about Ramaphosa. Although some of us thought the clarification made sense and were willing to give him benefit of the doubt, nevertheless it left a bad taste in the mouth.

The truth of the matter is that Ramaphosa did not have to respond to that question at the time when he did. Unsure of the facts, he should have undertaken to verify the facts and get back to Maimane with a written response once he had established the facts. He will do well to have learned his lesson.

Also, while he is well within his right to say things like "whether they like it or not", when referring to the ANC's planned course of action on the land question, when on the stumps or talking to the party faithful, it is hardly appropriate for him to use such language when speaking in his capacity of president of South Africa. It will be imperative, therefore, that he minds his language as Head of State.

Finally, playing a populist hardly suits Ramaphosa. While one understands that the ANC was fighting for its life during the recent elections, it was inappropriate for a man who aspires to be "a new Mandela" to claim, as he did, that elections are not an opportunity for the electorate to punish the governing party. As he must know, that statement was downright misleading.

Elections are occasions for the electorate to express its happiness, displeasure or disgust with a party in power. They are precisely the moment when the electorate has an opportunity to reward or punish an incumbent individual or party, as they see fit.

A more honest approach by Ramaphosa, then, would have been identical to the one that he took when he delivered his final speech at the ANC's Siyanqoba rally in Johannesburg on 5 May: to acknowledge the egregious wrongs done by his party and people associated with it over the past nine years, to apologise profusely for them and to undertake or promise that such situations would not be allowed to recur in future. Nothing, after all, is as powerful as an apology sincerely proffered by someone who acknowledges the errors of his ways, with a firm undertaking not to repeat them.

So far, there would appear to be absolutely no comparison between Ramaphosa and his immediate predecessor. He seems to know what is required to dig the country out of its current ditch and to place it on a sustainable growth trajectory, and he appears likely to lead with integrity and to make us proud again as a nation. We should wish him well and hope that our faith in him will not later be found to have been misplaced.

Mandela believed that Ramaphosa was worthy of succeeding him as South Africa's president. Having worked with him closely from the time of his release from Victor Verster Prison in 1990, Mandela would have noticed qualities in Ramaphosa that convinced him that South Africa would be in good hands with the latter at the helm. He must be smiling with contentment from heaven, as he looks down at South Africa today, now that his wish has finally come true.

Therefore, Ramaphosa – who was co-midwife to our prized Constitution – would do well not to let Madiba and us down.

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SANDRA NGIDI SECURED EMPLOYMENT THROUGH TRANSMAN AND TEMPORARY EMPLOYMENT SERVICES (TES)

Sandra attributes her career growth and work experience to the availability of Temporary Employment Services and how it is facilitated.

Sandra Ngidi

South Africa is rich in history, both negative and positive. A lot of that history has had a direct impact on the educational and employment background of various citizens. With the older generation, the traditional route of matriculating, registering with a higher institution and graduating has not always been an available option.

Sandra Ngidi, born and bred in Orlando East, Soweto, is one of many job seekers who struggled to secure work. In her early 20s, Sandra had been vigorously seeking employment opportunities with no success.

In 1998, at age 26, through the grape-vine, Sandra heard of Transman and Temporary Employment Services (TES) and decided to register. Shortly, she was placed as a general worker. This was Sandra's first job.

LIGHT AT THE END OF THE TUNNEL

It is common knowledge that an unaccounted period in a Curriculum Vitae is never advantageous. In 1999, Sandra had to take time out from the work environment to help her mother take care of her sickly brother, this went on until 2002 when her brother passed away.

With an unemployed mother and an 8-year-old daughter, Sandra had to seek employment once more.

Through the TES, she was working in a few months. Sandra worked as a housekeeper, relieving another employee who was on maternity leave. When her period was almost over, Sandra's hard work had not gone unnoticed, as her manager refused to let her go. In 2003, Sandra was appointed permanently at Transman as a Housekeeper.

"After cleaning and making tea for them, I would ask if I could assist them with anything," says Sandra.

She was not content with where she was, she wanted more for herself. Resilient and hardworking, Sandra made her intentions known.

"In 2011, I was approached by Lesley-Ann and asked if I am still willing to grow from where I was. I told her yes. Then I was included in a Learnership GETC: Business Practice. That was the start."

Sandra's life changed, after the GETC: Business Practice, she took part in various other learnerships that contributed to her skills development and personal growth.

"The quality of my life really changed, I was able to finally finish renovating my Soweto home which had been in renovation for more than 10 years," she said.

Today, Sandra works as a Training Administrator. Prior to this she worked in the Human Resources Division, preparing the CCMA cases and arguing conciliations, and has attended various CCMA user forums.

Sandra attributes her career growth and work experience to the availability of Temporary Employment Services and how it is facilitated.

"Registering with Transman was very easy, all I had to do was provide my CV. I worked through the TES for more than a decade and I have never had to pay for their services", said Sandra.

FIVE REASONS TO TRAIN YOUR STAFF AT SEIFSA

1 SEIFSA Represents the Metals and Engineering Industries

When looking for a training provider, researching a training provider's track record is smart business practice. Primarily, there are two things to consider:

- For how long has this company been training?
- Have they worked with a company such as yours in the past?

As a Federation, SEIFSA has represented the metals and engineering sector since 1943 advocating the industry's best interests for more than 75 years.

Today, SEIFSA is a National Federation representing 21 independent employer Associations in the metals and engineering industries, with a combined membership of approximately 1600 companies that range from giant steel-making corporations to micro-enterprises employing fewer than 50 people.

SEIFSA's core mandate from year to year is to collect mandates from all of the federated member Associations. These mandates are a compilation of the thoughts and ideas of people from the sector who deal with the day-to-day realities of running companies. Industrial relations, Skills Development, Tenders and Safety Legislation, among other things, are the main issues that challenge everyone in the sector – and SEIFSA provides a one-stop shop for industry solutions.

The Federation's goals are aligned with more than 10,000 companies that constitute the metals and engineering sector – its unique culture, concerns, day-to-day realities, future expectations and goals. Thus, we have a keener and more mature eye for what keeps businesses moving forward and competitive in the metals and engineering sector.

2 Positioning the Metals and Engineering Sector for Growth

The Main Agreement is one of the most prominent examples of SEIFSA's commitment to the growth of the metals and engineering sector and working in partnership with all stakeholders.

As SEIFSA, we played a significant role in the negotiation and implementation of the Main Agreement. No other training provider can, thus, claim to have more knowledge about the Main Agreement than SEIFSA. At its core, the Main Agreement is aimed at bringing about stability, prevent industrial action and ensure smoother operations for companies on a day-to-day basis.

It is the sector's 'weapon' of dealing with challenges that cause disruption to companies. It gives way to wage-paying grades and working systems that allow companies to operate on a level playing field in the sector. SEIFSA's skilled, IR and Legal team offers training on aspects directly connected thereto in order to help companies achieve maximum results in their daily operations

SEIFSA PROVIDES ONE-STOP SHOP FOR INDUSTRY SOLUTIONS

Another unique training product is SEIFSA's *Theory and Calculation of Cost Price Adjustment.* This course is run by the Economics and Commercial Team as a support programme for SEIFSA's Price and Index Pages (PIPS). These two powerful products give companies the edge when competing for Tenders.

3 Personal Touch: Unique and Customisable

Another question that should be asked when sourcing a training provider is: Is the content they provide customized, generic or "off the shelf"?

Why?
Context matters just as much as content.

When SEIFSA trains people, we are aware of who is in the room; we are aware of their needs; and we can be relied upon to provide further assistance. The SEIFSA team has the experience and expertise to consolidate with one-on-one consultations or in-house training for large groups within a particular company.

This is how SEIFSA demonstrates relevance and an in-depth knowledge through its subject-matter experts and four Divisions, namely:

- Industrial Relations and Legal Services;
- Human Capital and Skills Development;
- Economics and Commercial; and
- Safety, Health, Environment and Quality.

Training is a massively beneficial tool for an organisation's workforce, but it can be a major disappointment when willing participants think or realise that the trainer demonstrates a lack of knowledge or buy-in with regards to the sector. In these instances, people are bound to be disengaged with the content and disregard both the trainer and his/her knowledge altogether.

SEIFSA's Team of trainers and consultants – including its Alliance Partners – consists of experts that have operated in the industry and provided training for decades.

SEIFSA takes this aspect very seriously and is committed to a great trainee experience. We ask for feedback from companies we train, at our offices or in-house, and run a professional feedback service that help us to improve our service constantly.

4 Accreditation

In March 2019, SEIFSA received renewal of its accreditation as a Skills Development Provider and Assessment Centre. SEIFSA has accreditation under four Qualification Titles under the Further Education and Training (FETC) Certification Programme:

- FETC - Generic Management:
- FETC - Inventory Control,
- FETC - Manufacturing Control,
- FETC - Planning and Scheduling Techniques and Process Manufacturing.

SEIFSA Training has become "the tip of the arrow" and its courses offer the required stamp of approval.

5 Follow-up, Guidance and Career Assistance

Learning is not an event. We know it is part of your journey.

SEIFSA Training is designed to make you and the company you represent better. Our system:

- Helps trainees assess whether they are ready to apply what they have learned;
- Gives you evidence, proving to you and your business that you have improved your capabilities in a key area of your business;
- Gives you a clear way to proceed if information demonstrates what you need to improve upon in your business environment;
- Gives you guidance as to your progress with regards to policies and/or legislation that need your company's compliance; and
- Leverages your recognition of prior learning (RPL) to enhance your career path.

SCHNEIDER ELECTRIC RELEASES ECOSTRUXURE POWER 2.0 WITH COMPREHENSIVE ISO CERTIFICATION

Schneider Electric is a member of the Electrical Engineering and Allied Industries Association that is federated to SEIFSA

Schneider Electric, the leader in digital transformation of energy management and automation, has recently announced enhancements to EcoStruxure™ Power, the digital energy management system built on market-leading connected products, edge control software and advisor services. The latest EcoStruxure Power 2.0 architecture is fully certified to ISO energy management standards and compliant to IEC cyber-security standards. New features make low and medium voltage power distribution simpler, safer, and farther reaching for building, industry, and data center customers.

"All businesses today are committing to improved efficiency and uptime, while reducing risks, such as electrical fires, by meeting the latest standards and regulations," explained the company's Executive Vice President Building & IT Division Philippe Delorme. "As the market's most comprehensive IoT and digital power management architecture, EcoStruxure Power's frequent system releases continue to deliver more value from sensor-to-edge-to-cloud and improve our customer's energy performance."

EXTENSION OF ISO CERTIFICATION TO INCORPORATE NEW DEPTH OF DATA MANAGEMENT

The latest EcoStruxure Power architecture has obtained ISO50001, ISO50002 and ISO50006 certification making it the first comprehensive digital power management system to receive this internationally-recognized endorsement. Conformity to these ISO standards supports customers to use energy more efficiently, bringing associated cost savings through comprehensive energy data management.

COMPLIANCE TO IEC 62443-4-2 CYBERSECURITY STANDARD

Today's IoT applications for electrical distribution and industrial control systems require IEC cybersecurity compliance. EcoStruxure Power's edge control solutions are leading the field in incorporating IEC 62443-4-2 security assurance. Schneider Electric promotes a holistic security approach to safeguard, assess, monitor and manage customer systems.

FIRE-PREVENTATIVE THERMAL MONITORING APPLICATIONS.

EcoStruxure Power's unique, fully integrated sensor-to-edge-to-cloud solution prevents electrical fires by continuously monitoring temperature rises for MV & LV power systems. The solution is a safer, more cost-effective and reliable alternative to traditional IR thermography. Trends and alerts support predictive maintenance strategies.

RAPID POWER EVENTS ANALYSIS

EcoStruxure Power's event analysis tools make it easier than ever to get to the root cause faster through user-friendly interfaces. Simpler and deeper data analysis covering all devices and consolidated information improve power system operation reliability.

COMPREHENSIVE MICROGRID SOLUTIONS

In the new energy landscape, microgrids are critical for facilities with intensifying requirements for resilience, sustainability, and cost savings. The latest EcoStruxure Power architecture uses EcoStruxure Microgrid Operation to manage the network, the Distributed Energy Resources (DER) and the protection systems for increased microgrid stability and efficiency. Such facilities oversee their microgrid control with EcoStruxure Power Monitoring Expert and Power SCADA Operation in both islanded or normal operating mode.

SEIFSA APPEALS TO ITS MEMBERS **TO HELP PHUMULA GARDENS PRIMARY SCHOOL**

South Africa is without doubt one of the most unequal societies in the world where a gap between the rich and the poor appears to widen every year owing to, among other factors, slow economic growth and high rates on unemployment. Against this backdrop and as part of its contribution to the wellbeing of those who are less fortunate. In 2014, SEIFSA, adopted Phumula Gardens Primary School, in Ekurhuleni, 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 that the school desperately needed. In addition to installing protection on school windows and leaving the premises spotless, 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 Bukelwa 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 the approximately 2000 learners 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 and non member companies to work with us in helping change lives at Phumula Gardens.

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

MACSTEEL COLLECTS TWO AWARDS IN RECOGNITION OF SIGNIFICANT ADVANCES IN SUPPLIER DEVELOPMENT

Macsteel is a member of the Association of Metal Service Centres of South Africa that is federated to SEIFSA.

Macsteel has garnered two awards at the Absa Business Day Supplier Development Awards which recognise and celebrate businesses committed to building better South Africa via inclusive and transformed supply chains.

Macsteel won the Small Supplier and Local Manufacturing Award in acknowledgement of companies who have developed an ecosystem of small suppliers, manufacturers or value-add services and products from the local industry.

It was also recognised as a partner in South African Breweries Market Access Platform (MAP) Steering Committee which collected the Collaboration Award in acknowledgement of companies who recognise the importance of industry relationships and cross-sector collaboration for the benefit of the wider ecosystem. Together with SAB, Total, KFC, General Electric and Coca-Cola Beverages Africa, Macsteel's involvement in the MAP Steering Committee supports preferential procurement and localisation in the spirit of collaboration and towards building a more resilient economy.

"These awards are truly meaningful to Macsteel as they are testament to how we truly go beyond the scorecard and show true leadership, co-operation and long-term commitment in sustainably building our economy," says Kim Allan, Macsteel's Group CSR Manager

In three and a half years, Macsteel has invested R27,2 million in the development of its enterprise and supplier development initiative, the Macsteel Usizo Supplier Development Programme.

Lenny Govender: Macsteel Group CFO & Kim Allan: Macsteel's Group CSR Manager

This initiative is designed to strengthen the capacity of SMMEs within the steel manufacturing sector to better enable them to deliver high quality, fabricated products at competitive prices

Allan says the company's strong belief in providing sustainable support led to the development of Usizo, offering small-business customers a sustainable solution to overcome their operational limitations. Macsteel was the first corporate to enter into a private-public partnership with SEFA (Small Enterprise Finance Agency), and the first in the steel industry to implement a supplier credit programme.

"The programme aims to increase the participation of black-owned SMMEs in the steel sector where access to credit enables them to secure input goods for their businesses and build their credit profile. Many have been declined from obtaining credit via traditional channels yet to date, shared risk on defaults represents 4,1% of total credit, an excellent result which is testimony to the success of the programme."

She says the initiative comprises three key components: providing less stringent access to trade credit for small businesses with favourable cash flow terms, in order to bring previously excluded entrepreneurs without collateral into the credit value chain, providing programme participants with access to non-financial support through business mentorship and industry-related transfer of skills and thirdly, by deliberate action to provide further access to market opportunities for SMMEs in the Usizo programme.

The project was launched in May 2015 in partnership with the Small Enterprise Finance Agency (SEFA) and within 21 months, 114 SMMEs, primarily involved in some form of steel fabrication or construction, engineering, air-conditioning, irrigation or equipment maintenance industries, had benefitted from a R10 million credit facility. In February 2017, informed by the DTI's revised BBEEE codes, the Usizo Supplier Credit Programme qualified for enterprise development.

"For many businesses trade credit is an essential tool for financing growth. Prior to the launch of the project, there was no comparable finance product available to support SMMEs for their start-up and early-stage business development," Allan comments.

She adds that while access to credit is a primary element, all Usizo customers are encouraged to participate in Macsteel development programmes where each SMME is assigned an internal mentor to facilitate industry-related skills transfer.

The results are clear. The impact of the programme has enabled a contribution in excess of R89,6 million to the economy and has resulted in 765 jobs (585 maintained and 180 new jobs created).

"Right from the outset, Macsteel's desired result was to bring previously excluded SMMEs into the finance value chain. In just three years, this initiative has made a tangible and immediate difference in supporting local manufacturing suppliers via a sustainable enterprise and supplier development model and Usizo is now fully integrated throughout our business operations. We are delighted with these awards which echo our commitment to building capacity, expertise and knowledge and to create a platform which materially contributes to the economy," Allan concludes.

Lenny Govender: Macsteel Group CFO (with the hands up, in talk mode)

SEIFSA ADDS TWO NEW MEMBERS TO ITS FAMILY

SIBUSISO MTHENJANA

SEIFSA has recently added Sibusiso Mthenjana and Kelisha Moodley to its family. Mr Mthenjana joined SEIFSA as Company Secretary on 1 May 2019. He holds an LLB degree from the University of Zululand and is currently working on an LLM at the University of South Africa.

An Admitted Attorney, Mthenjana has previously worked as Legal Manager at the National Health Laboratory Service, as Company Secretary at Thembalethu Development NPC, as Group Company Secretary at TEBA, as Company Secretary/Head of Legal at Mpumalanga Regional Training Trust, as Legal Manager at South African Music Rights Organisation and as Legal Services and Administration Manager at Chief Albert Luthuli Municipality.

He has also practised as an attorney while working for STRB Attorneys, Mavimbela Mthenjana Attorneys and his own law firm, Mthenjana Attorneys.

Miss Kelisha Moodley also joined SEIFSA in May as Human Capital and Skills Development Manager. She holds a Bachelor's degree in Industrial Psychology from the University of Witwatersrand and is currently working on her Honours at the University of Johannesburg. A skills expert with an Occupationally directed Education Training and Development Diploma. Kelisha is an internationally accredited change management practitioner. She is registered with SABPP as an HR Professional. She has been employed in Industry for over five years and has been involved in training around South Africa and Swaziland.

Meanwhile, former Human Capital and Skills Development Manager Michelle Norris has been appointed Human Capital and Skills Development Executive replacing Melanie Mulholland who previously held this position.

KELISHA MOODLEY

MICHELLE NORRIS

Do you, your company or Association have exciting news you would like to share with SEIFSA News readers? Then send us your story by emailing ollie@seifsa.co.za or zandile@seifsa.co.za

SEIFSA WELCOMES
NEW MEMBERS

The following companies became members of associations federated to SEIFSA during April to May 2019:

Association of Electric Cable Manufacturers of South Africa

- Wuxi Tech (Pty) Ltd

Constructional Engineering Association (South Africa)

- Amakhayeni Contracting
- B & T Steel CC
- LB Pipes (Pty) Ltd
- Lungisani Technologies (Pty) Ltd

Electrical Engineering and Allied Industries Association (EEAIA)

- Allcash South Africa

Light Engineering Industries Association of South Africa

- Axiom Chemlab Supplies
- GZ Industries South Africa
- H D K Manufacturing (Pty) Ltd
- HMK Recyclers (Pty) Ltd
- Hydac Technology (Pty) Ltd
- Interroll SA (Pty) Ltd
- Kenoron Products (Pty) Ltd
- Mpisi Trading 118 (Pty) Ltd
- Quick Press Manufacturing (Pty) Ltd

SARACCA

- Airmasters Refrigeration
- Co Setati Trading And Projects
- Distinctive Choice 803 (Pty) Ltd
- Hennar Trading
- Kulani Technical Services cc
- MTRT Engineering Services cc
- PFJ Construction & Projects
- Sizwe Africa IT Group

INTERNATIONAL WATCH

US

Why American steel stocks plummeted in the past year, despite tariffs

A year's worth of tariffs have given a shot in the arm to the US steel industry — but not for their shareholders. Although the nation's steelmakers have benefited from reduced competition, their stocks have plummeted in the year since the Trump administration first signaled that tariffs were coming.

Shares of US Steel are down 70% since their March 2018 peak. Nucor, the largest steelmaker in the country, is down 25% over the same period.

The stocks' march lower will probably continue. Analysts have been cutting their price targets and recommendations on steel stocks, even before the Trump administration announced that it would lift the tariffs against steel imports from Canada and Mexico, two major sources for imported steel.

Despite the tariffs, American steel companies' stock prices have tumbled for complex reasons.

ONLY A SHORT-TERM GAIN

The tariffs provided some positives for the industry, such as a drop in low-priced imports and increased profits. But last year's large rise in steel prices proved to be short-lived. The supply problems never actually took place. Customers started working off their stockpiles, which cut into overall purchases.

The price spike early last year prompted steelmakers to increase output. Steel mills reopened, adding about 9,000 jobs to the industry. Existing mills also increased their output.

Production from domestic steel mills rose by 1 million tons in the first quarter of this year compared to the same period last year, before the tariffs took effect, according to the American Iron and Steel Institute, the industry trade group.

But they made way too much steel. The increased production far outpaced the drop in steel imports, which fell by only a half-million tons in the first quarter.

Prices for rolls of sheets of steel, a higher-priced product used in autos and appliances, has fallen 25% since it peaked at $925 a ton last July, according to UBS.

"We observe that supply exceeded demand ... over the last six months," said UBS analyst Andreas Bokkenheuser in a note to clients. "This explains the corresponding 25% price correction."

SPENDING MONEY IN THE WRONG PLACES

More domestic capacity could be on the way. American steelmakers have announced plans to spend billions of dollars to increase capacity by 10 million tons annually since the tariffs were announced. Nucor alone has said it will spend more than $2 billion to add more than 2.6 million tons of capacity in the coming years.

The tariffs encouraged American steel companies to increase investment beyond simply increasing capacity. The steelmakers argue they needed to make the investment to be competitive for the future.

For example, US Steel announced this month that it is spending $1.2 billion on a new kind of steel mill that turns molten steel directly into thin sheets of steel on rolls. That technology would eliminate the step that steelmakers have used for more than a century to pour steel into thick slabs, let newly formed slabs cool and then reheat those slabs to press the steel into thin rolls. US Steel's plant would be the first in the country and one of only a few in the world.

"We're now pivoting from playing defense to offense," said CEO David Burritt.

But it's unclear how much of a future American steel has without continued tariffs or some other limits on cheap foreign steel, particularly from China.

US LIFTS STEEL AND ALUMINUM TARIFFS ON CANADA AND MEXICO

"We're among the lowest-cost producers. We're extremely competitive if we're operating on a level playing field. But there is massive overcapacity of steel from China, multiples of US capacity, and it's heavily subsidized by the government. That's led to a very distorted global market for steel," said Kevin Dempsey, senior vice president of public policy for the AISI. "If we lifted the all the tariffs, I think we'd see another flood of imports."

MISSING THE BUYBACK BONANZA

Although companies are typically praised for plowing increased profits back in their core business, the additional capacity and investment is not how investors want the companies to spend their money, said Philip Gibbs, steel analyst for KeyBanc Capital Markets.

Because of that investment, steel companies did not initially participate in the stock buyback bonanza that followed the 2018 corporate tax cuts, which lifted so many American stocks. Most companies, like US Steel and Nucor, announced only modest buybacks that were dwarfed by their capital spending plans.

"They had expected the companies to give back to shareholders," Gibbs said. "Companies didn't really do it — they decided they'd spend billions on new assets, new capacity, multi-year investment programs. As a result, the stocks were punished,"

The outlook for US steelmakers looks much more difficult than it did when the tariffs were first imposed. The companies will probably struggle because of weaker demand, increased domestic capacity and less protectionist trade policies. That will probably increase pressure on domestic steelmakers for the rest of this year and into 2020, said Cowen steel analyst Tyler Kenyon, in a recent note to clients.

Source: CNN BUSINESS

CHINA

Chinese steel futures extend losses amid high output, demand concerns

China's rebar steel benchmark fell for a sixth session in June, its longest losing streak in seven months, while hot-rolled coil hit a fresh two-month low, after the seasonal demand waned and mills ramped up production in recent weeks.

With steel prices falling, mills' margins have also narrowed, prompting them to slow down in buying raw materials including iron ore.

Expectations that demand, particularly for construction material rebar in China, will remain weak in the short term with construction activity slowing during the summer season, also weighed on prices. The most-actively traded October 2019 rebar contract on the Shanghai Futures Exchange fell as much as 1.2% to 3,691 yuan ($534.40) a tonne, its lowest since May 15.

Hot-rolled coil, used in cars and home appliances, dropped as much as 1.7% to 3,557 yuan a tonne, the benchmark contract's lowest since April 4.

"There's some downward pressure on prices because the seasonal demand has gradually weakened, and because of the very high output in China," said Richard Lu, senior analyst at metals consultancy CRU Group.

Rainy season in some places in China and a "very, very warm" weather in other parts of the country during this time of the year also mean slower construction activity, crimping demand rebar in particular, he said.

Still, he said current steel demand in China remains "okay".

"I haven't seen a significant decrease in steel demand. Steel inventories across the supply chain are still decreasing," Lu said. "It's really the people's expectations (the demand will further weaken) that are driving prices lower." Such expectations, along with the steel mills' narrowing margins, have kept a lid on prices of raw materials.

The most-actively traded September 2019 iron ore contract on the Dalian Commodity Exchange was steady at 716 yuan a tonne, as of 0248 GMT, despite lingering concerns about tight supply.

Coking coal edged down 0.2% to 1,374 yuan a tonne, while coke slipped 0.3% to 2,109 yuan.

"Steel mills are now more careful in their purchases of raw materials," Lu said. "In terms of iron ore demand, steel mills have secured some shipments recently so they are less desperate now (in beefing up stocks)."

Support for iron ore prices, however, is widely expected to remain intact amid the steady decline in stocks at Chinese ports, which as of last week were at their lowest since early 2017.

Source: REUTERS

BRITAIN

Rescue bid for British Steel could see iconic Scunthorpe blast furnaces replaced - reports

A rescue bid for British Steel is being considered which would see Scunthorpe's blast furnaces replaced, according to reports.

And the radical vision for the company would effectively turn the town's steelworks into a giant steel recycling centre.

British Steel was placed into liquidation about two weeks ago, with the Official Receiver handed control as efforts started to find a buyer and save the jobs of thousands of people employed by the company or in its supply chain.

Last week, it was revealed that several parties were "actively looking" at a buy-out of the business, with the Official Receiver saying his special managers had made contact with more than 80 potential buyers and 60 had been sent non-disclosure agreements to help develop possible bids.

Liberty Steel, which already employs 145 people in Scunthorpe after buying Caparo Merchant Bar out of administration in 2017, had earlier been suggested as potentially being part of the solution. And now, a report in the Mail on Sunday suggests the company, owned by industrialist Sanjeev Gupta, is among a handful of serious potential buyers to have expressed an interest in British Steel.

Liberty Steel already has a presence in Scunthorpe after buying Caparo Merchant Bar out of administration in 2017. The Mail says Mr Gupta is yet to make a bid but is understood to have been approached by Government Ministers, British Steel bankers and unions who see Liberty as the best potential buyer.

If a deal were to go ahead with Liberty, the report says Mr Gupta's company would switch off Scunthorpe's iconic blast furnaces and replace them with an electric arc furnace operation which would see the plant's focus shift to turning recycled steel into sellable metal.

The Mail's report says: "The switch may cause job concerns because electric arc furnaces, which process recycled scrap, are less labour-intensive than traditional blast furnaces, which create steel from iron ore. But supporters of the more environmentally-friendly process are confident a greater number of jobs can be created in the supply chain."

British Steel employs around 5,000 people directly - about 4,000 of whom are at its plant in Scunthorpe. It is also estimated to support around 20,000 more jobs in the supply chain, with all placed into uncertainty after the company, owned by private equity firm Greybull Capital, collapsed into liquidation.

But British Steel continues to trade in liquidation and hopes are high that a buyer will be found following positive discussions with Ministers and representatives of the Official Receiver.

Source: GrimsbyLive

INDIA

Steel companies urge govt to auction iron ore mining leases expiring in March 2020

Steel companies have urged the government not to extend the merchant iron ore mining leases that are expiring next March, as it could lead to a revenue loss of Rs 80,000 crore to the exchequer.

Representing steel companies in a letter to Prime Minister Narendra Modi and the Niti Aayog, the Assocham, Indian Merchants Chamber, Chhattisgarh Sponge Iron Manufacturers' Association and the Karnataka Iron and Steel Manufacturers' Association, said the government would lose about Rs 79,500 crore revenue if the lease on 53 million tonnes of iron ore capacity that is expiring next March is not auctioned.

These operational mines should be auctioned immediately to ensure that there is no major supply disruption, they said. The major companies represented by the associations include JSW Steel, Tata Steel, Jindal Steel and Power, Welspun Steel, Jindal Saw, MESCO and Shyam Steels.

Auctioning of mineral concessions would improve transparency in allocation and increase revenue, it said.

According to the report published by the Government Committee, leases on 334 mines (49 operational and 245 non-operational) expire in March 2020. Of this, leases on 33 operational iron ore mines with an annual production capacity of 55 mt and 16 working iron ore mines in Odisha expire next March.

Instead of extending these mining leases, a smooth auction and transition from the old lessees to new lessees should be done in a transparent manner, as in the case of coal blocks done five years back, the associations said.

In order to provide a level playing field between captive and merchant miners, it is crucial that fresh auction of the iron ore mines is conducted and both are allowed to participate in the auction, considering that a majority of iron mines allotted belong to merchant miners, it said.

The government needs to amend Section 8A (4) of the MMDR Act that allows auctioning of mines only on expiry of the lease period. In May, the Federation of Indian Mineral Industries had pitched for immediate extension of leases of over 300 non-captive mines until March 2030, expressing the fear that the sector may face a crisis-like situation following the expiry of licenses of these mines.

In a presentation before a high-level committee of the Niti Aayog, it said the mining industry is facing a crisis following the amendment to the MMDR Act in January 2015, that provided for auction as the sole mode of granting concessions for a fixed period of 50 years to private companies - captive and non-captive.

Source: REUTERS

SEIFSA TRAINING CENTRE

SEIFSA
TRAINING CENTRE
inspiring excellence

The SEIFSA Training Centre is a **state-of-the-art training centre** that has both the resources of industry experts and equipment to offer specialised skills training

2019 Intake dates

The training offered encompasses not only apprentice training but also training and development for the following training interventions:

- Learnerships
- Skills programmes
- Short courses
- Recognition of Prior Learning (RPL)
- Trade proficiency assessment services
- Trade testing
- Assessments
- ATRAMI (Artisan Training and Recognition Agreement for the Metal Industry)
- Continuous upskilling of artisans

In the following trades:

- Boilermaking
- Welding
- Pipefitting
- Fitting & Turning
- Fitting
- Turning
- Toolmaking
- Electrical
- Millwright
- Instrumentation

We pride ourselves on being accessible to our clients in terms of: to clients

- in terms of:
- Our mode of delivery - our site or yours
- Learner prior knowledge and other entry requirements
- Costs - fees and payment options
- Location - public transport and accessibility

2019 **INTAKE** DATES:

25 June 2019

17 September 2019

YOU HAVE THE RIGHT TO **RECRUIT APPRENTICES THAT WILL FIT YOUR BUSINESS**

The SEIFSA Training Center has recently held an Awards ceremony arranged for the apprentices who achieved outstanding results during their institutional training at the Training Centre. The day comprised of guest speakers, song items performed by the SEIFSA apprentices, awards and refreshments thereafter.

As cliché as it may sound but hard work does pay off. These learners received accolades publicly for the hard work that was put in behind the scenes. A paradigm shift is evident in the technical trades, as the number of male and females receiving awards were close. The overall 'best student of the year award' was scooped by a female boilermaker. The apprentice is said to be extremely remarkable, having taken the initiative to start teaching other learners within the training Centre whilst still learning herself.

Industry continues to play a big role, as they source, screen and interview the apprentices chosen for the apprenticeship programs. Organizations that place emphasis into sourcing their apprentices, often have a good success rate. It is easy to take on candidates, but it is more important to take on well-suited candidates.

As a guide to recruiting apprentices, the following steps may be helpful:

- **Need:** Make sure that there is a need for the apprentice and that you have workplace approval for the specific trade. Legally, two apprentices can be allocated per artisan. Ensure that the artisan is willing to mentor apprentices, as a good mentor can expedite learnings.
- **Prepare:** know exactly what you are looking for in the apprentice, from mental capabilities, attitude, personality, interests etc. This will assist when meeting the apprentice and will also give you an indication of who is likely to fit in within your company culture. When notifying the apprentice of the interview, convey the purpose of the interview for the candidate to adequately prepare.
- **Interview:** The interview process should be a simulated process that will predict how the candidate is likely to behave in the workplace. Technical components can be included, such as hand-eye co-ordination activities, basic tool identification etc. it is valuable to include artisans in the interview process to pose basic technical questions and provide first hand insight of what being an apprentice means. A recommendation/reservation should be written down on the interview questionnaire for each candidate. This assists in the scoring stage when the competition is high and helps bring to memory what stood out on the candidate, especially if you've interviewed many.
- **Scoring:** There should be a structured manner of scoring the candidates. Attaching a score to a candidate helps with the decision making process.
- **Interpretation:** Interpret the results objectively, being fair and just. At this stage, the Skills Development element of your organizations BBBEE requirements can be considered. Also, if you're looking to absorb from this pool in the future as a part of your succession planning initiatives – consider Employment Equity requirements. In interpreting the results, it is important to consider feedback for those who did not make it. These developmental areas can be worked on for the candidates next interviews, helping them understand where they went wrong and how they can improve.
- **Feedback:** Feedback must be provided in a constructive manner. The successful candidates should be notified in advance, so as to prepare, relocate etc. If it is possible, provide feedback to the unsuccessful candidates as these developmental areas can assist them with future prospects.

Top perfoming student Koketso Lekganyane being congratulated by the SEIFSA Team

SEIFSA Training Centre will be having an open day on the 14th of June 2019.

BBBEE – THE MOST IMPORTANT ECONOMIC TRANSFORMATION PROGRAMME SINCE 1994

Systematic dispossession and disempowerment of the African majority through colonialism and apartheid policies produced extreme inequalities that resulted in deeply rooted impediments to socio-economic development in South Africa (Bundy, 1982, Feinstein, 2005). Essentially, we need to optimize on the most important economic transformation programme since 1994(Pooe, 2013).

Against this backdrop, SEIFSA's Human Capital and Skills Development Division recently hosted a Breakfast seminar exclusively focussed on Broad-Based Black Economic Empowerment with speakers from the DTI. The speakers who presented were extremely well versed in BBBEE brought a wealth of invaluable knowledge to the table. The presenter from DTI shed light on the amended codes, the Equity Equivalent Investment programme, (EEIP) and the YES initiative, while the second presenter delved into Enterprise and Supplier development.

The amended codes of good practice highlighted the changes to be aware of and how to best approach those elements on the scorecard. Examples from industry were highlighted, on how well – known organizations are going about with the YES initiative and the Equity Equivalent programme, as well as the implications for companies that are non – compliant. Predominant concerns of companies were around what constitutes absorption, how the EEIP can improve their score, organization specific questions related to BBBEE and the YES initiative.

The YES programme kicked off in 2018 and currently has just under 18 000 learners on-board, with 257 companies registered. YES recognizes the critical role the youth play in shaping our economy and our country. Yet six million young people are shut out of the economy. This is why the YES programme seeks out ground-breaking ways, through innovation and technological best practice to create one million jobs for South Africa's youth. Eligible Employees for the YES Initiative are individuals between the ages of 18 and 35 that meet the definition of "Black People" as defined in the B-BBEE Act 53 of 2003 as amended by Act 46 of 2013.

Overall, the session covered interventions that would assist business to survive and thrive under prevailing conditions.

DTI representative addressing delegates in attendance

Delegates attending the B-BBEE Breakfast at SEIFSA

BUSINESS EXPECTATIONS ON THE RISE

The Steel and Engineering Industries Federation of Southern Africa (SEIFSA) closely monitors the movement in the Purchasing Managers' Index (PMI), business expectations and business confidence indices and the SEIFSA composite input cost index.

BROAD OVERVIEW OF THE INDICES

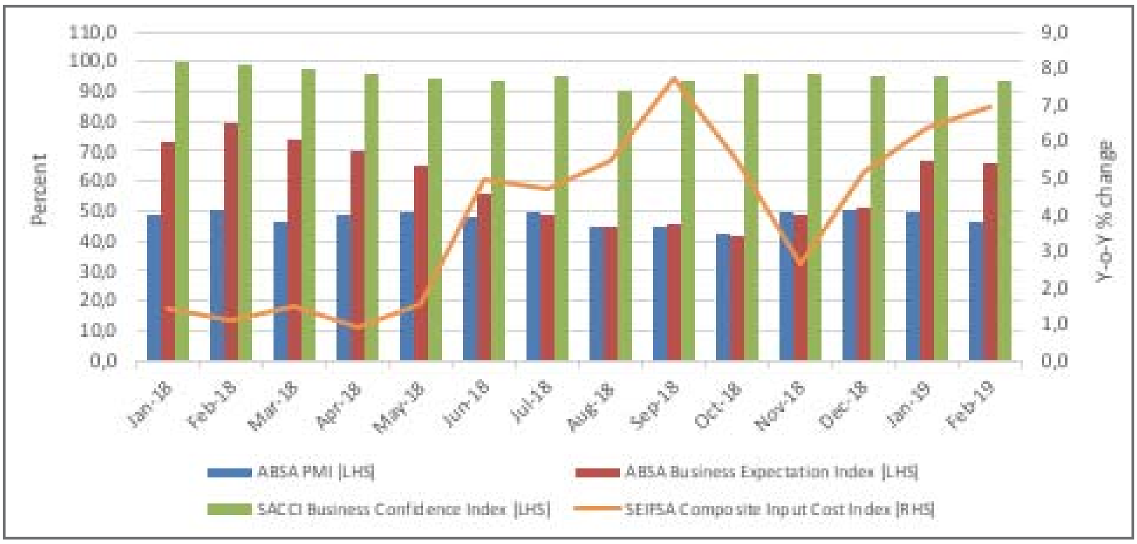
As a lead indicator, the PMI and its five sub-components gives insight into the health of the broader manufacturing sector, including its heterogenous Metals and Engineering (M&E) cluster of industries. The PMI is the first data point that is released for the month and the data provides information into the level of economic activity to be undertaken by various manufacturers in the month ahead.

Business expectations gives information on the expectations of businesses on economic activity over the short-term. The business confidence indicator on the other hand, measures the level of optimism/pessimism of businesses regarding the current operating climate. It can also be used as a monitoring tool which gives an overview of the state of the economy.

The composite input cost index is used to measure the cost pressure of companies in the M&E sector which is imperative especially given the impact of costs on the production processes and margins of companies in the sector.

The graph below captures the movements in the headline PMI, business expectations, business confidence and input costs indices between January 2018 and February 2019.

Figure 1: The Purchasing Managers' Index (PMI), business expectations, business confidence and input costs indices



its debts or growing its clientele and may eventually retrench a significant portion of its workforce. Sadly, it joins a long list of financially stressed construction engineering companies under business rescue, like Basil Read and Esor. However, business rescue is better than liquidation and ample support will help the aforementioned big companies and small construction companies alike to navigate existing challenges.

Additional developments away from boardrooms and on construction locations have also been disheartening. Unlike manufacturing – which usually involves large-scale production of intermediate or final products, often without a chosen buyer – construction typically takes place on a construction site and for a known client. This has made it easier for local contractors to be targeted by individuals with non-altruistic motives under the banner of mushrooming multifaceted business forums. The origins of the unpopular business forums, which now seem to have a national footprint and sphere of influence spanning provincial boundaries, are well documented. Their members thrive on using perceived unconventional means to gain traction and attention.

> “ They challenge the existing quo by targeting construction locations to demand for commission or the involvement of their members in projects ”

Termed the “construction industry mafia” by the local press, the various business forums which have assumed different names (ranging from the moderate Federation For Radical Economic Transformation to the more rigorous Amadelangokubona) have the same modus operandi. They challenge the existing status quo by targeting construction locations to demand for commission or the involvement of their members in projects.

The operational scope and intensity of the various business forums does not seem to be abating. The situation, therefore, calls for a different approach in dealing with their demands in resolving the quandary, perhaps via a combination of law enforcement and dialogue.

The CEO of the Steel and Engineering Industries Federation of Southern Africa (SEIFSA), Kaizer Nyatsumba, recently used several platforms to highlight the predicament faced by local construction and engineering firms. In a letter to the Minister of Police (in which he copied the President of South Africa and all economic cluster ministers), Mr Nyatsumba diligently explained how companies have been approached by gangs of people who have violently interrupted work, destroyed expensive capital equipment and demanded to be given 30% of the value of public tender contracts. He made a clarion call on the Police Minister to deal urgently with the situation because, if left unattended, it may pose significant risk to business investment in the country.

A similar call was made by the CEO of the South African Forum of Civil Engineering Contractors (SAFCEC), Webster Mfebe, who called on the government and law enforcement officers to act urgently and stop what he termed criminal gangs from obstructing construction projects.

While it is vital for the law to take its course, it is also important to pursue a win-win solution in resolving the crises, rather than a zero-sum game. Accordingly, all the leaders of the various business forums should constructively engage with captains of industry in seeking a way of resolving the impasse. The current modus operandi of mainly using force and threatening contractors with deadly weapons may result in more calamity and completely sink the construction industry – with extended ramifications for the broader economy, including job losses and constriction of the tax base. Also, given that the violence in the construction sector can be extrapolated to the primary sector and industrial production, business and investor confidence will also take a knock.

It is, therefore, imperative that captains of industry and government representatives – including the police – and members of the business forums meet to map a way forward through peaceful, constructive but robust dialogue, aimed at salvaging the ailing construction sector. Meanwhile, businesses are also encouraged to expose incidents of violence and to report to law enforcement officers cases of intimidation on construction sites in order to mitigate negative consequences on jobs.

Together with the manufacturing sector, the construction sector has significant indirect job creation multiplier potential and is key in redressing the high unemployment rate in the country. The sector provides employment to roughly 618,000 people, but the numbers have slowly dwindled. In December 2018, the sector lost 18,000 jobs, with full-time employees bearing the brunt of the jobs bloodbath. Although this was mainly due to a decrease in the building of complete constructions or parts thereof, civil engineering, building installation and building completion, the impact of the so-called business forums cannot be discounted.

The suggestion is for policy makers to establish a high-level, multi-disciplinary and inter- provincial task team, comprising law enforcement officers, to investigate alleged criminal activities and deal effectively with the issues at hand. Contemporaneously, a platform for a national dialogue involving all relevant parties should be created in order to avoid a zero-sum game, provide certainty and arrest the construction industry’s consistent decline.

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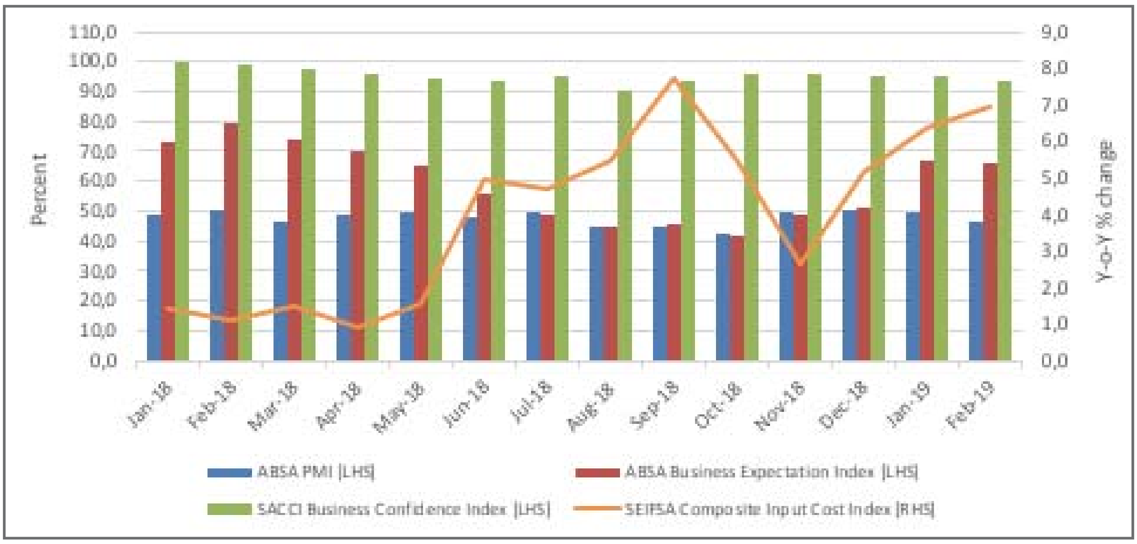

The graph above shows that business confidence exhibited a generally decreasing trend from 99.7 percent in January 2018 to 93.4 percent in February 2019, highlighting the fact that business have become less optimistic over the 14-month period. The PMI on the other hand was more volatile and breached the benchmark level of 50, which separates expansion from contraction, only once (in December 2018) during the period under review, recording 50.7 points.

Business expectations as captured by the Absa business expectation index decreased from 72.8 percent in January 2018 to 41.7 percent in October 2018 (the lowest reading), before rebounding in November 2018 and peaking at 65.9 percent in February 2019. The trend indicates that over the past six months, business expectations have generally been on the upside. Input costs on the other hand, have exhibited a volatile but generally increasing trend over the period, also impacting negatively on the margins of companies which have less leeway in passing over costs increases unto the market.

Figure 2 below captures the movement in the PMI and business expectations between January 2018 and February 2019.

Figure 2: The Purchasing Managers' Index (PMI) and business expectations

The figure above largely illustrates the opposite movement in the PMI and business expectations during the first six months of 2018. However, thereafter, the two components largely follow a similar trend for the remainder of the period highlighting the close relationship between how manufacturers expect business conditions to be and the actual level of economic activity measured by an observation of primary data.

SEIFSA AND STATISTICS SOUTH AFRICA SIGN A MEMORANDUM OF UNDERSTANDING

Statistics South Africa (Stats SA) has a mandate to produce Construction Material Price Index (CMPI) for South Africa and makes use of a variety of indices contained in the SEIFSA Price and Index Pages (PIPS) as inputs into the CMPI which are deemed official statistics. In order to continually improve the quality of the data sourced from SEIFSA, the Pricing Statistics Division within Stats SA, headed by Chief Director Patrick Kelly, requested a meeting between Stats SA and SEIFSA. The aim of the meeting was for SEIFSA to do a brief presentation on the compilation of relevant indices.

MEETING ON DECEMBER 4, 2018

During the meeting a brief presentation on the compilation of relevant indices contained in the SEIFSA PIPS was done by SEIFSA Economist Marique Kruger to the following Stats SA representatives: Mr Kelly, Marietjie Bennet Director Price Statistics Compilation, Peter Perkins Economist in the Office of the Deputy Director-General: Economic Statistics and Richard Klaas Pricing Statistics.

The meeting started with Mr Kelly welcoming Ms Kruger to the Stats SA offices and highlighting the fact that Stats SA, a national department of the Government of South Africa, has a mandate to produce official statistics to assist organs of state, businesses, other organisations and the public in planning, decision-making, monitoring or assessing polices, decision-making or other actions. Accordingly, official statistics must be relevant, reliable and accurate.

Mr Kelly added that Stats SA wanted to have a better understanding of SEIFSA PIPS, how it is compiled, and the applicable methodology. If there are revisions in the data, how do these occur, the frequency and on what basis do such revisions take place?

Ms Kruger proceeded with the presentation, providing Stats SA with a better understanding of the processes involved in data collection and updating, weighting of composite indices, revision of data and improvements in the PIPS indices. In sourcing data from sources Ms Kruger explained that the Competition Commission requires that the exchange of data between SEIFSA and suppliers of confidential information towards the compilation of PIPS, be done at an arms-length.

Essentially, the providers of the data should not be seen as colluding with SEIFSA, seeking to influence the compilation of PIPS or influencing the various price trends in any way, shape or form. Resultantly, SEIFSA has Non-Disclosure Agreements that all suppliers of information to SEIFSA are required to sign to ensure the continuous safeguarding of critical information.

Mr Kelly then requested that SEIFSA Management consider a relationship between SEIFSA and Stats SA in the form of a Memorandum of Understanding (MoU) in order to formally map a working relationship between both parties, aimed at better serving the industry.

CONCLUSION

SEIFSA and Stats SA subsequently drafted a MoU which outlines the terms and conditions, and are in the process of fine-tuning same. The purpose of the MoU is to formalise a partnership between Stats SA and SEIFSA and to regulate the working relationship. The document will also outline the basis and procedures for sharing data between the parties. Both parties are in the process of finalising the document with the respective Legal Divisions and organisational hierarchies.

MAIN AGREEMENT WAGE INCREASES FOR YOUR **SCHEDULED EMPLOYEES** DUE 1 JULY 2019

SEIFSA, on behalf of the 21 Employer Associations and in terms of the mandate given to SEIFSA by the 21 Employer Associations federated to SEIFSA and who are covered by the Main Agreement signed an agreement with all the Trade Unions on Wednesday, 23 August 2017 on the terms and conditions of employment for a three-year period ending 30 June 2020.

At a Bargaining Council Management Committee Meeting held on 17 May 2018, the 2017-2020 Consolidated Main Agreement – concluded between the 21 SEIFSA-affiliated Employer Associations and the industry's five Trade Unions – was adopted, in line with the Bargaining Council's Constitution and Section 32 of the Labour Relations Act, as a Collective Agreement concluded in a Bargaining Council.

THE WAGE INCREASES AND WAGE TABLES:

The wage increases that were agreed to and form part of the three-year settlement are:

- 7% for 2017,
- 6.75% for 2018, and
- 6.5% for 2019,

The wage increases of 6.5% for 2019 are due to be implemented on 1 July 2019, and cover all employees that are employed within the SEIFSA federation, namely the 21 SEIFSA-affiliated Employer Associations, and who are covered by the wage tables contained in the Main Agreement, namely;

- Electric Cables (Schedule F)
- Structural Engineering
- Apprentices
- Vehicle Drivers
- Gate and Fence Manufacturing
- Five Grade Schedule (Grade 1 is 55% of Grade 5 minimum)
- Annexure H (Project Labour Agreement / PLA)
- General wage table

WHICH EMPLOYEES RECEIVE THE 6.5% WAGE INCREASE:

Any employee who is doing the work contained in the Technical Schedules of the Main Agreement is covered by the Main Agreement and receives the wage increase of 6.5% on 1 July 2019. These employees are commonly known as scheduled employees and, in general, the jobs described range from artisan type work at the highest grade to general labouring

General wage increases

Rate	Current Minimum Wage Rate 2018	Increase on Actuals and Scheduled Wage Rates	Increase on Scheduled Wage Rates	New Minimum Wage Rates 2019
	R c	%	R c	R c
A	79.58	6.50	5.17	84.75
AA(6)	75.90	6.50	4.93	80.83
AA(start)	72.47	6.50	4.71	77.18
AB	69.23	6.50	4.50	73.73
B	66.23	6.50	4.30	70.53
C	63.82	6.50	4.15	67.96
D	62.52	6.50	4.06	66.58
DD	57.99	6.50	3.77	61.76
DDD	55.49	6.50	3.61	59.10
E	53.02	6.50	3.45	56.47
F	50.80	6.50	3.30	54.10
G	48.50	6.50	3.15	51.65
H	46.53	6.50	3.02	49.56
		Whichever is the greater personal increase		

at the lowest grade. In-between the two are numerous technical, engineering and machining operations, including several different driver's grades based upon on what size vehicle is being used.

If any grading assistance is required to ensure that your employees are graded properly, then please contact the writer whose details are provided at the end of this article, and an expert grading specialist and SEIFSA alliance partner can assist with all your grading needs, whether over the phone or a site visit and inspection is arranged and / or training on grading and paying your employees accurately.

Details of the Main Agreement conditions of employment, the Technical Schedules, the wage tables and their increases, including the wage exemption process are contained in the Main Agreement handbook and in brief on the Main Agreement Wall Chart. These can both be obtained from the SEIFSA office, contact details are provided at the end of this article. In addition SEIFSA will be providing workshops in June on all of these matters, these can be provided on an in-house basis too.

Please be aware of Clause 37 of the Main Agreement, which refers to:

The Full and Final Settlement clause, the Protection against Plant Level Bargaining and the Strike Protection Clause:

- The 1 July 2014 to 30 June 2017 MEIBC Settlement Agreement amends existing terms and conditions of employment, of all employees covered by the Main Agreement, and is in full and final settlement of wages and conditions of employment for the period of the agreement. Conditions of employment that are not amended by this agreement shall continue to apply.
- It is agreed that the above provision will not affect existing company-level agreements. Furthermore, in the case of such existing company-level agreements, only party trade unions registered with the Bargaining Council will be entitled to engage with employers at company level.
- The Council (MEIBC) is the sole forum for negotiating matters contained in the Main Agreement.
- During the currency of the Main Agreement, no matter contained in the Agreement may be a matter in dispute for the purposes of strike action.
- As a member of one of SEIFSA's 21 employer associations, you are a party to the agreement and the agreement is binding on all employees whose work is covered by the scope and jurisdiction of the Main Agreement.

WAGE INCREASE EXEMPTIONS: 1 JULY 2019

It is important to note that if a company cannot afford the wage increases that they can apply for an exemption to not give the wage increases or to give something less than the 6.5% agreed to for 1 July 2019. The Bargaining Council is obliged to consider all applications for exemption irrespective of the basis on which they are founded. This effectively means that financial reasons are not the only criteria which must be considered. Employers may apply for an exemption on any one or more of the following reasons (but not limited to):

- Increased competitive threats;
- Inability of employer to pass on cost increases to final customers;
- Technological changes threatening business survival;
- Inherently high difference between wage rates actually paid and current affordability of market competitive considerations facing an employer;
- Market decline, projections, etc.;
- Loss or potential loss of business;
- Existing/ current unprofitable contracts the consequences of which are only likely to manifest themselves in future/ current (unreported) accounting periods;
- Expansion opportunities (including capital investments) where cheaper labour costs could influence investment decisions; and/ or
- New ventures/ operations which justify retention or creation of job opportunities at reduced wage costs.

One nevertheless anticipates that application for exemption will primarily be founded on the grounds of affordability, job retention and/or job creation.

Affiliated member companies who are unable to implement the agreed wage increase may submit an application to their Local Regional Bargaining Council on or before 31 July 2018.

WAGE EXEMPTIONS PROCEDURE

SEIFSA is aware that the current economic environment may pose severe constraints on certain member companies' ability to implement the increases, and these members are advised that the industry's current wage exemption procedure continues to apply.

A company which is unable to implement the agreed wage increase may submit an application to its local regional council for exemption to implement a lesser wage increase than that prescribed, or no increase at all.

The wage exemption procedure and questionnaire can be obtained from the Seifsa office and the Seifsa website

It is important to note that a wage or wage related exemption application must be lodged with the bargaining council on or before 31 July 2019.

A company wishing to apply for an exemption must complete the questionnaire in its entirety and return all the necessary documentation to the bargaining council.

Management's attention is drawn to the importance of the council's requirement that an application must be accompanied by the following important information in order for the application to be considered:

1. A fully detailed motivation explaining the difficulties that the company is experiencing and hence the need for the application.
2. Audited Financial Statement for the financial year ending 2018/2019. In the case of a closed corporation - a full set of Financial Statements which are to be signed by an Accounting Officer and the latest Management Accounts for the last three months. If the Financial Statements are older than six months, then the Management Accounts for the recent three months are required.
3. Formal confirmation that employees were informed of the company's decision to make an application for exemption.
4. Where employees reject the company's approach, they are to be informed of their right to submit written reasons for objecting to the exemption application and such reasons should be attached as an annexure to the company's application.
5. The signature of at least two employees who accept being the representatives for the workforce and who will be affected by the application. Representatives of the workforce are to sign the form, contained in the exemption application questionnaire, consenting to this.
6. The signatures of employees accepting that they have been informed of the implications of what the firm is proposing to the Council.
7. Where the employees are trade union members, the company should inform the local trade union office of the intention to apply for an exemption and request, in writing, a meeting with the local official to discuss the impact of the exemption on the company and the members of the union.
8. Where employees have elected a trade union representative or representatives (shop stewards) these persons should be requested to sign that they were consulted and that they understand the need for applying for the exemption. Where the local trade union official and/or shop stewards have been consulted and where they reject the application, such refusal must be recorded in the application and countersigned by at least two witnesses.
9. Where the local trade union official and/or shop stewards and affected employees support the exemption application, this signed agreement should be included with the application.
10. It is recommended that all meetings in this regard between management, employees, shop stewards and union officials be minuted and that the minutes of such meetings be submitted with the exemption application.
11. The application itself is to be signed by either a director of the firm, member, owner or a senior accountant - neither a bookkeeper nor the human resources manager's signatures will be acceptable.

Please Note:

(i) The exemption application will not be considered or processed by the bargaining council unless all the above requirements are met.

(ii) It is not a condition of the exemption that employees accept the proposed wage increase exemption.

(iii) it is however required that employees and their representatives are fully informed of the company's intention to apply for exemption and that this consultation process and their response thereto is formally recorded and submitted with the application.

SEIFSA's Industrial Relations and Legal Services division staff are available to assist management in the completion of their wage increase applications. This assistance is readily available from:

- National Office: Lucio Trentini: lucio@seifsa.co.za
- Michael Lavender: michaell@seifsa.co.za
- Western Cape: Bernard Ashlin: bernardashlin@absamail.co.za
- Eastern Cape: Keith Vosloo: keith@ostratahr.com
- Kwa-Zulu Natal: Kylie Griffin: kylie@seifsa.co.za
- Free State & Northern Cape: William Doyle: williamdoyle@vodamail.co.za

SEIFSA INDUSTRIAL AND LEGAL SERVICES

Wage Increases – IMPLEMENTING THE NEW 2019 – 2020 MAIN AGREEMENT:

PRACTICALLY APPLYING THE TECHNICAL SCHEDULES TO YOUR COMPANY AND ENSURING YOUR EMPLOYEES ARE GRADED AND PAID CORRECTLY

SEIFSA now offers companies the opportunity to have key employees at your company trained and equipped to understand which of the 39 Technical Schedules will be applicable to your operations, normally two would be applicable.

At the end of the workshop the participants will be given a practical exercise, where they will grade various technical/machining activities. This will ensure that the contents of the workshop have been understood and can be applied at the company.

THE PROGRAMME INCLUDES:

- The wage negotiation process,
- The wage increases,
- The wage exemption process,
- Employment contracts, permanent and non-permanent employment,
- The conditions of employment. (including, leave, sick leave, family responsibility leave, paternity leave, hours or work, overtime, public holiday pay and more.)

MORE INFORMATION

BOOKINGS:

Natalie Fourie: Natalie@seifsa.co.za

INFORMATION:

Michael Lavender: MichaelL@Seifsa.co.za

PRICE

Members: R 2433.53

Non-members: R 3035.25

DATE AND TIME

24 June 2019

09h00 - 13:30

VENUE

SEIFSA, Johannesburg

MAIN AGREEMENT HANBOOKS AND WALLCHARTS

Place your order of the Main Agreement Hasndbook and / or Wall Chart to Kristen Botha kristen@seifsa.co.za or 011 298 9400/9455

NEW MAIN AGREEMENT PORTAL – LAUNCH 1 JULY 2019 - Please note, that when you order a Main Agreement handbook, this also entitles you to obtain access to the Main Agreement Portal. The portal has been completely revamped and is dynamic, informative and user friendly, you are encouraged to make use of this very effective tool to assist in applying and understanding the Main Agreement correctly.

INDUSTRIAL RELATIONS & LEGAL SERVICES

SEIFSA

Steel and Engineering Industries Federation of South Africa

OUR PASSION, YOUR SUCCESS

SAFETY AWARENESS – NEGATIVE EXTERNAL FACTORS IMPACTING ON WORKER / WORKPLACE SAFETY

BY ADMIRE MOKOTOSE, SURTEES GROUP

A Safe Work Environment Produces Happy Employees. When employers put safety first, they are effectively eliminating accidents and helping employees to perform their jobs without fear or anxiety. This allows workers to enter their workplace with a positive attitude, knowing that they will be safe and kept from harm. Negative external factors adversely impact on worker / workplace safety and have detrimental results. From the South African domain, here are some typical negative factors.

1. STRESSFUL HOME LIFE

Hardship caused by economic conditions, and having many dependents who need resources. On the other hand workers perspectives and expectations have changed with new orientations towards personal and career development, making the situation more stressful.

The dynamics and perseverance of spending too much time at work, leading to spending too little time with families. There is no time, involvement and satisfaction time balance between work and family roles, causing family conflicts, which in turn have negative effects at the work place in the form of strain and behavioural, emotional and physical issues.

2. TRANSPORT DANGERS

Unsafe and overcrowded public transport - minibuses, poor road conditions causing accidents, criminality, violence on trains. Gobind, J. (2018).Transport anxiety and work performance. Overcrowding, delays and unpredictability, also mentioned by Cheng (2010), are factors that cause commuters to stress. Carrel and Walker (2015, p. 12) agree with Cheng (2010) that among other "specific reasons mentioned", the most important ones were overall unreliability, crowding levels, wait time unreliability and unreliability of in-vehicle travel times as reasons for poor performance because of late coming, often forcing employees to resort to alternatives. Employees that are dictated to by public transport constraints often move jobs in an attempt to relocate closer to work. Elderly parents are forced to move in as makeshift after-care providers, as transport constraints disrupt working hours. These stressors have health and relationship implications. Demands placed by family needs, taking care of one's health and personal safety, missed transport that may result in absenteeism are stressful. All these stressors have negative effects on workplace safety.

3. INDUSTRIAL ACTION

Violent industrial action / strikes are not unique to the South African industrial relations system as other countries experience riotous strikes in their jurisdictions with violent disruptions. Most people think of violence as a physical assault. However, workplace violence and intimidation is a much broader problem. It is any act in which a person is abused, threatened, intimidated or assaulted in his or her employment and even in the close proximity of his / her workplace.

The Constitution gives every employee the right to strike and to protest but these rights do not extend to damaging property and assaulting or killing people with different views. Most strikes in South Africa are marred by intimidation, violence and destruction of property, affecting staff and business owners' morale.

- Workplace intimidation – The International Labour Organization says workplace bullying has become so widespread that it represents the greatest threat to success in the workplace in the new millennium resulting in impacting on one's well-being, self-esteem, job satisfaction and leading to intention to leave the job / resign.
- Effects of intimidation by people involved in violent strikes even if it is remote, instils fear in non-striking workers at the workplace, reduces productivity, causes absenteeism and staff turnover, causes more accidents and lower customer service quality.

4. VIOLENCE & HARASSMENT

Workplace violence can be local at the domain or remote and it creates a ripple impact causing physical, psychological, and financial problems to victims, co-workers, families, businesses, and others in the community. Employees have a right to expect a work environment that provides protection and promotes safety from harassment, threats, and violence.

Employers who implement effective safety measures can reduce the incidence of workplace violence whether local or remote. This includes training employees to avoid workplace violence and encouraging employees to report assaults, intimidation or threats, in addition to conducting workplace violence hazard analyses.

Harassment - any behaviour remote or local that demeans, embarrasses, humiliates, annoys, alarms or verbally abuses a person and that is known or would be expected to be unwelcome. This includes words, gestures, intimidation, bullying, or other inappropriate activities. Effective monitoring is needed to safe guard the workforce.

A strong safety culture is important for ensuring the success of an organisation's hse effectiveness.

SEIFSA

Steel and Engineering Industries Federation of Southern Africa

OUR PASSION, YOUR SUCCESS

2019

Upcoming SEIFSA Workshops / Events

July - 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	PRICE	DIVISION	WORKSHOP/ EVENT
				(Member)	(Non-member)		
July	10	1/2 day	BOKSBURG	R 2 273,60	R 2 853,97	IRLS	Managing Your Labour Costs
	12	1/2 day	SEIFSA	R 2 393,27	R 3 530,07	EC	Theory and Calculation of Contract Price Adjustment
	17	1 day	SEIFSA	R 2 991,59	R 3 733,50	HCSD	Introduction to Skills Development
	18	1/2 day	SEIFSA	-		HCSD	Mandela Day
	19	1 day	SEIFSA	R 2 991,59	R 3 733,50	HCSD	Employment Equity for Non-HR
	22	1/2 day	BOKSBURG	R 2 393,27	R 3 530,07	EC	Theory and Calculation of Contract Price Adjustment
	22	1 day	SEIFSA	R 3 015,52	R 3 769,40	Legal	The Protection of Personal Information (POPI) Act
	26	1/2 day	BOKSBURG	R 2 273,60	R 2 853,97	IRLS	Employment contracts – Cross your T's and dot your I's
	29-30	2 days	SEIFSA	R 5 007,91	R 6 264,38	IRLS	Effective Industrial Relations - 2 days
	31	1 day	SEIFSA	R 3 015,52	R 3 769,40	Legal	Managing Incapacity & Poor Work Performance
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-Sep	1/2 day	SEIFSA	R 2 393,27	R 3 530,07	EC	Theory and Calculation of Contract Price Adjustment
	6-Sep	1 day	SEIFSA	R 3 015,52	R 3 769,40	Legal	Managing Incapacity & Poor Work Performance
	6-Sep	1/2 day	BOKSBURG	R 2 273,60	R 2 853,97	IRLS	Managing Absenteeism and Sick Leave
	9-Sep	1/2 day	DURBAN	R 2 393,27	R 3 530,07	EC	Theory and Calculation of Contract Price Adjustment
	12-Sep	Seminar	SEIFSA	R 1 067,42	R 1 179,78	HCSD	Organisational Change management - Breakfast seminar
	13-Sep	1 day	SEIFSA	R 3 015,52	R 3 769,40	Legal	The Protection of Personal Information (POPI) Act
	13-Sep	1/2 day	BOKSBURG	R 2 273,60	R 2 853,97	IRLS	Main Agreement vs BCEA
	16-Sep	1/2 day	WEST RAND	R 2 393,27	R 3 530,07	EC	Theory and Calculation of Contract Price Adjustment
	17-Sep	1 day	SEIFSA	R 2 961,67	R 3 703,58	IRLS	Key Aspects of the LRA
	19-Sep	1 day	SEIFSA	R 2 991,59	R 3 733,50	HCSD	Employment Equity successful submissions
	20-Sep	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-Sep	1 day	SEIFSA	R 3 015,52	R 3 769,40	Legal	Key Aspects of Labour Law

ALL PRICES EXCLUDE VAT

To book, please contact Thabiso Lebea (011) 298-9442 email: thabiso@seifsa.co.za or make an online booking **www.seifsa.co.za**

Dates and duration of workshops is subject to change