

# SEIFSA 2019 ANNUAL REVIEW



SEIFSA

Steel and Engineering Industries Federation of Southern Africa

**OUR PASSION, YOUR SUCCESS**



# SEIFSA

## VISION

To promote sustainable metals and engineering industries to ensure that they are strategically positioned for innovation and growth in the interests of a prosperous Southern Africa.

## MISSION

To be Southern Africa's most respected advocate for the metals and engineering industries in order to create innovative businesses positioned for growth and working in partnership with all stakeholders in the interests of Southern Africa.

To foster mutually-beneficial relationships between employers and labour in the industries and to help members develop their human capital to realise their full potential.

## VALUES

### Integrity

Integrity is paramount to us. It informs everything that we do and how we do it.

### Diversity

We embrace, value and leverage Diversity.

### Excellence

We seek to do everything right the first time, with Excellence.

### Stewardship

We take Responsibility for our actions and treat SEIFSA's assets with respect.

### Passion

We approach every task, however small it may appear to be, with Passion.

### Innovation

We always strive to Improve our performance and to come up with new products and services.

VISION

MISSION

VALUES

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ORGANOGRAM

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# CHAIRMAN'S REPORT



SEIFSA President Elias Monage

**T**he state of our metals and engineering sector is a reflection of the performance of economic activity in South Africa. Disconcertingly, there was a decrease in production on a year-on-year basis during the year under review, due to the prevalence of a plethora of challenges in the sector. This included low aggregate demand.

The role played by our metals and engineering sector towards economic growth is still fairly negligible when compared to the pre-economic and production crises years of 2009 and 2014 respectively. The sector's lacklustre economic productivity reflects the very disappointing growth in domestic demand since 2007, during which growth in the Gross Domestic Product has been hovering around 1% per annum.

Although there was no doubt better leadership offered by President Cyril Ramaphosa and the Government as he finished the last year of his predecessor's second term as Head of State, our country continues to be dogged by various challenges. There continued to be a multiplicity of contradictory – and often influential – voices heard on the economy, sometimes from within the ranks of the governing party, at a time when consensus is desperately needed to engender investor confidence. While welcome efforts were made to reach out to business and labour, more still remained to be done to forge a stronger partnership among the Government, business and labour.

The top industries to which the sector sells its output (that is the share of domestic demand for M&E sector products) are:

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23.5%

Construction sector

.....

12.1%

Auto cluster

.....

6.1%

Mining sector

---

Alternatively, the top industries from which the sector buys its inputs are:

29.8%

Mining

.....

1.4%

petroleum & chemicals

.....

1.1%

construction

---

Despite the ongoing contestation of ideas on a number of issues when it comes to management of our economy, one is cautiously optimistic that the centre will hold and that President Ramaphosa will succeed in his commendable efforts to rid the country of corruption and to attract foreign direct investment to South Africa.

## BUSINESS AND ECONOMIC ENVIRONMENT

The foremost issue is what should be done to ensure that the sector remains competitive, is attractive for investment and generates sustainable profits underpinned by more employment.

It is evident that the sector's continued survival depends, as far as the local economy is concerned, crucially on the health and growth of the sectors which are its demand drivers, viz the mining, construction and petro-chemical sectors and the automotive industry. The top industries to which the sector sells its output (that is the share of domestic demand for M&E sector products) are the construction sector (23.5%), followed by the auto cluster (12.1%) and the mining sector (6.1%). Alternatively, the top industries from which the sector buys its inputs are mining (29.8%), followed by the petroleum and chemicals (1.4%) and construction (1.1%). In addition, the need to continually grow market share in regional markets and also mitigate exposure to potential risks from the existing trade war between two of the World's largest economies is also important.

Competition is encouraged, albeit in a business-as-usual atmosphere rather than belligerently. Competition should be driven by a collegial approach in solving common problems

facing the industry to ensure that intermediate goods are priced competitively, with a positive effect on margins of businesses. Without co-operation, all businesses – including small, medium and micro enterprises – cannot flourish and expand. Intra-industry squabbles are counterproductive to the objectives of the National Development Plan (NDP) in the long run, especially that of enduring growth and employment, thereby constricting the effective implementation of its long-term socio-economic road map, with dire consequences on economic development.

Despite a relative reduction in import volumes, thanks to the protection measures for the upstream steel industry announced by the Government, import penetration – notwithstanding designated products – remains a cause for concern. There are also legitimate concerns from the mid- and downstream steel sectors that the safeguard duty mainly favours the upstream steel sector. This calls for a need to revisit quid pro quo commitments made by the principal beneficiaries of the safeguard, including the contentious downstream developmental pricing, which is obsolete in a world of volatile steel prices, exchange rate and trade war. Although the establishment, through interest rate subsidy, of a R1.5 billion downstream steel industry competitiveness fund over three years has relieved some pressure from a number of structural factors, there is still need to ensure that the fund is accessible to more companies.

Longer-term survival and recovery, however, needs honest and sincere discussions around policy measures and company behaviour. The need to contain input costs and further lessen the impact of both the 2007/8 financial



and economic crises and the 2014 productions crisis still exists. Also, the negative effects of the Chinese economy, which is simultaneously slowing down and overwhelming world markets with cheap exports, needs to be contained.

There are prospects for increased trade and interdependence with the rest of Africa, since local companies can still make use of the R13,4 billion export trade facility launched by the Export Credit Insurance Corporation of South Africa (ECIC) and the African Export Import Bank (Afreximbank). This amount, plus additional support to the tune of \$1 billion from Afreximbank to help alleviate the transactional and adaptation costs of countries which are signatories to the African Continental Free Trade Agreement, should boost SA's intra-African exports to the rest of Africa.

Importantly, a cluster approach to the dynamics of each sub-industry is still needed. As highlighted in the State of the Metals and Engineering Sector Report for 2019/20, each sub-industry within the sector has its own unique exposure to national and international markets, its own capital or labour intensities and its own productive capacity constraints and production cost challenges. Clearly, new investment is needed by all the sub-components in order to improve productive efficiencies to those of world benchmarks and to grow.

Stimulation and redirection of domestic general government procurement demand towards domestic metals and engineering producers is a policy measure over which South Africa has control. The recent initiative by the Department of Trade and Industry aimed at designation, localisation and supplier development is lauded as a significant tool in the industrial policy toolkit to support the broader manufacturing sector,

especially given that government has the largest procurement spend of roughly R938 billion. So far, the steel industry seems to be the earliest beneficiary, but the expectation is for the benefit to trickle down to other industries in the M&E cluster.

Opportunities like SEIFSA's annual Southern African Metals and Engineering Indaba offer a great platform for industry players to put their heads together, deliberate on matters of common interest and seek to influence Government policy. It is crucially important that the Indaba enjoys the full and enthusiastic support not only of companies in Associations affiliated to SEIFSA, but also that of all industry players, including their suppliers and customers.

## MEIBC NEGOTIATIONS ON WAGES AND CONDITIONS OF EMPLOYMENT

Regrettably, efforts to extend the 2017-2020 MEIBC Main Agreement to non-parties were not concluded during the year under review. That meant that those that were not party to the Agreement continued to enjoy an unfair advantage when it came to input costs, thanks to much filibustering on the MEIBC Management Committee when it came to extending the Agreement.

However, that notwithstanding, we remain hopeful that the new Minister of Employment and Labour will do all in his power in future to protect collective bargaining and to ensure that agreements duly reached in such bargaining are extended throughout the industry.



Delegates visiting exhibitors at 4th Annual M & E Indaba



As the 2020 negotiations approach, it is important to bear in mind the state that the South African economy currently finds itself in – a mostly negative economic and business environment characterized by a stagnant economy and job losses being experienced in the metals and engineering and other economic sectors.

There is reason to hope that the amendments to the Labour Relations Act made last year – which brought back the secret ballot, introduced advisory arbitration and a code of good practice on collective bargaining and default picketing rules – will mitigate the chances of the kind of prolonged and violent strike action seen in 2014.

## **METAL AND ENGINEERING INDUSTRIES BARGAINING COUNCIL (MEIBC)**

The MEIBC continued to function under administration under the control of a Court-appointed Administrator. To date, the Administrator has appointed a Council Secretary with strong accountancy and corporate governance skills and tabled a rehabilitation plan. He has been effective in reducing overheads, whilst stabilising the Council's finances.

Whilst administration has been effective in preventing the complete collapse of the Bargaining Council, important work remains, particularly in the area of extending the coverage and scope of the Council's levy agreements, which are very important to the long-term survival of the institution.

A properly-resourced and well-functioning Bargaining Council is critical to maintaining labour market stability. Returning the Council

to solvency and functionality is a goal that is shared by almost all stakeholders represented on the MEIBC.

## **BUSINESS SUSTAINABILITY**

On the business front, challenges of different kinds remain. At the top of our list is our country's poor economic performance, followed by continuing significant imports of competitive products and skills and our manufacturing sector's apparent lack of international competitiveness.

These challenges will continue to stare us in the face, and maybe even worsen, until such time that South Africa Incorporated – Government, business and labour – gets together to address them constructively, putting the country's interests above all else, and then implementing the solutions agreed to.

To this end, the metals and engineering cluster of industries needs more support from both the Government and Captains of industry in order to trigger a turnaround in 2019. Increased export volumes and export competitiveness are pivotal if companies in the cluster intend to gain from the African Continental Free Trade Area and to maximise benefits from preferential rates on 90% of goods originating from the continent.

SEIFSA's strategic role in influencing policy cannot be underestimated. The Federation's involvement with Business, Government, Institutions like the International Trade Administration Commission and Business Unity South Africa and labour is geared towards improving the business and regulatory framework for the sector.

Internally, we have to ensure that SEIFSA continues to be equal

to the challenges that confront it, including on our approach to collective bargaining and the mandating process. The ongoing challenge facing the Federation is to demonstrate that it has the interests of all players, big and small, in the metals and engineering sector and that, as much as possible, it represents or speaks for all of them. To that end, the Federation's Small Business Hub (SBH) is of critical importance. I encourage many companies – large, medium-sized and small – within and outside the broad SEIFSA membership to make use of the impressive suite of services offered by the SBH.

## **TRANSFORMATION**

The slow pace of transformation in the metals and engineering sector continues to be of great concern. The Employment Equity Act and Skills Development Act provide the basis for addressing other indicators of inequality in the labour market. These two pieces of legislation complement each other in addressing inequalities and unfair discrimination in human capital development, thus helping this country to harness fully the potential of its diverse human capital. The manufacturing industry in general and the metals and engineering sector in particular are very much in need of transformation. This is the case not only when it comes to general business ownership, but also with regards to occupation of senior leadership positions.

Former Labour Minister Mildred Oliphant delivered the findings of the Employment Equity Report 2018. The Black (African) population represents the biggest number of people who make up the economically active population – and it is paramount that our workplaces should reflect this reality. However, during the period under review, a number of JSE-listed companies received prosecution warnings for not complying with the Employment Equity Act by not implementing



affirmative action measures to redress the disadvantages in employment experienced by designated groups. Here are some key findings from the report:

- White people occupy 67.7% of top management jobs in SA

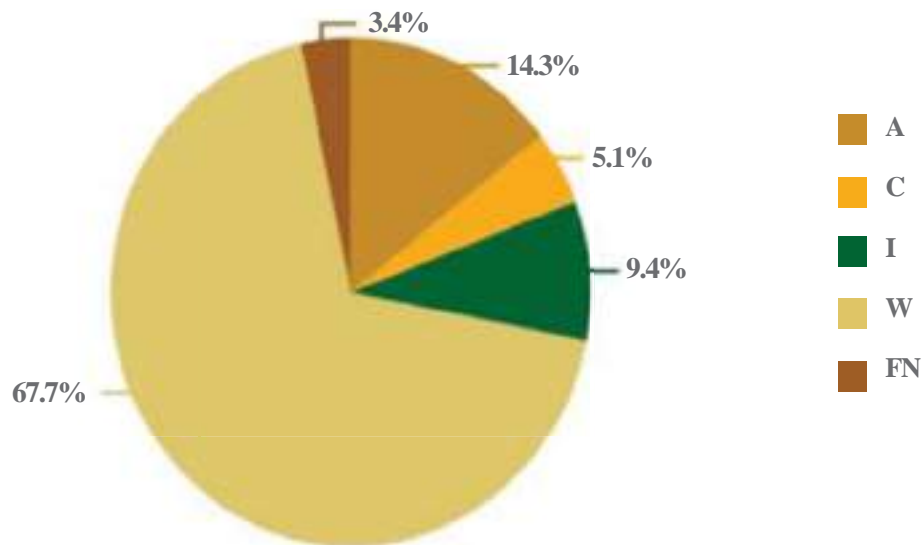
Over the past 20 years, there has been a 1% decline in white incumbents in senior management. The African population occupies 14.3% of senior management, while

the coloured population sits at 5.1% and the Indian community at 9.4%.

- Black people occupy 83.5% of positions at unskilled level  
Coloured people occupy 11.1%,

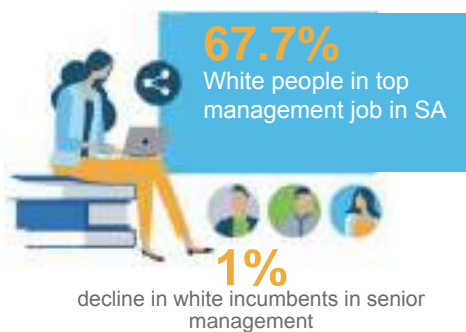
#### 4.2.1. Top Management level by Population Group, Gender and Disability

**Figure: Top management by population group (All Employers)**



## EMPLOYMENT EQUITY REPORT 2018

### TOP MANAGEMENT



### SENIOR MANAGEMENT

African population occupies

**14.3%**  
of senior management,  
while **coloured population**  
sits at

**5.1%**  
and **Indians** sits at  
**9.4%**

### UNSKILLED LEVEL



**Blacks people** occupy

**83.5**

while **coloured people** occupy

**11.1%**

**Foreign nationals** are at

**3.5%**

and **Indians** sits at

**0.8%**



43.5%

of females  
occupy semi-skilled jobs



Foreign Nationals are at 3.5%, while White people sit at 1.1% and Indian people at 0.8%.

Males sit at 56.5% of semi-skilled positions, while they also have the majority (59.8%) in the private sector and females were the majority at government level at 55.1%.

- Females occupy 43.5% of semi-skilled jobs

Males sit at 56.5% of semi-skilled positions, while they also have the majority (59.8%) in the private sector and female employees were the majority at government level at 55.1%.

- Africans are the most represented in technically skilled labour

In community/social/personal services, African people sit at a majority, with 75.4%, followed by electricity, gas and water. Mining and Quarrying employed the most Foreign Nationals, at 4.4%.

- In senior management, males occupy 66.2% of the positions. Females make up 33.8% of the positions, while whites occupy 56.1 of the positions over Africans, who occupy 22.1% of the positions.

As a sector, we need to stand up and embrace change and advocate transformation. Not only is it in South Africa's interest for that to happen, but it is also fundamentally in business's own long-term interest. It is of critical importance that a concerted effort is made by the sector to create meaningful opportunities for all South Africans to play

a crucial role in taking our industry to new heights.

## STATE OF THE NATION

South Africa's outlook was significantly shifted by the appointment of a new President to lead the country in 2018. Markets rallied strongly the day after Cyril Ramaphosa assumed the presidency. While the initial euphoria occasioned by this transition has since dissipated, there is every reason to believe that the country will be much better run in the new dispensation. We look forward to working with the new Cabinet in the implementation of the many undertakings made by President Ramaphosa.

The year under review has been characterised by a series of hearings into State capture. It remains our hope that the hearings will be followed by the prosecution of those alleged to have been involved in various acts of corruption, both in the public and the private sectors. In particular, the work that continues to be done by the State Capture Commission led by Deputy Chief Justice Raymond Zondo will be of vital importance in ensuring that South Africans get to appreciate fully the extent to which their country was taken advantage of and that the country cleanses itself.

All of us – as citizens, business and labour leaders, elected public officials, etc. – have a collective duty to eradicate the terrible

scourge of corruption and to place the country on an upward, growth trajectory. We dare not fail our country and future generations.

## APPRECIATION

There is no doubt that focused effort and planning is required to navigate SEIFSA and its member Associations through increasingly challenging circumstances, socio-economic difficulties, political and regulatory uncertainty and the weak business landscape. To achieve its objectives, SEIFSA requires well-informed, strong, respected leadership, a united and effective Board and Council and a presence and voice with all stakeholders.

I would like to express my thanks to the SEIFSA membership, which supported my appointment as President.

This has been an eventful year and there have been many outstanding contributions by individuals to the successes that SEIFSA has achieved, negotiated and influenced.

My sincere thanks go to all SEIFSA Council Members for their support and active participation at our meetings. My thanks also go to fellow Directors on the SEIFSA Board and to the SEIFSA Executives. I am grateful to the entire SEIFSA team for its collective and individual energy, enthusiasm and passion for the Federation. Your contribution, professionalism and dedication are greatly appreciated.

Finally, I wish the men and women who will be elected onto the Board of Directors at the Annual General Meeting in October the very best of luck in the year ahead.

*Elias Monage*

President and Board Chairman

# CHIEF EXECUTIVE OFFICER'S REPORT

## A GOOD YEAR, FOR THE THIRD YEAR IN A ROW

**H**ard on the back of two successful years, SEIFSA has again had another good year in FY2018/19. For the third year in a row, the Federation has generated a healthy surplus, notwithstanding the poor state of our economy.

This good performance, which has now become a solid pattern, is based on tough decisions that have had to be taken over the past five years. These have seen the Federation paying particular attention to cost containment, while simultaneously working hard to maximise revenue generation opportunities. While membership fees continue to be important, over the past few years we have managed to generate more revenue from the Federation's various products and services in order to ensure greater sustainability.

To date, the vast majority of companies taking advantage of SEIFSA's competitively-priced products and services are members of Associations affiliated to SEIFSA. That means that there continue to be opportunities for us to ensure that there is wider take-up of our products and services – most of which are generic in nature – beyond both member Associations and the metals and engineering sector.



Regrettably, the South African economy continued to perform poorly during the year under review. Inevitably, the metals and engineering sector was similarly affected, as was general manufacturing. This is disappointing, especially when the euphoria which greeted President Cyril Ramaphosa's first few months in office in 2018 is taken into consideration. At the time, there was much hope and optimism that the era of lack-lustre economic growth would soon be behind us. Sadly, that was not the case during the course of the year.

## ADVOCACY AND LOBBYING

Advocacy and lobbying continue to be an important part of our work, in addition to stakeholder management and revenue generation. This work is done through participation in various fora involving a multiplicity of stakeholders, attendance of important stakeholder functions and events, through to the arranging of one-on-one meetings for SEIFSA and/or some of its member Associations or companies. Equally importantly, we also ensure that the Federation's voice is heard loudly on important matters with potential to affect the economy and/or the metals and engineering sector. Through regular public interviews, weekly issuing of press releases and the publishing of analyses and sundry opinion pieces in various newspapers, SEIFSA generated publicity worth R41,6 million (called the Advertising Value Equivalent) during the year under review, according to media monitoring agency Newsclip.

In addition to participation in industry events, both the CEO and all Executives took part in various meetings and discussions organised by entities like Business Unity South Africa and Business Leadership South Africa with various stakeholders, primarily Government representatives. In September 2019, one was part of a meeting that President Cyril Ramaphosa held at the Union Buildings with various CEOs, during which matters of concern to our members were brought to the attention of the President and his Ministers. One was also part of both the inaugural Presidential Investment Summit in Sandton, Johannesburg in November 2018 and a day-long Business Economic Indaba hosted by President Ramaphosa at Gallagher Estate in Midrand in February 2019.

In addition to supporting member companies, Associations and allied organisations which have social events like annual golf days and to partnering with the Department of Higher Education and Training on Centres of Specialisation at a number of Technical, Vocational and Educational Training Colleges, the CEO also hosted the four main political parties over breakfast at the Johannesburg Country Club in Auckland Park, Johannesburg, during which the parties spelt out – ahead of the 8 May 2019 elections – their various economic plans.

A separate, consolidated Advocacy and Lobbying Report is carried elsewhere in this *Annual Review*.

## CORPORATE EVENTS AGAIN A SUCCESS

Once again, our various corporate events were a great success during the year under review. The 2018 SEIFSA Golf Day, which took place at the Houghton Golf Club, was again over-subscribed. Sanlam came on board as the primary sponsor, and we continued to enjoy the support of many member companies. Now in their fifth year, the SEIFSA Awards for



Then Minister in the Presidency Dr Nkosazana Dlamini Zuma was among speakers at the 2018 M&E Indaba

Among the key policy makers in attendance was then-Minister in the Presidency, Dr Nkosazana Dlamini-Zuma, with yet another impressive list of speakers from business, Government and labour.

Excellence attracted the highest number of entrants to date, and the hall for the Awards function held at Sunnyside Park Hotel in Parktown, Johannesburg in May 2019 was overflowing. Youth Employment Initiative Chief Executive Officer Tashmia Ismail-Saville was a popular guest speaker.

The fourth Southern African Metals and Engineering Indaba, which was again held at the IDC Conference Centre in Sandton, was another great success. Among the key policy makers in attendance was then-Minister in the Presidency, Dr Nkosazana Dlamini-Zuma, with yet another impressive list of speakers from business, Government and labour.

At the time of compiling this report, the Fifth Southern African Metals and Engineering Indaba, which coincides with the 25th year of South Africa's democracy, was about to take place.

## STABILITY AT INDUSTRY INSTITUTIONS

There continued to be stability at the two important industry institutions, the Metal and Engineering Industries Bargaining Council (MEIBC) and the Metal Industries Bargaining Funds Administrators (MIBFA). While Administrator Afzul Soobedaar continued in office at the MEIBC during the year under review, the Council also welcomed new CEO David Sicelo Nduna.

Separate reports by SEIFSA Operations Director Lucio Trentini and Chief Financial Officer Rajendra Rajcoomar on both institutions are included elsewhere in this Annual Review.



At the time writing, we have no reason to believe that the MEIBC will not be ready to host the 2020 negotiations on wages and conditions of employment.

## NEW FACES ON THE EXECUTIVE COMMITTEE

During the year under review, two former members of the Executive Committee moved on. Former Industrial Relations and Legal Services Executive Bridgette Mokoetle, who was also Company Secretary, left the Federation's employ at the end of May to open her legal practice. Her exit was well managed: she had indicated, in November 2018, her intention to go into private practice this year, and was persuaded to delay her decision until March 2019. During her last three months (April-May 2019) with the Federation, she was on contract and spent two days a week attending to SEIFSA's business. Her successor, Sibusiso

Mthenjana, started on 1 May 2019. He and Ms Mokoetle worked together during that month to effect a smooth transition.

Former Human Capital and Skills Development (HC&SD) Executive Melanie Mulholland and her husband relocated to the Western Cape in April 2019. Her last month with SEIFSA was March 2019. She has since joined the Cape Engineers and Founders Association, which is affiliated to SEIFSA, as Executive Director. We were in the fortunate position of being able to appoint Michelle Norris, who was the HC&SD Manager at the time, our new HC&SD Executive. Ms Norris has since settled comfortably into the position.

To continue to contain costs, we also took a decision to out-source the services offered by our Safety, Health, Environment and Quality (SHEQ) Division. That led to then-SHEQ Executive Nonhlalo Mphofu being impacted by the restructuring. As a result, a Section 189 process,

in terms of the Labour Relations Act, was initiated and she exited the organisation at the end of the financial year. Through its virtual SHEQ Division, SEIFSA now offers considerably more SHEQ services throughout the country, thanks to its partnership with two established service providers.

I thank Ms Mokoetle, Ms Mulholland and Ms Mphofu for their service to the Federation and wish them well in their respective current endeavours. I also congratulate Mr Mthenjana on his appointment and Ms Norris on her promotion, and wish them well in their new positions.

The 2019/2020 financial year marks the last year of the three-year Settlement Agreement signed in August 2017. Thanks to that agreement, our sector has enjoyed relative calm and stability in the interim, without any industrial action.



*Sibusiso Mthenjana*  
Industrial Relations &  
Legal Executive



*Michelle Norris*  
Human Capital & Skills  
Development Executive



## THE YEAR AHEAD

Next year is very important for our sector, marking as it does the need for a return to negotiations on wages and conditions of employment. It will require, yet again, that all Associations affiliated to SEIFSA and like-minded employer parties work closely together to develop realistic mandates ahead of the negotiations, with our labour partners having a similar responsibility. At a time when South Africa is facing a possible sovereign ratings downgrades by Moody's, the only credible ratings agency to have kept us above junk status so far, not only our struggling sector, but the economy as a whole, cannot afford industrial action next year.

As always, SEIFSA will work closely with member Associations to execute the mandate given to its negotiators by the SEIFSA Council, our assembly of member Associations from which our mandate derives. We will again stick closely to the given mandate. We look forward to the cooperation of members and labour partners alike in the crucial process ahead.

Also in the year ahead, SEIFSA

will be active in championing the interests of the country's manufacturers through the BRICS Business Council. This follows first my appointment into the Manufacturing Working Group of the South African Chapter of the BRICS Business Council, followed by my elevation to the position of Chairman of the Manufacturing Working Group. That will cement ties between the Federation and all interested manufacturing groups in the country, including companies that are members of our affiliated Associations.

### MY THANKS

The team with which I have the pleasure of working at SEIFSA is richly deserving of my gratitude and appreciation. Collectively, we have continued to work hard to ensure the Federation's success. I dip my hat to all staff members, from Executive Committee Members to the most junior employee.

As always, colleagues and I are immensely grateful to all SEIFSA member Associations for their continued support for and loyalty to the Federation. We appreciate

each one of them. With all of us working as a team and pulling in the same direction, SEIFSA can only be even stronger and its voice more influential.

Finally, my thanks and appreciation go to SEIFSA President and Board Chairman Elias Monage for his support and guidance, and to the Board of Directors for its support and stewardship of the Federation. Their collective wisdom and commitment to Good Corporate Governance remain greatly appreciated.

*Karim M. Nyatumba*  
Chief Executive Officer





SEIFSA CEO Kaizer Nyatumba addressing M&E Indaba Indaba delegates



# CHIEF FINANCIAL OFFICER'S REPORT

## OVERVIEW OF OPERATIONS

**F**or the year under review, the Federation continued to operate with a primary focus on collective bargaining, lobbying and advocacy, whilst simultaneously having a secondary focus on generating revenue from consultancy, training and the sale of publications such as the SEIFSA Price and Index Pages, Industrial Relations Advisors and The State of the Metals and Engineering Sector Report. The primary sources of revenue were fees levied to Associations and the sale of products, services and publications offered through the following Divisions:

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

SEIFSA has also continued to offer accounting, administration and management services to 21 of its affiliated Associations. The SEIFSA Training Centre continued to focus on developing high-calibre artisans to meet the needs of employers and address the skills shortage that faces the country in artisan development. Over the past years, SEIFSA has steadily increased the revenue generated by the Divisions in order to maintain the competitive pricing of its membership fees and the price of its products and services. Continuous product innovation and marketing tools have assisted in increasing traffic to the Federation's website and take up of service and product offerings.

The continued actions of economic aggression from the United States (US) has created an environment of uncertainty and economic hardship in certain parts of the world. Here at home, the political climate continues to hamper economic growth and the possibility of a credit downgrade has brought economic growth to below a percent. Unfortunately the outlook for the future is subdued.

Since the majority of the Federation's customers are from the metals and engineering sector, these external factors seriously impact on the sector and, in turn, on the Federation's ability to generate revenue and retain or grow its membership base. Notwithstanding this fact, the Federation managed to promote and market the uptake of its products and service offerings.

A continuous effort to optimise costs has been maintained, without compromising service delivery. Product innovation, process optimisation and the manner in which we are embracing 4IR assist the Federation on positioning itself for long-term sustainability.

The Federation operated at full operational capacity for much of the year.

## OVERVIEW OF FINANCIAL RESULTS

The approved budget for the year was a surplus which built on (108%) of the prior year's surplus. Having met the budget in the previous two financial years, every effort was made by the Federation to meet the budget for FY2018/19. The year progressed well, with month-on-month financial targets being met, with an exception noted for only three months of the year.

Consolidations and liquidations in the sector impacted negatively on the Federation's membership. The investment made in developing the Federation's websites and the implementation of Active Campaign (a digital marketing platform) have shown significant growth in visitors to the websites and increasing business via the websites.

Income generated from membership fees has increased by 2.83% from FY2017/18. This marginal increase has been a positive one in light of the large number of consolidations and mergers of companies in the sector. The income generated by the SEIFSA Training Centre increased by 14.38% when compared to FY2017/18 as a result of increased student and apprentices uptake. The revenue generated from the sale of products and services increased by 19.39% when compared to FY2017/18. This growth has been attributable to an overall increase in the Divisional sales and the sale proceeds from the tender awarded by the Department of Higher Education and Training for SEIFSA to manage selected Centres of Excellence at a number of Technical, Vocational and Education Centres. Significant growth exceeding inflation has been achieved for the year under review.

Operating expenses for the current year increased by 7.19% when compared to FY2017/18, mainly attributable to the salary increases and related adjustments for the year. Continuous cost optimisation has been implemented.

The year closed with a surplus, for a third consecutive year.

The surplus generated has assisted in improving the Reserves and led to an improvement of the current ratio to 1.30 (FY2017/18: 1.21).

## INTERNAL CONTROL

SEIFSA's system of internal control is designed to provide reasonable assurance that, inter alia, assets are safeguarded and that liabilities and working capital are managed efficiently.

## RISK STRATEGY

SEIFSA has a risk management strategy in place and actively monitors and takes appropriate action against the risks identified and captured in the Risk Register.

## FRAUD AND CORRUPTION

SEIFSA has committed itself to actively combatting fraud and all other acts of dishonesty on a zero-tolerance basis. No incidents of fraud or corruption were reported during the year under review.

## DISCONTINUED ACTIVITIES/ ACTIVITIES TO BE DISCONTINUED

SEIFSA has decided to outsource the services offered by the Safety, Health, Environment and Quality Division in the next financial year.

## NEW OR PROPOSED ACTIVITIES

SEIFSA has no new or proposed activities for the next 12 months..

## GIFTS AND DONATIONS RECEIVED IN KIND FROM NON-RELATED PARTIES

No gifts and donations were received in kind from non-related parties. Employees receiving gifts are obliged to complete the Gift Register, which is tabled at the Executive Committee meeting every quarter..

## EVENTS AFTER REPORTING DATE

No events took place after the reporting date that would materially impact on the financial position/performance of SEIFSA.

## FUTURE PLANS

SEIFSA will continue to deliver on its primary mandate and focus, which is undertaking collective bargaining, lobbying and advocacy. In order to achieve these goals at a minimal cost to its membership, the Federation will simultaneously generate revenue from the rendering of services that are paramount to its members' and customers' businesses and deliver products that will add value to its customers. Financial performance will be closely monitored to ensure that the Federation remains financially viable. Where action is required to rectify performance, immediate corrective action will be implemented.

In the next year, online training and a customer rewards programme will be implemented. Although the year ahead is likely to be challenging no effort will be spared in delivering outstanding customer service, delivering on the Federation's mandate and meeting its financial targets and obligations. We remain hopeful that the economy and the political climate will improve. Accordingly, the Federation will adjust and adapt to the ever-changing environment and landscape.



## KEY FINANCIAL RATIOS

Revenue: Membership	↑ 2.83%
SEIFSA Training Centre Profit	↑ 14.38%
Revenue: Products & Services	↑ 19.39%
Expenses	↑ 7.19%
Surplus	↑ 24.44%

*Rajendra Rajcoomar*  
Chief Financial Officer

# METAL INDUSTRIES BENEFIT FUND ADMINISTRATORS REPORT

## BACKGROUND

**R**etirement Funds in South Africa are governed by the Pension Funds Act No. 24 of 1956 (as amended), that came into operation on 1 January 1958. Since then, all retirement Funds (Pension, Provident and Retirement Annuity Funds) must be registered in terms of this Act.

### The main aims of the Pension Funds Act are to:

- Register and regulate all entities operating as Retirement Funds;
- Protect the rights of members;
- Maintain minimum solvency standards to ensure that employers do not renege on their commitments to employees and leave them destitute in their old age;
- Ensure that the Funds, as separate legal entities, have balanced ownership and accountability of the participating parties; and
- Dissolve Funds that are financially unsound or wilfully violate the Act.

In terms of the Pension Funds Act, members have the right to elect 50% of the Board Members. A Trustee acts in a fiduciary capacity and should be familiar with and understand the laws governing retirement funds.

The Board of Trustees has appointed as its agent, the Metal Industries Benefit Fund Administrators (MIBFA), to administer the funds of Employers and Employees in the metals and engineering industries. The Board is nevertheless accountable and ultimately responsible to the Registrar and the Financial Services Board. MIBFA provides administration services for the following Funds:

- Engineering Industries Pension Fund;
- Metal Industries Provident Fund;
- Metal and Engineering Industries Permanent Disability Scheme; and
- Metal and Engineering Industries Bargaining Sick Pay Fund.

## **ABRIEF HISTORY OF THE FUNDS THAT ARE ADMINISTERED BY MIBFA**

### **ENGINEERING INDUSTRIES PENSION FUND**

The Engineering Industries Pension Fund, being the continuation of the Metal Industries Group Life and Provident Fund with which the Metal Industries Group Pension Fund was merged with effect from 1 January 1995, was first established in 1957.

Until 31 March 2012, the Engineering Industries Pension Fund was a Defined Benefit Fund. This means that the benefits that were payable in terms of the Rules were guaranteed and fixed in nature. The Fund bore the risk and benefits payable on retirement had to be paid as a monthly income and were payable to the member for the rest of his or her life.

The Board of Trustees agreed to convert the active member section of the Fund to a Defined Contribution Fund from 1 April 2012.

This was done in order to guarantee the long-term financial sustainability of the Fund.

In a Defined Contribution Fund, member benefits are based on the members' own contributions to the Fund, plus the employer's contributions, plus interest earned from investing these contributions.

### **THE METAL INDUSTRIES PROVIDENT FUND**

The Metal Industries Provident Fund, a Defined Contribution Fund, was established on 1 May 1991. In this Fund, only the contributions are defined and benefits that are payable in terms of the Rules are payable as a lump sum. There is no monthly income on retirement. The member, therefore, carries the risk and is responsible for ensuring that s/he invests the lump sum wisely.

On starting employment, workers can thus choose to belong to either the Engineering Industries Pension Fund or the Metal Industries Provident Fund.



## THE METAL AND ENGINEERING INDUSTRIES PERMANENT DISABILITY SCHEME

The Permanent Disability Scheme was established in 1994 in order to provide a monthly income to members who become permanently disabled and unfit to carry out any occupation in the metal industries.

On joining either the Engineering Industries Pension Fund or the Metal Industries Provident Fund, members automatically assume membership of the Permanent Disability Scheme.

## METAL AND ENGINEERING INDUSTRIES BARGAINING SICK PAY FUND

The Sick Pay Fund, a Benefit Fund governed by the Friendly Societies Act, was established in 1978.

These benefits are temporary in nature and are geared to assist employees in times when they have exhausted their sick leave and have no means of income while they are absent from work due to illness or confinement. The benefit also includes payment to employees who are on maternity leave for a period up to six months.

## REPRESENTATION ON THE BOARD OF TRUSTEES

The Associations affiliated to SEIFSA have elected representatives from Industry, together with employees of SEIFSA, to serve as Trustees on the Boards of Trustees of the

Pension and Provident Funds. The Board of Trustees comprises an equal split of representation from both Employers and Labour, who meet at least four times per annum. Based on the level of knowledge and expertise that the Trustees have, they also serve on various sub-committees of the Board of Trustees, namely:

- Governance Committee;
- Investment Committee;
- Actuarial and Benefits Committee (sub-committee of the Investment Committee); and
- Collaboration Forum.

The number of meetings held by the various sub-committees will vary, depending on the tasks at hand, and will normally precede a meeting of the Board of Trustees.

The Board of Trustees has adopted an Investment Policy Statement and has strict Governance measures in place.

## INVESTMENTS

The combined value of the Pension and Provident Funds is in excess of R110 billion, making it one of the largest privately-managed funds in the country. The performance of the Fund Managers is closely monitored and corrective action implemented immediately, where necessary, and all investments are made in accordance with the Investment Policy Statement.

The financial markets both locally and globally have performed poorly over the past few years, with no real improvements being noted during the last year. However, the returns generated by the Funds have managed to exceed inflation. The asset management expenses of approximately 30 basis points are the lowest in the industry. Approximately 35% of the total assets are managed by MIBFA's Internal Managers.

Surplus apportionments have exceeded R25bn (R24bn prior year) to date, with 7.2% being added monthly for the employees' benefit from the Contribution Increase Programme Reserve Account (CIPRA), with no cost to the employer or employee.

In addition to the members' investment (contributions by members and employers, plus investment returns), an exit bonus of 13%-18% (which varies with the actuarial valuations) becomes payable to a member when the member exits the Fund. With effect from 1 April 2019, a sliding scale of exit bonuses has been approved by the Trustees.

During the year, the Funds Living Annuity has been rolled out to the members. A Fund housing scheme is in the process of being investigated. Should the entire criteria be met, the rollout of this scheme should commence in 2020. The South African Revenue Services is also revising legislation to allow the transfer from a provident fund to a pension fund upon retirement. This will enable pensioners to gain maximum pension for a longer period of time.

## SECTION 13 OF THE PENSION FUNDS ACT

Non-compliance with Section 13A of the Pension Funds Act 24 of 1956 (the "Act"), which deals with payment of contributions to the Fund, is now a criminal offence in terms of the new sections [13(8) and (9)] that have been added to the Pension Funds Act with effect from 28 February 2014. If convicted, a fine of up to R10 million and/or imprisonment of up to 10 years may be imposed on the responsible party.





In addition to criminalising the non-payment of contributions, the person at the employer responsible for not paying the contributions over to the Fund is also held personally liable for non-compliance. Every Director of a Company or every Member of a Close Corporation, who is regularly involved in the management of the Company's or Close Corporation's overall financial affairs, or all the persons compromising the governing body of the employer, as the case may be, is/are personally liable for compliance with this Section of the Act. In terms of Section 13A (9) (a) of the Act, the Fund is compelled to request all participating employers to identify a "Responsible Person" that will be personally liable in the event of non-compliance with Section 13A.

During the year, MIBFA allocated part of its enforcement of arrear collection budget to the Metal and Engineering Industries Bargaining Council (MEIBC) to roll out the new provisions of Section 13. This was a positive action that has yielded more than R422m (prior year R299m) in acknowledgment of debts (AOD) being secured by the Attorney. Payments totalling R256m of the signed AODs were received, which equates to a 60.7% collection success rate.

## STAKEHOLDER RELATIONSHIPS

MIBFA has set up a call centre to assist members with queries. In addition, SEIFSA continues

to engage and provide feedback to all its member Associations and to the members of the affiliated Associations on MIBFA's various activities. When requested to do so, SEIFSA regularly engages with MIBFA to address and satisfactorily resolve various funds-related matters.

*Rajendra Rajcoomar*  
Chief Financial Officer

# METAL AND ENGINEERING INDUSTRIES BARGAINING COUNCIL REPORT

**T**he Metal and Engineering Industries Bargaining Council (MEIBC) is registered in terms of section 29(15)(a) of the Labour Relations Act, 1995. The MEIBC is a statutory body created under the LRA to provide for the co-regulation of stable and productive employment relations in the metals and engineering industries.

The council is an industry based forum of organised business and labour that regulates employment conditions and labour relations in the metals and engineering industry. It provides the necessary administrative infrastructure and technical expertise to ensure effective collective bargaining, industry compliance, dispute resolution and social protection services. As at December 2018, the Council represented approximately 10 000 firms and approximately 400 000 employees in the industry.

In terms of Section 49(4) of the LRA a determination of the representativeness of a bargaining council in terms of the LRA must be undertaken annually. In terms of the representivity exercise which was undertaken by the Department of Labour on 13 April 2018, the following representative determination was made:



- The trade unions party to the council represent 163 214 (38.4%) out of 424 365 of the employees concerned.
- There is a total of 277 602 (65.4%) out of 424 365 employees who are employed by the employers' organisations party to the council falling within the registered scope of the council.
- There is a total of 3 874 (37.9%) out of 10 215 employers who are members of the employers' organisations party to the council in the registered scope of the council.

The SEIFSA affiliated employers' organisations registered with the bargaining council employ 164 931 employees (59%) of all employees employed by all the employer organisations registered with the council.

The MEIBC's scope covers a wide range of activities within the metal's and engineering industries, including the following sectors:

- The production of iron, steel, alloys and metallurgy;
- General engineering;
- Manufacturing engineering;
- Building and repairs of ships and boats;
- Certain sections of the electrical engineering industry;
- The lift engineering industry; and
- The plastics industry.

The MEIBC employees 101 staff, who are spread nationally across the National Office, Six Regional Offices, Four Satellite Offices and a dedicated Centre

for Dispute Resolution providing dispute facilitation and resolution throughout the country.

Over the last few years the MEIBC has been facing a number of challenges, which includes the extension of its collective agreements to non-parties to the council, as well as the discharge of its dispute resolution functions under the LRA which edged the council to potentially being wound up under the LRA. In order to arrest the disarray the council found itself, the majority of the parties supported by the Department of Labour agreed to approach the Labour Court with a request to place the Council under administration.

The Court considered the unopposed relief sought by the Parties and concluded that there was a need for the appointment of an administrator and importantly concluded that the MEIBC was indeed capable of being rescued.

The MEIBC continues to function under administration under the control of a Court-appointed Administrator. To date, the Administrator has appointed a Council Secretary with strong accountancy and corporate governance skills and has tabled a rehabilitation plan and budget and effectively staved off liquidation. The Administrator has been

effective in reducing overheads, whilst stabilising the Council's finances.

Whilst administration has been effective in preventing the complete collapse of the bargaining council, important work remains, particularly in the area of reviewing the constitution of the council and extending the coverage and scope of the Council's levy agreements, which are critically important for the institution's long-term survival.

A properly resourced and well-functioning Bargaining Council is critical for the maintenance of labour market stability. It is our view that returning the Council to solvency and functionality is a goal that is shared by the majority of stakeholders represented on the MEIBC.

*Lucio Trantini*  
Operations Director



# ADMINISTRATION SERVICES REPORT

## ASSOCIATIONS

**T**he FY2018-2019 was a difficult one for many member Associations as economic conditions saw a decline in membership. However, many of the Associations offered those companies that were struggling some temporary financial relief which, in most cases, was welcomed.

## ADMINISTRATION AND FINANCIAL SERVICES

### SECRETARIAL AND ACCOUNTING SERVICES

In addition to the industry services offered by SEIFSA, the Federation also provides a secretarial and accounting service to some of the constituent employer Associations. These include the following specific services:

Accounting;  
Administrative and Secretarial;  
Communication and Liaison;  
Compliance; and  
Marketing (which includes membership retention and recruitment).

On 1 January 2019, the amendments to the Labour Relations Act, 1995 came into operation, introducing further measures to ensure that registered trade unions and employers' organisations comply with their constitutions and requirements of the Ac.In terms of section 95(5) (q) of the LRA, the Constitution of every trade union or employers' organisation must provide that a trade union or employers' organisation, before calling a strike or lock-out, must conduct a ballot of members in respect of whom it intends to call the strike or lock-out.

Following a directive issued by the Registrar of Labour Relations in February 2019, addressed to all the registered employers' organisations, all Associations are required to amend their Constitutions to ensure compliance with the new provisions of the Labour Relations Act, 1995 as amended relating to the balloting procedure to be followed.

In this regard, the Office has assisted all member Associations with ensuring that their Constitutions were compliant.



## SEIFSA AWARDS FOR EXCELLENCE

As a Federation that represents 21 member Associations, SEIFSA values the relationship that it has with all its affiliated Associations and always strives to ensure greater alignment between itself and the Associations.

legal requirements and, in the case of the LBD, it accredits members which comply with a stringent 18-point compliance audit. The industry is represented on affiliated bodies where this representation can be meaningful and beneficial.

The winner of the CEO's Award in the Association of the Year category for 2018 was the Constructional

broader economy, but particularly in the metals and engineering industries.

In keeping with SEIFSA's loyalty programme, the Federation has the following membership recognition structure:

- Platinum member companies - **70 + years**
- Gold member companies - **50 - 69 years**
- Silver member companies - **25 - 40 years**
- Bronze member companies - **10 - 24 years**
- Standard member companies - **1 - 9 years**

For the 2018/2019 financial year, the number of companies in the above loyalty structure were as follows:



Guests attending 2018 SEIFSA Awards for Excellence

The CEO's Award for the Association of the Year is presented to an Association that has shown the best level of legal compliance, membership growth, and participation in SEIFSA structures, benefits offered to its members and promoting the interests of those members.

The winning Association was a founding member of SEIFSA and thus affiliated with SEIFSA since 1942 and continues to participate actively within the various fora in SEIFSA and in its Sector. In addition to its own activities, the Association has two active Divisions: the Labour Broking Division (LBD) and the Temporary Employment Services Division (TESD). The Association also has close ties to the SA Institute of Steel Construction, the SA Institute of Welding and the Confederation of Associations in the Private Employment Sector. The Association encourages all members to comply with all relevant

Engineering Association of South Africa (CEA).

The prestigious CEO's Award for Outstanding Contribution to the Industry recognises an individual who has been influential and has contributed to making a visible difference in the metals and engineering sector during his or her career.

It was a great honour and a privilege to present the CEO's Award for Outstanding Contribution to the Industry to an individual who has been active in influencing and promoting the interests of the Cape Engineers and Founders' Association and SEIFSA over the last 40 years.

Until recently the Executive Director of the Cape Engineers and Founders' Association, Colin Boyes has been active in promoting the interests of his constituency in the



*Theresa Crowley*  
Associations Manager

## ABOUT SEIFSA

**T**he Steel and Engineering Industries Federation of Southern Africa (SEIFSA) is a national employer federation representing the metals and engineering industries. SEIFSA has, for the past 76 years, provided active support for its members and lobbied for policies that have improved the business environment in which its members operate.

SEIFSA's management team represents employers on a number of organisations that are critical to the success of the industry as a whole, including Business Unity South Africa; NEDLAC and the National Skills Authority. Over the years, the SEIFSA management team has positively influenced legislation and policy affecting labour relations, skills development as well as economic and trade matters.

SEIFSA has a dual purpose: to operate at national level as the recognised voice of the metals and engineering industry and at individual member company level by providing a comprehensive range of products and services of direct benefit to members.

At an industry level, SEIFSA negotiates collective agreements covering wages, conditions of employment and social security benefit arrangements with the trade unions. The Federation also represents employers on

the boards of the Engineering Industries Pension Fund, the Metal Industries Provident Fund, the Metal and Engineering Industries Permanent Disability Scheme, the Metal and Engineering Industries Bargaining Council Sick Pay Fund, the Metal and Engineering Industries Bargaining Council and the merSETA.

Communication is an important aspect of the Federation's relationship with its members. There are five main channels of communication:

- SEIFSA News
- SEIFSA's website ([www.seifsa.co.za](http://www.seifsa.co.za))
- Regular electronic mails
- Regular Association meetings; and
- The Annual Southern African Metals and Engineering Indaba

SEIFSA is the umbrella body for the following 21 Independent employer Associations representing all the diverse sectors which constitute the metals and engineering industry:

- Association of Electric Cable Manufacturers of South Africa
- Association of Metal Service Centres of South Africa
- Cape Engineers and Founders' Association (CEFA)

- Constructional Engineering Association (South Africa)
- Eastern Cape Engineering and Allied Industries Association (ECEAIA)
- Electrical Engineering and Allied Industries Association
- Electrical Manufacturers' Association of South Africa (EMASA)
- Gate and Fence Association
- Hand Tool Manufacturers' Association (HATMA)
- Hot Dip Galvanizers Association Southern Africa
- Iron and Steel Producers' Association of South Africa (ISPA)
- KwaZulu-Natal Engineering Industries Association
- Lift Engineering Association of South Africa
- Light Engineering Industries Association of SA
- Non-Ferrous Metal Industries Association of South Africa
- Refrigeration and Air-Conditioning Manufacturers' and Suppliers' Association (RAMSA)
- SA Electro-Plating Industries Association
- SA Reinforced Concrete Engineers' Association (SARCEA)
- SA Valve and Actuators Manufacturers' Association (SAVAMA)
- South African Pump Manufacturers' Association (SAPMA)
- South African Refrigeration and Air-Conditioning Contractors' Association (SARACCA)

Three of these Associations are regionally based and are located in



Cape Town, KwaZulu-Natal and the Eastern Cape.

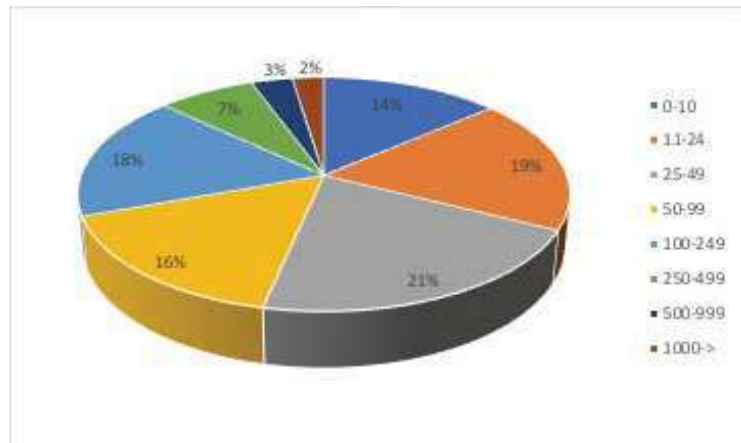
SEIFSA is a non-profit-making body. Its main source of income derives from annual per capita levies on member companies. The balance derives from income from services rendered and products sold to companies in the industry. SEIFSA's range of services and products includes consultancy (covering labour legislation, employment conditions, human capital and skill development, safety, health, environment and quality, broad-based black economic empowerment and contract price adjustment), publications, training courses, seminars and conferences.

SEIFSA has, since its formation in 1943, helped promote a business environment in which its members can successfully run their operations. The past year has been no exception and SEIFSA has demonstrated that it plays a vital role in promoting and protecting the interests of employers in the industry.

For the 2018/2019 financial year, the Associations had a combined membership of 1171 companies employing a total of 172,941 employees. The SEIFSA membership employs almost 66% of the total industry's workforce represented by the employer organisations party to the Metal and Engineering Industries Bargaining Council. This makes SEIFSA one of the largest and most influential employer Federations in South Africa. Of these member companies, 53% employ fewer than 50 employees and 73% are located in Gauteng.

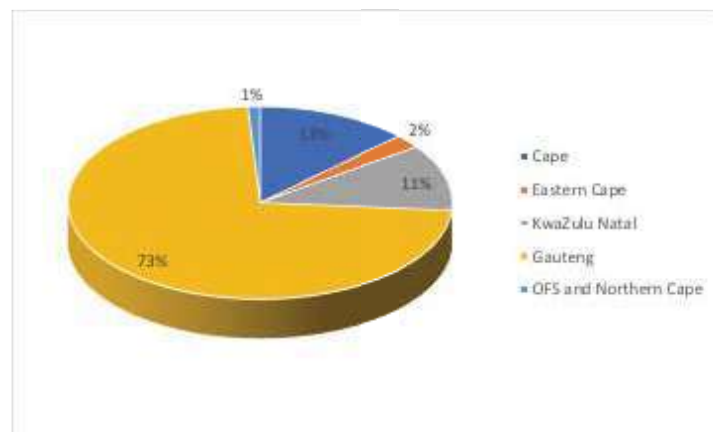
The composition of the SEIFSA membership of the Associations federated to SEIFSA according to number of employees employed is illustrated on the following graphs:

**SEIFSA Associations' Membership: June 2019**



The regional location of the SEIFSA membership of the Associations federated to SEIFSA is illustrated below:

**SEIFSA Associations' Membership by Regional Location: June 2019**



## MEETINGS

The Federation experienced another very active year in terms of Association meetings and meetings of the various interest groups within SEIFSA and joint meetings with other organisations.

The SEIFSA Council is the mandating body of the Federation on all matters requiring a mandate from member Associations. It comprises elected representatives from the various Associations and co-opted senior industrialists. The SEIFSA Council met on at least five occasions, including the Annual General Meeting, during the year under review.

*Theresa Cronley*  
Associations Manager

# MARKETING REPORT

In terms of direct marketing and communication, SEIFSA communicates with more than 30,000 people on a weekly basis through training campaigns, industry news, industry alerts and event-based information.

**S**EIFSA's Marketing Strategy is based on two inter-related strategies:

- Content Marketing – the production of compelling content; and
- Inbound Marketing – the technology and intelligence of content distribution.

For SEIFSA's strategy to continue to be successful, the Marketing Department must always focus on quality content. Without content, Inbound Marketing cannot be implemented successfully, and won't yield the intended results. The effort needs a sustained and dedicated approach.

SEIFSA focusses heavily on its owned media, essentially the organisation's seven digital platforms, each supporting and showcasing a particular SEIFSA industry asset.

The following websites are fully operational and continue to produce outstanding results:

- SEIFSA Main Website – [www.seifsa.co.za](http://www.seifsa.co.za)
- SEIFSA PIPS – <https://pips.seifsa.co.za/>
- The Main Agreement – <https://mainagreement.seifsa.co.za/>
- The Metals & Engineering Indaba – <https://meindaba.seifsa.co.za/>
- The SEIFSA Awards for

Excellence – <https://awards.seifsa.co.za/>

- The SEIFSA Training Centre – <https://training.seifsa.co.za/>
- The Small Business Hub – <https://smallbusinesshub.seifsa.co.za/>

In 2018, SEIFSA revised The Main Agreement website, making it more user-friendly to users and subscribers. Information is now easily searchable and found.

The SEIFSA Awards for Excellence website helped garner a record number of entries for the awards, held in 2019.

The SEIFSA website continued its growth and averaged 8500 visitors per month for 2018 and generated revenue of 700,000. In addition, the SEIFSA Training Centre website grew its visitor base exponentially, taking its average of 200 to 300 visitors per month to more than 1000 per month in 2019.

In terms of direct marketing and communication, SEIFSA communicates with more than 30,000 people on a weekly basis through training campaigns, industry news, industry alerts and event-based information.



## INDUSTRY EVENTS

### SEIFSA AWARDS FOR EXCELLENCE 2019



Guest attending the 2018 SEIFSA Awards for Excellence Ceremony



Awards Trophies made by artisans at SEIFSA Training Centre

Born out of the need to encourage growth and celebrate excellence in the metals and engineering sector, the SEIFSA Awards for Excellence offers an opportunity for companies operating in this vital sector to receive well-deserved recognition by industry peers for their capabilities, expertise and innovation.

In front of an audience of more than 150 guests at the Sunnyside Park Hotel in Parktown, Johannesburg, HC Heat Exchangers and Pamodzi Unique Engineering were amongst the big winners. 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 Customer Service of the Year Award).

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

the Industry, Koketso Lekganyane received 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 was recognised for being the SEIFSA Association of the Year.

Pamodzi Unique Engineering was praised for having embraced transformation by not only focusing on the ownership aspect of the Broad-Based Black Economic Empowerment codes, but also on making significant progress in the employment equity as well as the enterprise and supplier development elements of the scorecard. 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.

Babcock International's award

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 resulted in a saving of approximately 5000 litres of water.

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.

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.

Vesco Plastics's recognition in the Customer Service of the Year Award category followed the company's demonstration of improved customer service excellence and its resourcefulness based on specific customer requirements, while Schneider Electric's Isiboniso: creating access to education and energy programme – situated at the semi-rural Isiboniso Primary School in Orange Farm – addressed numerous challenges faced by the school and won the award for the Best Corporate Social Responsibility category.

## METALS & ENGINEERING INDABA 2018



Panelist responding to a delegate's question at the M & E Indaba



One of the speaker at M & E Indaba

The Metals and Engineering Indaba has grown to become the premier event in the sector and attracted 194 delegates in 2018, up from 120 the previous year. SEIFSA organizes the event and all planning, logistics and promotion are done internally, with all Departments collaborating to host a successful event. South Africa's Industrial Development Corporation (IDC) has been a strategic partner since 2017 and has extended this partnership beyond 2019.

The Fourth Southern African Metals and Engineering Indaba – which featured very senior and high-profile business executives, labour leaders and Government representatives on the programme – took place at the IDC Conference Centre on 21-22 September 2018.

The Metals and Engineering Indaba was born out of the need to arrest and eventually reverse the ongoing decline of manufacturing in general and the metals and engineering sector in particular.

Building on the success of the previous two conferences, 2018's Indaba had an impressive line-up of speakers who addressed delegates and shared their expertise on a wide range of topics. In addition, the Indaba offered all stakeholders – business executives and captains of industry, policy makers and Government Ministers, as well as labour leaders – a vital opportunity to discuss matters of common interest calmly, robustly and yet constructively in order to improve the performance of the sector and grow the economy.





Golfer at the 2018 SEIFSA Golf Day

The SEIFSA Golf Day is a popular annual event that provides the perfect opportunity for participants to network and strengthen relationships in a relaxed and informal environment.

The 68th Golf Day was held on 31 August 2018 at the Houghton Country Club in Johannesburg. As has become custom, the day was over-subscribed, with 135 golfers making up the field.

This is an annual industry Golf Day that brings together companies in the metals and engineering sector and some of their customers and suppliers for networking, team building and fun. This is a day that makes it possible for people from different companies to build or strengthen relations with counterparts from other companies.

SEIFSA would like to express its appreciation to the following companies for their sponsorship of the event:

- Allied Steelrode
- Harsco
- Network IT
- Unique Welding Alloys
- EIE Group
- Aveng Trident
- Sanlam
- Grundfos
- TRG Enterprise
- Gijima
- Digileads
- Cargo carriers
- KSB Pumps
- Selepe projects
- Strategic Services SA



## SEIFSA PRESIDENTIAL BREAKFAST



Newly elected SEIFSA Board

Held on 12 October, 2018, the aim of the SEIFSA Presidential Breakfast was to provide political and economic insights from our Guest Speaker. In 2018, the SEIFSA Guest Speaker was Professor Mcebisi Ndletyana of the University of Johannesburg.

Professor Ndletyana showcased to the audience why he is regarded highly in the media, with an insightful and entertaining analysis of the country's political and economic landscape. A key theme was the impact of corruption on South Africa's economy, and what strategies then-new President Cyril Ramaphosa had to do to reverse the rot.

He said while the initial optimism that came about as a result of the replacement of Jacob Zuma by Cyril Ramaphosa as President of the country in February had since subsided, he remained hopeful that a new dawn and a promise of renewal was still possible, but only if the ruling party worked hard to distinguish itself from Zuma's ANC.

"The ANC Ramaphosa inherited was not only riddled with corruption, but it had also turned South Africa into a clientelist state that served as client for the Gupta family. For the current administration to stand a chance of securing victory at next year's election, it is of paramount importance for it to cleanse itself of corrupt leaders, including Ministers implicated in State capture," Professor Ndletyana said.

He said for a different ANC to emerge, a new, morally-conscious leadership would have to rise and reform the ANC.

The prestigious event was attended by employers in the metals and engineering sector, as well as high-profile business leaders from other sectors of the economy.

*Mark Lottar*  
Marketing Manager







**Alph Ngapo, outgoing  
SEIFSA President,  
delivering his speech at  
the 2018 Presidential  
Breakfast**

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## COMMUNICATIONS REPORT

In terms of publicity during the period under review, the Federation's total Advertising Value Equivalent (AVE) for 1 July 2018 - 30 June 2019

**41.6 mil**

down from previous year's

**46.075 mil**

previous years

**T**he strategic objective of SEIFSA's Communications Department is positioning the organisation as the primary representative and voice of businesses in the metals and engineering industries and overall manufacturing, both large and small.

This is done through regular writing and distribution of press releases, thought leadership articles and positioning SEIFSA's Executive Team for media interviews on a regular basis.

The Communications Department is also responsible for developing, implementing, monitoring and maintaining effective channels of communication between SEIFSA and its various stakeholders, including member companies. This valued communication is conducted on a weekly basis, keeping stakeholders abreast of any developments impacting on them and the industry in general.

## ELECTRONIC COMMUNICATION

### ELECTRONIC NEWSLETTERS

SEIFSA distributed regular electronic newsletters to member companies during the course of the year. These covered up-to-date information on breaking news, latest industry developments and upcoming events and workshops.

### SEIFSA NEWS



SEIFSA News is the Federation's official publication and a member benefit. This publication affords member companies easy access to the latest industry news and practical advice. It is published bi-monthly. In line with SEIFSA's digitization strategy, physical copies of SEIFSA News are no longer delivered to member companies, but are sent electronically and continue to be made available online at [www.seifsa.co.za](http://www.seifsa.co.za).

## WEBSITE



SEIFSA's website performs an important communication function for the membership. Many industry-relevant articles, updating members on the latest developments and news in the industry, have been posted on the SEIFSA website, and covered a wide range of topics. The website is an important source of information for our members and the general public. Content uploaded on the website included:

- The wage increase and exemption arrangements;
- Employment equity requirements;
- Important announcements impacting on member companies;
- Press releases; and
- Issues of SEIFSA News.

During the course of the year under review, we continued to update the SEIFSA Price and Index Pages (PIPS) and the Southern African Metals and Engineering Indaba

websites. The Communications Department reviewed and approved the content for these websites.

The new websites have numerous features and advantages. These include:

- Improved user experience with higher conversion rates;
- E-commerce functionality;
- User tracking; and
- A ticketing system.

## FOURTH SOUTHERN AFRICAN METALS AND ENGINEERING INDABA



The Fourth Southern African Metals and Engineering Indaba was held on 20-21 September 2018 at the IDC Conference Centre and featured an exciting list of local and international speakers. The speakers included:

- Then Minister in the Presidency, Dr Nkosazana Dlamini-Zuma;
- Massmart and Phamarcare Holdings Chairman Kuseni Dlamini;
- Former Business Unity South Africa CEO Tanya Cohen;
- International Finance Corporation Chief Investment Officer Paul Mukasa; and
- OUTA Executive Director Wayne Duvenage.

Topics that came under the spotlight at the 2018 Indaba were, among others:

- Working Together to Improve South Africa's Sovereign Credit Rating;
- Public Corruption and Corporate Malfeasance in South Africa: What Needs to Be Done to End or Contain It?
- The Continental Free Trade Area: How Much Progress Has

Been Made to Date?

- How We Will Turn the Economy Around – The Main Political Parties Outline Their Plans for the Economy Ahead of the 2019 General Elections.

The Communications Department provided media support before, during and after the conference. As a result, the Indaba generated considerable publicity, with high-calibre

Business, Economic and Political Journalists attending the event. These included, among others, representatives from the SABC TV, CNBC Africa, ENCA, Moneyweb, Engineering News and SABC Radio.

### PUBLICITY

During the year under review, more than 200 press releases were issued and more than 50 interviews were conducted with Journalists from print, radio, TV and digital platforms. Some of the highlights, as far as interviews are concerned, are the CEO's interview with the BBC Radio on the state of the economy; the Chief Economist's participation in the Bloomberg Toll of Top CEO and Business Leaders' expectations from the new President as well as Economist Marique Kruger's interview on SABC's Morning Live. In addition to the press releases and interviews, about 12 thought leadership articles were published in South Africa's premium business publications, including Business Day, Business Report and City Press.

During the year under review, content created by SEIFSA continued to be carried in publications outside South Africa,

including publications in Sierra Leon, Nigeria, Madagascar, Namibia, the US and the UK, highlighting the increase of SEIFSA's prominence not only as a credible voice, but also as a first port of call on matters related to the metals and engineering sector.

In terms of publicity during the period under review, the Federation's total Advertising Value Equivalent (AVE) for 1 July 2018 - 30 June 2019 was R41,6 million, down from the previous year's R 46, 075, 386, 43.

### MEDIA RELATIONS AND PARTNERSHIPS

In addition to driving publicity for the Federation, the Communications Department also strives to continuously build new and enhance existing relationships with members of the press. As part of this effort, Communications met with representatives of television's "new kid on the block" Newzroom Afrika, City Press, Classic FM, Moneyweb and Bloomberg, among others. The Communications Department also continued to solicit media partnerships for the Southern African Metals and Engineering Indaba (M&E Indaba). Media partners who came on board and helped market the M&E Indaba during the year under review are Independent Newspapers' The Star, Pretoria News, Saturday Star, Business Report, Creamer Media's Engineering News as well as Classic FM's Classic Business Show.

*Ollie Madala*  
Communications Manager





Former Minister in the Presidency Dr Dlamini Zuma addressing 2018 M & E Indaba delegates

# INDUSTRIAL RELATIONS AND LEGAL SERVICES DIVISION

**T**he Federation continues to provide a comprehensive and professional range of services to member companies. These include:

## CONCILIATION, ARBITRATION AND LEGAL REPRESENTATION SERVICES

The Industrial Relations and Legal Services Division continues to provide professional Industrial Relations and Legal Advisory and Representation Services which are cost-effective to member companies throughout the industry. The Division has successfully represented member companies in dispute resolution fora such as the MEIBC, the CCMA and the Labour Court.

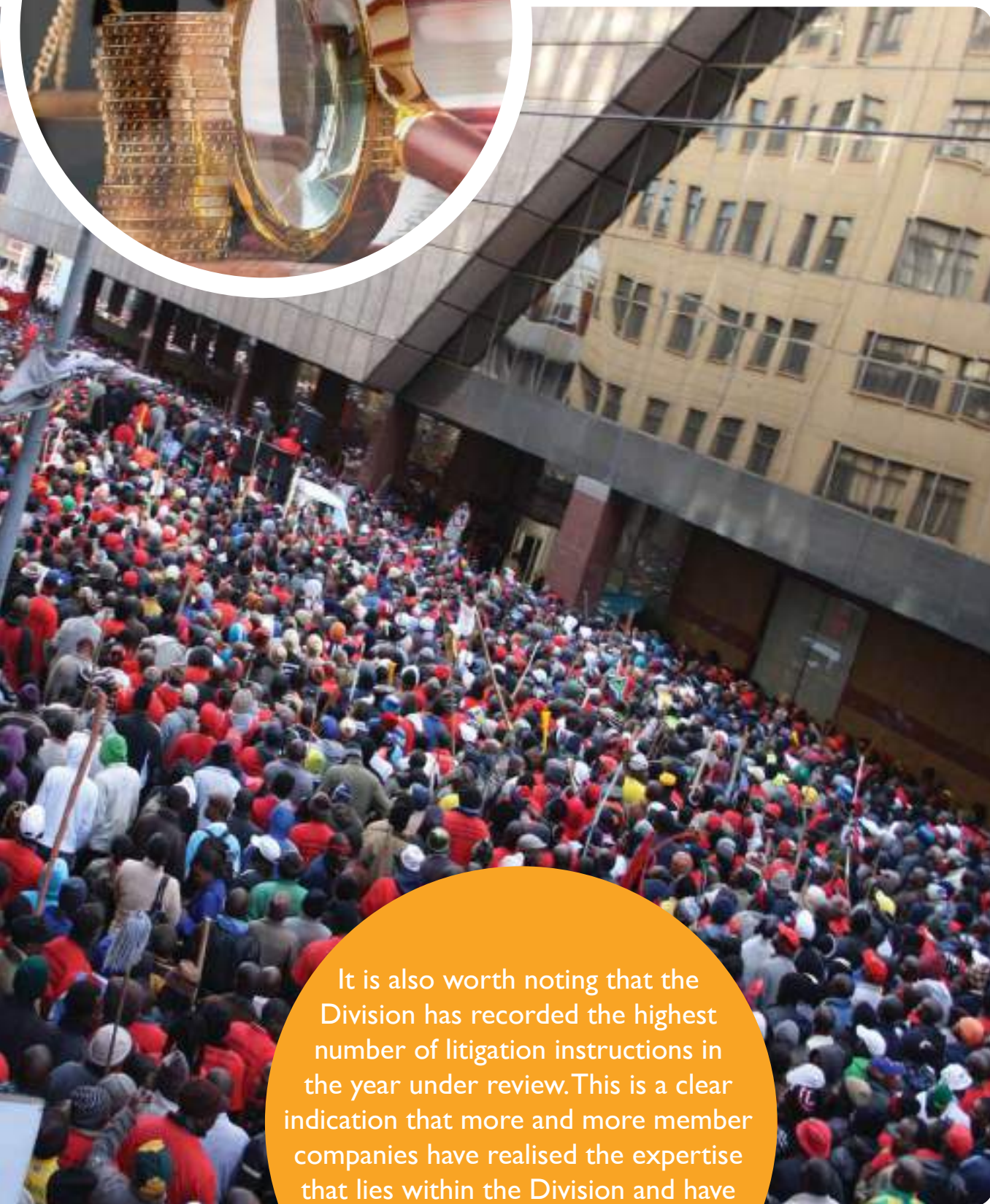
Among the Labour Court litigation handled by the Division in the year under review on behalf of members was a reported decision in the Labour Court in Johannesburg, in which the Labour Court ruled in favour of a member company represented by SEIFSA.

It is also worth noting that the Division has recorded the highest number of litigation instructions in the year under review. This is a clear indication that more and more member companies have realised the expertise that lies within the Division and have confidence in the Division's Services.

## INDUSTRY JOB GRADING

SEIFSA, through the Industrial Relations and Legal Services Division, offers a Main Agreement Job Grading Service which provides valuable assistance to member companies in relation to industry job grading, in accordance with provisions of the Main Agreement. This service has enjoyed very favourable reviews from member companies which have subscribed to it.





It is also worth noting that the Division has recorded the highest number of litigation instructions in the year under review. This is a clear indication that more and more member companies have realised the expertise that lies within the Division and have confidence in the Division's Services.

## CHAIRING DISCIPLINARY ENQUIRIES

The Federation continues to provide qualified and experienced persons to chair, manage and conduct in-company disciplinary enquiries and disciplinary appeal proceedings.

## BARGAINING COUNCIL ASSISTANCE

SEIFSA provides advice and assistance to member companies on the:

- Interpretation, application and implementation of the Bargaining Council's collective agreements;
- Formulation of all types of exemption applications; and
- Presentation and motivation of exemption applications at the relevant Bargaining Council committees.

## GENERAL INDUSTRIAL RELATIONS SERVICES

SEIFSA provides advice and assistance to member companies on all industrial relations and legal issues, including the following:

- Dispute resolution processes;
- Application of employment conditions;
- Job grading queries and disputes;
- Dealing with strike action and related actions; and
- The interpretation and application of labour legislation.

## INDUSTRIAL RELATIONS AND LEGAL PUBLICATIONS

A comprehensive range of industrial relations and legal publications is available to SEIFSA members. These include:

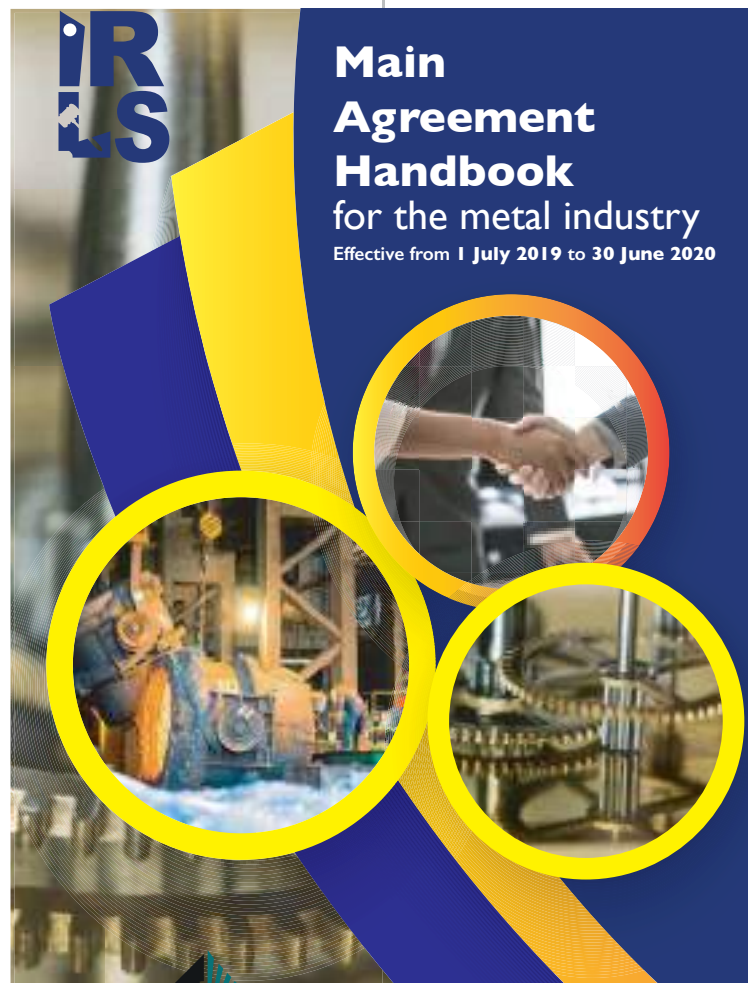
- A Practical Guide to Implementing Retrenchment Law at the Workplace
- The Main Agreement Handbook for the Metal Industry 2019/2020
- Main Agreement Wall Chart
- Managing Absenteeism in the Workplace
- Disciplinary Policy and Code
- Dealing with E-mail and Internet Abuse at the Workplace
- Contracting with Permanent and Temporary Employees and

Persons Provided by Labour Brokers

- Dealing with Sick Leave and Sick Leave Abuse in the Workplace
- Dealing with Theft, Unauthorised Possession and Searching Employees

## MAIN AGREEMENT PUBLICATIONS

Following the successful conclusion of the 2017-2020 wage negotiations in August 2017, SEIFSA published the 2017/18 and 2018/19 Main Agreement Handbook for the Metals and Engineering Industries. This annual publication is an easy-to-read summary of the industry's Main Agreement. The latest edition incorporates the wage increases





that came into effect on 1 July 2019, together with a number of enhancements intended to assist management in the practical application of the terms and conditions of employment of the industry.

As an added benefit to members, the Main Agreement Handbook was launched as an online subscription service, namely the on-line Main Agreement Portal, on the SEIFSA website. This online service contains the following key features:

- The Main Agreement Handbook in electronic format, including the Technical Schedules;
- A quick and easy search facility;
- Downloads of pro-forma letters and employment contracts;
- Live updates of changes to the wording and content of the Main Agreement;
- Access to SEIFSA's IR and Legal Services Division, which includes consultants and job grading experts.

The 2019/20 edition of the SEIFSA Main Agreement wall chart has been published and is also available to companies. It summarises the key sections of the Main Agreement in a poster format.

## INDUSTRIAL RELATIONS AND LEGAL SERVICES TRAINING

SEIFSA continues to present a comprehensive range of practical industrial relations and legal training courses, seminars and workshops for employees and different levels of management. These courses and workshops include:

- Effective IR on the Shop Floor;
- The A to Z of the Main Agreement;
- The Main Agreement vs the Basic Conditions of Employment Act;

- Managing Sick Leave and Sick Leave Abuse in the Workplace;
- Key Aspects of the Labour Relations Act;
- Key Aspects of the Basic Conditions of Employment Act;
- Water-tight Dismissals – Including Chairing Disciplinary Hearings;
- Retrenchments, lay-offs and short-time – Get It Right;
- Employment Contracts – Cross your Ts and dot your Is;
- Flexible Working Time Arrangements in the Industry;
  - Updates on Labour Law Developments;
  - The Law of Evidence;
  - Understanding the Impact of the POPI (Protection of Personal Information) Act for your business; and
  - Business Contracts and Service Level Agreements.

The Industrial Relations and Legal Services Executive and the Managers lobby, on behalf of the membership, in the following platforms:

- Representing members and the interests of the metals and engineering sector in various key fora such as the National Economic Development and Labour Council (NEDLAC), its sub-committees and various relevant working groups;
- Playing an active and leading role within the structures of Business Unity South Africa (BUSA) in order to ensure that the interests of the metals and engineering sector are heard and taken into account at that body;
- Ongoing interaction with the leadership of the unions in the metals and engineering sector;
- Providing and/or co-ordinating legal advice to act on behalf of Associations in promoting, opposing and/or influencing legislative and other measures affecting the industry and/ or sectoral interests;
- Representing SEIFSA and

its member Associations on statutory and other structures, including the MEIBC, NEDLAC and BUSA;

- Representing member Associations on the Boards of Trustees of the MIBFA structures and committees;
- Providing a professional advisory, feedback and reporting service on matters of relevance to the various Associations; and
- Attending various Association meetings (and annual general meetings).

## LOBBYING AND ADVOCACY

Important amendments to labour laws occurred in FY2018/19, namely, the,

- The Basic Conditions of Employment Act;
- The Labour Laws Amendment Act;
- The National Minimum Wage Act; and
- The Labour Relations Amendment Act.

**Some of the important amendments include:**

- A Code of Good Practice on Collective Bargaining, Industrial Action and Picketing;
- The return of the secret ballot to the Labour Relations Act, together with a requirement for trade unions and employer associations to amend their constitutions requiring the holding of a secret ballot before embarking on strike or lock-out action; and
- The introduction of various new forms of leave to the Basic Conditions of Employment Act, namely: paternity, surrogacy and adoption leave.

## MAIN AGREEMENT NEGOTIATIONS

The Industrial Relations and Legal Services Division has begun preparations for the 2020 round of industry wage and conditions of employment negotiations. Associations will be considering various scenarios. Early in 2020, all the inputs will be used to formulate a consolidated employer position. The SEIFSA Council will constitute a Main Agreement Negotiating Team with the aim of concluding

a deal within mandate and with the minimum of disruption to the industry.

## METAL AND ENGINEERING INDUSTRIES BARGAINING COUNCIL (MEIBC)

The MEIBC continues to function under administration under the control of a Court-appointed

Administrator. To date, the Administrator has appointed a Council Secretary with strong accountancy and corporate governance skills and has tabled a rehabilitation plan and budget and effectively staved off liquidation. The Administrator has been effective in reducing overheads, whilst stabilising the Council's finances.

Whilst administration has been effective in preventing the complete collapse of the Bargaining Council, important work remains,



particularly in the area of extending the coverage and scope of the Council's levy agreements, which are critically important for the institution's long-term survival.

A properly resourced and well-functioning Bargaining Council is critical for the maintenance of labour market stability. It is our view that returning the Council to solvency and functionality is a goal that is shared by the majority of

stakeholders represented on the MEIBC.

*Sibusiso Mthanjana*  
Industrial Relations and Legal  
Services Executive





## ECONOMICS AND COMMERCIAL DIVISION

**T**he objective of SEIFSA's Economic and Commercial (EC) Division is to provide input to the national discourse on economic, trade and commercial matters, with the ultimate aim of improving business conditions within the metals and engineering (M&E) cluster, in particular, and the broader manufacturing sector, in general. To this end, the Division provides the following services:

- Yearly, sector-focused economic research and statistical analysis of selected variables, including an overview of the local, regional and global macro-economic environment, which offers insightful industry appraisals to SEIFSA member Associations, companies, the Government, captains of industry and other important stakeholders
- Continuing update of the Price and Index Pages (PIPS), a flagship product for the metals and engineering cluster, with the latest statutory and sector-specific cost indices for relevant economic indicators, including intermediate input costs.
- Contract Price Adjustments (CPAs) or service provision agreements workshops and online courses where delegates are guided through the process of using the PIPS indices to substantiate price adjustments to the agreement and how to use model formulae for computation of applicable price adjustments;
- Relevant consulting services aimed at deepening understanding of the metals and engineering sector and its sub-industries, as well as improving business excellence and operational sustainability.



## ECONOMIC ENVIRONMENT

Global growth softened further in the first half of 2019 to 2.6% as trade and manufacturing decelerated, amid heightened policy uncertainty and downside risks, including a further deceleration in investment amid rising trade tensions, also negatively affecting confidence. Unfortunately, all these weighted on global demand, with extended ramifications for South Africa (SA) and its M&E cluster of industries.

The quick pass-through of global shocks on to the SA economy with uninspiring results is largely due to the openness of our economy as measured by the trade-to-gross-domestic-product ratio (that is, exports plus imports equal to 59.77% of GDP) and our large current account deficit, requiring foreign capital inflows. The nondescript performance of the domestic economy is discouraging, especially given its importance to companies in the M&E cluster, where the domestic economy accounts for over 51% of its demand profile. Moreover, the performance impedes the small, open M&E sector from attracting a significant amount of foreign currency as it is sensitive to international shocks.

The M&E industry's share of manufacturing still stood at 29.05%, but its contribution to the GDP of the country slightly decreased to 3.5% at the end of the financial year. On aggregate, the sector seems to have regressed on the moderate growth of 4.1% recorded in the first quarter of 2018, by posting a discouraging growth of -2.7% by the end of the second quarter of 2019, further highlighting a difficult economic environment. However, all indications are that there will be a rebound in production in line with domestic growth, even though

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growth in the sector currently seems to be very volatile and still trending below its 18-year average. The encouraging signs are underpinned by apparently ample political will, the die-hard attitude of captains of industry and a recent turnaround in the composite manufacturing activity index, which rebounded from 46.2 points in June 2019 to 52.1 points in July 2019.

The index had been trending below the contractionary zone of 50, since December 2018.

Real production of companies in the sector dropped to R403 billion, with real value added to the

domestic economy at an estimated R123 billion. The sector recorded an increase in employment in the full year of 2018, gaining 3,811 jobs (formal) (or 0.8% increase) and a cumulative decrease of 609 (formal and informal) jobs (or 0.1% decrease).

Notwithstanding the poor GDP growth recorded in Q1 of 2019 – with growth decelerating by 3,2% - there was an encouraging rebound in second-quarter GDP figures to 3.1%, providing impetus for a slightly robust growth for the rest of 2019. Despite the existence of considerable downside risks, including the ongoing trade war

## REAL PRODUCTION OF COMPANIES IN THE SECTOR

# DROPPED TO R403 BILLION

WITH REAL VALUE ADDED TO THE DOMESTIC  
ECONOMY AT AN ESTIMATED

# R123 BILLION

which has contributed to lower global growth prospects, a rebound in domestic growth is still possible. The optimism is driven by enormous political will, moderate recovery of global commodity prices, investment and exports volume. In addition, sustainable growth will depend on continual improvement in the current socio-political environment (including a clearer Government economic

policy stance, a plausible plan to address the ballooning debt-to-GDP ratio, restructuring of SOEs, with privatisation as an option, and dealing with the scourge of unemployment) and rebounding international commodity prices. These interventions will translate to better business opportunities, improve demand and the financial positions and performances of local companies.

The M&E cluster of industries still need more support from both the Government and Captains of Industry in order to trigger a turnaround in the short and long term. Accordingly, the reconstitution of the Steel Committee and further Government indications of developing a Steel Master Plan are welcome. Increased export volumes and export competitiveness is pivotal if companies in the cluster



intend to gain from the newly-launched African Continental Free Trade Area and also maximise benefits from preferential rates of 90% on goods originating from the continent. Recent domestic and international challenges facing the industry highlight and bring into sharp focus the importance of SEIFSA's strategic role in influencing policy and contributing to collective bargaining, lobbying, advocacy, economic and statistical analyses.

## FUTURE PROSPECTS IN THE METALS AND ENGINEERING SECTOR

The foremost issue is what should be done to ensure that the sector remains competitive, attractive for investment and reflects sustainable profits underpinned by more employment.

It is evident that the continued survival of the sector depends, as far as the local economy is concerned, crucially on the health and growth of the sectors which are its demand drivers, viz. the mining, construction and petro-chemical sectors and the automotive industry. The top industries to which the sector sells its output (that is the share of domestic demand for M&E sector products) are the construction sector (23.5%), followed by the auto cluster (12.1%) and the mining sector (6.1%). Alternatively, the top industries from which the sector buys its inputs are mining (29.8%), followed by the petroleum and chemicals (1.4%) and construction (1.1%). In addition, the need to strengthen State-Owned Enterprises, to comply with designation for State procurement, to attract investment, to continually grow market share in regional markets and also mitigate exposure to potential risks from the existing trade war between two of

the world's largest economies is also important. In the same breath, and despite the current resilience of the US economy, one cannot discount negative shocks that may emanate from a possible recession in that economy.

There are prospects for increased trade and interdependence with the rest of Africa via the Export Credit Insurance Corporation of South Africa (ECIC) and the African Export Import Bank (Afreximbank), in order to benefit from the newly-launched AfCFTA. Importantly, a "cluster approach" to the dynamics of each sub-industry is still needed, as each sub-industry within the sector has its own unique exposure to national and international markets, its own capital or labour intensities and its own productive capacity constraints and production cost challenges.

## SUB-COMPONENTS ECONOMIC RESEARCH

SEIFSA's EC Division published a sixth further enhanced version of its State of the Metals and Engineering Sector Report in January 2019. The Report – which entails research triangulation and robust statistical analyses (including descriptive, inferential and statistical modelling) – takes an annual look at the cluster's sub-sectors, expounding on the drivers and underlying dynamics of observed trends in production, demand, employment, intermediate input costs, profit trends, export competitiveness, investment and capacity utilisation.

Objectives of the State of the Metals and Engineering Sector Report  
The focal goal of the Report is to track whether the sector is expanding or declining and several longitudinal data and trends (which are often very volatile) are monitored accordingly. The study makes use

of a wide-ranging method in its analyses and entails comparing the most current data point to the one immediately preceding it. It also makes use of monthly and annual analyses, including several year-to-date versus previous- year comparisons. The approach helps in contextualising the growth trend in the industry, in generally highlighting the various drivers of growth (or lack thereof) and in predicting output trends in the sector with a high confidence interval.

The second objective of the study is to provide an intrinsic understanding of the dynamics of observed trends. The analysis in this regard is evidence-based, robust and compelling, further igniting several discourses. The third objective is for the report to ignite interest and provide evidence-based impetus for collaboration, advocacy and lobbying aimed at reducing specific constraints as identified in various internal fora within SEIFSA.

State of the Metals and engineering Sector Report

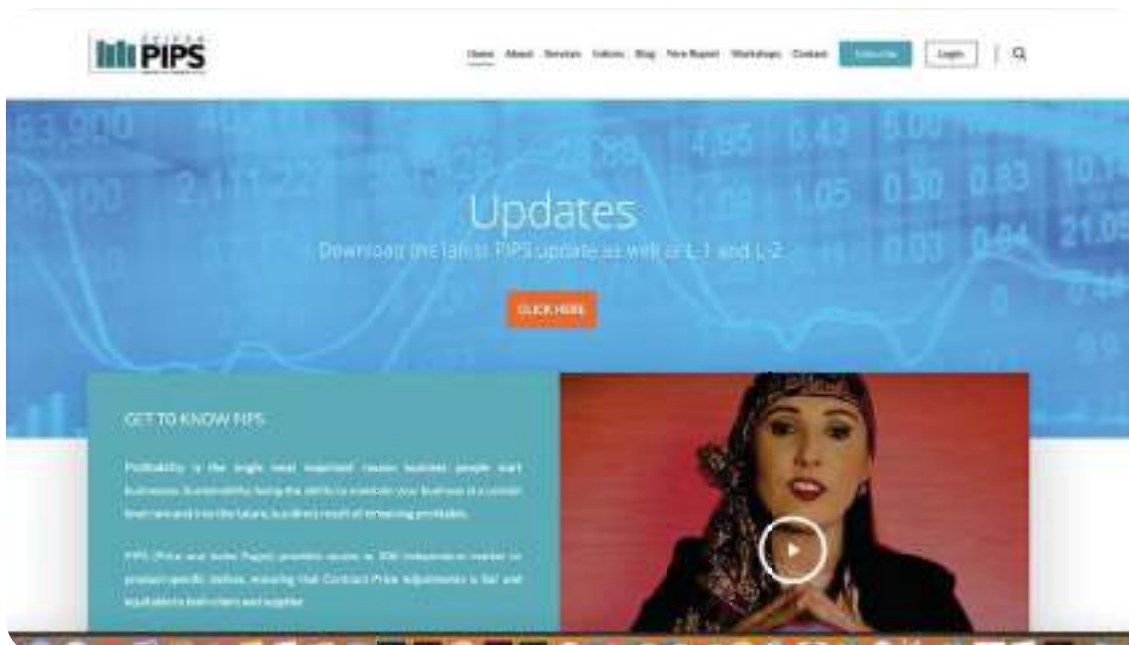
*Sharpening the saw:  
continuously improving industry  
activity and competitiveness*

## State of the Metals and Engineering Sector REPORT

2019-2020







## SEIFSA PRICE AND INDEX PAGES (PIPS)

The SEIFSA PIPS publication is in its 56th year of successful publication and has grown to be the most trusted and widely-used tool for contract price adjustment. The PIPS indices, which are regularly audited, assist companies calculate future changes in costs of labour, steel, transport and other inputs affecting the final cost of manufacturing in order to adjust prices up to date of delivery. The publication helps businesses in due diligence and mitigating input costs, thereby improving the margins. Innovative initiatives aimed at enhancing the publication over the years have been successful, significantly improving the product's value and positioning it as a pre-eminent, cost-improvement tool in the real sector.

The PIPS publication tracks over 250 independent market-or product-specific indices that are valuable in drafting contracts with significant lead periods. The periodical also includes SEIFSA's composite input cost index, which replicates the average cost structure of the metals and engineering (M&E) sector, comprising labour (20%), administered costs (including fuel, electricity - 15%); nominal

effective exchange rate (40%) and miscellaneous (including intermediate producer price index - 25%).

The SEIFSA PIPS publication allows companies supplying products to account for and claim costs which are out of their control, while at the same time allowing buying companies to contain costs and mitigate the risk of unnecessary cost overruns. Indeed, the need to mitigate price changes also partly contributes in explaining the noteworthy attention the SEIFSA PIPS publication has enjoyed over the period 2018/19.

## SEIFSA CONTRACT PRICE ADJUSTMENT WORKSHOPS AND THE NEWLY-LAUNCHED CPA ONLINE COURSE PROGRAMME

We have continued to observe an impressive calibre of attendees at our CPA workshops, in the form of Project Managers, Procurement Managers, Supply Chain Managers, Finance Directors, business owners and all those

individuals tasked with managing the cost and inflation profile of a company. The frequent and increasing number of delegates attending our CPA workshops exemplifies the importance that companies are placing on the potential risk that inflation poses to the bottom line.

The progress made with the physical class session or workshops of the Theory and Calculation of Contract Price Adjustment (CPA) thus far is encouraging, leading to the recent launch of the complementary online CPA training, as necessitated by the proliferation of the tools of the fourth industrial revolution. It provides a platform for prospective delegates to train at their own pace with flexibility, convenience and higher concentration, comfortably without needing to deal with traffic congestion or miss important family time, while also saving on commuting costs. Moreover, the CPA training generally provides an opportunity for delegates to obtain a continuing professional development (CPD) point towards their career development.

*Dr Michael Ade*  
Economist

## SAFETY, HEALTH, ENVIRONMENT AND QUALITY (SHEQ) DIVISION

**S**EIFSA provides comprehensive and professional safety, health, environment and quality consultancy services to member companies - offering practical advice, guidance, training on all issues, including implementation of legal requirements.

### SHEQ COMPLIANCE SERVICES

SEIFSA's SHEQ offerings assists member companies in meeting the requirements of the Occupational Health and Safety Act, the Compensation for Occupational Injuries and Diseases Act and other safety, health, environment and quality legislation. Through existing and new Alliance Partners, SEIFSA's SHEQ experts provide guidance and assistance to companies in addressing safety, health, environment and quality issues at the workplace and, thereby, protect management from vicarious liability and criminal prosecution.

The two new alliance partners have considerably supplemented SEIFSA Safety, Health, Environment and Quality Division's offerings throughout the industry and across the country, offering:

- The full spectrum of health and safety training as well as management services, including health and safety equipment supply and servicing throughout South Africa; and
- Implementation of ISO 9001, 45001, 14001, 31000 and 383-2 certification and maintenance of the SHEQ Management System, training on implemented systems and internal ISO audits.



## SHEQ LEGAL ADVISORY SERVICE

The introduction of the two new alliance partners, in the latter part of the year under review, has seen SEIFSA introduce more comprehensive SHEQ services. These include:

- General health and safety legal advice and assistance
- Interpretation and advice on occupational health and safety legislation
- Interpretation and advice on workmen's compensation legislation
- Formulation and implementation of company level health and

safety management systems and procedures

- Incident investigations and reporting
- Legal compliance guidance and auditing.

## SHEQ TRAINING

SEIFSA presents a comprehensive range of practical safety, health, environment and quality training courses, seminars and workshops aimed at all levels of management. These training courses were offered during the year under review on an in-house basis and also as public sessions. They include:

- Health and Safety Representatives

- ISO 9001: 2015, ISO 14001: 2015, and ISO 45001 Awareness
- 16.2 Appointees
- Compensation for Occupational Injuries and Diseases Act
- Incident Investigation
- Basic Safety Induction and HIV/Aids Awareness
- Introduction to Occupational Health and Safety Act for Management.
- 

*Mark Lotter*  
Marketing Manager

The two new alliance partners have considerably supplemented SEIFSA Safety, Health, Environment and Quality Division's offerings throughout the industry and across the country

# HUMAN CAPITAL AND SKILLS DEVELOPMENT DIVISION

**S**EIFSA, acting through direct representation on the Business Unity South Africa (BUSA) Standing Committee on Education and Training (SUB-CET), plays a major role in co-ordinating the views of business and lobbying for employer-friendly skills development policies and approaches at national level.

**The HC&SD Division is represented on and engages in the following platforms:**

- African Academy (City & Guilds) Board;
- MerSeta Board;
- MerSeta Metal Chamber;
- MerSeta Regional Committees;
- BUSA Social & Policy Transformation Committee;
- BUSA Sub-Committee on Education & Training;
- Human Resource Development Council (Champion for Skills Development and Transformation);
- National Artisan Development Advisory Body;
- The South African Society for Co-Operative Education Board (SASCE); and
- Department of Higher Education's Occupational Team Conveners.



In order to effectively represent the interests of the membership and to advance the human capital and skills development agenda in the sector, it is critical that SEIFSA continues to play an active role in these various platforms.

The National Development Plan Vision 2030 subscribes to the objectives of eradicating poverty, removing inequality and reducing unemployment. It is well known that without sufficient focus and continued investment in skills development, these objectives may not be realised to any meaningful extent.

Within the manufacturing sector, there is a myriad of challenges associated with development of relevant skills. Amongst others, a legacy of poor educational opportunities, a complex tertiary education and training landscape and a poor basic education system have resulted in many employees having little or low levels of skills. The national shortage of skills in most economic sectors exacerbates the challenges associated with the retention of staff and increases the demands for training and development in the sector. The skills-development environment is also complex, with many policies, regulatory and legislative requirements. Traversing these requirements and challenges can be resource-intensive and challenging for many companies in the industry.

To counter skills shortages, SEIFSA member companies invest in employee training and development in a number of interventions that include learnerships, bursaries, apprenticeships, internships and adult education. The industry also supports training and skills development in the communities where operations are located, helping to make socio-economic growth possible.

Ensuring that the views of the membership are presented and heard is critically important in influencing the human capital and skills development regulatory environment in a way that does not negatively impact on the sector's business viability and sustainability.

## INDUSTRY 4.0 AND ITS CHALLENGES

Through its participation in BUSA's subcommittee on education and training, SEIFSA has been involved and engaged with several 4th Industrial Revolution and Future Work studies and research through the International Labour Organisation (ILO) and the University of Stellenbosch's Institute for Future Research.

## SEIFSA'S ROLE IN MERSETA

SEIFSA continued to play a major role in the strategic management, proper governance and oversight of the MerSeta through its direct representation on the Governing Board, Executive Committee, Finance & Grants Committee, Metal Chamber, Gauteng Regional South Committee and various other ad hoc committees.

## NATIONAL BODY REPRESENTATION

SEIFSA continues to be an active participant on national human resource development platforms either through formal nomination as a business representative through BUSA or by ensuring that it participates in the substructures of these bodies. Among others, these bodies include the Quality Council for Trades and Occupations (QCTO) and the HRDC.

The National Development Plan Vision 2030 subscribes to the objectives of eradicating poverty, removing inequality and reducing unemployment. It is well known that without sufficient focus and continued investment in skills development, these objectives may not be realised to any meaningful extent.

## TRAINING OF ARTISANS



Students at the SEIFSA Training Centre

Artisans play an important role in the industry and SEIFSA plays an active role in areas where the training of artisans is a focus. The National Artisan Moderating Body (NAMB) is responsible for the quality of artisans trained. It has developed:

- transitional arrangements for trade testing of artisans;
- draft regulations on a national register for artisans;
- a report on the Recognition of Prior Learning for Artisans project;
- a policy for generic grants for artisan learners;
- a national administration system; and
- a strategy to improve the trade-test pass rate.

New qualifications and associated curricula are being developed for the various trades, with a number of them already being registered with the South African Qualifications Authority (SAQA). The new curricula contain revised knowledge modules, practical skills modules and work experience modules. The Department of Higher Education and Training (DHET) developed an Artisan Development Strategy. SEIFSA contributed to this work and uses its membership within the National Artisan Development Advisory Body to advise DHET on artisan matters and to influence policy relating to artisan development.

## EDUCATION AND TRAINING ADVISORY COMMITTEE (ETAC)

Membership of SEIFSA's Education and Training Advisory Committee continued to increase. The committee met regularly during the year to discuss skills development and training policy matters, including those relating to the DHET, MerSeta, NAMB, BUSA, SAQA, QCTO and NSDP.

## HC & SD TRAINING PUBLIC WORKSHOPS

- Skills Planning and Reporting (MerSeta's National Skills Development Management System)
- Supervisory Training (Unit Standard 242821)
- Effective Communication (Unit Standards aligned)
- Problem Solving (Unit Standard aligned)
- Training Committee Training and Employment Equity Committee Training (qualification programme).

## IN HOUSE WORKSHOPS

- roles and responsibilities – Training; and
- Employment Equity Awareness covering staff elements e.g. disability sensitization, sexual harassment, diversity and understanding discrimination.

## CONSULTANCY

SEIFSA offers a comprehensive and professional consultancy service on a range of human capital and skills development issues, including:

- Introduction to skills development;
- Maximising PIVOTAL grants;
- Preparing Workplace Skills Plans and Annual Training Reports to claim mandatory grants;
- Technical advice on skills development matters;
- Linking skills development initiatives to a company's strategic plan;
- Registering apprentices and learners;
- Identifying available industry learning interventions;
- Assistance with Employment Equity constitutions and submissions;
- Employment Equity Audits;
- SARS assistance with Section 12H of income Tax Act and Employee Tax Incentive; and
- Leveraging B-BBEE.



Delegates Attending SEIFSA Training

A range of interactive training courses customised for training, HR and Employment Equity Managers and skills development facilitators were presented on the following topics:

- Employment Equity: successful submissions
- Introduction to skills development

The following workshops were conducted on an in-house basis to equip members to fulfil their obligations in terms of the skills development and employment equity legislation and to promote best practice:

- An overview of skills development for training committees;
- Employment Equity Committee



## HUMAN CAPITAL

The skills and competencies of our people determine our success in executing the activities that form part of our critical enablers. Human capital is the biggest cost to our business. SEIFSA is a Level 4 contributor as a Qualifying Small Enterprise for Broad-Based Black Economic



Empowerment. Accordingly, we are reformulating plans to address the priority elements of the B-BBEE scorecard to achieve our transformation targets.

SEIFSA thrives on happy, motivated employees. We incentivize and reward competitively for exceptional performance, strongly encouraging the achievement of personal goals. We use every opportunity to celebrate team or personal achievements and reinforce the spirit of performance.

One of the ways in which achievement is recognised and celebrated is through the designation of Employees of the Month. During the year under review, the following colleagues were Employees of the Month:

- **May 2018:** Tshimangadzo Netshituni
- **July 2018:** Penny Seitz
- **August 2018:** July Malakoana
- **September 2018:** Mark Lotter
- **October 2018:** Lindiwe Modise
- **November 2018:** Matshidiso Mokoena
- **December 2018 / Jan 2019:** Kristen Botha and Nuraan Ali

- **February 2019:** Lindiwe Modise
- **March 2019:** Lerato Lebeko
- **April 2019:** Khumo Kodisang
- **May 2019:** Mariaan De Jager
- **June 2019:** Marique Kruger

SEIFSA complies with all relevant South African labour legislation. There have been significant changes to South African employment legislation during the past year. Wellness initiatives provide employees with access to services that promote individual health and wellbeing. Key initiatives include an annual wellness day where employees are encouraged throughout and monitored.

## INTERNSHIP PROGRAMME

Nine learners were enrolled on the internship development programme from Ekurhuleni East Technical and Vocational College. The learners, together with one graduate intern from the Tshwane University of Technology, have been placed in the various operational areas of SEIFSA.



Intern at work, Eugene Selepe



## HUMAN RESOURCE OVERSIGHT STATISTICS

### OUR WORKFORCE

Our staff complement was 31 on 30 June 2019, with no vacancies. The recruitment processes focused extensively on job-culture fit to ensure retention, in line with our recruitment and selection policy.

### TRAINING COSTS

SEIFSA encourages continuous training and development for employees and funds training or studies relevant to its core business. Given the skills shortage in our industry, we take pride in the number of employees who have used our training and development programmes.

### EMPLOYMENT AND VACANCIES

During the year under review, SEIFSA had four resignations. Two of the positions were filled through internal promotions in line with our succession planning process and the availability of the required skills sets and organisational fit. Two positions have been filled from externally. SEIFSA commenced a restructuring process in the SHEQ Division to put in place economic and financial management measures to ensure long-term sustainability of the organisation. This process affected the position of the SHEQ Executive.

### CAREER AWARENESS

SEIFSA attended a variety of Career Day sessions throughout 2018/2019. The events target learners from disadvantaged and economically depressed

communities and are perhaps the only opportunity for most of them to experience this kind of interface with the world of work, experienced role models and professionals in these environments.

### ADOPT A SCHOOL

During the period under review, SEIFSA staff, in the spirit of Nelson Mandela Day 2018, assisted Phumula Gardens Primary School with four vegetable gardens, installing window mesh on windows vulnerable to break-ins and painting various class rooms and school areas. More on SEIFSA's CSI initiative is carried in the Social Responsibility section of this Report



SEIFSA Staff preparing to plant vegetable garden at Phumula Gardens Primary School



Phumula Gardens Primary School Teachers Choir

*Michelle Norris*

Human Capital & Skills Development Executive

## SMALL BUSINESS HUB (SBH)

**F**our years since its establishment, the SEIFSA Small Business Hub (SBH) continues to seek to play a significant role in supporting small businesses through partnerships with both the private and public sectors. An integrated approach which seeks to ensure that small business interests are represented in various platforms where SEIFSA Divisions lobby will enhance the hub's efforts in influencing policy in favour of small businesses within the metals and engineering sector.

### ENTERPRISE AND SUPPLIER DEVELOPMENT

The SBH continues to explore prospects in the Supplier and Enterprise Development space. The hub offers turn-key solutions to large enterprises seeking to enhance their Broad-Based Black Economic Empowerment score through supplier and enterprise development. Over the past four years, SEIFSA has accumulated a good track record for supporting small business growth.

### PARTNERSHIPS

In 2018 SEIFSA formally partnered with Aurik Enterprise Development

(Aurik) to help small and medium enterprises (SMEs) operating in the metals and engineering sector to grow and thrive. Aurik is headed by Pavlo Phitidis and specializes in developing and implementing supplier and enterprise development programmes.

SEIFSA is confident that Aurik has the necessary expertise and capacity to provide business support services to SMEs, working within the metals and engineering industries, through SEIFSA's Small Business Hub.

Traditionally, small businesses have struggled to sustain their operations in a challenging economic environment and bigger businesses have also encountered challenges in finding the right business partners to become part of their supply chain systems. The partnership with Aurik will enable SEIFSA to address these issues.

The SBH was launched in 2015 in a deliberate effort to ensure that the interests of small businesses in the sector are properly catered for. A central theme at the time was to provide products and services available in the SEIFSA basket of offerings at SMME rates, with the emphasis being on accessibility and cost-effective small business support.

At the time, an SMME basket of seven products and services was identified for marketing to small businesses, namely:

- Accounting and advisory services;
- Statutory compliance;
- Information technology solutions for SMEs;
- Procurement of funding and enterprise and supplier development facilitation;
- B-BBEE services;
- Access to SEIFSA's various products, consulting and advisory services; and
- Access to SEIFSA's portfolio of workshops, seminars and conferences.

The SBH continues to market these offerings, whilst simultaneously offering auxiliary services with the aim of impacting positively on small businesses operating inside and outside the metals and engineering sector.

*Mark Lotter*  
Marketing Manager







# ADVOCACY AND LOBBYING REPORT

Advocacy and lobbying are an important part of our work, in addition to stakeholder management and revenue generation. This is done by all Executives within the Federation, under the leadership and guidance of the Chief Executive Officer and the Operations Director.

In the main, SEIFSA's Divisional Executives conduct advocacy and lobbying on matters falling within their respective areas of expertise, with the Economics and Commercial Division at the forefront of those efforts. We provide below a high-level overview of the key advocacy and lobbying initiatives undertaken by the various SEIFSA Divisions during the year under review.



## ECONOMICS AND COMMERCIAL DIVISION

Typically, the Economics and Commercial (EC) Division had a very busy year. Its lobbying efforts included the following initiatives:

- Providing input into important initiatives driven by the National Economic Development and Labour Council (NEDLAC) Trade and Industry Chamber (TIC) and The Technical Sectoral Liaison Committee (TESELICO)

The Division participated in both the NEDLAC and TESELICO standing committees and contributed to several initiatives affecting the metals and engineering (M&E) sector in particular and the broader SA economy in general, with the aim of influencing relevant policy documents via recommendations to the Government on policy stances to adopt. Among the issues discussed were trade negotiations, existing trade agreements, e-commerce and the African Continental Free Trade Area (AfCFTA).

The Division was part of discussions on the ongoing trade war between the United States of America and China, and its impact on South Africa. It was particularly stated that the World Trade Organisation (WTO) should be made aware of the concern from business, and Government representatives stated that they were in consultations with the officials from DIRCO in that regard.

Regarding how the Metals and Engineering cluster can directly benefit from the African Continental Free Trade Area, Government representatives highlighted the need for business to lobby continuously and create awareness of the challenges faced in trading on the continent. Government representatives also undertook to communicate available opportunities that can benefit the cluster and other local industrial sectors. They also encouraged labour and business to bring matters of concern with relation to trade agreements (such as the AfCFTA and the Tripartite Free Trade Area) forward to be discussed at forthcoming Teselico meetings.

It was agreed at the meeting that Government needs to lobby continuously for complete exemption from the import tariffs into the US, especially given the implications on the industry's export competitiveness, local jobs and reduction of foreign exchange. The Government representatives gave an undertaking to continuously engage with their US counterparts, given the strategic importance of the steel industry to the broader SA economy.

Finally, concerns were raised on the continued existence of the Southern African Customs Union/SA-USA



African Growth and opportunity Act (AGOA), and Government representatives indicated that there are still impending discussions on the way forward, as they have been busy with the AfCFTA. They requested that labour and business identify issues of importance that the Government would like to engage with on matters relating to AGOA.

- **Inputs into Initiatives Driven by BUSA**

The EC Division continues to provide inputs into initiatives driven by the various sub-committees at BUSA, aimed at influencing policy documents. Some of the BUSA sub-committees which the Division belongs to include the Economic Policy, the Tax Policy, Energy and the Trade and Transport & Logistics Committees. In these committees, the EC Division actively participates in projects and initiatives aimed at improving the broader SA economy.

- **Inputs into Initiatives aimed at attracting investments into 10 designated special economic zones (SEZs) Driven by the DTI**

The EC Division provided input into a special economic zone (SEZ) international investment conference in Durban. One of the critical tools for accelerating the country's industrial development agenda is the new Special Economic Zone (SEZ) Programme, which was mandated by the SEZ Act, proclaimed in February 2016.

The objective of the SEZ is to attract more investment in value-added manufacturing activity and the economy in general. Given that SEZs are a tool to help promote industrial agglomeration, to build required industrial infrastructure, to promote coordinated planning among key Government agencies and the private sector and also

to guide the deployment of other necessary development tools, the EC Division has ensured that SEIFSA is represented in all national dialogues on the SEZs.

During these meetings, the Division highlighted the need for the Government to involve the local industry in all SEZ initiatives, especially given that the focus has been on attracting foreign investment, despite the availability of local productive capacity on some of the identified projects. It was agreed that where there is local capacity in the identified zones, local investors should also be encouraged to invest. The need to extend SEZ tax incentives – such as the VAT and customs relief, the employment tax incentive, the building allowance and a reduced corporate income tax rate of 15% instead of the 28% headline rate – to local investors was also highlighted.

- **SEIFSA's submissions to the National Energy Regulator of South Africa (NERSA) regarding Eskom's Multi-Year Price Determination and Regulatory Clearing Account (RCA) applications**

In a continuous effort to reduce electricity costs for businesses, SEIFSA again made two submissions to the NERSA at the beginning of the calendar year 2019, opposing Eskom's request for above-inflation electricity tariff increases. Eskom's initial application to NERSA had been for a 15% annual electricity tariff hike for the financial years 2019/20, 2020/21 and 2021/22, plus a once-off adjustment through a Multi-Year Price Determination (MYPD) Regulatory Clearing Account for Year 5 (2017/18). SEIFSA argued in its submission to the Regulator for an increase equal to or below the prevailing prime rate of 5.1% at the time.

Despite SEIFSA vehemently opposing the two applications made by Eskom through two submissions and also making presentations on the challenges faced by the metals and engineering cluster to a panel of regulators, alongside other energy-intensive users in South Africa, NERSA proceeded to grant an above-inflation electricity tariff increases of 9.4%, 8.1% and 5.2% over the next three years. The decision was widely – and correctly – criticised, given the present quandary of increasing energy costs faced by all South Africans and the fact that electricity is an important input for all industrial sectors. SEIFSA expressed its dissatisfaction with the decision, since a cap on tariff increases would have contributed directly to reduced intermediate input costs for beleaguered businesses and would have impacted positively on businesses' bottom line.

- **Progress report on the various meetings of the Joint SEIFSA - Transnet Working Group**

Amongst other imperatives, the objective of the Joint SEIFSA-Transnet Working Group (WG) is to explore various means of improving operational and logistics efficiencies between individual companies within the M&E cluster towards lowering domestic logistics costs in the medium to long term. There were three WG meetings held on a revolving basis at Transnet and SEIFSA's offices, while the fourth meeting did not take place due to lack of quorum. This is against the backdrop of operational challenges taking place at Transnet with the removal of the then Group CEO and the resignation of the then Chief Operating Officer.

The SEIFSA-Transnet WG meeting is currently on hold until further notice and members will be informed on the way forward.

## INDUSTRIAL RELATIONS AND LEGAL SERVICES DIVISION

Important amendments to labour laws occurred during the period under review namely, the:

- The Basic Conditions of Employment Act;
- The Labour Laws Amendment Act;
- The National Minimum Wage Act; and
- The Labour Relations Amendment Act.

Some of the important amendments include:

- A Code of Good Practice on Collective Bargaining, Industrial Action and Picketing;
- The return of the secret ballot to the Labour Relations Act, together with a requirement for trade unions and employer associations to amend their constitutions requiring the holding of a secret ballot before embarking on strike or lock-out action; and
- The introduction of various new forms of leave to the Basic Conditions of Employment Act, namely paternity, surrogacy and adoption leave.

## MAIN AGREEMENT NEGOTIATIONS

As negotiations draw closer, Associations have been hard at work considering various scenarios on how best to approach the upcoming round of negotiations. All the inputs will be used to formulate a consolidated employer position. In February 2020, the SEIFSA Council will formally constitute a Main Agreement Negotiating Team, with a mandate of concluding a deal within mandate and with the minimum of disruption to the industry.

## METAL AND ENGINEERING INDUSTRIES BARGAINING COUNCIL (MEIBC)

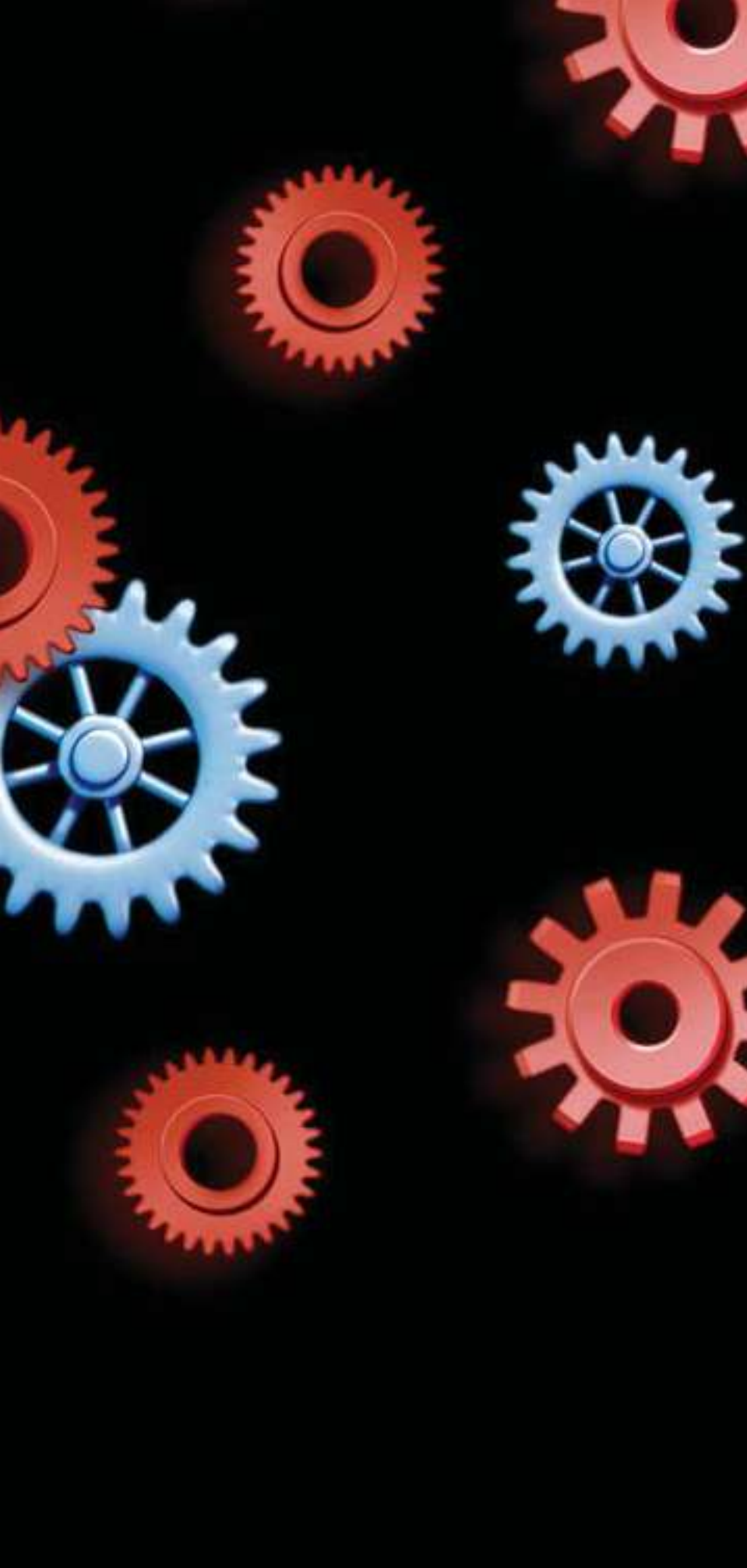
The MEIBC continues to function under administration under the control of a Court- appointed Administrator. To date, the Administrator has appointed a Council Secretary with strong accountancy and corporate governance skills and has tabled a rehabilitation plan and budget and effectively staved off liquidation. The Administrator has been effective in reducing overheads, whilst stabilising the Council's finances.

Whilst administration has been effective in preventing the complete collapse of the Bargaining Council, important work remains, particularly in the area of extending the coverage and scope of the Council's levy agreements, which are critically important for the institution's long-term survival. A properly resourced and well-functioning Bargaining Council is critical for the maintenance of labour market stability.

It is our view that returning the Council to solvency and functionality is a goal that is shared by the majority of stakeholders represented on the MEIBC.







## HUMAN CAPITAL AND SKILLS DEVELOPMENT DIVISION

Within the manufacturing sector, there is a myriad of challenges associated with the development of relevant skills. Amongst others, a legacy of poor educational opportunities, a complex tertiary education and training landscape and a poor basic education system have resulted in many employees having little or low levels of skills.

Ensuring that the views of the membership are presented and heard is critically important in influencing the human capital and skills development regulatory environment in a way that does not negatively impact on the sector's business viability and sustainability. Importantly, participation in these structures and fora affords SEIFSA an opportunity to play a leading role in crafting business mandates on skills development, including the sector's positions on skills development.

## INDUSTRY 4.0 AND ITS CHALLENGES

The manufacturing world is now entrenched in the world of Industry 4.0, but the vocational and skills development training sector is lagging far behind. That there will be labour market transitions which will demand training and retraining is certain.

Through SEIFSA's involvement with the BUSA Committee on Education and Training, SEIFSA has been involved and engaged with several 4th Industrial Revolution and Future Work Studies and Research



Projects through the International Labour Organisation (ILO) and the University of Stellenbosch's Institute for Future Research.

The TVET college landscape has also started to shift dramatically, with industry demand being the arbiter of the curricula and the knowledge level of student/ labour output. With these developments, fresh financial instruments will also have to be established or created to enable small, specialised companies in the manufacturing sector to enter the mainstream economy. Through the involvement of the MerSETA, researching the impact of modernisation of skills that will be needed for our sector in the future has become a proactive alignment goal to ensure that the skills pipeline is adequately prepared and skilled for the modern manufacturing world of work.

## MERSETA

SEIFSA continued to play an important role in the strategic management, proper governance and oversight of the MerSETA through its direct representation on the Governing Board, Executive Committee, Finance & Grants Committee, Metal Chamber, Gauteng Regional South Committee and various other ad hoc Committees.

In light of the critical importance of effective skills development for the sector as well as current and future skills shortages, particularly at artisan level, it is critically important for the Federation to continue to play an active role in supporting, promoting and protecting employer interests at all levels of the MerSETA.

## SOME KEY PERFORMANCE ACHIEVEMENTS

Under Strategic Objective 5 of the NSDS III – Increased contribution to employment and growth opportunities through skills facilitation, the following achievements were recorded for the year under review:

**7289**

learners entering learnerships;

**946**

unemployed graduates placed on internships;

**8496**

learners entering skills programmes;

**4650**

learners completing learnerships;

**3452**

learners completing skills programmes;

**472**

employed learners on bursaries;

**422**

unemployed learners on bursaries;

**4221**

learners registered for artisan trade qualifications;

**2819**

learners completed artisan trade qualifications;

**2495**

learners accessed recognition of

prior learning (RPL);

**1666**

learners accessed ABET programmes; and

**1651**

small businesses were supported.

SEIFSA continues to be an active participant on national human resource development platforms, either through formal nomination as a business representative through BUSA or by ensuring that it participates in the substructures of these bodies. Among others, these bodies include the Quality Council for Trades and Occupations (QCTO) and the Human Resources Development Council.

The QCTO is responsible for quality assurance of trades and occupations in the post-school education and training system.

## PROPOSED SETA LANDSCAPE AND NATIONAL SKILLS DEVELOPMENT PLAN

The National Skills Development Programme (NSDP) was launched in March 2019 and will come into effect from 1 April 2020. The NSDP is key in enabling business, labour and Government to contribute towards economic growth, employment creation and social development. The entire post-school system has been the focus of a significant and radical improvement in the quality of education and training.

On 22 July 2019, Higher Education, Science and Technology Minister Blade Nzimande re-established the Sector Education and Training

Authorities, within a new SETA landscape from 1 April 2020 to 31 March 2030. The Mining Qualifications Authority is re-established for a period of two years, from 1 April 2020 to 31 March 2022.

## TRAINING OF ARTISANS

Artisans play an important role in the industry and SEIFSA plays an active role in areas where the training of artisans is a focus. The National Artisan Moderating Body is responsible for the quality of artisans trained.

New qualifications and associated curricula are being developed for the various trades, with a number of them already being registered at the South African Qualifications Authority (SAQA). The new curricula contain revised knowledge modules, practical skills modules and work experience modules. During the period under review, the Department of Higher Education and Training (DHET) developed an Artisan Development Strategy, with SEIFSA having successfully contributed to this work. SEIFSA continues to leverage its membership within the National Artisan Development Advisory Body to advise the DHET on artisan matters and to influence policy relating to artisan development.

SEIFSA is the official Occupational Trades (OT) Convener for nine priority trades awarded by DHET for the next four years. These are Boilermaker, Bricklayer, Carpenter and Joinery, Electrician, Fitter and Turner, Millwright, Mechanical Fitter, Pipe Fitter and Rigger.







Guests at the 2018 Annual SEIFSA Golf Day





Team SEIFSA Spending a day at Phumula Gardens Primary School as part of SEIFSA CSI Initiative

02

## SOCIAL RESPONSIBILITY REPORT

Social Responsibility is to become a corporate citizen that responds to not only shareholder value but also a thriving healthy socioeconomic environment. As such a citizen SEIFSA believes that social responsibility is not only a moral imperative but an integral part of our business model. SEIFSA uses the following blended approach to ensure that we are socially accountable and building towards an enhanced future for our industry.



## APPRENTICESHIP



Moses Negoma awarded Student of the year at the SEIFSA Awards for Excellence 2018

SEIFSA, over the year under review, awarded three new scholarships to apprentices in the Millwright trade, this will lead to a National Occupational Curricula Certificate, through the SEIFSA Training centre, over a four-year period.

A millwright is a high-precision craftsman or skilled tradesperson. Millwrights by nature of their profession have to be extremely well versed in many aspects of construction/demobilization.

Once millwrights qualify, they have the opportunity to qualify as technicians, engineers, planners, foremen and many other routes requiring mainly electrical and mechanical expertise.

SEIFSA keeps a watchful eye on scarce skills and aligns its funding to contribute to a consistent flow of a skills pipeline for the future.

## UNDERGRADUATE STUDY

SEIFSA has a longstanding, reputable bursary fund in place and boasts an alumni of successful business leaders who benefited from this fund at the beginning of their careers. The Federation has, infact, undertaken to support and facilitate the development, availability and retention of skilled human capital needed by the steel and engineering sector.



Pitso Taele



Thokozile Mtshweni

Through the scheme, SEIFSA promotes balance and diversity in the student body by encouraging previously-disadvantaged individuals to seek assistance.

Whilst the scope of the SEIFSA bursaries primarily relates to employers and employees within the ambit of the steel and engineering manufacturing sector who are affiliated to Associations federated to SEIFSA, the policy does not preclude applications from eligible persons falling outside the ambit of the steel and engineering sector.

The Federation had two bursars who completed their undergraduate qualifications in the year under review, after being funded for the full duration of their qualifications. Pitso Taele completed his B.Tech in Mechanical Engineering at the Cape Peninsula University of Technology and Thokozile Mtshweni completed her B.Tech Civil Engineering with a specialisation in Water. We pride ourselves in the distinctive calibre of individuals that are recruited through our bursary process.

## SEIFSA TRAINING CENTRE

The SEIFSA Training Centre in Benoni, outsourced to GijimaAst since 2003, is managed by a governing committee comprising SEIFSA and GijimaAst representatives. The SEIFSA Training Centre can train approximately 250 people per day and offers apprenticeships in 10 trades. In addition, the Training Centre is a Department of Higher Education and Training registered Trade Test centre.

The SEIFSA Training Centre was running at 63% capacity utilization for the 24/36 week training programmes a total of 243 candidates attended this training for the year and 679 candidates were trade tested by the Centre. The trade test pass rate for the period July 2018 - June 2019 was calculated at 63%. From the above, the Gibela (ITS) project has contributed 80 trainees in the second half of the financial year i.e. Jan - June 2019. The GCRA has trained 1500 learners through short learning programmes.

SEIFSA furnished the training centre with a light delivery vehicle as part of providing tools to enable performance at the centre.

The SEIFSA Training Centre has again put in a notable performance, given the challenging economic circumstances. The Centre remains a trusted and leading training facility to many in industry.

## INTERNSHIP PROGRAMME



SEIFSA, on a yearly basis, hosts TVET learners from the Ekurhuleni East College, for them to complete the practical work-based learning element needed for them to qualify. Nine learners were enrolled on the internship development programme from the college. The learners, together with one graduate intern from the Tshwane University of Technology, have been placed in the various operational areas of SEIFSA where they receive focused development in line with their qualification outcome requirements.

Our intern development programme provides trainees with meaningful work under the guidance of allocated mentors who are trained according to an individually-paced hierarchy of learning.

SEIFSA has absorbed some learners through a normal recruitment process, where suitable positions became available, proving to the naysayers that the objective to improve our TVET learning and private sector partnership as envisaged by the Department of higher Education, is bearing fruit.



## CAREER AWARENESS

SEIFSA attended a variety of Career Day sessions throughout 2018/2019.

The events target learners from disadvantaged and economically depressed communities and are perhaps the only opportunity for most of them to experience this kind of interface with the world of work, experienced role models and professionals in these environments. There is no doubt that they left the events with a better understanding of the inner workings, ethos in the world of work as well as career opportunities available from the various companies.

It was an honour and privilege for SEIFSA to support and participate in these events and know the impact it had on the learners and

enriched their lives. We hope that this influenced them positively in a very profound way and that this experience will remain with them.

## ADOPT A SCHOOL

SEIFSA adopted a School, Phumula Gardens Primary situated in Germiston with more than 2000 learners. This school is home to kids from child headed households and children who live in RDP houses. SEIFSA has been assisting with the various needs of the school as part of our corporate social responsibility. This is an ongoing relationship that will continue into the future, as we endeavour to contribute in the building of a community asset in which the community and its children can pride themselves.

During the period under review SEIFSA staff in the spirit of Mandela Day in 2018 assisted the

school with four vegetable gardens, installing window mesh on windows vulnerable to break-ins and painting various class rooms and school areas. SEIFSA also supported the school by supplying them with all their trophies and merit certificates for their awards evening in 2018 ensuring that the motivation to pursue excellence in learning is entrenched and inspires the young learners to be the best they can be.

The new food gardens become a centre for education and a contribution to food security for those learners who might come to school hungry.

*Michelle Norris*  
HC&SD Executive







# COMPANY SECRETARIAT REPORT

**D**uring the Federation's 75th Annual General Meeting (AGM) held on 12 October 2018,

following the outcome of a secret ballot, audited by Moore Stephens FRRS Incorporated, the following Non-Executive Directors were elected onto the

## SEIFSA BOARD OF DIRECTORS:

- Elias Monage;
- Neil Penson;
- Patrick Metswi;
- Tumi Tshehlo;
- Nonhlanhla Ngwenya;
- Seneca Lutchmana; and
- Alph Ngapo.

The following were elected President and Vice-Presidents from the elected Non-Executive Directors:

- (i) SEIFSA President – Mr. A Monage
- (ii) SEIFSA Vice-Presidents
  - A Ngapo
  - A Moz
  - N Penson

## BOARD MEETINGS

In the year under review, there were four Board Meetings held on the following dates:

- 6 August 2018;
- 6 November 2018;
- 4 February 2019; and
- 6 May 2019.

The attendance Register of the Directors at the Board Meetings was as follows:

Director	6 August 2018	6 November 2018	4 February 2019	6 May 2019	No. of Meetings Attended
Elias Monage	Present	Present	Present	Present	4
Alph Ngapo	Present	Absent	Absent	Present	2
Andrea Moz	Present	Present	Present	Present	4
Ellen Veldhoven	Present	Present	Present	Present	4
Mayleen Kyster	Present	Present	Absent	Present	3
Anthony Boy	Present	N/A	N/A	N/A	1
Neil Penson	N/A	Absent	Absent	Present	1
Nonhlanhla Ngwenya	N/A	Present	Present	Absent	2
Patrick Metswi	N/A	Present	Present	Absent	2
Tumi Tsehlo	N/A	Present	Present	Absent	2
Seneca Lutchmana	N/A	Present	Present	Present	3
Pieter Du Plessis	Resigned	N/A	N/A	N/A	0
Kaizer Nyatsumba	Present	Present	Present	Present	4
Lucio Trentini	Present	Present	Present	Present	4

The Attendance Register of the Directors at the Special Board Meeting were as follows:

Director	September 2018	No. of Meetings Attended
Elias Monage	Present	1
Alph Ngapo	Present	1
Andrea Moz	Present	1
Ellen Veldhoven	Absent	0
Mayleen Kyster	Absent	0
Neil Penson	Present	1
Nonhlanhla Ngwenya	Present	1
Patrick Metswi	Present	1
Tumi Tsehlo	Present	1
Seneca Lutchmana	Present	1
Anthony Boy	Present	1
Kaizer Nyatsumba	Present	1
Lucio Trentini	Present	1

The Attendance Register of the Directors at the Remuneration Committee Meeting was as follows:

Director	August 2018	No. of Meetings Attended
Elias Monage	Present	1
Ellen Veldhoven	Present	1
Mayleen Kyster	Present	1

The Attendance Register of the Directors at the Audit Committee Meeting was as follows:

Director	September 2018	April 2019	No. of Meetings Attended
Alph Ngapo	Present	N/A	1
Mayleen Kyster	Absent	N/A	0
Andrea Moz	Present	Present	2
Neil Penson	N/A	Present	1
Seneca Lutchmana	N/A	Absent	0
Nonhlanhla Ngwenya	N/A	Present	1

The Attendance Register of the Directors at the Social and Ethics Committee Meeting was as follows:

Director	May 2019	No. of Meetings Attended
Andrea Moz	Present	1
Neil Penson	Present	1
Seneca Lutchmana	Present	1
Nonhlanhla Ngwenya	Absent	0

There were no noteworthy governance issues which confronted the Board during the course of the year.

*Sibusiso Mthanjana*  
Company Secretary

## SEIFSA REPRESENTATION ON OTHER BODIES

### SEIFSA IS REPRESENTED ON THE FOLLOWING EXTERNAL BODIES:

- Business Unity South Africa (BUSA).
- Commission for Conciliation, Mediation and Arbitration (CCMA).
- Energy Task Team of BUSA
- Eskom, SEIFSA and Structural Forum for the Overseeing of Development in the Eskom Build Programme.
- SEIFSA Training Centre Governing Body.
- Manufacturing, Engineering and Related Services Seta (merSETA).
- Metal and Engineering Industries Bargaining Council (MEIBC).
- Metal Industries Benefit Funds Administrators (Mibfa).
- National Economic, Development and Labour Council (Nedlac).
- South African Society for Cooperative Education (SASCE)
- South African Institute of Iron and Steel Downstream Development Committee.
- Price Monitoring Committee.
- Technical Sectoral Liaison Committee on Trade Agreements of Nedlac.
- National Nuclear Regulator.
- Advisory Council for

Occupational Health and Safety (ACOHS).

- Iron and Steel Sector OHS Committee.
- Technical Committee for Hazardous Substances.
- BRICS Manufacturing Working Group

SEIFSA, through its membership of these bodies, is able to influence business and policymakers at the highest level and to represent the interests of members. This is aligned to the Federation's vision: to represent and promote the interests of business in Southern Africa, in particular the metals and engineering industries, through lobbying and capacity building, provision of related services and building of good relations with key stakeholders.

### BUSINESS UNITY SOUTH AFRICA (BUSA)

BUSA participates in a wide range of forums and structures that shape the nature of our regulatory environment. In particular, BUSA plays an active role in Nedlac.

Internationally, it is a member of the International Organisation of Employers, the Pan-African Employers' Confederation, and the Southern African Development Community Employers' Group. BUSA is also the official



representative of business at the International Labour Organisation, African Union Social Affairs Commission and the World Trade Organisation.

Various SEIFSA members of staff participate in a number of BUSA's Sub-Committees, including the following:

## **STANDING COMMITTEE ON ECONOMIC POLICY**

SEIFSA is represented on the BUSA Standing Committee on Economic Policy by Dr Michael Ade, SEIFSA's Chief Economist. The committee serves mainly as the employer caucus for Nedlac's Trade and Industry Chamber, Public Finance and Monetary Policy Chamber and the Development Chamber.

## **SUB-COMMITTEE ON EDUCATION AND TRAINING**

SEIFSA is represented on this committee by Michelle Norris, SEIFSA's Human Capital and Skills Development Executive. The committee acts as a joint employer body to examine and make recommendations on policy matters in the field of skills development.

## **STANDING COMMITTEE ON SOCIAL AND TRANSFORMATION POLICY**

Lucio Trentini, SEIFSA's Operations Director, and Michelle Norris, SEIFSA's Human Capital and Skills Development Executive, serve as members of this committee.

## **COMMISSION FOR CONCILIATION, MEDIATION AND ARBITRATION (CCMA)**

Lucio Trentini, SEIFSA's Operations Director, serves on the Board of the CCMA and on the Accreditation Sub-Committee of the CCMA.

## **MANUFACTURING, ENGINEERING AND RELATED SERVICES SETA (MERSETA)**

### **GOVERNING BOARD**

SEIFSA was represented on the Governing Board by Melanie Mulholland.

### **METAL CHAMBER**

SEIFSA is represented at the Metal Chamber by Michelle Norris, HC&SD Executive.

## **METAL AND ENGINEERING INDUSTRIES BARGAINING COUNCIL**

The Metal and Engineering Industries Bargaining Council (MEIBC) is the forum created by employers and the industry trade unions to facilitate the industry wage and employment conditions negotiations and to administer and enforce the various collective

agreements arising from this process.

SEIFSA serves the membership's interests on the following structures and committees:

## **THE MANAGEMENT COMMITTEE**

This committee controls the activities of the bargaining council and determines its strategic direction and focus.

## **THE NATIONAL FINANCE AND ADMINISTRATION COMMITTEE**

This committee controls the council's administrative and financial functions and responsibilities.

## **THE NATIONAL STANDING COMMITTEE**

This committee is responsible for negotiating various issues arising from the industry's Settlement Agreement and other technical issues which arise relating to the industry's Main Agreement.

### **THE REGIONAL COUNCILS**

SEIFSA staff and appointed employer representatives serve on the council's regional structures. These regional councils are responsible for the administration of the MEIBC's functions in the various regions falling under the scope of jurisdiction of the bargaining council.

## METAL INDUSTRIES BENEFIT FUNDS ADMINISTRATORS (MIBFA)

SEIFSA is represented on MIBFA's Board of Directors and on the Boards of Management of the four industry benefit funds, namely:

Engineering Industries Pension Fund (EIPF)

Metal Industries Provident Fund (MIPF)

Metal and Engineering Industries Permanent Disability Scheme (PDS)

Metal and Engineering Industries Bargaining Council Sick Pay Fund (SPF)

SEIFSA represents 50% of the membership of each of these bodies, with the industry's trade unions making up the balance.

## NATIONAL ECONOMIC, DEVELOPMENT AND LABOUR COUNCIL (NEDLAC)

Nedlac provides a forum for government together with organised business, labour and community groups to meet at national level to engage on issues of social and economic policy. Nedlac's aim is to make economic decision-making more inclusive and to promote the goals of economic growth and social equity. Organised business is represented by BUSA of which SEIFSA is a member.

SEIFSA serves the business and membership's interests on the following Nedlac committees:

## NATIONAL DEMARICATION COMMITTEE

Lucio Trentini, SEIFSA's Operations Director, is a business representative on Nedlac's Demarcation Standing Committee. This committee provides a forum where all formal applications for demarcation between bargaining councils and various demarcation issues and disputes between sectors and bargaining councils are considered and determined.

## LABOUR MARKET CHAMBER

Lucio Trentini, SEIFSA's Operations Director, is a business representative on Nedlac's Labour Market Chamber. The chamber provides a forum where the social partners are able to engage in meaningful debate around proposed amendments to labour legislation and planned changes to the country's labour market policy.

## TRADE AND INDUSTRY CHAMBER

Dr Michael Ade, SEIFSA's Chief Economist, is a business representative on the Trade and Industry Chamber of Nedlac. The chamber debated various industrial policy options and alternatives during the year under review.

## HUMAN RESOURCE DEVELOPMENT COUNCIL (HRDC)

Former SEIFSA Human Capital and Skills Development Executive, Melanie Mulholland, served

as a Transformation and Skills Development Champion on skills development matters in South Africa.

## NATIONAL NUCLEAR REGULATOR (NNR)

Former SEIFSA Industrial Relations & Legal Services Executive, Bridgette Mokoetle served as one of the Directors on the Board of the NNR.

## RAND MUTUAL ASSURANCE (RMA)

Former SEIFSA Industrial Relations & Legal Services Executive, Bridgette Mokoetle, served as one of the Directors on the Board of the RMA.

## BRICS BUSINESS COUNCIL MANUFACTURING WORKING GROUP

SEIFSA CEO, Kaizer Nyatumba, is a member – and Chairman – of the Manufacturing Working Group of the South African Chapter of the BRICS Business Council.

*Lucio Trentini*  
Operations Director







## TEAM SEIFSA

## BOARD OF



**Elias Monage**  
*President and  
Chairman*



**Alph Ngapo**  
*Vice President*



**Neil Penson**  
*Vice President*



**Andrea Moz**  
*Vice President*



**Mayleen Kyster**  
*Non-Executive Director*



**Seneca Lutchmana**  
*Non-Executive Director*

## EXECUTIVE TEAM



**Kaizer Nyatumba**  
*Chief Executive Officer*



**Lucio Trentini**  
*Operations Director*



**Michelle Norris**  
*Human Capital & Skills  
Development Executive*



**Michael Ade**  
*Chief Economist*



**Sibusiso Mthenjana**  
*Industrial Relations and  
Legal Services Executive*



**Rajendra Rajcoomar**  
*Chief Financial Officer*

## MANAGEMENT TEAM



**Mariaan de Jager**  
*Finance Manager*



**Kelisha Moodley**  
*Human Capital &  
Skills Development  
Manager*



**Mark Lotter**  
*Marketing Manager*



**Marique Kruger**  
*Economist*



**Theresa Crowley**  
*Associations  
Manager*



**Nuraan Alli**  
*Sales Manager*



**Michael Lavender**  
*Industrial Relations  
Manager*



**Zolile Moyikwa**  
*IR & Legal  
Services Manager*

# DIRECTORS



**Ellen Veldhoven**  
*Non-Executive Director*



**Patrick Metswi**  
*Non-Executive Director*



**Nonhlanhla Ngwenya**  
*Non-Executive Director*



**Tumi Tsehlo**  
*Non-Executive Director*



**Kaizer M. Nyatumba**  
*Chief Executive Officer*



**Lucio Trentini**  
*Operations Director*



**Sibusiso Mthenjana**  
*Company Secretary*

# STAFF MEMBERS



**Tshidi Mokoena**  
*Receptionist*



**Denelle Chetty**  
*Credit Controller*



**Lerato Lebeko**  
*Executive PA to the  
Chief Executive Officer*



**Khumo Kodisang**  
*Associations  
Administrator*



**Thabiso Lebea**  
*Events and Facilities  
Coordinator*



**Neo Zulu**  
*Credit Controller*



**Penny Seitz**  
*Credit Controller*



**Monica Pillay**  
*Executive PA to the  
Operations Director*



**July Malakoana**  
*Invoicing Clerk*



**Lindiwe Modise**  
*Office Assistant*



**Eleen Snyman**  
*Economics and Commercial  
Statistics Clerk*



**Jeanette Dlamini**  
*IR and Legal  
Services  
Administrator*



**Kristen Botha**  
*Marketing and Sales  
Assistant*



**Natalie Fourie**  
*Sales Officer*



**Zandile Ngubeni**  
*Creative Designer*



**Tshimangadzo Netshituni**  
*Junior Credit Controller*

# SEIFSA ANNUAL EVENT SEIFSA AWARDS 2018







# SEIFSA ANNUAL EVENT WOMEN'S DAY 2018









# SEIFSA ANNUAL EVENT GOLF DAY 2018









# SEIFSA ANNUAL EVENT GOLF DAY 2018









# SEIFSA ANNUAL EVENT M & E INDABA 2018









# M & E INDABA 2018







# SEIFSA ANNUAL EVENT PRESIDENTIAL BREAKFAST 2018









# STEERING THE WAY

# FOR CHANGE

The Steel and Engineering Industries Federation of Southern Africa (SEIFSA) is a national employer Federation representing the metal and engineering industry.

For 75 years, SEIFSA has provided active support for employer Associations and lobbied for policies that have improved the business environment in which its members operate.



INTEGRITY

DIVERSITY

EXCELLENCE

STEWARDSHIP

PASSION

INNOVATION







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