



Report of the
2nd Foundry Public Support Workshop of 2011 event

hosted by the NFTN

on 21 September 2011 at the CSIR in Pretoria

Background to the event

This event was the 2nd workshop in 2011 hosted by the National Foundry Technology Network (NFTN) to support closer collaboration and resource utilisation by a range of public sector organisations.

In recent years the foundry industry has benefitted from an increasing number of public initiatives to improve the performance of the South African Foundry Sector. These initiatives cover a wide range of interventions with different objectives. At the previous workshop in March 2011 the NFTN aimed to clarify the expectations of various public organisations supporting the foundry sector. As a result of the 1st event several working groups were established and launched. This report is about the 2nd workshop.

The NFTN contracted Dr. Shawn Cunningham of Mesopartner to assist with the preparation and facilitation of the event. This report was compiled by Shawn Cunningham, Adrie El Mohamadi and Wendy Manamela.

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Objective of the event

The objectives of the event were to:

- 1) Assess progress since the 1st workshop held in March, identify adjustments
- 2) Re-assess workgroups and make adjustments
- 3) Strengthen networking between various public organisations supporting the foundry sector
- 4) Involve additional organisations in the work of the NFTN

1. Event proceedings

The intention of the NFTN was to hold a meaningful workshop within a morning. A precise agenda was developed that combined both presentations, brainstorming and open discussions.

Agenda:

8:30 *Coffee, tea & registration*

9:00 *Opening and welcome*

Recap – what happened at the previous event?

Feedback from organisations on how they have clarified their offerings (expectations management)

9:30 *What is the progress in the working groups*

- *Environment and waste feedback*
- *Energy efficiency feedback*
- *Public procurement feedback*

10:10 *Other feedback from organisations on work in the foundry sector*

10:30 *Coffee break*

10:50 *Are there trends, gaps or patterns in the public support the foundry sector?*

11:30 *What are the next actions?*

How to get more working groups active?

Practical ways to share information, contact details and insights

12:30 *Lunch and networking between organisations*

The following organizations were represented at the event (Annex 2 contains the participants list).

- AFSA
- SAIF
- DST TAP
- GIZ
- MERSETA

- NFTN
- UJ Metal Castings Technology Station
- UJ Environmental Technology Station
- TUT Institute for Advanced Tooling
- UNIDO
- Gauteng Departement, Economic Development
- MINTEK
- ESKOM
- TIA

Apologies were received from:

- The Vaal University of Technology
- Gauteng Economic Development Agency (GEDA)
- Duncan Hope (CSIR)
- Tony Paterson (AFSA)
- Ellen Hueter (Giz)
- Dirk van Dyk (TASA)
- Chantal Dawtrey (Representing SEIFSA)

1.1 Opening

The event started with a brief round of introductions. The following organisations present indicated that they had direct key performance indicators relating to the foundry sector:

- SAIF
- UJ MCTS
- AFSA
- MERSETA
- MINTEK
- ESCOM
- DST
- UNIDO

1.2 Working group progress

The first input (see Annexure 1) was three quick presentations by Mrs. Adrie El Mohamadi on the progress of three working groups:

- Environment and waste working group feedback
- Energy efficiency working group feedback
- Public procurement working group feedback
- The education and skills development working group did not formally presents its progress, but their comments were recorded during the plenary discussion.
- The more informal collaboration on technology upgrading was also not formally presented. This working group must still be formalised.

After each input the facilitator checked with the participants if they wanted to share any additional information or news. The following notes were captured:

Energy efficiency and management workgroup additions

- A question was asked whether the tertiary institutions can play more of a role in finding practical ways to save energy
- An example was given of the US where universities and utilities cooperate in a programme called SMART
- A question was asked whether universities could become ESCOs to assist foundries
- It was suggested that the TUT CEEP be drawn into the network
- A comment was made that the NCPC must be drawn into the activities of the network

Public procurement additional notes:

- More emphasis is needed on the non-technical procurement criteria
- What are the PPPFA implications for the public procurement
- Designated sector status is very detailed and must be accurate
- More attention must be given to BEE accreditation in the foundry sector

1.3 Information sharing by participants

The participants were asked for news updates of their work in support of the foundry sector

Mintek:

- Is training students to be placed in foundries

Vaal University of Technology (VUT)

- A diagnosis of the foundry sector was completed in the Vaal region
- Many firms are struggling
- The VUT in cooperation with the SAIF and NFTN will soon start a training programme in the Vaal region
- The VUT has submitted a proposal to the NFTN to launch the Vaal Foundry Initiative aimed at promoting the competitiveness and innovation of the foundry sector in the Vaal region (not yet approved by NFTN)

DST, UJ and CPUT

- Explained the programme to send Masters students in Metallurgical Engineering to Aachen university

UNIDO

- Explained the progress of working with Electro-Motive Diesel Inc. (EMD) to source railway bogies in South Africa

- Highlighted that there were many opportunities for foundries in rail infrastructure and in the ports
- Further opportunities with rail infrastructure that must still be explored
- Some of the parts of the rolling stock will be classified as “designated”

SAIF

- Training centre launched in the Western Cape
- Shared progress on the Career Path Framework (CPF)
- Skills development at UJ is ongoing
- Shared some ideas from the GIFA and US visits
- Commented that SEIFSA should be drawn into NFTN activities
- These activities form part of the Education and Skills development/CPF Working Group

AFSA and SAIF

- Shared latest information about the scrap situation

MERSETA

- Registration of occupations/learners
- Focus on artisan training
- Collaborating on Career Path Framework
- MerSETA is part of the CPF Working Group

1.4 Trends, patterns and gaps identified in the foundry sector

The participants were asked to discuss at their tables what the trends were that they have noticed. Each participant had to introduce themselves at their tables and had to briefly explain the work of their organisation with regard to the foundry sector. Then the group had to explore trends, patterns or gaps that affected the work of their organisations.

Each table presented its discussions. The following points were noted:

- It is not known what the capacity utilisation of the foundry sector is
- There is a lack of experts that can assist with quantifying heat loss and energy wastage. Also a need for process optimisation skills.
- There must be more focus on job retention and creation
- The foundry sector adds value to basic metals
- Many foundries are struggling with costing and quoting – using outdated methods
- The capability and capacity to absorb new technologies aimed at improving competitiveness is not always so high (it must first be assessed)
- there is no training aimed at foundries in the rural areas (but they can attend in Gauteng or Western Cape)
- There could be opportunities for the foundry sector to link up with the tooling sector around plastics and light weighting

- Many foundries are hesitant to implement or change their processes
- It is important that the foundry assistance programme be extended
- The lessons from productivity improvement in supported foundries must be shared on a broader basis
- Industry expects communication and engagement from the public sector – not just communication
- The Eskom DSM programme is complex and difficult to understand
- More must be done about air pollution (control model)
- The localisation and supply chain programme is important
- SAIF: The issue of transformation in the foundry sector is not receiving enough attention

Some additional notes on the plenary discussion were recorded by the facilitator on a flipchart:

- There is a lack of technical experts that are available for project or interventions at foundries
- The performance criteria from various major buyers are unclear
- There is a disconnect between municipalities, Eskom and foundries on how to manage electricity consumption
- It is necessary to increase awareness in industry about students, learners, interns and apprentices. Many enterprises are confused about the implications of the different types of qualifications.
- Many firms are not aware and also not fully trusting of the range of public sector support initiatives that are available to the foundry sector.

1.5 Improving the performance of the working groups:

The facilitator checked with the participants why several working groups were not performing. Some people commented that they had not been aware of commitments made by other representatives of their organisations.

Next the list of the working groups established during the March NFTN public sector meeting was discussed. See attached revised list

The following working groups were combined:

- Technology improvement and Productivity and firm performance (Lean manufacturing) was combined
- Under the Public Procurement working group (Foundry hub) it was agreed that Public procurement and Development of local market for foundry products should be incorporated.
- Finance and Investment: UNIDO and SAIF will take the lead on this working group. First actions to be taken will be to get IDC to present at the next SAIF technical meeting on its funding opportunities available

No additional working groups were created

It was explained by the NFTN that a working group is expected to arrange meetings with other organisations and to collaborate around a specific theme. It is recommended that each working group set at least one objective about how it intends to work together to improve synergies and impact. It is expected of the different groups to share their progress with the NFTN.

UJ Environmental candidates indicated an interesting in becoming members of Waste management working group.

TIA indicated that they would like to be part of the Technology Improvement working group

2. Next actions

The workshop was closed with the following actions identified:

1. The NFTN will contact each organisation to determine who the contacts are for industry and for the NFTN network. Where multiple contacts are active a simple description of their areas of work would be needed. The NFTN will publish this information on its website
2. The NFTN will contact each organisation for its KPIs that relates to the foundry sector. This will also be listed on the NFTN website to make it easier for the industry and other public organisations to establish contact with the relevant organisations depending on the context. This will form part of the current Funding Tool already available on the NFTN website.
3. The NFTN will take steps to start a process of developing a 10 year strategy for the foundry sector. The outputs of this process will be important for the IPAP process as well.
4. All working group champions are expected to get their groups to meet in the next month.

3. Next events:

1. The Afrimold event will take place from the 27th to the 29th of September in Sandton
2. The UJ MCTS Colloquium will be held from the 27th to the 28th of October at the School of Tourism and Hospitality, Bunting Road Campus
3. An energy workshop with an international expert will be held on the 8th, 9th and 17th of November (contact SAIF)
4. NFTN: A next meeting will be held in November to brainstorm the 10 year strategy

Concluding remarks

This NFTN event was the 2nd public event of 2011. Although only 3 working groups were really active since March in an official form, the information shared by the different institutions showed that much was going on. For instance both the Education and Skills development WG and also the more informal Technology Improvement participants shared insights during the event. The challenge remains for the NFTN to identify innovative ways to support the public organisations in their work to improve the performance of the foundries, and to support increased collaboration between organisations.

Several organisations or representatives participated in a NFTN event for the first time. Not all the participants were aware of the mandate and scope of the NFTN programmes, or of the proceedings of the March event.

The NFTN must continue engaging with the different organisations to draw them into working groups. Furthermore, making it easier for the industry and other organisations to contact relevant supporting organisations will also improve the delivery of supporting programmes.

Working groups that do not perform as expected should be abolished so that resources and energy can be aimed at the themes where people are willing to work together to improve leveraged results.

Annex 1: Presentation by Adrie El Mohamadi (separate attachment)

Annex 2: Participants list (separate attachment)

Annex 3: Revised working group list (separate attachment)