QUALITATIVE CODEBOOK

Medium and Large Manufacturing Establishments

eThekwini Survey

2013/2014

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MODULE 1

Main Question 1.6(a) – Other

1	Trust
2	Cooperative
3	Joint venture
4	Division of a group

Main Question 1.6(c) – UNUSUAL ANSWERS

4	In KZN & Elsewhere in SA [jointly owned by 2 holding companies since late 2002]

Main Question 1.6(c) – COUNTRIES

See countries for Main Question 1.51 or Main Question 1.61

Main Question 1.10 – OTHER

No OTHER category recorded but some comments made on question (e.g. parent company listed etc.)

Main Question 1.11 – OTHER

1	Trust
2	Common ownership [?]
5	Public Investment Corporation

Main Question 1.13(a) & 1.13(b) – UNUSUAL ANSWERS

9999	DNK

Question: 1.14 – PRODUCT CODES[1]

ORIGINAL CODES					
1	Accessories, clothing & footwear	26	Footwear [see also code 1]	51	Nuts (peanuts, etc)
2	Agricultural machinery & equipment	27	Foundry accessories	52	Office equipment
3	Airconditioners / airconditioning equipment	28	Fruit products	53	Paints, dyes & glazings [see also chemicals]
4	Animal feeds	29	Fuel	54	Paper & paper products
5	Audio-visual equipment	30	Furniture, garden	55	Photographic equipment, requisites & products
6	Beverages, Alcoholic beverages	31	Furniture, home & office	56	Plastic products (not elsewhere classified)
7	Beverages, Non-alcoholic beverages	32	Gardening equipment / requisites	57	Recreational facilities & equipment
8	Books, stationery, printing and publishing	33	General engineering	58	Rubber products (not elsewhere classified)
9	Building & construction materials nec	34	Glass products	59	Seafood
10	Building & construction equipment & machinery	35	Hardware consumables	60	Security & protection equipment & devices
11	Building, finishes & fittings	36	Headgear / millinery	61	Sweets and confectionery
12	Cement	37	Household & domestic appliances & equipment	62	Tobacco and tobacco products
13	Chemicals, household	38	Household linen	63	Vegetables products
14	Chemicals, non-household	39	Instruments, tools, machinery and equipment (not elsewhere classified)	64	Vehicle components, accessories and equipment
15	Cleaning equipment, non-electrical	40	Irrigation	65	Weaponry
16	Clothing [see also code 1]	41	Jewellery & accessories [see also code 1]	66	Wood products (not elsewhere classified)
17	Computer programs / software	42	Materials & fabrics	67	Textile products (not elsewhere classified)
18	Condiments	43	Meat & meat products	68	Leather
19	Containers	44	Mechanical seals	69	Wheat / barley / oats
20	Cosmetics, toiletries	45	Medical and pharmaceutical	70	Waterproofing products
21	Craftwork	46	Metal castings	71	Water-based polymer emulsions
22	Electrical / electronic products	47	Metal products (not elsewhere classified)	72	Acrylic acid
23	Fibreglass products	48	Metal recycling and processing	73	Natural rubber latex
24	Foam products	49	Mineral products	74	Manganese ore
25	Food, processed	50	Musical instruments	75	Coke

[1] Includes 2002/03 survey coes as reference codes.

2013 / 14 ADDED CODES					
76	Cold rooms [see also code 3]	77	Filtration products (e.g. filter bags)	78	Water Treatment Chemicals (polyamides, etc.) [see also code 14]
79	Non-metallic equipment for industry in the form of pipes, tanks, fans etc – reinforced plastic products for industry	80	Composite parts for the automotive & rail industry		
82	Embroidery	83	Display boards (e.g. advertising boards[MV1])	84	Steel fabrication business
100	Cement products (e.g. palisade)	101	Polystyrene [see also code 14]		

Main Question 1.15 – OTHER

MISC ESTABLISHMENT-RELATED CHANGES (Incl. Strategic)

1	Relocated plant
2	Bring value added activities in establishment
9	More strategic positioning generally (markets, customers, etc.)
10	Restructuring & repositioning exercise
16	To comply more with legal standards
4	Has engaged in change in infrastructure
8	Has engaged in cultural changes

ESTABLISHMENT INTERNAL CHANGES - COMMUNICATION

41	Has engaged in IT integration and financial system changes

ESTABLISHMENT INTERNAL CHANGES - LEARNING

6	Learning with benchmarking club interventions – floor-level and team changes
15	Learning costing/refining finance system so that per unit quote can be provided quickly

SPECIFIC COST CUTTING REFERENCES

12	General cost cutting measures
13	Cost reduction through import of raw material

SOURCING CHANGES

21	Sourcing raw materials off-shore due to the downturn of the local industry
14	Sourced components from abroad

CHANGES IN AREA OF SALES/RELATION WITH CUSTOMER/DEMAND

3	Enhanced service & quality focus
31	Has been able to alter the goods imported so that it is aligned with local demand
32	Has set up a testing centre
33	Strategic partnering with customers
5	Technical advice to customers

52	Complete new products now produced
62	Developed new product/products

11	Sales expansion through more own branches

LABOUR-RELATED CHANGES

7	Labour productivity improvements
71	Pushed multi-skilling

TECHNOLOGY/PROD CAPACITY

61	In-house design development (through 3D printing)
63	Gone to capital intensive machines
17	New production line added

Main Question 1.16(a) – Negative or neutral

0	None OR not considering to be AFFECTED by global developments in terms of ability to expand

Negative

China / BRICS – influence thereof and competition

1	China a NB producer so fuels imports by SA
11	Growth in China has negative impact
111	Rise of China as a large world producer
1111	Competition with cheap products from China
113	Cheap imports from China caused firm to lose business
115	Competition from China & India makes it difficult to compete globally
1104	Increased competition from China
1106	Increase in competition from firms in India & China has had negative impact on establishment
1107	Low cost in China and India creates international cost pressure on local content
1133	Import competition, especially from China

66	Cheap Chinese imports negatively affected business

Trade Facilitation/Control of imported goods issues

182	Bottlenecks at African market borders [SADC] – days wait before products can get through
119	Uncontrolled importation of products – Cheap un-invoiced goods enter our market which impacts the establishment negatively
48	Major problem with fraudulent re-export from Mauritius affecting firm [diversion of customers]

International Competition / Emergence of Large &/Or cost effective Producing Countries negatively affects Business

112	Competitors globally can offer our products cheaper due to cheaper labour
116	Imported cheap products – Pricing disadvantage
110	Increase in global competition
1101	Increase in global competition in other sectors
12	Emergence of cheap producers internationally
1131	Cheap imports
132	Global competition affecting business

1102	Competition from the East
114	Threats from the Far East (foreign based multinationals have lower costs)

64	Emergence of large producers
13	Price competition is intense and around large key players (countries) in the sector

151	Hard to compete with countries like India, China and Korea that have their industry subsidised unlike in SA

18	Need to push the establishment to have some international leading products / new product due to international competition

1132	Cheap imported goods of poor quality – East Asian goods flooding the marked

168	The increase in imports of finished goods which is cheaper than the raw materials from SA

67	Import relative pricing [pressures]

73	Good that needed product from establishment now imported – so decline in demand [linked to production abroad]

1136	Competition grows in markets that have opportunities

Domestic problem - Capacity

29	New capacity into Market which has caused a price fall
71	New capacity causing falling prices /growing competition

Domestic problem - Capabilities

79	Disappearance of capabilities as a result of imports

Domestic problem - Scale

167	Different products from different markets requirements which cannot be met by SA producers due to scale (e.g. the USA has a huge demand for product but use lower power engine which SA cannot produce on the basis of volumes)
500	EOS-related pressures

Miscellaneous Problem associated with Imports & trade regime

23	Import growth
231	Trade liberalization through multilateralism / WTO influences import duties
232	Sanctions against Sudan and Iran had a negative impact on business
233	Duty process is too long
234	OEMs are not paying any duty hence car import without duty

236	Tariffs should be applied against cheaper countries but in there should be reduced duties for fabrics NOT produced in the country

Other import problems - Problem linked to Imports by Mass Retailers

133	Cheap imports by mass retailers has reduced demand for goods by establishment

Other import problems - Problem around Dumping

45	Dumping

Other import problems - Problem around Quality

1134	Stopped imports due to quality reduction

Other import problems – Changes in how product imported

72	Changes in how products are imported which reduced demand for establishment's products (e.g. Products are imported pre-packed so reduction in demand)

Difficult to Exports - Competition

1103	Cannot export out of Africa as outside of Africa countries can import directly at cheaper prices from other countries
131	Harder to export as other large high-quality players are now exporting in those markets as well
74	High competition had a negative impact on sales in North America and the Middle East
1108	Focus on growth of multinationals in Africa (negative)
1105	Exports from China have displaced exports by the establishment to Australia & to BRICS – e.g. export decreased dramatically due to Chinese competition in foreign markets

Difficult to Exports - Hard to establish in EU

14	Improvements in quality in Europe
15	EU is hard to get into with the crisis

Input PRICES

3	Oil/fuel prices (input cost increase)/energy price increases
30	Crude oil price
300	Increases in price of crude oil & products increase price of inputs & transport
31	Rising price of pulp (input)
37	Energy (including oil) prices
310	Increase in price of input overseas
36	Price of commodities
77	Import parity pricing issues which affect the establishment

Issues in the area of Raw Material / Input - PRICES

16	Increase/recovery of raw material prices (commodity prices) [negative]
163	Rising prices of raw materials in China and the Far East and Asia
1631	Raw material costs – high
166	Increasing fuel prices increase the price of raw materials (e.g. polymer)
1611	Shortage of certain raw materials which drives increase in prices

Issues in the area of Raw Material / Input – Availability or Access to

161	Difficulties in Accessing Raw Materials
162	Disappearance of Domestic Input so all imported
165	Input suppliers have reduced [in number]

Issues in the area of Raw Material / Input – Quality

169	Local raw materials are not of good quality while new DTI rules forces raw material purchases from local companies

Labour

78	Competitive labour rates abroad hinders establishment's ability to export
81	High expectations of labour costs compared to other countries
83	Labour instability (strikes) in SA has caused a negative perception of doing business in SA

Problem related to final customers

17	Squeezing of margins as enhanced by cost consciousness (from customers)
181	Change in customer preferences

Requirements by buyers / Power exerted by Buyers

42	Growing pressure on lead time by buyers
43	Technical specs requirements have grown

431	Requirement by buyer to have ISO to get positioned
46	Buyers have significant buyers power – put pressures by generating price pressure on firm through threat to buy from competition

7	International Focus on climate/environmental change has increased cost of business [respondent deals with gas]

41	Compliance for customers (retailers) has tightened

52	More information intensive production (requirements)

Problems related to RAND / Exchange rates

20	Exchange rate
203	Rand/dollar exchange
313	Weak Exchange rate
22	Weak Rand [would prefer strong rand]
221	Weak Rand & exchange rate volatility – codes 22 & 25 combined

21	Exchange rate affects ability to export

2	Rand level causes imports
200	Depreciation of exchange rate causes import prices (e.g. raw materials) to increase [with impact on investment in imported technology mentions]
202	Depreciation of the Rand increase the cost of doing business as import a lot of raw material [timber]
204	Exchange rate negatively affects establishment as suppliers of raw materials pass the costs increases onto the establishment
211	Exchange rate penalizes establishment through input costs increases (e.g. crude oil, energy, transport costs)
311	Weak Exchange rate affects input prices / input prices increase through domestic shortages
312	Weak Exchange rate makes imports expensive
214	Exchange rate depreciation increases the cost of equipment as sourced globally

225	Exchange rate affects local market more now than previously

201	Exchange rate fluctuations negatively impact establishment
26	Stability of exchange rate
261	Volatility of Rand / exchange rate fluctuations
215	Exchange rate is not stable [which is bad for business]

212	Exchange rate has impacted the establishment negatively
213	Exchange rate has a negative impact on establishment competitiveness

216	Exchange rate (combined with low entry costs) have caused the number of local manufacturers to increase when there was growth in the economy [?]

ISSUES RELATED TO INTERNATIONAL CURRENCIES FLUCTUATIONS

25	Currency fluctuations
28	Exchange rate fluctuations are not good for business

Compliance: Non-compliance abroad (including in SACU)

4	Non-compliance abroad gives foreign producers cost advantage
145	Competition from Swaziland producers who have no BC and thus lower wage costs
146	Competition with products from SACU where there is no labour control. L costs in the region is a problem

Problems around Technology

5	Access to foreign technologies is problematic
51	Duration of international patents a problem
8	Investment in technology – Cost of maintaining old machines is very high
10	Machine efficiency is grossly reduced with age of equipment
53	Moving from printing to digital media
9	Change in mode of telecom which caused a move away from product by the establishment

Crisis / Crises

6	Global recession / slowdown which has caused reduced orders/demand
60	Global recession / weak global economy
62	Global recession dampened sales
63	Credit crunch has eliminated exports by establishment to developed countries
61	Recession in EU when small demand for goods in SA
65	Arab Spring had a negative impact on sales to North Africa and Middle East
33	Abnormal increases in prices due to the recession
19	Had to support distributors around the world

OTHER - Infrastructure / Logistics

91	There has been an increase in logistics costs

OTHER - Competitiveness

117	Competitiveness – Country costs
118	Productivity measured against Thailand, China and India – cannot be as productive
104	No protection under Automotive Production and Development Programme

OTHER - Problem associated with tightened regulatory requirements / Global standards

235	Middle East regulatory requirements increase the cost of doing business
127	Changes in global standards makes it difficult for us to adapt to do business

Main Question 1.16(a) – General Influences – NEUTRAL

47	Global sourcing
125	Decrease in disposable income
128	Guided by parent company
129	Implementation of stricter, higher health and safety standards
135	Laws & regulations in USA & Scandinavia for public transport vehicles to have breathalyser immobilisers [which have meant adaptation but also offered new opportunities]
136	Exchange rate leads to companies sourcing locally but this is short term because still has to source some goods from abroad

27	The quality of products is crucial – but there is always part of the market that buys from China on cheaper basis which affects competitiveness

138	Attends industry expos/trade shows in German to keep informed

Main Question 1.16(a) – POSITIVE

IMPROVED SOURCING &/OR OPPORTUNITIES

100	Ability to source products and move to export market with low costs (+)
101	Expertise of developing manufacturing textiles elsewhere [in China & Pakistan] (+)
134	Global logistics - more things available - increased imports & exports (+)
1001	Reduction in lead time (+)
103	Move to other markets in SA with minimal cost (+)
107	Began to expand in new (African) markets (+)
120	Having reliable suppliers

DEMAND/ TRADE/TRADE FACILITATION

80	Demand for alcohol increasing
1020	SADC agreements allowing for easier across border trade
106	Increase in population has increased demand for product (+)
1071	Demand for our product has increased globally (main product has become more popular)
126	Demand for our product has increased (+) / new opportunities for growth
124	There is a demand for alternative to Chinese and to European Products
122	World Cup has brought in new business
123	Projects on hold since crisis have been revived
1135	Development of African economies see market growing

EXCHANGE RATE

102	Exchange rate good for business – curb imports; increase demand for goods from establishment (+)
105	Weak rand assisted competitiveness (+)
109	The weakening of the Rand makes price of oil increase which makes firm competitive (+) / weakening of Rand is helping the firm to be competitive with regard to processing of a raw material vs direct imports
121	R/US$ Exchange Rate - weaker Rand has meant growth in export sales

TECHNOLOGIES/IC TECHNOLOGIES

1031	Increase capability in using social media platforms (e.g. Facebook, Youtube) to sell main product
140	Africa's migration from analogue to digital broadcasting has a positive effect on sales (+)
1072	Technology changes encouraged business expansion (+?)

OTHER

108	The higher the price of oil, the easier it is to compete (+)
164	Rising costs of salaries and wages in China
550	Quality has enabled establishment to survive against competition from China

Main Question 1.16(b)

0	None / UNAFFECTED

NEGATIVE

Negative effect related to China / BRICS

1	China a NB producer so fuels imports by SA
11	SA government not doing anything about Chinese imports
12	Membership to BRICS (Threat, -)
13	Government policies must protect SA firms against cheaper Chinese imports
45	Dumping - competition with China & Brazil is unfair

Negative effect associated with Imports

21	Import growth and disappearance of a tariff structure that supports beneficiation / no progressive tariff structure anymore
24	Buyers use imported finished goods as leverage against establishment to get prices to be lowered
26	Opening up of trade barriers after 1994 led to collapse of industry
28	Imported cheap products – Pricing disadvantage

Illegal activities around Import/dumping negatively affect the establishment

74	Insufficient fraud control on goods imported by SA companies from a SADC country
741	Illegal activities on imports of fabrics
75	Counterfeit goods on the SA market

83	Open borders on dumped products
742	Dumping of products from other foreign companies

Non-Compliance / lack of standards create problems

4	Non-compliance abroad gives foreign producers cost advantage
41	Non-compliance domestically / uneven playing field domestically
42	Lack of standards by customers themselves / customers too focused on price, not quality
43	Race to the bottom with more and more local products of inferior quality being produced

Adverse Exchange Rate related effects

111	A depreciating currency

2	Rand level causes imports
53	Exchange rate makes imports of inputs expensive
5	Exchange rate affects exports &/or imports
51	Exchange rate affects demand for product (locally)
52	Exchange rate adversely affects competitiveness
54	Weak rand impacted on the cost of sales [product sold]
50	Exchange rate influence expansion with most raw material imported
608	Rand volatility & macro situation
626	Rand instability

Government Policy - Government Spending / Taxes / Incentives ETC

Gvt Policy - Incentives / support by Gvt comments

6	No / insufficient national incentives
600	Decreased protection by national gvt
22	Government should do something about cheap imports
60	Changes to the main sector incentive have had a negative impact on the establishment
601	Clothing manufacturer permits have been ceased
61	Gvt only supports firms in difficulty

611	Gvt does not care about deterioration of sector
612	Government not encouraging a friendly environment to create opportunity
627	Gvt does not support local business enough – e.g. bought goods from overseas while we could have supplied them

Gvt Policy - BBBEE & Tenders & Gvt contracts

602	Need to comply with BBBEE requirements has had a negative impact
76	Gvt procurement policy in terms of BBEE is a problem
603	BEE restrictions for tenders = no equal opportunities for all
607	BBBEE revised codes impacted negatively on scorecard & ability to compete
617	Delays & lack of payment by gvt to contractors
605	BEE Act is not working appropriately. The establishment is a level 1 and still has difficulty accessing tenders
610	Tender administration at state and provincial levels had a negative impact on establishment
731	Extremely difficult to do tender business with government due to all the bureaucratic procedure
990	No tender

Gvt Policy - Taxes

126	Taxes are high
613	High rates & Taxes

Gvt Policy - Trade duties

735	Heavy [import] duties on garments [establishment also imports garments]
933	Duty costs are high / problematic
620	[Import] duty structure not good e.g. duties on all components of the garments (buttons, threads, etc)
621	If [Import] duties structures are properly thought out would enable competitiveness

Gvt Policy - OTHER

734	Gvt not implementing policy that would positively influence demand for establishment's product fast enough
619	Difficulty to access finance to expand manufacturing plant in a new area

609	State spending has slowed down

618	Gvt policy generally that is with regard to electricity, labour, unions & unemployment [is not conducive to business]

622	Government is giving out too many freebies

625	RSA gvt should provide export subsidies – Firms in China benefit from such subsidies which get their prices lower
623	There is poor financial support from SETA - no refund given so cutting back on training

Adverse effect related to miscellaneous Regulations / Legislation

615	Legislation in SA creates too much red tape and is too rights driven
606	Increase legislative burden [on all fronts]
641	Labour regulations causing customers to become mechanised thus decreasing product demand

7	Regulations
701	Administrative burden of regulations and taxes
739	Continuous increase in sin taxes has caused market to be flat

72	Hard to work with CPA [Credit Protection Act] legislation which meant that quality had to improve
73	DoH legislation on ingredients listing
732	SA legislation may impact freedom of press (Secrecy Bill)
738	Labour law sets a proportion of worker to be temp and it is hard to adjust when seasonal fluctuations - FT workers have to be paid even when orders not large

120	Being environmentally conscious has led to change in regulation

733	Competition commission ruling made it hard to compete

Perceptions on Gvt

635	There is a negative sentiment about government
604	Corruption in gvt has negatively impacted establishment in relation to tenders

Location - adversely impacting on costs

81	Plant location (and high rates & taxes at that location) penalize establishment
87	Firm is away from customers

Location - Lower rural wages penalize establishments in urban areas

3	Lower rural area wages affect position of Durban producers
33	Competition in places like iSithebe

Labour – Costs

93	Rising labour costs causing cost increases
651	Costs of labour negatively impact the establishment as 30% of total cost is with labour costs
673	High wage rates / high wages
679	Wage Increases
674	Cost of labour is too high / high

Labour - Productivity

62	Lack of productivity in SA

Labour – Lack of skills

63	Lack or shortage of skills in SA
630	Skills development required as even machinist need to be trained rigorously

638	Absence of skills mean that establishment depends on foreign companies for maintenance & this is expensive
117	Lack of skills / skills shortages
672	High cost of labour caused by a scarcity of artisans

Adverse development in Capabilities / Lack of training / investment in skills development

95	Disappearance of capabilities nationally / reduction in number of input suppliers domestically

110	No training and skills development
125	Poor education system: People do not understand work ethic and value
115	Massive skills shortage in terms of not enough investments made in skills development and training

Labour – arrangements/legislation not adequate

64	Extremely rigid/rigid or inflexible labor requirements
640	Labour laws
65	Cost of labour has increased but efficiency has decreased
616	SA labour laws are incompatible with SA manufacturing environment

Labour – Union & Collective Bargaining & strikes

66	Cost of labour is high due to union pressure
67	Too many strikes / strikes
670	Strike action / Union power creates instability
676	Labour issues - strikes
68	Mining strikes have a negative impact on establishment
69	Unionism: unlawful strikes that workers engage in without proper procedure
70	Unionism: Workers have an attitude of entitlement
71	Unions support workers more than employer
78	Unionisation & lack of adequate governance of unions
79	Union wages
678	Unrest & strikes which affect establishment so that orders are not delayed

Labour – Other

671	Volatility of labour
677	Increase labour unrest in the labour market across different sectors
675	There is a lack of mindset with local labour force – they do not want to learn

Competition

8	New competition in national market / increased competition
8041	Intensive competition in SA is putting pressure on the firm
80	Competition is intense
8040	Too much competition – market is a ‘blood bath’ with customers highly price sensitive
801	Emergence of competition by establishments that have products that do not need establishment’s main products
802	Competition with other exporters
803	Competitors are much more productive [than establishment]

Market structure

804	Markets is SA are not functioning too well
805	Collusion exists between competitors

809	Dominance of a parastatal [in sector] which can charge prices higher than normal which affects the operations / profitability of the private firm
806	Consolidation of industry in which establishment operates
31	Retailers earn lion's share of profit
85	Supplier dominance – duopoly affects prices
84	Low barriers to entry
840	Low barriers to entry & exit combined with exchange rate have led to a rise of the number of those involved in sector
200	The development of centralised procurement companies (eg Point) which compiles list focused on the cheapest which harm businesses that strive on quality

Suppliers/Changes in supplier base

23	Dependence on local suppliers is a nightmare as they [are closing/have closed] close down
82	Local sources of supply lacking/not available
820	Closing of manufacturers forcing to import, even essential products
807	Emergence of more suppliers thus creating [intense] competition
851	Lack of suppliers nationally
118	SA automotive market shrinkage

ISSUES WITH INTERMEDIARIES/SALES AGENCIES

861	Had to help the start-up of other companies when these unsuccessful with products themselves [in order to help sell the product]
862	Change of distributors
863	Customer service is not emphasized and thus not creating demand for goods – not emphasized by workers in retail
865	Cannot compete with middlemen (they squeeze the margin)

Lack of Demand / Low Growth / Poor Investment climate

55	Poor economic climate / macro & GDP growth declining
9	Limited or lack of Growth / market not expanding
97	Recession of 2008/09
90	General economic conditions are adverse / Poor state of the economy
903	Unemployment affects demand
92	Recession causing cut backs from big buyers
124	South Africa recovering from recession slowly

901	Recovery has already happened so no more positive change going forward

921	A large share of the customer base has disappeared
923	Consumer demand is low
98	Consumer debt situation/unemployment affecting demand
925	Decreasing / stagnant disposable income [with changes in spending patterns towards lower cost goods - decrease in demand for product]

991	Public reluctant to procure from oil related BEE companies

800	The market is limited
127	Market for the product is mature thus hard to break
99	Drop in demand - Biggest customer bought own plant
998	Drop in demand for product by +/- 20% nationally
999	Drop in demand due to the nature of the product

113	Economy is unstable
112	Instability of the South African economy – economy not vibrant enough to support businesses
902	Political instability
116	Political instability caused by fractions within the ruling party which influences investors

35	The shareholders perception of SA's economy is bad
27	Clients are reluctant to invest
811	The presence of the parastatal gives the impression that it is expensive to do business in SA
114	Invst downgrade caused by exchange rate

Changes in Customers preferences have adversely affected establishment

922	Change in customer preferences
924	There are many new products in the market which gives customers more choices. Customers are more worried about affordability than quality

Costs (excl. labour & transport) – increases & level

29	Inflation
94	Increases in CPI causing change in spending priorities away from product produced by establishment

30	Increase in input costs due to reduced availability of resources
89	Cost of parts

59	Cost of raw materials is too high

250	Increasing utility costs, especially electricity
88	Increase in utilities and fuel costs
961	Electricity costs high
962	Energy costs high
963	(Rapidly) Rising energy costs [causing cost increases]
964	Availability & price of coal

932	Cost of water and affluent treatment in excess of inflation
934	High water costs

900	Duties on finished garments have increased by 5%

96	High fuel prices / fuel costs too high

High transport Cost

32	Shipping costs high
320	Increasing petrol prices
321	Costs of logistics / delivery very high
322	High transport costs

Inadequate infrastructure

25	Infrastructure not adequate
251	No rail infrastructure development
252	Quality and Availability of electricity

253	Deteriorating infrastructure NB roads + talk of tolls on main roads near establishment
614	Instability of electricity supply
935	Electricity supply is problematic
936	Access to some areas a problem for staff to deliver some goods [?] which affects production

Funding / Working capital

56	Insufficient working capital a major setback
57	Cost of funding is very costly – High financial interest bearing element
58	Drop in turnover (sales) compounded with reduced profit margin
570	It is hard to get funding because of margins in sector (while the market is very price sensitive)

Other

500	Lack of available machinery - establishment depends on foreign companies
501	Margin issues meant could not get tax clearance on time and SARS was not helpful with business cycle problems
86	Price competitiveness [means] electronic equipment imported
91	Industry shrinking very rapidly
323	Logistics constraints

Main Question 1.16(b) – POSITIVE

Economic recovery (+)

105	There has been a sizeable recovery/return of demand for goods produced by establishment
109	Increase in demand [which leads to increase in sales]
135	There has been market growth in SA that has not been observed elsewhere

Exchange rate depreciation (+)

1018	Exchange rate has positive effect – effect has been on local value adding & improved exports due to depreciation
1019	Depreciation has boosted exports

Measures protecting the domestic market (+)

119	Tighter gvt regulations have allowed an expansion on the domestic market (+)
1015	Good import duty protection available

Gvt incentives / support programmes have helped (+)

100	Re-organisation of sector as an industry with production incentives (+)
101	Gvt grants are helping / IDC (+)
123	Government grants assist in upgrading plant and machinery
1010	Low interest rates for working capital from the IDC
1011	IDC competiveness grants are helping to improve products

1013	DTI Investment incentives have helped – youth wage subsidy NB
1025	APDP has benefit establishment directly & indirectly – the latter by increasing demand from OEMs
1022	DTI instrument in the form of APDP has helped the switch to locally produced good yielding investment in the motor industry
102	PI scheme from DTI (+)
1030	Change from PAA to PIA (Productive Invst Allowance) has been NB
103	Cluster programmes (+)
104	AIS is v good as a programme
1021	Imports of some inputs allowed duty free under a rebate item (+)

Other related to Government Policy (+)

121	Had access to government projects
122	BBEEE has been beneficial
107	Increase in demand for product due to BBBEE level

New opportunities found (e.g. through new partner, etc.) (+)

106	Ability to fill a niche with retail group
1062	Establishment's ability to adapt to new product developments
108	Establishment is focused on enlarging its opportunities outside KZN (i.e. Gauteng and Cape Town)
1061	The demise of competitors which has reduced competition
1060	Fewer players in the business at times of recession [which is positive as the establishment is doing very well]
1063	Increased in credit which has increase demand
1064	Increased demand in personal care market
1050	Expanded intake of work by mixing 30 and 60 days customers

Other

1012	Labour laws have helped to incentivize productivity amongst existing workforce
1068	Tech change encouraged bus expansion

Main Question 1.16(c)

0	No element at present / no comment / nothing
411	Not relevant – do not deal with businesses at this level
9	Nothing specific at provincial level – same as national level
17	No additional comments than those already reported

NEGATIVE

Lack of consultation

22	No consultation on new charges
32	Want to add to transport costs (e-toll)

Non-compliance

31	Non-compliance [that is not dealt with]

Lack of support / Difficult to Access to relevant departments

33	No support for tenders
34	No effort or support from provincial government
35	The provincial government should promote local manufacturing

41	Relationship required with particular departments for business

LACK OF RELEVANCE - Not relevant for business (activities, events, etc. not right)

42	Too many events – not useful level of gvt for business
43	Only looks at very big businesses

ISSUES WITH TENDERS [which translates into a lack of opportunities around provincial gvt contracts]

50	Delays & lack of payment to contractors by the gvt
51	Small margins on tenders
52	Would rather have large margins on small jobs [so provincial gvt contracts not interesting]
53	Tender administration has a negative impact
530	No tender
54	Unfair tender process

ISSUES IN LEGISLATION - Provincial legislation unclear

6	Lack of clarity on legislation that is the domain of the province
61	Lack of clarity on liquor legislation (province) which affects sales

Problems in area of infrastructure (incl. energy/electricity/water but excluding costs)

71	Quality and Availability of electricity
73	Water availability problem
110	Maintenance of infrastructure
111	Too many potholes – Lack of maintenance while potholes cause damage
112	Lack of infrastructure (main road is always clogged)
113	High traffic levels
115	Inefficient port systems
117	Need to develop rail infrastructure between JHB & Durban
116	Poor service delivery – road, infrastructure, etc

Costs – Transport / Freight / Shipping / Toll

24	Cost of freight is too high
66	High delivery/ transport costs
67	Shipping rates are too high (not competitive)
114	Toll roads to JHB expensive

Costs – Labour

80	Cost of labour / cost of labour is too high
83	Cost of Labour has increased but efficiency has decreased
85	High Labour costs with union pressure

Costs – Energy (fuel, etc.)

72	Energy costs are high / But is it a provincial matter?

Costs – Miscellaneous Other

21	Cost escalation (energy + rent)
23	Cost of land is too high
86	Cost of doing business higher than in other provinces
25	Very high prices of raw materials

Lack of skills

81	Lack of skills development
82	Lack of labour skills (in KZN)/ lack of skills / poor labour skills
16	Skills shortage

Education

87	Quality of education significantly lower than other provinces, especially in the commerce field

Other - State of provincial economy

91	State of the provincial economy

Other - Safety / Crime

210	Too much crime

Other - Environment

300	Recent weather patterns affect industry
301	Forced to comply with environment etc [unclear]

Other - Labour

97	Sole supplier agreement with a facility in Isithebe where unions are starting to infiltrate and increase of labour costs accordingly
100	Strikes

Other – Market / Competition

20	There is unfair competition
14	Drop in turnover - pricing war (reduced margin to sustain market share)
26	New competition in market
992	Manufacturing arena shrinking leading to lack of simple local products [in market]
993	Consolidation of industry in which establishment operates
994	Finds it hard to get to the market as other suppliers are linked/connected to get the job
995	BC needs to do their jobs. There are lots of producers they know nothing about [when these producers do not apply the set wage]
996	Informal sector provides "lessons" on what not to do
201	Very competitive markets
202	Ship building and maintenance companies are losing business to the rest of the world

200	Loss of market due to cheap similar goods from China in the province
205	Losing market share in the province due to imports from China

Other – Change to incentive

305	APDP affecting the enticiveness of provincial opportunities in relation to purchases [of raw materials] from Richards Bay (-)

Other - DEMAND

120	Limited demand for product
991	Public reluctant to procure from oil related BEE companies
118	Declining demand

OTHER

13	Lack of funds
90	Black ownership is a major issue

Main Question 1.16(c) – NEUTRAL

65	Uneven uptake of bargaining council in some areas (e.g. Isithebe) BUT benefits of this uncertain as these establishments also face higher transport costs

Main Question 1.16(c) – POSITIVE

SUPPORT SCHEMES/PROGRAMMES (+)

103	Cluster developments (+)
102	Support from Gijima KZN [a provincial government department programme] to finance capital invts (+)
105	APDP + DTI grants have been important for positive developments in the sector
104	Had good support from TIKZN and from PUM who provided specific advice

Access to Raw Materials (+)

101	Most raw input needed are sourced from the province / availability of relevant raw materials in province (+)

Infrastructure / Transport (+)

12	Development of the port
130	Cost of provincial logistics is lower than the national average

OTHER – Demand elements linked to location

140	Establishment benefitted from the world cup by getting exposure
145	No competitors in KZN

General Comments (+ but not related to province solely)

11	Very good relations with customers
107	Increase in demand for product due to BBBEE level
108	Growth in demand yielding growth in sales
109	Excellent association with a large local manufacturer means that establishment has a good relation with other companies

Main question 1.16(d)

0	No element at present / nothing
17	No other comments than those already reported

NEGATIVE

Nothing/inadequate/wrong focus by local gvt/implementation

110	No initiatives from local government

202	Get very little support from local gvt
205	There is no department that is dedicated to industrial problems
208	Nothing specific at local level – same as national level

203	Only look at very big businesses
209	Supporting the wrong people, not who should be supported

350	Municipality structures not flexible enough for all people to do business
97	Too much focus on industrial parks - too much talk not enough action
671	Lack of support for municipality to expand/grow existing businesses

201	Municipality is not looking to complement national interventions

204	All talk, no action
206	Nothing can get sorted out

22	Lack of uniformity in application of legislation

Bureaucratic elements

2	Bureaucracy / red tape / gvt inefficiencies
21	Lengthy EIA

Problem with local gvt staff & decision making

8	High attrition rate of employees at gvt departments
81	Takes ages to get any information
83	Gvt is slow to approve land sub-division

Issues related to compliance

31	Non-compliance by other local producers
32	No enforcement/control of compliance requirements
44	The informal sector eats into our capacity. A lack of regulations creates overcapacity and this also affects our fabrics when they are not produced in SA but illegally labelled as such

Issues related to tenders/local gvt opportunities

33	No support for tenders
331	Do not hear quickly enough about procurement opportunities / too short turnaround between tender notice & application deadline
34	Gvt purchases are sourced from outside SA

ADVERSE CONTEXT - Adverse Demand conditions

4	Contraction of a major client
40	Lack of customers – moved sales to JHB
41	Business (buyers) moving out of KZN
42	Consumer demand is falling
990	No tender
991	Public reluctant to procure from oil related BEE companies

ADVERSE CONTEXT - Adverse changes in the market (incl. adverse product change)

91	Increase in the sales of low cost items (which generates negative margins)/disappearance of good products
92	Too low barriers to entry [everyone has become a producer]and with low skills level some huge cost pressures → deterioration of the product offering
94	Quality of manufacturers
96	Market competition from global competitors as they establish own firms locally (aside from imports)

ADVERSE CONTEXT - Generally adverse economic conditions

95	Poor state of the local economy (incl. within the broader national economy)
43	More competition / high local competition
93	Market shrinking due to imports

Rates / High Rates / taxes

1	High rates and taxes
11	High rates
12	Rates higher than in other places incl. other provinces

63	Increases in rates
67	Property Rates too high

Transport costs

57	Employee transport costs are high
58	Delivery/transport costs are high
59	Ever increasing logistics & fuel costs compared to JHB
511	Rents charged by Transnet are exorbitant
513	Transnet looking to double the already very high rent charged

Infrastructure

111	KZN infrastructure is limited (e.g. piping)
1064	Poor service delivery – road, infrastructure, etc.
1063	Hammersdale is not regarded as an industrial area, so infrastructure is bad (water, waste disposal, road networks)

1060	Poor Infrastructure

106	Port inefficiencies increase the cost of doing business
1061	Access to the port is perpetually congested
1067	Port is congested - no space for expansion
540	A lack of capacity at the Durban port e.g. delays in shipment
541	Port charges are excessive - there is no correlation between the price and quality of service
516	In spite of very high port charges paid by establishment, these are set to double (plans)

109	Few road networks especially in rural areas
1062	Traffic
1065	eTolls without consultation [provincial]

86	Water pressure reduction impacts on safety on site
87	Power outages or failures

FACTORS OF PRODUCTION

Factors of production - Lack of labour skills / Education issues

45	Lack of labour skills
46	The quality of labour is low – need training & devt
49	Lack of skills and knowledge compared to another city in SA
88	quality of education poor, specifically in the commerce field

Factor of production – land / space

47	Lack of land and counterpart of high land prices
64	Price of land too expensive
48	Land claims negatively affect industry
98	Rentals for factories at market prices is too high
62	Increases in rental costs
69	Rental price now too high

Factors of production – Fuel, Water, electricity etc. costs

5	Electricity price/costs increases
50	Energy costs / energy costs too high
500	Price of electricity is too high
51	Would have issues with electricity if expanded
52	Fuel costs
53	Utility costs
54	Moving goods through the port is excessively expensive
55	Water cost increases
77	High water costs

Labour costs

611	Labour costs are high at the local level
61	Increase in labour costs
65	Cost of labour has increased but efficiency has decreased
85	High Labour costs with union pressure

General & other miscellaneous Costs

6	General cost increases
601	Rising cost of doing business in general
82	Inefficiencies in SARS increase the cost of doing business
84	Rate reduction would have been helpful

Factors of production – input quality / quality of supplies

68	Not enough quality local suppliers

Crime elements

7	Crime / crime level too high
701	There is lots of crime in the area and this affect clients' perceptions
71	Employees are robbed on the way to work
72	Crime is a major problem due to the location of the establishment
73	Telephone cable theft

74	Crime - had a few break in of computers which are NB for work

Litter

75	Unclean litter in area which affects client's perception
76	General maintenance (bins not taken out)

Other Comments

3	Regulatory Issues
995	Forced to comply with environment [? unclear]
56	Use of coal as a cheaper source of energy not allowed
992	Lack of funds
993	Drop in turnover: pricing war engaged into - reduced margin in order to sustain market share
994	Availability of capable local suppliers of imported components
996	Finds it hard to get to the market as other suppliers are linked/connected to get the job
66	Availability of raw materials
997	Could not expand on previous premises in Durban
78	Inconsistency in the production plans of a major customer

Main question 1.16(d) – POSITIVE

Positive elements – local gvt

200	Not clear what the city is doing that is relevant to businesses but generally ok
100	The city is doing some positive things
104	DIPA is a good point of relationships
110	DAC NB

Positive elements – location

101	Proximity to harbor
102	Proximity to main suppliers
103	Pool of workers is located near the establishment
115	Moving to new area [Pinetown] has given space (to staff and to supplier)
116	Biggest client not far away (in Durban)

Positive elements – Demand

105	The disappearance of a large player has allowed for a gap to be filled in the market in the area of product design
107	Increase in demand for product due to BBBEE level
150	Increase in sales due to increased demand

Positive elements – Gvt support

151	Gvt support instruments have been NB & positive for the sector - APDP

Positive elements – OTHER

108	Development of the port
152	Excellent association with a large local manufacturer means that establishment has a good relation with other companies
155	Zero rated on effluent into system [ISO 14001 certified - waste water]

153	Reliable & passionate staff
154	Skilled staff

Question 1.17(a) - OTHER

1	Cost of rate escalation
2	Work permits and visas
3	Gvt not checking origin of products when local sourcing is key for procurement
4	No support to help access Africa
32	Partnership between gvt & private sector can improve business growth
203	Outdated machinery spares

Main Question 1.17(b)

0	None / no comment
10	No problem as the constraints do not affect business

NEGATIVE

Pb in Dealings with Particular Gvt Agencies

42	Dealing with SARS
420	Res Bank trade regulations are not suited to businesses (& cumbersome)

Bureaucracy / Red tape / laws & regulations / waiting for feedback

7	Bureaucracy / red tape / paperwork
70	There are too many rules, laws & regulations
743	The rules/regulations are not suited to the majority of business
701	Regulations for opening a business are cumbersome
702	Environmental regulations (hard, intensive & involving young and incompetent individuals who prioritise the envt)
78	Waiting period for environmental regulation approval is too long

Admin & Policy requirements not right for small businesses [excl. BBBEE]

72	Compliance is a major hurdle for family owned businesses
761	Prohibitive admin requirements for small business around a rebate scheme

Uniformity Issues in application of rules, laws, etc.

73	Lack of uniform application of LRA [or LRA regulation not penalized when not enforced]
703	The formal economy is restricted by heavy regulations but not the informal economy giving an edge to informal operators
731	Lack of application of rules by inspectors in a uniform manner (local level)
732	Laws & regulations are not sufficiently uniform

Issues related to trade matters / customs admin / customs / visas

1	Issues with tariff line codes
11	Wrong tariff coding on imports
741	Issue with code of product import (not adequate tariff heading used)
12	SADC countries not adhering to export regulations
13	Customs administration takes too long
18	Very problematic customs inspections which cause late delivery of goods to chain stores
14	No SADC certificate – High percentage of imports means no such certificate can be obtained

15	Import audits at the port are costly
744	Tariff reforms in the area of dumping
16	SA joined BRICS, government imports from member countries – negative impact
19	Import duties are too high
20	Inefficient visa process does not help while it is required for staff travelling to affiliate abroad for skills devt or training
24	Getting work permit is a nightmare

Problems related to accessing foreign markets

3	Lack of support/info to help access foreign markets
31	Lack of support to help access African markets
311	Transport costs are enormous to move goods across borders

Transport costs

56	Trucking is expensive
300	Escalating transport costs
301	Transport provision and quality – Problematic for staff travel

Infrastructure - ICT

5	Poor internet (e.g. line drop)
501	ICT & Telkom provision to area is poor – low speed electronic communication
502	There are too few cables to support telecom in Durban
51	Transferring large files electronically (from abroad) does not work well at all
593	Telecommunication in most parts of the world is free while extremely expensive in South Africa
595	Tel sector not performing because of corrupted and incompetent minister & pb not sorted out since last election

Infrastructure - Transport

52	Transport Infrastructure provision & quality is problematic for staff
521	Availability and effectiveness of the train system needs to be looked at as this is one of cheaper modes of transport
57	Absence of rail affects transport costs

Infrastructure - General

97	Gvt not meeting commitments benchmark of infrastructure

Utilities / Energy, etc.

58	Cost of electricity a NB problem area
581	Wasted investment money on generator to deal with load shedding in the past
582	Had to invest in generator
59	Cost of water
591	Cost of utilities are high but supply is poor
596	Cost of utilities (water, electricity, gas) combined is the single biggest constraints
592	Cost of electricity is high given that company has to melt aluminum
55	Gas is not competitively priced

597	Reliability of supply [of utilities – assumed?] is poor
594	Energy provision and quality: There are many surges and breakages in power
26	Electricity blackouts in area are problematic

305	The industrial complex is no longer using rail. Goods get lost on rail

Issues in the area of skills

2	Issues in area of Skills [weak skill base]
21	Absence of artisan type skills
22	Absence of tech skills nationally causes recruitment abroad
220	Education level of job applicants is shocking
23	Absent critical mass of tech skills
25	Shortage of engineers

HIV/AIDS & Health system

6	Declaration of HIV/AIDS status does not happen
61	The problem with HIV/AIDS is one of mindset
111	There is still a lot of stigma around HIV leading to denialism amongst workers with HIV & use of unproven treatment (sangomas)
62	HIV/AIDS impacts the business and lot of support needs to be provided to affected employees
114	HIV/AIDS a major problem as business has to replace workers and train them
115	Losing one employee a year to HIV/AIDS

67	Clinics take too long leading to absenteeism

Gvt-private business relationship

32	Partnership gvt – private companies can improve business growth
33	Late payment by gvt generates cash flow problems (establishment has gvt contracts indirectly)
34	Too many people are involved with gvt orders. A lot of people who want tenders approach establishment for orders but they try to bid prices down - there is a whole VC around subcontracting for gvt orders

Labour legislation / Labour regulation

65	Labour legislation is a problem in the area of overtime
651	Labour legislation is a problem generally
652	Labour regulations change all the time, a problem

LEGISLATION - Changes thereof policy / New Legislation

4	Credit Act
41	General Change in Policy
74	Change of legislation – relabeling and writing on packages (costly adjustment)
742	Changes in gvt policy → consultants are employed & are expensive
80	Constant changes to the EE Act which is a big threat to foreign investors given the huge costs that are associated with compliance

Problems in area of Procurement / tenders / BBBEE

71	Docs required for BBBEE compliance a problem when financial data cannot be released
711	Approach followed is that of "one size fits all" for BBBEE & Tender legislation
9	Procurement problem
91	No information available on local procurement plans or strategies
92	Need to account for contracts & tenders [there are issues at this level]
93	Cannot sell to gvt/tender due to BBBEE requirements which establishment does not have
931	General impact of BBBEE on manufacturing performance

Adverse Exchange rate / Currency Effects

8	Currency issues
81	India/China can supply cheaper (Rand level cause)
82	Depreciation of Rand drastically weakens our ability to export
83	Collapse of Rand has effect on establishment – Suffered major losses
84	Depreciation of the Rand raises input costs while buyers do not accept higher prices
88	Exchange rate must stabilize
86	Exchange rate pressure affecting already very low profit further
87	Cost of capital is extremely expensive compared to other parts of the world and BEE does not help that much

Crime / Corruption

200	Crime and theft major problem (e.g. business incurring high costs to deal with it)
201	Corruption

Demand

851	Lack of economic growth in SA
853	Labour issues which affect demand from major customers (e.g. mines)

Competition / Industry structure

17	Serious price wars with competitors
79	Markets are dominated – we stand up against giants
202	Collusion in the industry

Government - Other problem areas

225	Gvt just not supporting potential businesses
94	Government funding is a major problem. It is extremely difficult to be a successful applicant if not a black owned business.

89	When the company split in 2008 the business regulations were tedious and a hassle

75	Counterfeit goods [not dealt with]
43	Police force not effective. During strike go a court order to prevent strikers from coming in but this was not enforced by the police

77	Money that has gone to corruption could be used to enhance important aspects of development such as infrastructure
852	High rates & Taxes

76	Inefficiency in local gvt with nothing done on drainage (always excuses but nothing done)
45	Waste disposal an unresolved issues with local gvt which affects customers perceptions

OTHER

85	Lack of capital a major obstacle to growth
203	Outdated machinery spares
118	New business growth affected by low business confidence & downgrade (for investors) of SA
312	The market is highly controlled

POSITIVE ELEMENTS

101	Have employed an expert to deal with trade procedures / paperwork (+)
102	Labour is self governing due to absence of union (neutral)
103	Positive developments in infrastructure in Durban (+)
104	Weak Rand has been good for the business
106	Consciously focus social spending in right areas - attempts to buy from BEE factories
105	Fuel and transport costs are a problem but South Africans just make a plan to get around these problems

NEUTRAL COMMENT

27	Looking at approaching ITAC together with BC to lower duties on import of fabrics not available in SA
105	Fuel and transport costs are a problem but South Africans just make a plan to get around these problems
400	With high transport costs, employees prefer to work night shift – night shift means one less day to work [for them]
410	Labour is now self-governing due to the absence of union [in sector]

Main Question 1.17(c)

0	No explanation could be provided / general feeling

Private corruption – Compliance

31	Non-compliance by other local producers
32	No enforcement/control of compliance requirements

35	Illegal wage rates paid

Private corruption – Price Fixing

39	Price fixing and difficulty to surpass buyers selective service providers in spite of better price offered

Strange deals / Arrangements

1	No fair trade in the market
11	There is theft in the private sector [they do not pay goods]
7	Certain customers discontinue doing business when they have no rational reasons to switch suppliers
337	Corruption in procurement departments leads us to not getting the product as cheaply as possible

Theft

2	People are unethical and do not stick to agreements. They run away and do not pay.

Private corruption – BEE systems & Tenders

33	Competition in tenders skewed to those who bribe
331	Pattern of awarding of tenders
332	Procurement of tenders is with big industry
333	Concerns that BEE system is corrupted so cannot believe what you read
36	Need contacts in competition for tenders/knowing someone helps get tenders
6	Concerns that BEE system is corrupted – Cannot believe what you read

Private corruption – Imports

34	Under invoicing &/or dumping
37	Illegal imports – Lose major sales order

Private corruption – Cronyism / Connections

4	Some customers [individuals] expect bribe for business
40	Cannot get prices required. It is who you know
41	Competitors have large retail buyers in their pockets [i.e. exclude others from doing business with large retailers]
42	Inefficiencies in partnership means have to pay/bribe people to provide services – especially at port to bring shipment
5	Businesses do not comply with regulation due to influence of ministers/officials

Private corruption – Market / Price Fixing / Market structure / value chain

50	Copyright infringements
51	Connection and link between people mean that they share jobs between themselves
52	Stealing of staff [with specific product knowledge]

53	Price fixing which affects our consumers
54	Do not get a piece of the pie in the industry unless connected with the right people

Private corruption – BRIBES

38	Bribery (including private payment requests for work being done)

Main Question 1.17(d)

0	No explanation could be provided / general comment not linked to the question
99	No direct impact

Gvt corruption – General

3	There is a culture of corruption
232	Fraudulent posting with fake certificates
30	Corruption is filtered onto provincial [arrangements?]
32	Bribes and other forms of corruption in Local Gvt is a waste of state money
34	Cost of infrastructure, lack of confidence and waste of resources
51	Corruption in gvt leads to inefficient functioning of gvt

Gvt corruption – Grant/funding

36	There is corruption in grant applications which negatively impact the establishment
41	Sourcing of gvt funding is very difficult - an improved cash flow support by gvt grants would create more jobs and improve sustainability

Gvt corruption – Service provision

1	Corruption around basic services provision

Gvt corruption – Gvt spending / Resource use / Misuse of public funds

24	No direct impact on establishment but limits gvt spending on infrastructure & service delivery [poor answer]
6	It affects every business as the taxes we pay are not helping the environment in which we do business
31	Cannot use state money effectively due to corruption, money is not spent where it should be spent
37	Misuse of public funds which causes lack of service delivery
39	Diversion of budgets from where money should be spent

Gvt corruption – Inconsistent application of rules & regulations

11	Evidence in inconsistency of enforcement of rules and regulations

Gvt corruption – Tenders / Gvt contracts

21	Suppliers buy from third parties and not directly (rent extraction)/Third parties buy some items outside of tenders from third parties when they have a tender which is not supposed to happen
2	Corruption on tenders/tenders not followed through
23	Tenders/BBBEE nexus corruption
231	Bribery when getting tenders (which causes potential loss of contract)/individuals want to be paid for tender applications
25	Unfair distribution of gvt tenders
230	Bribe to access tenders, accountability of public funds (nepotism)
233	Some gvt officials receive bribes while our contracts are regulated by gvt
250	Need to involve third parties at times with gvt contracts- gvt contracts are hard to secure
236	Submitted numerous tender applications but not one coming back positive
27	In competitors tender, all prices are revealed yet not all the cheapest accepted
26	Access to gvt contract is very difficult
234	It is impossible to get government contracts/tenders
235	Public sector gives tenders to big industry

7	The public procurement procedure and tender processes are perceived to be a major problem
45	Unfair tender process

Gvt corruption – Cronyism / Clientelism

22	Having contacts matters for tenders/people who are known get tender contracts
240	Jobs for comrades and nepotism

Gvt corruption – Customs

12	Corruption at customs affects business directly
4	Customs control & Bribery
38	Illegal containers/imports allowed to enter SA

Other

5	Kings in rural areas are using tax payers money
78	Bribery and corruption are a major problem
79	You cannot do anything without a bribe

33	Competitors are able to lower their input costs by illegal means [for gvt contracts?]

35	Lack of confidence in the economy
40	Inability [?] to secure business

48	Causes businesses to turn a blind eye and become corrupt themselves [it becomes normal]

Main question 1.20 - COMMENTS

NEGATIVE

Negative - Fronting

1	There is fronting [and not management change] (-)
46	There are too many loopholes so tokenistic

Negative – Bureaucracy & Paperwork cost

4	Takes time & resources to monitor / Bureaucracy (-)
401	Audit costs associated with maintaining status and need to comply (-)
43	Have had to employ consultants to help

Negative - Business / Establishment impacts of a general nature

26	Being able to contract with corporate [firms?]

41	Current BEE status of establishment does not allow access to a number of contracts

42	Generated a competition (with others) that is purely on providing BBBEE certificate

51	Maintaining scorecard is difficult

Negative – Costly

507	It is costly
5	BBBEE deals are costly (-) [in extreme cases: BBBEE yields no benefit]

501	BBBEE has led to an increase in labour costs
502	Cost of employment increases
910	Skills development [for BBBEE purposes] costs money

503	Audit/consultant cost and training costs[MV6]

504	Direct cost of consultation [presumably for BBEE level change] is high]

505	Skills devt & CSI provided with money
27	BBBEE has imposed costs in terms of the need to incorporate social investment and social responsibility initiatives
511	Increased social & training expenditure to get to current BBBEE level

Negative – Workforce and training decision effects

92	There is a high turnover of qualified skilled mid-level managers (recruitment)
91	Affected training decisions [costly] / training due to lack of sufficient skills
93	People reshuffled due to equity requirements
94	Pay is according to BEE

Negative - Not suitable GENERALLY

21	BEE does not help development (-)
6	BBBEE suppliers / partners do not have enough stock / production / are too small (-)
45	Enterprise devt seen as charity (-) [all set up firms but no link with suppliers]

52	Too rule bound / BEE system rules are too stringent (-)
521	Rules not suited to family business (-)
522	Nature of business not suited to BEE rules
523	Limited as ownership is foreign

47	Pushed demand for compliance by OEMs which the firm cannot meet (-)

Negative - Fraud

506	There is fraud in certification – company paid for a certification but did not complete the certification; business of certification must be regulated

Main question 1.20 - COMMENTS

POSITIVE

Positive - general

7	Generally positive (+)
73	Very important (e.g. for development, the country)

Positive – progression (internal labour)

71	Helps promote PDIs at all levels (+)
72	Better progression into management (+)

Positive - New order or growth opportunities

3	Enables BEE companies to be more competitive (+)
31	New contracts / gvt orders can be secured or have been secured (+)
310	BBBEE opened up new business opportunities
332	Awarded tenders based on status
101	More clients
333	Has assisted in gaining credibility with customers & yielded some advantages over imported goods (+)
20	Pushed demand by OEMs (+)

Positive – Other Business / establishment impacts

2	Help support production / business income (+)
22	Has focused social spending in the right area (+)
315	Grants through the dti [secured] (+)

NEUTRAL OR MIXED

Neutral OR Qualified Business/Establishment impacts

29	No benefit yielded
37	No benefit yet [Need to see volume work take place first or BBBEE does not hold the weight it is supposed to so not opposed]
8	Does not deliver results but in support of BBBEE
221	Has focused social spending in the right area but there is no decent BEE supplier establishment can buy from (-)
23	Lenders/funders want certificate now, so have to push level (neutral)
24	Restructuring is a gradual process (-), no immediate benefits
28	It is not a gradual restructuring

33	It has changed the way we do business (neg & +)

Mixed – On importance of

35	Customers do not worry about our rating
32	Customers require acceptable BEE status (neutral)
53	BEE status only matters for a few large customers [so not too important to meet these] [we are too small to make a difference and deal primarily with foreign customers]
54	Required by a few OEMs (however)

Mixed – Changes in structure

331	Changes to management structure + Sold a stake of the company to a trust (workers) (neg & +)
39	Did not have to restructure because present owners are PDIs

Neutral – Changes in employment or training

25	Just increased the number of PDIs in the establishment (new employment)
9	Affected employment policy targets / preference to equity recruitment to support BBBEE
901	Had to employ more black people
95	BBBEEE is driven internally through training likely candidates and headhunting

902	Take advantage of SETA = training costs [?]

Main question 1.21(a) - OTHER OR COMMENTS

Crime

3	Safer place
31	Crime

Infrastructure - General

6	Infrastructure / transportation to be improved
61	Train – important
64	Need new public transport projects (e.g. the Gautrain) to generate new orders for the business
66	IT Services
13	Poor Road Infrastructure

Infrastructure – Conditions (pot holes, repairs)

1	Road repairs take a long time
11	Pot holes are a major problem
12	Road maintenance/repairs are a problem/an annoyance
14	Roads are in bad conditions
67	State of Road which affects road safety

Infrastructure – Public transport

63	Insufficient public transport
65	Municipal bus transport [Need for intervention in]
26	Unreliable public transport
17	Poor state of public transport

Infrastructure – Other

15	Sewerage infrastructure problematic and affects investments
62	Congestion at harbor - costs time and money

Incentives / Assistance / Follow up / Support

2	There are no local incentives
4	No assistance in investment support and facilitation
21	Electricity subsidy

22	Grants for job creation
45	Facilitate creation of jobs
25	But implementation of policy [in area of invst support & facilitation] is complex

24	Cannot access policy programmes [e.g. due to BEE requirements]
401	SMMEs cannot access support programmes/incentives
402	Timeous help and info concerning applications

44	Too much talk, not enough action / general inaction

Information

41	Needs of investors need to be assessed as cost of doing business in Durban increasing
42	Information is needed on local procurement opportunities
421	Information is needed on local procurement opportunities as the Municipality imports when there are local producers available

Local Gvt efficiency

43	Be more efficient in debt collection & billing

49	Reasonable property rates
54	Maintenance of high ethical standards by local government officials

Other form of Interventions / Support

71	Chemical/envtal problems – better monitoring & control of the envt

46	Create a pool of skilled workers
47	Skills
49	Skills devt should be conceived as a local problem

48	Need a database/portal of black businesses that are reliable

69	Management feels establishment not to be of any relevance to any municipality

Health sector / Interventions in health sector

87	Poor public health
5	Health: Workers not at work the whole day
51	Hospitals can be better
52	What is going on in public health is pathetic
53	If child requires health care - staff are out of work the whole day

Legislation / Understanding of bylaws

81	Uncertainty in some pieces of legislation
83	Labour laws stability and flexibility
90	Unclear what can/cannot be done with one customer for 3 years now [around no communication on change of law in the area of liquor]
82	Lack of knowledge/understanding by Municipal inspectors of bylaws

Labour Regulations

85	Inflexible labour regulations

Other

23	Environment: Implementation [of ?] is a problem
55	Cost of industrial space

POSITIVE

100	Doing a good job
101	Safer place
105	Good implementation of policy [in area of invst support & facilitation]
500	PI but from national

Main question 1.21(b)

COMMENTS

No dealing with Municipality

99	DNK – do not get involved with them
100	Not dealt or no dealing with the Municipality / Municipal departments
1000	None – no comment
100	No specific interaction with municipality

General comments - Positive

0	No problem / None / respond well to our queries
115	No problem – doing a good job
111	No problem – tries to assist
112	Verbally doing a good job – respond with regard to communication
200	Establishment has received good services
201	Generally good
202	Queries were well handled
2002	Electricity & water department is fine
35	Very good at debt collection
2001	Seems to have improved
113	No problem – know who to deal with specifically in eThekwini

General comments – Average or qualified

11	Service is average
9	Generally positive once know who to contact

General comments – Negative

12	See no initiative from the municipality
40	Poor service
13	Service is very poor or unsatisfactory
14	Problems not dealt with adequately & not helpful & nothing gets done
15	Even to answer a phone call / the phone, it is a problem
17	[Extremely] unsatisfactory if do not know anyone on the inside/have to know someone to help with accessibility
24	Incompetent administration
25	Staff are very unprofessional

19	*Must be more active and more participatory* ***[NB comment for Pietermaritzburg]***

Issues in responsibilities - Negative

1	Planning happens without firms in mind
6	City wants business to internalize/sort out their problems/inefficiencies

Communication - Issues Negative

300	No communication about water cuts / no notice to business
302	Very difficult to get the queries across – end up paying people to get through to the Municipality
305	They do not deal with queries efficiently (e.g. on rates)

4	"Facelessness"
41	Turnover of staff / no one to deal with consistently can be identified
42	Inaccessibility to someone who can help any time of the day
48	Difficult to access, have to hire people to lodge queries

462	Staff do not show quality customer care – do not answer calls sometimes
463	Arrogance from government staff
464	Not sure if requests are followed through

Communication - Neutral

310	They must improve/increase communication

Communication - Positive

350	The new SMS / e-mail system is efficient

Efficiencies / Interventions – Positive

203	Efficient: e.g. 1. City is efficient – cannot fault them; 2. efficient and relatively hassle free
205	Did sort out a specific problem

Efficiencies / Interventions – Negative

16	Slow process in getting someone to deal with queries
2	Inefficiencies in building plan approvals
21	Generally inefficient in dealing with queries
22	Generally inefficient
44	Not getting closure on issues
49	Problems are not solved, municipal staff behave badly
110	Taxi rank close by – Dirty, other businesses do not have loading or off loading facilities
56	Perform very poorly in service delivery

Efficiencies – Neutral

23	Municipality is very inefficient but this sometimes work in the favour of establishments – forgot to follow up on a fine with establishment
46	There is still scope in improved service delivery
461	There is still scope in improved service delivery incl. in infrastructure

Inefficiencies - Time it takes

307	*Too long to respond / They take forever / very slow response* ***[NB comment for PMB]***
43	It takes too long for an issue to be addressed / they take forever to deal with queries/too slow to respond
45	Refunds take a very long time
55	Administration response to queries is too slow
51	Waste their time (for business licenses & building plan approvals)
52	Lack of ability to conceptualize urgency therefore they don't bother about the Municipality
53	Requires constant follow up
18	They do not improve local infrastructure & maintenance quickly
301	Too long to respond / They take forever / very slow response

(Lack of) Expertise / Knowledge

3	Expertise
31	Lack of experience & it is getting worse
32	Wrong people get the job/not qualified
33	Lack of understanding or knowledge of issues/business
34	Staff are not trained properly
47	Staff lack skills

Systems Issues

26	Sometimes there is too much red tape to get things done

Problem with alignment

5	Local government not aligned with national government
8	Inconsistency between departments

Corruption/Bribery

91	Corruption (incl. Bribery)
92	Nepotism – the wrong people not qualified get the job

Specific Support [Suggestions]

7	Export markets need to be developed
81	Tenders need to be designed so that SA firms can apply – e.g. need to promote SA firms in tender

Main question 1.21(d) – RATES Explanations

General comments on rates being high or very high

11	Rates are way too high / rates are too high
112	Rates are very high because the area is industrial
13	Rates are high because of location
14	Increases are exorbitant / Too much increase [it adds to expenditure]
16	Property rates are too high and not flexible
18	Reduce cost structures, become more efficient
19	Too high compared to other provinces / cities
20	Rates are high and they [?] do not allow for subsidies

Comments relative to spending / Intervention outcomes

1	Taxes are high / higher while the quality of services provided is declining / not good
110	Too expensive for what we get
111	Taxes are rising with no service in exchange/no equivalent increase in service delivery/Rates are very high yet poor service

113	A 300% increase in rates which is not substantiated

2	Basic problems (e.g. pot holes) not dealt with
21	It takes long for the municipality to fix damaged infrastructure when reported

6	Inefficient use of rates (wasted rate revenues)

115	Local rates are over-valued in poor economic zone

Comments related to consultations

3	There is no consultation – decisions taken unilaterally
31	Keep revaluing the land
5	Rates are raised on an ad hoc basis / arbitrarily

Wrong signal to Businesses / Comments on rates changes relative to other costs

12	City wants industry to move to the periphery? / Message about place of business in city unclear

4	Increases are not in line with increases in input costs
41	Pushes costs up
42	Fuels national inflation
43	Rates are rising in excess of inflation

44	Electricity costs are very high and are part of input costs that cannot be controlled

Opportunity costs

7	High rates mean that the buildings cannot be maintained
71	A number of costs (land, rates & taxes) are too high
51	Rates are set with no concern for current economic conditions

PROPERTY COMMENTS

15	Rentals have gone up

160	Cost of property is too high – does not encourage new investments

Main Question 1.22 – Other & Comments in Pilot

OTHER FROM PILOT CATEGORY RECODED FOR MAIN QUESTIONNAIRE AS OTHER AREAS FOR FURTHER INTERVENTIONS

RELEVANT CODES ALREADY ENTERED IN DATABASE

Main Question 1.23(a) – Other

1	Skills Development plan
2	PIP (Production Incentive Programme)

31	Eskom Incentive

41	R&D Subsidies

51	ITAC Rebate
52	AIF [Automotive Innovation Fund]

61	SETA – Generator Incentive schemes

71	Miscellaneous **dti** programmes (unspecified)

90	GijimaKZN
91	PUM scheme

Main Question 1.23(a) – Number of years used

99	Recently
999	DNK
9999	Over the years

Main Question 1.23(b)

0	None / no comment

General Comments – not using

999	Do not qualify
9992	Do not use as too much red tape
9993	Do not use incentives so cannot comment
228	Not really looked at much yet. Need to sort out the tax clearance problem and factory first before fully investigating the incentives
221	No investment in recent years due to poor performance [so no use of incentive]
30	Export marketing scheme was used but not anymore. China too competitive
230	Waiting for government to sort out legislation for a new product

Comments on incentives – Unsuccessful

251	Stopped applying – do not get anywhere when applying
27	Could not apply for some incentives as could not meet some labour requirements (unionization)

General Comments – does not know

9994	Aware of selected incentive programmes but does not know are used as head office deals with these
7	Incentive programmes are dealt with by head office
114	Never heard of them and never used them

General Comments – Recent application

71	Recently applied for Capital Expenditure Incentive
73	recently applied for EIP/MIP
35	Recently made an application for MCEP

Use of Consultants

11	We are ok but that is because we are employing a company/consultants to give us advice/help
12	Hired consultants to advise on which incentives can be used
13	Grant accessibility is very difficult and in most cases you need to hire a consultant to administer the whole process
14	If had to use incentive, would hire a consultant

Comments on incentives – More or new sectoral incentives required

2	Would like sectoral incentives
21	There should be some within the sector [sub-sectoral] incentives
23	Need additional incentives for the printing industry
29	Capital investment incentive could be helpful
291	Capital Expenditure incentive, establishment applied but was unsuccessful
22	No incentive available for capital intensive sectors

Comments on incentives - Gaps on incentives for growth & Development

24	More incentives required for skills development
26	Incentives should be growth driven – higher growth, higher incentives
261	No organization looking where industry can benefit from each other – market research on opportunities & gaps available is not there

NEUTRAL

NEUTRAL – red tape

72	The red-tape associated with applying is prohibitive but probably necessary

NEUTRAL – Other

225	Incentive programme is good but incentives should be more visible for micro enterprises

NEGATIVE

Awareness/Communication

1	Greater communication on incentives needed for awareness
111	Need more information on youth fund
112	Need more info on the Youth Fund as establishment wants to hire more young people
113	Requires information on capital incentives for new projects in pipeline

115	SETAs must help customers - get to businesses to come and see them and interact
116	dti must get to businesses to come and see them and interact; must not stay so distant
117	Establishment applied for MCEP and approved a proportion of what was asked for but not told which project it is for so cannot use the funds yet

Comments on incentives – SMMEs

211	There should be more grants available for smaller firms
212	No help provided for SMMEs to qualify by IDC & DTI – only see whether qualify or not

NEGATIVE Comments on specific incentive(s)

25	Change of incentive has penalized the establishment

28	ADPD does not benefit tier producers
281	APDP not for establishment since not OEM but company must prepare reports for others on it while no incentive gained for it
282	Government programmes do not directly support tier suppliers [in automotive, 1st, 2nd & 3rd tier]

283	EIP was hard work to start with; went into appeal & took 18 months to do that

61	Cannot ‘cross pollinate’ incentive scheme / incentive scheme cannot be used in combination with each other

Comments on incentives – General negative

55	Programmes of scale [EOS? Or of a large scale?] are required [for incentives]
50	Grants are not commercially desirable

Management of incentives / bureaucracy, etc.

3	Scheme works best when outside of the dti
31	Application process for the CTCIP support takes too long
32	Application process for EMIA support takes too long

321	Time constraint issues not considered in EMIA
33	Everything works well until something goes wrong with the application & reporting
34	Bureaucracy is heavy (applying takes ages)
340	**Dti** takes too long to do anything – administration of grants is very poor
341	AIS is cumbersome and need to use consultants [which] penalize small players
342	Time taken does not justify incentives received. Process is too long and drawn out
343	Admin costs were emerged as too high when an R&D subsidy was investigated
344	It is difficult to get the grant – need to make the process easier so as to help remove the need for a consultant

.

Industry structure or industry issue to be dealt with

4	The problem is elsewhere around industry structure and this needs to be addressed
41	Decentralize the printing industry. Monopolies need to be reduced

5	Industry has made a request for an export duty to try and help stop the export of scrap metal

POSITIVE

General Comments - positive

9991	They are useful

POSITIVE - Incentives

100	We got lots of information when we asked about EMIA (+)
101	PI is NB for the firm (+)
102	PI [PIA] is very good (+)
103	AIS a very good programme
104	Incentive NB for the growth of smaller companies
105	Due diligence required for incentives NB

8	Used an incentive to undertake an expansion
81	Incentive programmes helps us cover our costs

107	MIDP used to set up a new plant

223	Incentives are always investigated since we take every rand we get [due to low profit]
224	Incentives help us cover the costs
226	The industry is very competitive – incentive programmes are therefore very important

POSITIVE – Training

222	Incentives for skills development are good - Business can claim back
106	Focus on skills development and training grants provided by SETA

Main question 1.24(a) & 1.24(b) & 1.24(c) & 1.24(d) – OTHER

1	Investment owner
2	Inter-company loan
3	Loan from Growth Fund
4	Gijima (KZN programme)

Main question 1.24(e) – UNUSUAL CODE

99	DNK

Main question 1.24(f) – UNUSUAL CODE

99	Application in progress
999	DNK

Main question 1.24(h)

1000	No comment
10	No comment – establishment controlled by parent company

0	Does not know / no role (at present) / never used so do not know / no dealings with IDC
102	Not exposed to the IDC and would like training and information workshops
9	Currently finding out about them - meeting with IDC coming up

1001	Important but not relevant to establishment (e.g. establishment has no funding issue)
40	A bank provides the funds without interference

Not relevant

1002	Company does not qualify
1007	IDC rep said company does not qualify
1005	It does not apply to us

Positive – General

1	Extremely good programmes / extremely useful / useful for expansion of business
11	Essential
13	Provides a very useful source of competitiveness incentives
131	Very helpful in growing business & economy as a whole
132	Vital role but can do more by being more accessible
104	Very important for business
1041	Very important for business growth/expansion/start up
1042	They provide positive initiatives
105	Has helped with current capital investment
1004	It is helpful for those who do not have the financial support
17	But could be positive if could help with investments for automation as cannot borrow further from the bank

Positive on Rate of Lending

12	Rates are excellent
14	The cost of finance is reasonable

Negative – Appeal / Rate of Lending

61	More costly than other financing options
62	No benefits over a loan from a commercial bank
512	There are better terms & conditions for borrowing from other sources compared to the IDC

Positive - Specific

31	Have IDC funding for machinery which has been good for productivity
32	Helps establishment grow through increasing capital investment
712	Looks after the interests of the clothing sector

Positive on Interaction / paper work

2	It is easy to interact with the IDC
25	No problem with application process
1011	IDC easy to work with for CTCIP - more difficult with the **dti** and EMIA

Negative – General

504	See no benefits
508	Useless
517	It is a useless organisation - every application made was declined
1006	They need to play a more proactive role
503	Needs to be more proactive as the clothing sector is the cheapest sector to fund for the employment of people

Negative – efficiency / Response speed

5	Slow at responding
50	Slow to approve payment
500	Facilitate grant access but they are very inefficient
501	Problematic accessing the funds
510	It would be good if they can assist or aid in growth

Negative – requirements / access to funds

511	The requirement to get a loan is extremely difficult – 2 months to apply to the IDC
1009	Timeframe is not adequate
1010	Application amount is granted at minimum
505	IDC needs to be less rigid when granting loans

Negative – Focus / Relevance

502	Focuses on wrong interventions (e.g. interventions that do not help businesses)
513	Role of the IDC is NB but they have lost their focus – priorities have changed
1008	Used to save & rescue manufacturers in difficulties – not anymore; IDC/government do not care about capabilities lost when establishments close down

506	IDC needs to assist companies with more competitive lending [compared to banks]

507	IDC mainly supports smaller firms
713	IDC must help small business

509	Focuses relentlessly on BEE when such firms do not always have what it takes
71	IDC is biased in who gets selected for loan
711	Only get a loan if you are black

Negative - Communication channels / Bureaucracy

51	No communication with the IDC is direct - intermediaries are involved instead [intermediaries imposed]
53	Bureaucratic/red tape leads to cash flow problems
54	Paperwork / admin process prohibitive
55	Too many procedures and protocols with IDC. Takes too long.
56	Too much paper work for business to make processes accessible, effective and user friendly

Neutral – Paperwork

52	Difficult for small player, application is a thorough process

Negative - Corruption

101	IDC is corrupt

Main question 1.26(a) & 1.26(b) – Other

Capacity

1	New capacity generated through new production lines
2	Extra capacity through new investment to allow an expansion of production processes available at establishment
21	New equipment brought in / investment in new technology

Sales / marketing

3	Sales growth
31	Employed marketing staff
35	Marketing

Linkages / Investment

4	Backward development of the form of investment backward

6	Expansion through other production facilities
61	Expansion through investment in production facilities at new location

New Building / Space

5	New building

Imports

7	Expansion of imports
71	Expansion of imports for a specific range of products

Products / Forward linkages

81	New product offering

82	Expanding the retail division

Other

9	Mindset & commitments & consistency (e.g. to quality)

Main question 1.27 – REASONS WHY NO EXPANSION

Capacity / Demand / Economic conditions

1	Excess capacity
11	Sufficient capacity to meet demand

2	Market has shrunk / poor market conditions
22	Restricted market
21	Insufficient increase in demand
211	Poor business performance
3	Establishment is contracting
31	Follow customers and there is a complicated dependence but external contraction indirectly affects the establishment
221	Economic slowdown
222	Recession caused demand to fall by 22%

9	Global companies are raping South Africa – Business is determined internationally and competitors are located in SA
91	Product not profitable through competition & internal production conditions – establishment produces at low margin a basic product
92	As sales & margins were low we contracted the business

Finance/Funding

5	No capital available / need capital for expansion
51	Finance not easily available
52	Insufficient working and investment capital
53	Too many restrictions to access funding

Change of incentive

7	Effect of the APDP on profitability in medium term [combined with other factors such as global crisis]

Labour

8	Difficult to get qualified staff

Expansion is elsewhere

6	A plant in another location is undergoing expansion

Other

93	Evaluation still underway
94	Deal fell through

Main Question 1.29 – OTHER

SHEDDING WORKERS

10	**Has no plan to increase the workforce. Would look at overtime situation and engage in temporary hiring if needed**
11	**Looking to shed workers**
17	**Progressively substituting workers by machine**

FIRM SPECIFIC INTERNAL FACTORS

3	Substantial capex [required]
43	SABS standards levels to be reached

5	Would only need 1 new customer for this to happen

9	Productivity (labour)
95	Productivity must increase

12	Built new plant
31	Build a new factory
13	We need to increase our capacity

EXTERNAL FACTORS

1	Reduce Red Tape

2	Reduce Port Fee considerably
21	Taxation should fall in real terms
22	Purchase of raw material [prices]
23	Energy [costs]

4	Reduction in corruption

41	Promote Made in SA

42	Improve state administration

61	Exchange rate must stabilise

7	Trade agreement change [SADC - with Mauritius re-exporting products that should not have duties]

8	Stricter customs control/control of illegal imports

96	Real labour costs would have to go down by 20%

14	License agreements towards/for localization

15	General costs (e.g. energy) must decline

19	Would need to produce another product

Main Question 1.29 – COMMENTS

1	Radical Technological change [to reduce downtime by 25% & waste savings]
12	New line – Manufacturing of rubber gum boots

2	Hourly rate of pay has to decrease by 20%
92	Wages must decline or stabilize in real terms
25	It is not possible to have declines in real terms
16	Real wages are unlikely to decrease but need to stop increasing

232	Establishment was 6 years ago employing twice the current workforce while producing the same volume

23	Government should reduce taxes to enable firms to invest in employment

35	But would [still] need an increase in turnover by 35%

72	Increase in production requires more labour
73	Labour productivity needs to increase

4	No cheap imports from Brazil / BRICs

63	Will have spillovers in terms of new customers / new orders
65	Need growth in exports

5	Price of raw materials must decline
6	Cost of electricity must decrease
51	Cost of finance too high

82	"Unfair" competition is with Swaziland and Lesotho who do not have good labour practices regulations
83	There is not much competition at present
10	Local competition is difficult but we cannot isolate ourselves from the global context!
45	Competition from foreign firms is killing the local market
66	Need fair competition
85	Unfair competition must decline

91	Interest rate must fall for customers

Main Question 1.30 – OTHER

2	**None - technology investment has just recently been made**
21	**Big capital investment recently been made**

11	Labour Relations need to be better

3	Need request for new product [but would also need to check that current machine stock is obsolete]
38	Changes of model by main buyer of product as input

4	New cheaper &/or more efficient technology would have to emerge / be available
45	New technology for competitive advantages will drive investment

41	Better protection of R&D – better patent + Trademark laws & regulations
42	Need a local procurement watchdog

5	Continued government support instruments

6	Sort out the counterfeit problems

7	Efficiency improvements
71	Competition from foreign firms must decline

8	Bigger Premises

9	Increased margins

95	Exchange rate must stabilise

Main Question 1.30 – COMMENTS

11	Confidence about the future NB to attract more investors / investment
12	Agreements [with foreign economies] not honoured [so need to be honoured]
13	Need more visible policing

3	Exchange rate stabilization would have little impact however
30	Need a stable Rand
32	Exchange rate must strengthen
33	Exchange rate need to stabilize to stabilize material costs

72	Need to discourage cheap imports [of final product]
37	Central government not supporting capital intensive sectors when not competitive to save jobs

93	Productivity needs to increase – labour relations / wages to relate to this
94	Need more focused technical training
10	Labour issues and strikes causing major damages to economy

15	Wages not to fall

Main Question 1.31

General

0	**None (including e.g. we live here or we are at a disadvantage or there is no real competitive advantage)OR very little**
999	**None as the industry is very competitive and the entire supply base is in the hand of 2 key players**

Political / confidence

31	Political stability
32	Confidence in the economy
36	Lack of volatility (political & otherwise) relative to other markets

Government Support & Policy/Regulation

33	Gvt supports the sector
34	SA positive state

35	There are prospects to motivate local sourcing
346	Local content regulations, but this is provided it is enforced
342	BEE act enables firm to serve domestic market
343	There are duties on finished imported goods which protects local manufacturers against Chinese subsidized imports

344	It is easy to start a business

345	Good regulatory environment

441	Duty schemes are in place that provide the establishment with a buffer
596	OEMS require local content – Costly and difficult to import
442	The 15% duty on imported products is helpful

Exchange rate

39	Exchange Rate
37	Weak Rand
38	Protection against rand / currency volatility [?]

Specific strength of business/establishment – Supplies / Suppliers

46	Establishment has developed a good supplier base
85	Good supply chain

Specific strength of business/establishment – Technology

100	Establishment has a particular [die casting] technology
101	Establishment has good technology partner

Specific strength of business/establishment – Sales / Customers

45	Establishment has developed a good customer base
451	Able to satisfy needs of customers timeously
53	Establishment and customers work together / find solution for product change – new product design
48	Seen as the market leader in Africa

Customers

104	Product is SABS approved so QA to customers [product relevance & guarantee]
111	Flexibility to respond to customers / to be adaptable at short notice

112	Access to the local market
113	Local support from our customers base in SA
347	BEE level/status means customers

Specific strength of business/establishment – Ownership

41	Remaining a family owned business

Specific strength of business/establishment – product

42	Have a well-defined product strategy
43	Establishment can produce a wide range of goods

Specific strength of business/establishment - Market structure / market position

421	One of 2 producers in the country
52	Establishment operates in niche market (so attractive for customers not to go overseas)
521	Establishment can produce in SA goods for which production is not allowed in the EU
522	Only manufacturer for establishment key product in SSA
523	Positioned in niche market
54	In import replacement: established market for new product
525	Establishment operates in niche product for which there are not many competitors [In fact company has a monopoly in SA]
511	Not much/not too much competition in South Africa

Specific strength of business/establishment – production

44	Flexibility in production / can respond to sudden changes in demand
561	Establishment benefits from barriers to entry around tech capabilities
108	Relatively skilled workplace in a context in which it is difficult to find skilled workers

Specific strength of business/establishment – Competitiveness

51	Can match foreign company prices [in relation to foreign due to flexibility]
55	Competition is minimum
75	More productive [?]

Specific strength of business/establishment – Quick response

63	Good turnaround / lead time [incl. compared to imports]
307	Quick turnaround time

Specific strength of business/establishment – Reputation

47	History & name of company (e.g. company established)

Specific strength of business/establishment – Footprint

60	National footprint – Plants all over South Africa
61	Firm has huge distribution network
62	Localized distribution

Input

422	Presence of local oil refineries
8	Main required inputs are available at competitive prices
81	The country has an abundance of natural resources
82	SA has a substantial mining sector
83	Availability of raw material
84	Has special price deal for purchases with a major supplier

Labour / Skills / work ethic - positive comments

2	Relatively cheap labour
211	Labour force is calm compared to elsewhere in SA
231	The people of South Africa have a good work ethic
232	South Africans are generally hard workers
23	Skills base is sufficient

24	Good quality of Engineers
25	Availability of unskilled labour

Infrastructure / transport

1	Good infrastructure (including compared to other countries)
551	SA has better financial and technical infrastructure compared to the rest of the world
109	Final products can be transported easily

Expertise / Familiarity / Knowledge

107	Existing knowledge

105	Personal skills [suited to SA]
106	Expert in what establishment does

6	Familiarity with context and regulations

67	Understand consumers and/or the market

Location – General

3	SA on strategic trade route
301	Coastline means that products can be tested directly in the sea
302	Close to customers in SA / close to local market
304	Low transport cost – Close to harbor
305	Avoid high freight costs from outside SA
308	Easy access to miscellaneous SADC construction or infrastructure projects
512	Far away from China and Europe therefore reduces dumping of products into the SA market
550	Speed to the market [Good reach the market quickly]

Location – Opportunities through Africa

303	SA is a gateway to Africa / ability to service the SSA market
591	Easy access to other African markets
592	Growth opportunity in Africa
593	Best in Africa: Sustainability of business
306	Better export prospects into Africa
92	Proximity to African market (incl for operations elsewhere in Africa)

(Other) Proximity Elements / Location

22	Proximity to labour force
9	Proximity to market / local market
91	Proximity to port / coastal position
93	Proximity to customers (incl. cultural, besides physical) / quick turnaround to customers or ability to support customers
94	Proximity to suppliers (reduced lead times for orders)
96	Can supply products quicker compared to other countries
97	Central location relative to Asia & South America
98	Close proximity to agriculture in the region
99	Proximity to developing countries

General Market Conditions

341	Generally a good place to do business
65	SA as a developing country offers new opportunities &/or a range of customers
56	There are still market prospects

57	There is still some growth in the domestic market when this is not the case elsewhere
59	Better access to local markets
594	New markets improvement compared to other African countries

Quality of Life

7	Quality of life is good
71 [see code 10]	Weather is good/right
72	Good atmosphere & people are friendly

OTHER

10	Good Weather / the climate [BUT NB from a production perspective rather than from a QoL perspective]
102	Quick service delivery
103	It is more cost effective than importing [some advantage remains from local manufacturers]
115	Value added is at low cost following low cost of labour & low cost of capital
553	HIV/AIDs is a bigger problem in other SACU countries (e.g. Swaziland & Lesotho) than in SA
554	Understanding of the culture - respondent does not understand the culture of Lesotho
555	Limiting risk for the customers
86	High machinery costs [? Negative comment so confusing]

Question: 1.32(a) [nec: not elsewhere classified]

List the main products manufactured by this establishment in order of importance and indicate for how long each is being manufactured:

List a maximum of THREE products manufactured or assembled at this plant?	Approximate % of total turnover	Main raw material/inputs used to produce each product	Purpose/use/application of final product	Number of years manufactured
1. Sheet metal products	70 %	Steel	Components for buildings	15
2. Furniture	30 %	Metal	Garden furniture	8

Products manufactured or assembled codes			
1	Accessories, clothing and footwear	41	Jewellery and accessories
2	Agricultural machinery and equipment	42	Materials and fabrics
3	Airconditioners / airconditioning equipment	43	Meat and meat products
4	Animal feeds	44	Mechanical seals
5	Audio-visual equipment	45	Medical and pharmaceutical
6	Beverages, Alcoholic beverages	46	Metal castings
7	Beverages, Non-alcoholic beverages	47	Metal products nec
8	Books, stationery, printing and publishing	48	Metal recycling and processing
9	Building and construction materials nec	49	Mineral products
10	Building and construction equipment and machinery	50	Musical instruments
11	Building, finishes and fittings	51	Nuts (peanuts, etc)
12	Cement	52	Office equipment
13	Chemicals, household	53	Paints, dyes and glazings
14	Chemicals, non-household	54	Paper and paper products
15	Cleaning equipment, non-electrical	55	Photographic equipment, requisites and products
16	Clothing	56	Plastic products nec
17	Computer programs / software	57	Recreational facilities and equipment
18	Condiments	58	Rubber products nec
19	Containers	59	Seafood
20	Cosmetics, toiletries [products]	60	Security and protection equipment and devices

21	Craftwork	61	Sweets and confectionery
22	Electrical/electronic products	62	Tobacco and tobacco products
23	Fibreglass products	63	Vegetables products
24	Foam products	64	Vehicle components, accessories and equipment
25	Food, processed	65	Weaponry
26	Footwear	66	Wood products nec
27	Foundry accessories	67	Textile products nec
28	Fruit products	68	Leather
29	Fuel	69	Wheat/barley/oats
30	Furniture (garden)	70	Waterproofing products
31	Furniture (home and office)	71	Water-based polymer emulsions
32	Gardening equipment/requisites	72	Acrylic acid
33	General engineering	73	Natural rubber latex
34	Glass products	74	Manganese ore
35	Hardware consumables	75	Coke
36	Headgear/millinery	100	Iron
37	Household and domestic appliances and equipment	101	Steel
38	Household linen		
39	Instruments, tools, machinery and equipment nec		
40	Irrigation		

2013/2014 Added Codes

102	Fencing / palisade	121	PVC products
103	Semi-trailers	122	Sewing threads
104	Vehicle bodies	123	Wool
105	Cold rooms	124	Bus & or truck components (automotive components)
106	Automotive upholstery[MV13]	125	Caravans
107	Filter bags	126	Steel studs & rivets
		127	Agriculture misc
109	Shoe component	128	Steel frames
110	Filter	129	Aluminium

		130	Automotive upholstery fabrics
112	Reels	131	Stainless steel products NEC
113	Floats	132	Embroidery
114	Lubricants	133	Ship building and repair
115	Stainless steel products home		
116	Stainless steel products medical	135	Pulp industry
117	Hydroboilers	136	Welding components
118	Unsaturated polyester resins	137	Carpet / floor covering items
119	Gel coat	138	Non-metallic products
120	Emulsion polymers	139	Sugar based products (miscellaneous)
140	Automotive components	141	Preservative
142	Printing plates	143	Flexographics equipment

Question: 1.32(a)

Raw material/ inputs codes							
1	Buttons	22	Hydro carbon solvent	43	PVC	64	Vehicle spares
2	Carbon	23	Juices	44	Resins, synthetic	65	Plastic polymers
3	Caustic soda	24	Leather	45	Rubber	66	Ferro manganese
4	Cement	25	Maize	46	Sand and stone	67	Monomers
5	Chlorine	26	Malt	47	Scrap batteries	68	Sodium lauryth ether sulphate
6	Chocolate	27	Meat	48	Starch	69	White spirits
7	Clay	28	Milk	49	Superwood		
8	Cream	29	Minerals	50	Sweeteners		
9	Electronic/Electrical components	30	Non-ferrous metals	51	Synthetic diamonds		
10	Electroplating chemicals	31	Oil [edible or chemical]	52	Tungsten carbide		
11	Epoxy	32	Oxide	53	Vegetables		
12	Fabric/textiles	33	Packing material	54	Vitamins		
13	Fabrics and materials, synthetic	34	Paper	55	Wax and surfactants		
14	Ferrous metals	35	Particle board	56	Wheat/Barley		
15	Flour	36	Peanuts	57	Wire		
16	Foam	37	Pigments, colouring	58	Wood		
17	Fruit	38	Polyethylene/Polythene	59	Pharmaceutical drugs		
18	Gelatine	39	Polypropylene	60	Beverages		
19	Glass	40	Polystyrene	61	Cleansing chemicals		
20	Glucose	41	Polyurethane	62	Sulphuric acid		
21	Herbs and spices	42	Precious metals	63	Paint		

2013/14 – new codes

Raw material/ inputs codes							
70	Vinyl acetate	71	Acrylic	72	Methyl	73	Steel
74	Sugar/sugar cane byproducts	75	Jam	76	Potatoes	77	Carton board/corrugated board
78	Petro chemicals products	79	Metal			80	Needle Felt
81	Polyester / polyester fibre	82	Wood pulp	83	MEG: Ethylene Glycol	84	PTA: purified terephthatic acid
85	Chemicals [miscellaneous]	86	Aluminum	87	Air		
89	Seed crude	90	Pine (wood)	91	Stainless steel	92	Copper
98	Styrene	99	Butyl acrylate	93	Box Board / cardboard	94	Fiberglass
95	Plastic	96	Polymer	100	Human capital [people – as stated]		

121	Fabrics & trims	**122**	**Misc (unspecified)**	123	Electrical motors	124	Polyester & variants of
125	Fuel	126	Embroidery threads	127	Rayon	128	Wool
129	Cotton	130	Sunflower oil	131	Miscellaneous oils	132	Silicon
133	Foil	134	Soya	135	Polyamide	136	Tar
137	Plates for printing	138	Ink				

Question: 1.32(a)

Purpose/ use/ application codes							
1	Advertising	25	Furniture (household and office)	49	Paper	**2013/2014 NEW CODES**	
2	Agriculture	26	Furniture (garden)	50	Personal care	75	Wood
3	Air conditioning	27	Garden	51	Printing	76	Marketing
4	Animal feeds	28	General use	52	Process control	77	products for fibre glass industry
5	Automotive industry	29	General engineering	53	Provision of electrical power		
6	Baking	30	Government	54	Radio equipment	79	medical accessories
7	Beverage Industry	31	Household and office (business) use	55	Recreation	80	Hospitality industry
8	Books and stationery	32	Household appliances and equipment	56	Recycling of scrap metal	81	Swatching[MV19][p20]
9	Building and construction	33	Household	57	Refuse removal	82	Dust filtration
10	Catering	34	Human consumption	58	Retail and chain stores		
11	Ceramic Industry	35	Industrial	59	Rubber industry	84	Footwear
12	Chemical processing plants / manufacturing of chemicals	36	Insulation	60	sealing	85	Fishing but recreational
13	Cleaning	37	Iron and steel industry	61	Security and safety	86	Bottle caps
14	Clothing	38	Jewellery	62	Spraying of insecticides	87	Medical / hospital equipment or items
15	Corporate sector	39	Machinery spare parts	63	Steel industry	88	Application on boats
16	Corrosion prevention	40	Manufacturing	64	Storage and packaging	89	covering
17	DIY market	41	Medicinal/medical	65	telecommunication	90	Metal structures (e.g. aluminum, steel)
18	Educational	42	Metal joining			91	Auto & mechanical & construction
19	Electrical industry	43	Military use	67	transport / automotive	92	Fibreglass industry
20	Electrical and electronic equipment	44	Mining	68	Water reticulation	93	Crop enhancement
21	Exterior finishings	45	Office use	69	Water purification / treatment	94	Explosives
22	Food	46	Outdoor recreation	70	Weaponry	95	FMCG
23	Fuel storage	47	Packaging	71	Welding	96	Miscellaneous stainless steel pipes

24	Fuel (petrochemical) Industry	48	Paint	72	Vehicle repairs	97	Maintenance
				105	Textile garment producer	98	Resource industry
				106	Commercial spaces	99	Gas cylinders
				107	Energy	100	Pulp & paper industry
				108	Printing solution industry	109	Design concepts

Main Question 1.32(c) – Changes to the list of manufacturing products

0	No change

Equipment / Technology - Input and/or prod process related changes

35	Changed inputs and processes due to technological change
43	Product changed to accommodate new technologies
37	Using more advanced / new technology
44	Technological enhancement has altered the product
38	Upgraded software
3	The techno used has changed, therefore had to move to woven fabrics

41	Started refining raw material directly [backward integration]

36	Changed inputs and processes due to change in demand / from customers

Change in supplier/supply changes

9	Local fabric mills have closed therefore fabric has to be imported. Imports have replaced many local firms

Sales-related Changes

2	More customers hence more production and sales
90	Going deeper & wider by rebalancing after sales and products for OEMs

Demand change

33	Change in customer preferences
7	Changing trends

Product & Product related change – design / specs

1	Change of product
6	New product
8	New designs
11	Design has changed
12	Change in specifications of products
15	More complicated products being developed
10	Customers [buyers] doing own modification themselves [so taken away from establishment] but changes happening now

Product & Product related change - Quality

31	More robust products
40	Refines existing products by improving quality
42	More product lines

Product & Product related change– Reduction in product variety

34	Stopped producing some products
341	Discontinued blind rivet

Product & Product related change – Expansion of product range

5	Additional product [completely new product]
32	Expanded product range / added different models / new products
325	Acquired new OEM clients through an acquisition so new products produced
322	Added industry specific materials [expansion of product range specifically for industry]

Product & Product related change [incl. change in range] – Other product range changes

22	Consolidation of product range
39	Used to make fibre (polyester), now make polyester resins [SEEM TO BE A NEW SECTOR/NEW MARKET WITH NEW PRODUCT?]
323	Diversification of product range into new sectors
321	Doing components for motor industry
33	Technical specifications and product lines have changed
324	New styles/fashion – so constantly changing trends

Main Question 1.32(d) – Why changes to product made[MV22]

PRESERVING MARKET or MARKET SHARE / PROTECTING OR EXPANDING DEMAND

55	Expanded product range
50	Growing competition internationally (which meant new product was needed)
7	More global demand
8	To keep up with designs and trends / to modernize product
4	To improve product offerings (to customers)
41	To meet customer / market demand
5	To keep up with trends / global trends
6	Change in customer preferences
61	Consumer demand has fallen
62	Customer requests
71	Meet the market demand
72	Market needs
20	Opening markets
65	To service the market
56	Staying ahead of competition

63	Reduced demand for government

1	Illegal imports
111	Imports of cheap products and high local costs
19	Lost to imports to new markets so have had to adapt

NEW OPPORTUNITIES

4	New opportunities
10	Insourcing of 3rd part manufactured goods
17	Saw an opportunity in the market
55	Expansion around a new product line
52	New Product selected given value add prospects

LOWER COST / PRICE / FINANCE

13	Cost effective
25	Attempt to lower costs further
25	To reduce costs further
57	Pricing structure pressure
30	Diversification of products was part of a strategic decision on the financial front

PROBLEM WITH INPUT

2	Local fabrics not available

BBEE / LOCAL CONTENT RESPONSE

3	BBEE level which caused production to increase
42	Demand for components [linked to local content programme]

CUSTOMER CHANGE OF FUNCTIONS

43	Customers (e.g. buyers) took over these functions themselves to suit their specific needs for stock management purposes

TEHCNOLOGY

11	To keep up with technological change
18	To keep up with technology to remain competitive

ACQUISITION → NEW CAPACITY / NEW TECHNOLOGY

21	Acquisitions [incl. yielding new tech & thus new capabilities]
32	Went vertical through an acquisition
35	No room for expansion and had to expand from an operational perspective so acquired new firm

OTHER

12	To be more streamline [?]
16	Had equipment that was not used / utilised
31	Volumes are missing with crisis so needed to revise product portfolio
34	To have sole ownership of the product manufactured
51	Limited incentives to process raw material given tariff structure
14	Improves quality of product
15	Clothing industry in SA has been destroyed due to china and lack of support from government – NEW PRODUCT: LITTERALY CHANGED SECTOR
26	Labour relations are good (through TU) so production could be increased

Main Question 1.33(b) – changes to pattern of service provision: How

NOTE: A NUMBER OF POOR ANSWERS, QUESTION NOT ALWAYS ADDRESSED

0	No change

TECHNOLOGY

1	Technology has changed the manner in which the establishment services customers

Direction - Increases

11	Sharp Increase in service provision
12	Volumes have increased due to more products available [? Answer unclear]
13	Increases in service provision following growing demand
2	Increased due to technological change

Direction - Decreases

41	Service provision has decreased
43	Service provision has decreased with people sorting the problem themselves

Type

21	Begins to sub-contract services following labour issues
45	Used to deal with service providers but now supply directly end customers as well
22	Technical service [provision]
23	Increased design activities/role
24	Design & development has grown as well as sales
25	Have become more customer centric around smaller customers
42	Service provision has become more demanding

Maintenance – working with customers

31	Assist on press, installation, teaching customers on how to maintain equipment

Main Question 1.34 – Other

2	Techno advancement organizational structuring
3	Bring value added activities/value addition to establishment (on product)
6	Sourcing raw materials offshore due to economic downturn
11	Adaptation to changing customer requirements
25	There is a shift towards more complex products
35	Selling electricity as a byproduct of production to municipality
41	Reduction of product range to focus on products that yield the most revenue / consolidation of product range
42	New category of product (line) introduced

Main question 1.35 – OTHER

1	Cutting/set up time
21	Service provider not willing to take on new work for maintenance of equipment
31	Inefficiency of labour – results in inefficiency of equipment
32	Lack of employee commitment/employee attitude
41	Intense management is required to ensure productivity
5	SARS and government regulations
51	Supplying from utilities
6	Management & automation which need support
65	Cost of maintenance (high)
7	Logistics delays in harbour
8	Dispatch
9	Need capital invst for plan/machinery & equipment
91	Equipment that is new imported from the EU not working
95	Small scale production (limited to doing samples)

Main question 1.35 – COMMENTS

Input Quality & supply issues

1	Fabric quality a particular problem
12	Increased demand for quality products
13	QC issues are caused by extensive VC which complicates communication

15	Product quality an issue with imports that have the wrong specs
41	Had a major problem in quality of product with a major supplier
10	On quality of supplies: consistency of raw material from South America & India is a problem area
411	Have steel supply problems from Mittal steel works in VDBP
412	Quality of chemicals is low and declining
71	Rate suppliers
72	Shortage of raw materials
73	Shortage of raw material so main product produced by establishment ends up being imported from abroad
74	A few hiccups but not major
75	Compliance certificates

410	Have built strong relations with suppliers

9	But it varies and had a really experience so had to learn

Quality Control: Goods damage during transit

7	Products sometimes damaged during transit

Labour Legislation

2	Legislation a problem for dealing with fluctuations in order

Labour skills

8	Shortage of skilled artisans
30	Do not need highly skilled people [however]
31	Not enough initial training by colleges
310	Lack of skills of new entrants employees
311	Need better technical training colleges

312	L productivity affected by insufficient training
33	Labour leaves after acquiring skills
34	Labour demands high salaries in spite of no skills
35	Had to import labour from overseas
37	Establishment trains a lot more to become more productive
370	Have to send staff to training [when new tech brought in]
56	Key staff trained abroad in a EU country

Labour – Other comments

32	Have a good labour force
48	Labour productivity issues are being addressed to make it a smaller problems
36	Disciplinary code (used) to ensure productivity
38	Language – workers do not understand instructions
39	Have to (constantly) train staff when upgrading equipment OR train staff as required
40	Resistance to change from employees despite communication
44	No quality control consistency by workforce
45	People are not willing to learn
46	Absenteeism is such that need one person to do 2 jobs
81	Absenteeism associated with culture & HIV/AIDS
57	Using sick leave

Market / Orders

4	Variable demand can create difficulty for planning and labour
42	Fluctuations in order size make it difficult for planning and labour
43	Different seasons in hemisphere help to balance order, sizes – difficult otherwise
47	Continuous runs of small orders causes problems
49	Happy with the order size but not with the frequency of orders
68	Lead time a big issue
25	Expanding & growing African market

Infrastructure and equipment

52	Not a problem since industry is low tech
5	Old equipment causes problems
50	Require more trained mechanics / more training of mechanics
51	Only have problems with the maintenance of equipment in the peak period (Oct to Feb)
6	No time for equipment maintenance. Operational 24/7
55	It is because of the low quality of imported equipment & imported inputs
53	Old equipment is scrapped
54	Most parts sourced locally
58	Have had to employ a specialist [to deal with new technology]
59	Had to employ temporary staff [150 temp staff] to do production as imported machine not working

Production Arrangements

61	Moved to lean manufacturing
62	World class prod management too costly & confronting employee resistance
63	Production [arrangement changes] follows ISO alignment
67	Dispatch is too slow and still not following the production turnaround

Main question 1.36(a)[2] – Advantages

New Code		Original (2002/03)	
0	Nothing / None		
		1	Not applicable
21	Low rates / relatively good rates	2	Cost savings[MV24] (or financial factors)
240	Cheap water	2	Cost savings (or financial factors)
931	Electricity is cheaper in location	2	Cost savings (or financial factors)
932	Water is cheaper in location	2	Cost savings (or financial factors)
220	Lower labour costs compared to other provinces	22	Profitability
221	Wages for now lower than in metro area	22	Profitability
		3	Cost of relocating
		4	Economic Prospects
50	Good or perfect weather (for work)	5	Environment
151	V good relation with neighbor firms	5	Environment
274	Low traffic area[MV25]	5	Environment
60	Located here for a long time	6	Established business
30	Low building purchase price	8	Financial factors
301	Low lease cost	8	Financial factors
302	Lower rental cost	8	Financial factors
290	Lower salary costs compared to JHB	8	Financial factors
36	Low rental cost / Low rental which is now locked in for 5 years	8	Financial factors
37	Original land cost [presumably bought cheaply]	8	Financial factors
38	Strategic purchase - market value of the property	8	Financial factors
200	Durban is relatively inexpensive compared to other regions	8	Financial factors
107	Supporting the local community through employment	9	Government/sociopolitical [MV28]
100	Road infrastructure	10	Infrastructure
103	Adequate access to water	10	Infrastructure
1572	Established infrastructure	10	Infrastructure
278	Easy flow of traffic for workers	10	Infrastructure

[2] Refers to main 2002/03 survey codes

111	Raw material access from supplies / supplier base nearby or relatively accessible	11	Inputs/Raw materials
175	Support from suppliers (close to them or access to)	11	Inputs/Raw materials
112	Supply of other components	11	Inputs/Raw materials
114	Presence of local refineries in area	11	Inputs/Raw materials
115	Raw material freely / easily available	11	Inputs/Raw materials
109	Durban is quite developed compared to Richards Bay [eg supply chain is developed]	11	Inputs/Raw materials

1593	Located near refineries	15	Location inputs/suppliers
113	Close to suppliers	15	Location inputs/suppliers

1591	Close proximity to all engineering services	15	Location services

12	Abundant labour	12	Labour Availability

13	Closed to skilled labour pool	13	Labour skills
131	Skills base: Indian people are good upholsterers	13	Labour skills
137	Labour expertise in establishment [here]	13	Labour skills
132	Better pool of skills [than elsewhere?]	13	Labour skills
135	Plenty of unskilled staff available	13	Labour skills
136	Level of skills a tiny bit better	13	Labour skills
138	Skills availability	13	Labour skills
139	Access to skills at reasonable costs	13	Labour skills

133	Availability of all skills as firm centrally located	15	Location – access to skills/labour
1522	Close to the workforce / availability of labour	15	Location – access to skills/labour
1524	Close to big labour pool	15	Location – access to skills/labour
1523	Proximity to a labour hostel (to get workers)	15	Location – access to skills/labour

		14	Labour Relations

15	Generally well located	15	Location general
172	Easy access to everything	15	Location general
311	Central to the market / central location	15	Location general
1597	Central location (e.g. Located in the CBD which is good for business)	15	Location general
1598	Located near the CBD	15	Location general
156	Close proximity to Umhlanga business area	15	Location general
150	Close to everything which is good for delivery time	15	Location general
1592	Close proximity to city	15	Location general
1573	Easy access to Durban	15	Location general
104	Increased exposure from new airport	15	Location general
116	Ease of access to employees	15	Location general

153	Location good wrt[3] customer base/main customers	15	Location for customers
170	Proximity to customers / near big customer	15	Location for customers

157	Located in industrial zone	15	Location other firms
1571	Industrial area which facilitates operations	15	Location other firms
155	Central wrt industrial areas	15	Location other firms

178	Climate which suits the manufacturing process [need a lot of heat for the process]	15	Location for production
8	Close to R&D centre	15	Location for production
915	Proximity to waterfront given nature of establishment	15	Location for production
140	Low staff turnover compared to Jhb	15	Location for production
145	A good place to facilitate & exchange technologies (hub)	15	Location for production

		16	Management and administration

31	Large market to supply	17	Market
171	Less competition [fewer producers around]	17	Market
173	Only 2 providers in KZN [so that there is demand for establishment]	17	Market
174	Large textile market in Durban	17	Market

		18	Marketing / advertising

241	Effluent treatment at facility	19	Premises, suitability
242	All functions under one roof	19	Premises, suitability
243	It is easy to get access to the holding/building	19	Premises, suitability
244	Plant in chemical hub	19	Premises, suitability
250	Spacious inside [no ref to expansion]	19	Premises, suitability

20	Premises or property owned	20	Premises, ownership

230	Less crime in area	23	Security
231	Safe area to work in	23	Security
232	Safe location	23	Security

		24	Services

251	Room for expansion	25	Space for expansion

		26	Telecommunications

1525	Easy for workers to get to work on time	15	Location for workers
1596	Close to railway for labour	15	Location for workers
152	Central location NB for staff	15	Location for workers
1521	Good location for staff (e.g. to get to work)	15	Location for workers
117	Workforce access to factory is good	15	Location for workers OR

[3] wrt: with regard to.

		10	Infrastructure

154	Easy access to national highway / main road - freeway	15	Location - transport
1541	Close to highway / transport route	15	Location - transport
1542	Ease of access to a main road [see code 270 & 154]	15	Location - transport
276	Close to a main highway /Freeway	15	Location - transport
270	Access to arterial roads	15	Location - transport

101	Access to port for exports/imports	15	Location trade
158	Easy export to European countries	15	Location trade
102	Proximity to Dube Trade Port	15	Location trade
1590	Near port area / close to port	15	Location trade
272	Close to airport	15	Location trade

1599	Proximity to logistics providers – airport, port	27	Transport
271	Transport is accessible [to get to main market] / easy access to transportation	27	Transport
275	Transport availability	27	Transport
277	Transport is adequate	27	Transport
273	Ease of distribution networks [?]	27	Transport

Main question 1.36(b) – DISADVANTAGES

New		Original (2002/03)	
0	Nothing / None		
		1	Not applicable
		3	Cost of relocating
203	Limited opportunity to expand	4	Economic Prospects
90	Pollution	5	Environment
57	Bad air quality	5	Environment
121	Sewage [works] close by	5	Environment
122	Traffic	5	Environment
92	New bus arrangement built which is disturbing the functions of the business	5	Environment
94	Physical space is poor - unkept	5	Environment
103	Trucks on road / heavy truck movement	5	Environment
192	Not the cleanest place	5	Environment
24	Traffic congestion and coming city plans will make it worse	5	Environment
		7	Established premises
50	High labour costs relative to non-metro areas	2 or 8	Costs [but in 2013 specifically labour costs]
60	Wages are higher than other areas [higher than in non-metro areas]	2 or 8	Costs [but in 2013 specifically labour costs]
29	High wages due to location / metro area high wages	2 or 8	Costs [but in 2013 specifically labour costs]
97	Everything more expensive compared to iSithebe (wages, rental, rates, electricity)	2 or 8	Costs [but in 2013 specifically labour costs]
160	High wages due to location	2 or 8	Costs [but in 2013 specifically labour costs]
501	Labour is expensive	2 or 8	Costs [but in 2013 specifically labour costs]
5	Cost are relatively high	8 or 2	Costs or Financial Factors [in 2013 – general cost elements]
51	High electricity costs	8 or 2	Costs or Financial Factors [in 2013 – general cost elements]
59	High utility costs	8 or 2	Costs or Financial Factors [in 2013 – general cost elements]
93	High rentals	8 or 2	Costs or Financial Factors [in 2013 – general cost elements]
81	Depreciating property value	8 or 2	Costs or Financial Factors [in 2013 – general cost elements]
162	Area value/status is dropping	8 or 2	Costs or Financial Factors [in 2013 – general cost elements]
163	Too costly to expand	8 or 2	Costs or Financial Factors [in 2013 – general cost elements]
291	Land prices increases due to urban development	8 or 2	Costs or Financial Factors [in 2013 – general cost elements]
166	Sharp increases in property rates	8 or 2	Costs or Financial Factors [in 2013 – general cost elements]
292	Cost of land/space is very expensive	8 or 2	Costs or Financial Factors [in 2013 – general cost elements]
237	High crime rate which means that security costs are high	8 or 2	Costs or Financial Factors [in 2013 – general cost elements]

270	High rate for industrial space in Durban	8 or 2	Costs or Financial Factors [in 2013 – general cost elements]
264	Limited competition which means that supply & service prices are not competitive	8 or 2	Costs or Financial Factors [in 2013 – general cost elements]
53	Rates are high	8 or 2	Costs or Financial Factors [in 2013 – general cost elements]

95	EIAs	9	Government/socio-political
96	No employment incentives to encourage employment	9	Government/socio-political

2610	Lack of infrastructure	10	Infrastructure
101	Road infrastructure is poor	10	Infrastructure
120	Bad road surface	10	Infrastructure
123	Bad road surface on road around establishment which means vehicle repairs	10	Infrastructure
260	No rail service	10	Infrastructure
2612	Only one access route, problems occur if there is a traffic jam	10	Infrastructure
262	Failing railway structures	10	Infrastructure
2615	Bad storm water drains	10	Infrastructure
511	Power failures / load shedding in area	10	Infrastructure
102	Insufficient space for traffic flow/traffic problems	10	Infrastructure
1020	Traffic congestion	10	Infrastructure
1021	No gas pipeline available in the area	10	Infrastructure
2616	There are waste disposal problems	10	Infrastructure/public service

12	Labour unavailability	12	Labour availability
125	High staff turnover due to abundant opportunities	12	Labour availability

132	Lack of technical expertise	13	Labour skills
13	Difficult to find skilled people in Durban compared to other provinces	13	Labour skills
134	Lack of skills in area due to youth moving to big cities	13	Labour skills
135	Labour is lacking skills	13	Labour skills

		14	Labour Relations

111	Central location means the establishment is very sensitive to industrial action (strikes)	15	Location general
152	Close to residential areas [?]	15	Location general
157	Close to the stadium so many road closures	15	Location general
161	Distance (to get to the establishment)	15	Location general
177	Away from Durban	15	Location general
168	Away from the airport	15	Location general
169	Not on the main road / away from the main road	15	Location transport

164	Staff stay too far from the workplace	15	Location wrt labour/workforce
303	Out of town for admin staff	15	Location wrt labour/workforce

159	Steel Raw material transported from far areas	15	Location wrt access to inputs/raw materials/supplies
178	Raw material in the Northern Cape	15	Location wrt access to inputs/raw materials/supplies
167	Suppliers located far away	15	Location wrt access to inputs/raw materials/supplies
302	Out of town for suppliers	15	Location wrt access to inputs/raw materials/supplies

207	Distance from harbour	15	Location trade
280	Not as close to the port as would like to	15	Location trade

301	No supporting industries since establishment is in a remote area	15	Location wrt production needs
137	Burdensome envtal management due to location	15	Location wrt production needs
263	Limited service providers	15	Location wrt production needs
61	Humidity in Durban is not good for the main product produced by the establishment	15	Location wrt production needs

210	Poorly managed complex	16	Management and administration

150	Distance to market / main customers	15	Location distance to customers/opportunities/market
158	Distance from the platinum belt [customers]	15	Location distance to customers/opportunities/market
273	Far from customers	15	Location distance to customers/opportunities/market
55	Majority of customers are based in Gauteng	15	Location distance to customers/opportunities/market
56	Market is elsewhere	15	Location distance to customers/opportunities/market
170	Far from economic hub which means that transport is expensive	15	Location distance to customers/opportunities/market
171	Far from main market	15	Location distance to customers/opportunities/market
172	Far away from borders so difficult to export to African markets	15	Location distance to customers/opportunities/market
173	Distant from SADC	15	Location distance to customers/opportunities/market
176	Market perception - perception of small city, small industrial area [PMB]	15	Location distance to customers/opportunities/market
174	Far from a number of large customers who are in another province	15	Location distance to customers/opportunities/market
151	Not close to biggest market	15	Location distance to customers/opportunities/market

		18	Marketing / advertising

255	No space to expand/premises too small	25	Space for expansion
202	Too small for operations	25	Space for expansion
256	Premises is too small	25	Space for expansion

191	Lack of maintenance of building (other tenants)	19	Premises, suitability
154	Parking space limited for deliveries	19	Premises, suitability

196	Parking space limited for staff and receiving and dispatch	19	Premises, suitability
201	Parking space limited for deliveries	19	Premises, suitability
204	Inefficient Parking	19	Premises, suitability
2613	Electricity infrastructure is old	19	Premises, suitability
2614	Building is old	19	Premises, suitability
127	Site topography is complex	19	Premises, suitability

205	Landlord does not want to sell	20	Premise Ownership
206	We are bound by a long lease agreement	20	Premise Ownership
98	Better returns from renting than buying so renting	20	Premise Ownership

153	Some illegal activities [nearby - around scrap metal firms next door]	23	Security
221	Crime is a major problem	23	Security
231	Crime rate & theft	23	Security
235	High crime rate	23	Security
236	Increasing crime	23	Security
238	Area is overpopulated & with increased crime	23	Security
156	Perception of area where the business is located is poor (crime, litter)	23	Security

240	No adequate fast food restaurant in area	24	Services

		26	Telecommunication

261	Slow transport turnaround	27	Transport
271	Transport costs to Gauteng main market	27	Transport
272	Time taken to get goods to customer	27	Transport
278	Local transport is not sophisticated	27	Transport
52	High transport costs to main markets / increased logistic costs [at area]	27	Transport
279	Limited public transport for workers	27	Transport
165	Many suppliers in Gauteng so high transport costs	27	Transport
560	Global cost of Logistics are high due to importing from China	27	Transport
155	Transport for employees – these now use both trains + taxis	27	Transport

		28	Equipment

Main question 1.37(a) – SA PROVINCES

3000	Eastern Cape
3001	Free State
3002	Gauteng
3004	Mpumalanga
3005	North West
3006	Northern Cape
3007	Northern Province
3008	Western Cape
3009	All provinces

Main question 1.37(a) – Other

99	DNK / Country not specified

Main question 1.37(a) – Countries

SEE QUESTION 1.51

Main question 1.37(b) – Reasons for relocation

Labour

140	Labour rates lower due to wage agreements
20	Better labour force – labour force that can learn
21	Cheaper labour (elsewhere) / lower labour costs elsewhere
212	Accessibility to workers
211	To lower labour costs
24	Easy for staff to get to work (transport)
25	Labour stability in other countries
26	Labour regulations

Industry / other businesses

60	Elected alternative is the closest to established businesses
62	Mpumalanga has many refineries

Miscellaneous Cost factors (Non Labour)

22	Rental is or would be cheaper
23	Cheaper transport costs / to cut down on transportation costs
50	Lower property rates and utilities costs
52	Increasing rental costs

Market / Growth

1511	Closer to main export market
64	Need to have more access to Africa (customers)
173	Bigger market at location or near
1731	To grow business / demand
1732	To get more clients
1734	To be closer to clients /customers
5	Close to customers
1735	To compete in the Gauteng market

1736	Development of industries in new area
174	New market to tap into

Safety

230	Safe/safer area

Investment / new equipment / Technology

40	New Mill
45	SA has no technological reputation - would sell better the product on the SA market if the same good was produced in USA [and selling the product well on the USA market]

Raw materials

1	Closer access to raw materials / access to raw materials

Infrastructure / Transport

7	Accessibility to major roads – freeways
71	Proximity to airport to move goods
61	To be closer to ports – Richards Bay and Cape Town
53	Need to be near market as cannot transport the main input/material worked on over long distances

OTHER

2	Climate
3	Industrialisation [economic envt]
4	Capital investment support & energy
8	Area selected because need space not so much services
81	More space to expand
9	Would move to an area (Umhlanga) that has status
30	Local incentives (IDZ)
54	No manufacturing in the Eastern Cape & supply of back to school stationary is a disaster

Main question 1.38(a) – Unusual Codes & Other

1	Various shift types (single, double, etc.)
2	Day shift
3	Night shift
99	DNK
999	Was not operating at date

Main question 1.40 – OTHER

10	To create capacity / due to lack of internal capacity
11	Transfer of responsibility of productivity to labour brokers
12	Cannot manufacture many products on site therefore outsource
21	To increase efficiency
30	[Capability] Skills, ability and equipment
31	Outsource when they do not produce
40	Opportunity for BEE enterprise entity
41	For small quantity orders [not profitable for the firm]

Main question 1.42(b) – Other

1	Eskom free change bulbs policy / changed bulbs
2	Make use of natural light
11	Creates awareness on electricity consumption
21	Teaching staff to switch off the machines when these are not used (e.g. during tea breaks)
3	Stop start switches in place
31	Usage use continuously monitors - powerwatch
32	Non-essential machines automatically switched off at peak
33	Investigating changing time when most electricity is used
4	Heat pump analysis stage
50	Progressively replacing bulbs
6	Solar heating system

Main question 1.43(b) – OTHER

1	Process Improvements
31	Water recycling
32	Own borehole water & use thereof
4	Rain water tanks for toilets
40	Water tanks (Jojo) to water the plants
41	Stop washing the factory floor
5	Nothing major / small changes
6	New plan, new machinery [more water efficient]

Main question 1.44(d) – OTHER funding programmes for energy efficiency

1	Central Energy Fund (CEF)
2	Eskom programme to assist with changing lights
20	Eskom energy-saving incentive
21	Eskom
22	Eskom [energy-saving programmes] but they never paid / never gave the funding
3	Resource Efficiency and cleaner production (RECP) assessment through the DTI
4	Eskom funding programme[MV31]
5	Programme from the Durban Chemical Cluster
6	Cleaner production institute
7	PIP [Production Incentive Programme] Incentive
71	Investment incentive use for investing in a new generator [unnamed incentive]

Main question 1.45 – OTHER

1	High cost of investment as a one off
6	The best required technology is simply too expensive/unaffordable [and would require a complete revamp of the whole plant]
2	Level of skills inadequate in specialized area
3	Agencies and municipalities not helping
4	Expensive investment already made for water reduction but need evaluation as very expensive on electricity [trade off water vs electricity usage]
5	Expert brought in for advice
7	Already invested more than 10% [in equipment] at another plant in another location
8	Availability of funding for resource-saving technologies
9	Skills required to manage or put into place technologies or measures that save resources

Main question 1.46(a) - COMMENTS

11	Use local agents of the foreign firms
12	Sometimes use small firms
2	For specific small products [Zips and buttons]
3	Raw materials are supplied by the customer
35	Some fabrics are simply not produced in SA
36	Purchase from small firms part of the BEE drive
37	50% split between in house & other large SA firms
4	Aluminum imported
5	Mostly domestic firms used for financial services provision
6	In fact medium size freight forwarders are used for transport services so not large but medium firms
7	Because it is much cheaper

Main question 1.46(e) – MOTIVES

AVAILABILITY

1	Availability of raw material
3	Import items [e.g. garments] not available in SA
9	Not available in SA [locally or nationally] / lack of manufacturers
10	Insufficient volume in local market
14	Economical scale for textile declined which made it difficult for many firms to operate [on the domestic market]
16	Availability of a particular product at low prices

PRICE / Cost

13	The lower price of good overseas / imports
131	More cost efficient
132	Cost of production in SA – Cheaper to import despite the 45% duty
133	Cost
31	Chinese imports sold at competitive prices in South Africa
134	Cheaper finished goods
5	Price
51	Price – enables establishment to be competitive
91	Certain products are cheaper to import with duties than to manufacture locally
76	Demand for cost effective raw materials

PROFITABILITY

32	To increase profitability
11	Economical scale of textile industry went down, which made it difficult to operate
12	Importing has financial advantages
92	Good margins
595	The local market is too small to justify own production

CAPABILITIES

2	Technical capabilities
8	Lack of in house capability
21	Technology

PRODUCT RANGE

4	Supplementing products not produced locally (e.g. as a result of costs)
41	Create wide range of products / expand product range
42	To provide range in the retail section (while the cost of in-house manufacturing is too high)
45	To improve the product offering

QUALITY / SPECS

6	Quality
61	Improve Quality
62	Quality requirements from customers
65	Some parts specified by OEM cannot be manufactured in SA
75	Very specific product requests

DEMAND

7	Demand

71	Demand at Easter [to help with seasonal demand peaks]
72	Vendor to vendor – Cheaper for them to import than for OEM to import directly
73	There is a need/requirement for it
77	Inability to manufacture locally or too low demand

STRATEGIC

81	Focus is on "route to market" e.g. from import all the way to export

Main question 1.48

AVAILABILITY / SCARCITY

10	Availability of inputs / no local or national manufacturer
1	Availability
100	Only imports if cannot get the product locally
111	Availability of raw material
13	Availability of raw materials for assembly
14	Availability of supply
15	Only manufactured overseas / products not available locally
8	Sourcing of spares not made locally
81	Insufficient amount of raw material produced locally
18	No supplier or manufacturer (nationally or locally)
85	Scarcity

CUSTOMERS

40	Customers decide and nominate where to buy inputs

PRICE / COSTS

2	Price
21	Lower prices
22	Price of input

32	Value of the product

5	Costs

QUALITY

3	Quality
36	Quality most important but considered together with price & availability
31	Quality/suitability of raw material
33	Lack of quality supplier in terms of capacity & design
35	Quality guaranteed

TECHNOLOGY / TECHNICAL CAPABILITIES

7	Sourcing machinery from foreign suppliers
71	Technical requirements
75	Technology (in particular for one piece of equipment)
72	Technical aspects (mills in SA cannot manufacture certain product types)

PAYMENT TERMS

6	Payment terms
61	Competitive payment terms

SERVICE / SERVICE TYPE ARRANGEMENTS

4	Timing
9	Service
91	Reliability
17	Production Time
20	Supply chain flexibility

OTHER

11	Stability of supply/alternate supply
12	Dollar/Rand exchange rate
16	Product demand from other establishments within group
25	Group strategy
19	Delivery [?]
112	Variety

Main question 1.49 – Imports

0	*Answer does not make sense*

1	Imports increase
11	Small items imported
111	Temporary increases
13	Imports increase as high share of RM imported and as local RM suppliers also imports
3	Some increase in imports
31	Increase of imports of raw materials and spare parts
41	Imports would increase if weakening is over period long enough to secure orders

2	No change / No effect / neutral overall
20	No change as imports little – more affected by increases in imports by others
21	Unaltered, still have to import the same amount of inputs
22	No change as do not decrease the price of raw materials

32	Some stock level adjustments

4	Decimates profit

5	Imports reduce through a reduction of demand for the product from abroad as foreign buyers find the good too expensive

50	Close out on foreign orders & shift to locals

6	Affect import costs
7	Import cost comes down [Import RM?]
33	Assists in keep costs down as some raw materials & spares imported
71	Cheaper
72	Raw material cost drop [import RM?]
8	Cost of production rises [POOR ANSWER]
9	Negatively affected as the Chinese imports become cheaper
10	Price paid for raw material decreases
12	Forex agreement with OEM: Imports sensitive to exchange rate – OEM pays more

75	Changes proportionally to demand but unaffected fundamentally

90	Would consider shifting to more completed products

99	**NA – Do not import**

Main question 1.49 – Production

1	Costs of production decrease / contribution to higher margins [poor answer]
8	Cost of production decreases [poor answer]

2	No effect / neutral overall
21	Small decrease – buys forward cover
22	No effect – protected by producing through tender contracts

3	Production increases
32	Production increases through demand over-riding exchange rate effect [poor answer]
35	Production increases through market growth/demand effect
36	Production increases due to decrease production costs

33	Costs more for raw material [import parity pricing effect]

31	Get longer term contracts

4	Production decreases
41	Production decreases somewhat as customers shift to importing themselves
411	Production decreases markedly as customers import rather than buy locally
412	Production decreases as indirect exports decrease
413	Production can decrease because final product is less competitive on the market which has a negative impact on demand [unclear]
5	Production decreases as exports are reduced

6	Margins on traded goods go up
61	Margins decrease - higher costs [? – poor response]

7	Production increases a little – more demand with strengthened Rand
71	Local production increases but depending on exports it may decrease overall

75	Depends – moves in line with demand but unaffected fundamentally
74	Protects production / helps production marginally

99	**NA – Do not import**
999	**Do very little production**

Main question 1.50 – Imports

1	Imports decrease
111	Imports decrease slightly
112	Imports decrease temporarily
113	Imports decrease – it costs more as local suppliers increase their prices (local replacement)

11	Increase of import prices

2	No effect / neutral overall
21	No effect – only profit affected
22	No effect - cost of imports increase
23	No effect and eventually higher price passed onto end users
401	Become more competitive

3	Mild effect: Stock changes
31	Mild effect: Stock changes depending on stock level

41	No change in imported inputs, decrease in imports of finished products

10	Imports increase as foreign buyers want more of the product [poor answer - ?]
35	Increased imports of finished goods

5	Serious impacts – costs are high and this places pressures on margins
6	Affects import costs
62	Increase in landed costs
61	More expensive therefore we slowdown or import less
63	Imports are more expensive
7	Cost of raw materials increase
71	Cost of raw materials increase and suppliers pass on increase costs as they import

75	Changes proportionally to demand but unaffected fundamentally

8	Positive effect because there It means reduced imports from China
12	OEM pays less – Agreement on Forex [?]

81	Margin on traded goods contract

99	**NA – Do not import**

Main question 1.50 – Production

1	Production Costs increase / lower margins
6	Production becomes expensive

2	No change / No effect / neutral overall
21	No effect: Pass on cost changes/price increases (to the customers or buyers) [?]
22	No effect but lower margin and reduced return on investment to shareholders and less benefit to staff

23	No effect (cyclical production) though increases production costs
75	Changes proportionally to demand but unaffected fundamentally

3	Production decreases

4	Production increases through exports/cost reductions
400	Can impact positively as final product is more competitive which can increase demand
41	Production increases a little as customers move away from imports [so buy from us]
411	Production increases a little
42	Production increases
420	Production increases as foreign buyers demand more of the good produced
421	Production increases because demand effect overrides /outstrips any exchange rate effect]
43	Production increases by the extent of the currency change (comment on volatility)
44	Production increases as retailers move away from imported goods
45	Production increases as indirect export would increase
46	Production increases as final product is more competitive thus increasing demand

5	Exports improve

7	Uncertain. It depends on the demand (and incentives to integrate production backward through exchange rate)
60	Produce more if can [from a capacity perspective]

99	**NA – Do not import**
999	**Do very little production**

Main question 1.51 – SA PROVINCES

3000	Eastern Cape
3001	Free State
3002	Gauteng
3004	Mpumalanga
3005	North West
3006	Northern Cape
3007	Northern Province
3008	Western Cape
3009	All provinces

Main question 1.51 – COUNTRY CODES [see also Q1.37 & Q1.61]
Expanded Code List

99	**Countries not specified/DNK at this point in time**	4177	Reunion (Island – France)
		4179	Russian Federation
4005	Angola	4184	Saudi Arabia
4009	Argentina	4185	Senegal
4012	Australia	4186	Seychelles
4013	Austria	4188	Singapore
4016	Bahrain		
4020	Belgium	4196	Spain
4021	Belize	4197	Sri Lanka
4027	Botswana	4206	Swaziland
4029	Brazil	4207	Sweden
4032	Bulgaria	4208	Switzerland
4035	Canada	4210	Taiwan
4038	Cape Verde	4212	Tanzania
4041	Chad	4213	Thailand
4044	China, People's Republic	4219	Turkey
4048	Comoros	4223	Uganda
4049	Congo, DRC	4224	Ukraine
4051	Cooks Islands	4226	United States of America
4053	Ivory Coast	4227	United Arab Emirates
4058	Denmark	4228	United Kingdom
4064	Egypt	4233	Vietnam
4073	Finland	4241	Zambia
4074	France	4242	Zimbabwe
4081	Germany	4252	East Europe
4082	Ghana		
4084	Greece	4256	Europe
4086	Grenada	4257	Far East
4097	Hong Kong	4259	Ireland
4100	India	4260	Middle East
4101	Indonesia	4262	Rest of the World
4102	Iran	4263	SADC
4105	Israel	4264	Scandinavia
4106	Italy	4266	South America
4108	Japan	4270	Western Europe
4110	Kazakstan	4271	Worldwide
4111	Kenya	4272	Ethiopia
4113	South Korea	4273	Uruguay
4114	North Korea	4274	Burkina Faso
4120	Lesotho	4275	Hungary

4128	Madagascar	4276	Bangladesh
4129	Malawi	4280	Guam
4130	Malaysia	4281	Sudan
4138	Mauritius	4282	Venezuela
4141	Mexico	4283	Chile
4148	Mozambique	4284	Kuwait
4150	Namibia	4285	Panama
4153	Netherlands Antilles	4286	Guatemala
4154	Netherlands	4287	Qatar
4155	New Zealand	4288	Asia
4157	Nicaragua	4289	Mali
4159	Nigeria	4300	Miscellaneous African countries with a port
4163	Pakistan	4301	CIS countries
4171	Philippines	4302	Czech Republic
4173	Poland	4303	Luxembourg
4310	Miscellaneous African countries	4304	Sierra Leone

Main question 1.52(a) – Unusual Answer

999	Establishment was not operating at date specified

Main question 1.52(b) – INPUT TYPE CHANGE

NO CHANGE

3	No change
1	Stable

NO PATTERN / NO CLEAR PATTERN

4	No trends
41	Imports stuff not available in SA

PRICE INCREASE (poor answers)

2	Dramatic increase in price of raw materials (so declining use)
21	Price increases
223	Dramatic increase in price of raw materials
10	Price of raw materials driven by cost of oil which never decreases

GENERAL (poor answers)

20	The nature of the finished products has changed
22	Increasing share of material inputs generally but raw materials specifically
17	We sell more imported products so use less inputs in manufacturing

COMPONENTS

31	No change – however, the components are not any more bought from other small firms and are now made in-house
32	Imported more built-in components
13	Components share has decreased by 10% due to closure of local suppliers and elimination of intermediaries
35	Increasing bits that are built up through imports

RAW MATERIALS - Increase

5	Increase in use of imported inputs into raw materials
51	Volume and value of raw materials have increased
53	Imported more raw materials
7	Use more aluminium / Increasing use of raw material

RAW MATERIALS – Reduction

54	Reduction in raw materials
56	Become more innovative so started using more semi-processed and built up materials
57	Local textile suppliers have disappeared (closed down)
90	Moving towards packaging therefore need for raw materials is less important

RAW MATERIALS – Availability

15	Inputs (gases) are becoming more and more scarce

SEMI PROCESSED INPUT - Increase

6	Very little change except increase in semi-processed inputs as the market has changed the nature of the establishment's products
9	Shift towards semi-processed inputs
37	Suppliers have increased in number locally

SEMI PROCESSED INPUT – Sourcing (poor answer)

61	Imported more semi-processed inputs

OTHER – POOR RESPONSES

8	Planning on moving towards finished products without reducing production capacity [POOR RESPONSE]
11	New technology
12	Price fluctuations on global products
14	Expansion of production activities
16	A shift from small customers to large
18	Product range rationalization & import following suppliers dramatically rationalizing products
52	Shift of raw material inputs to imports [?]

Main question 1.53(b) – Changes affecting channels for sales

113	Does not know

No / Limited change

1	No change
11	Little change
112	No change but would like a change – would like to sell directly to the public but cannot due to agreements with final retailers
117	Would like changes but cannot due to position in the VC - deal with OEMS
118	No standardised change except for the fact that buyers are taking care of logistics

Customers

2	Tighter relationships with customers
52	Tighter link with main customers
45	Nearer customers (e.g. bypass intermediaries)
54	Product requirements have changed markedly which has caused production capacity to be expanded for a particular product [poor answer]
55	Sales depend on the consumer buying power / consumer disposable income [poor answer]
56	Entire product range has changed to meet market demands and trends [poor answer]
60	Decline in disposable income has caused people to purchase less luxury food items [poor answer]
48	More new customers [poor answer]
61	More reliant on single customer due to a joint venture
53	Loss of customer base around informal sector with foreigners taking over sales to such customers [poor answer] [? Check Id 27]
57	Establishing a new market to sell into
58	Recession had bad impact on clients [poor answer]
62	Included 30 days with 90 days customers

Offices / agents / Middlemen

3	Expansion of offices or agents
30	There is now more of a focus on distributors
31	Growth of sales through resellers
32	Strong currency helped imports and there were more agents/distributors set up [at some point?]
34	Cut out the middlemen [removal in intermediaries]

Changes in Partners / Buyer / Main clients

6	Loss of furniture manufacturers [poor answer]
81	Manufacturers who are customers have become importers [poor answer]

8	New manufacturing partner that connects to general merchants
9	B2B

14	Tighter link with retailers
153	Shift of sales mix towards other large retailers

4	Entered wholesale business
15	Develop relationship with wholesalers
151	Move away from customers to supply manufacturers

152	Expansion of sales to supermarket
42	Grown chain-store business extensively and moved away from government orders as refused to engage in illegal activities

16	Made strategic alliances with big players [poor answer]
162	Separating wholesalers from other type of buyers

20	Movement of large retailers into area has changed channel through which we serve [poor answer]

65	Introduction of procurement companies now that work is tendered – the biggest challenge as look for who is cheapest [poor answer]

83	Shift of sales away from smaller firms towards distribution centres

Cost saving strategies

41	Reduced delivery time / JIT system
36	Better control and lower costs through expansion of own agents and own offices

Internet / IT

7	Going on-line
10	IT is lot more integrated
101	Increase in internet advertising
71	Use of on-line media
72	Technology has changed the business dramatically – printed docs now on line

Marketing

49	Significant changes in marketing strategy
18	Marketing strategy changed from TV ads to internet to sell product
161	Input into foreign distributors' website to increase brand awareness
166	Production of a brochure [poor answer]

General or Side comments / Incl. Poor responses

138	Low prices which makes the establishment competitive [poor answer]

33	New products produced in-house [poor answer]

5	Customer climate uncertain [Poor response]
133	Unstable economy – businesses closing down
137	Poor economic climate [Poor response]
51	Fluctuations of the exchange rate [Poor response]
247	Depreciation of the Rand [poor answer]

22	Decreased selling price to remain competitive [poor answer]

37	Increase in overheads lead to price increases which impact on sales [poor answer]

248	Competing with imports [poor answer]
24	New competition in the market [poor answer]
216	Global companies are opening up their own businesses in the establishment's backyard with cheaper products too [poor answer]
240	Dominant competitors & market power by big retailers prevent establishment from making inroads into large retailers
47	Growth of international competition combined with a hollowing of capabilities nationally [poor answer]
12	Loss of market space for the establishment [poor answer]
27	Threat of new entrants who have lower overhead costs and cheaper products
244	Increase in competition from imports, high wage & electricity [poor answer]

13	Influx of cheaper imports
131	Illegal import has affected our establishment channels
132	Cheap imports [direct imports?] have affected our establishment channels
16	Strong currency helped imports
135	Influenced by imports

23	Strikes in mines affect firm negatively as firm supplies mines [poor answer]
85	New businesses & new products mean high customer attrition rate – eg OEM change products [poor answer]

19	Poor administration of state tenders [poor answer]

130	Following trends everyday so have to follow market demand [poor answer]
21	Demand has increased [poor answer]
211	Increased orders from more tender work

241	Company bought by corporate owners

28	Declining markets in SA [poor answer]

59	Increasing sales to sub Saharan Africa (+ve) [POOR RESPONSE]

215	Markets are global - so more exports with less model types which is bad for the business but APDP has helped [poor answer]
242	Doing more business outside SA in Africa [poor answer]

30	More focus on distribution / on the distributors
35	Increased export focus [poor answer]
249	Sell much more to smaller companies
250	Distributors have moved to other manufacturers. Emergence of new/better quality products

29	Scope of work [poor answer]

25	Infrastructure – Road work delays [poor answer]
26	High distribution costs [poor answer]
243	Value of service – market compatibility [poor answer]
245	Cost of labour [poor answer]
246	Cost of energy [poor answer]
212	Shipping costs [poor answer]

75	Employees could have effect on sales (the more work is done, the more can be sold) [poor answer]

Main question 1.54 – SA PROVINCES

3000	Eastern Cape
3001	Free State
3002	Gauteng
3004	Mpumalanga
3005	North West
3006	Northern Cape
3007	Northern Province
3008	Western Cape
3009	All provinces

Main question 1.56
Note that the list Includes 2002/03 Survey Codes

List of Associations

248	**DNK**

257	AACA
160	AAMSA
1	Aerosol Manufacturing Association
2	Agricultural Manufacturers' Association
234	AHI
254	AMD [Aerospace, Maritime and Defense Industries Association of South Africa]
4	Aluminium Federation of SA
5	American Chamber of Commerce
6	American Gear Manufacturers' Association
7	American Society for Industrial Security
204	Apparel Manufacturers of SA
8	Association of Architectural Aluminium Manufacturers' of SA
246	Association of Electrical and Municipal Undertakings
177	Association of Feed Manufacturers
9	Association of Security Engineers in South Africa
10	Association of Tube and Pipe Manufacturers
187	Automobile Association of SA
11	Automotive Engine Rebuilders Association
214	Bargaining Council of Furniture Industry
253	BC T&C [Bargaining Council for Textiles & Clothing]
228	B & M [Benchmarking club – B&M Analyst]
12	Benchmarking Association of SA
13	Black Management Forum
14	Borehole Water Association of South Africa
15	British Chamber Industries
16	British Investment Casting Trade Association
162	British Trade
17	Building Industries Federation South Africa
18	Business SA
19	Cables Association of SA
20	Cape Wine & Spirits Institute
220	Casting SA
21	Catalytic Convertor International Group
170	Chamber of Baking
169	Chamber of Milling
22	Chemical & Allied Industries Association
23	Chemical Industry Bargaining Forum - FMCG Sector
184	CHIETA [SETA]
161	CISCA
24	Clay Brick Association Limited
25	Clothing Federation of South Africa
26	Concrete Manufacturers' Association
27	Container Federation SA
28	Control Techniques UK
29	Conveyor Manufacturing Association
30	Copper Development Association
31	Cosmetic Toiletry & Fragrance Association
201	Cosmetics, Toiletries and Food Association of SA [??]
32	Credit Bureau

206	DAC [Durban Automotive Cluster]
155	Domestic Appliance Manufacturers Association
222	DCC (Durban Chemical Cluster)
33	Department of Trade and Industry
142	Durban Chamber of Commerce and Industry / DCCI
34	Diebold Inc. - USA
35	Electric Contractors Association
36	Electronic Industries Federation
168	ELR South Africa
37	Emerson Electric USA
38	Employee Forum of FMCG Industry
152	Envelope Stationery Manufacturers Association
256	Ethanol Producers Association of Southern Africa
39	Euro Chamber
40	Expanded Polystyrene Association of SA
153	Exports club
240	Export Council [?]

41	Federation of Printing and Packaging
239	Flexible packaging association
42	Footwear Manufacturers Federation of SA
43	French Chamber of Commerce & Industries
44	Fresh Produce Marketing Association
148	Furniture Manufacturers Association
45	Furniture Traders' Association of South Africa
46	German Chamber of Congress
186	Gold Pack Association
47	Grocery Manufacturers' Association
158	Hand Tool Manufacturers Association
48	Health Products Association
49	Hot Dip Galvanizers Association of SA
50	Ice Cream Association
51	Industrial Bio-Technology Association
149	IDSIT
219	Institute of Foundrymen
52	Institute for Marketing Management
57	Institution of Mechanical Engineers (London)
53	Institute of Mining & Metallurgy
54	Institute of Packaging
55	Institute of Plumbing / Institute of plumbers SA
56	Institute of Road Transport Engineers
229	Institute of SA packaging [code = 54?]
237	Institute of timber construction
58	Instituut vir Afvalbestuur
59	International Association for Biological Standardisation
60	International Corbalt Association
181	International Flex Packaging Association
61	International Steel Federation
62	Jewellery Manufacturers' Association of South Africa
157	KZN Chamber of Printing
164	Lawn Mower Association
63	Lift Engineering Association
64	Light & General Engineering Association
65	Light Industries Federation
178	Liquid Petroleum Gas Safety Association
66	Locksmiths Association of SA

67	Marketing Association of SA
68	Master Builders Association

210	Metal & Engineering Industries Bargaining Council / MEIBC
69	Metal Industry Association
70	Metal Recyclers Association
71	Meter Industry Association
202	MIBCO – Motor Industry Bargaining Council
209	MINARA Chamber of commerce
241	Motor Industry Body Council
72	Motor Industries' Federation
144	Natal Clothing Manufacturers Association
205	National Adhesive Manufacturers Association
73	National Association of Automotive Components & Allied Manufacturers
188	National Association of Sealants & Adhesives
167	National Association of Automobile Component and Allied Manufacturers
258	NAHONAL
150	National Occupational Safety Organisation
230	NAVAC
231	NARCAM
74	National Business Initiative
75	National Employers Forum
76	National Industrial Council
249	National Motor Industry
227	National Office Products of SA / NOPSA
77	National Union of Metal Workers of South Africa
172	National Sign Association
78	Newspaper Press Union of SA
79	Non-Ferrous Metal Industries Association of SA
216	NORA (Association for Responsible Recyclers [?])
236	NOSA [National & Occupational Safety Association [of SA?])
159	OCCA
226	Oil Processor Associates (SA)
165	Outdoor Power Equipment Association

80	Packaging Industry Federation of SA
81	Paper, Printing, Wood and Allied Workers' Union
176	Petroleum Association
82	Pharmaceutical Manufacturers' Association of SA
232	Pharmaceutical Society of South Africa
189	Pietermaritzburg Chamber of Business
83	Plastic Convertors Association
84	Plastic Federation of SA
85	Plastic Institute of SA
86	Plastic Manufacturers Association of SA
252	Plastic Negotiation Forum
87	Plastics Industry Training Board
251	POPAI (Point of Purchase Advertising International)
88	Print Media Association of SA
217	Printing and Packaging Association
89	Printing Industries Federation of SA [PIFSA now changed to Printing SA] / Printing Federation of SA
238	Proudly South Africa
90	Refrigeration & Air Conditioning Manufacturers & Suppliers
91	Refrigeration & Air Conditioning Manufacturers and Suppliers
151	Retail Association

173	Retail Motor Industry
92	Road Freight Association

242	SACMA [? T&C]
203	SACTWU
143	SADA [South African Dental Association???]
94	SADECA
156	SADIC
95	SAFTA
96	SAGA
147	SAIFM
97	SAIVT
247	SATMA [South African Tissue Manufacturers Association]
218	SEIFSA
235	SEESA
98	SIMNEA

100	SA Battery Manufacturers Association
101	SA British Chamber and Association
102	SA Building & Allied Workers Organisation
103	SA Chamber of Business
104	SA Chamber of Commerce
105	SA Chocolate & Sweet Manufacturers Association
182	SA Coating Association
106	SA Compressed Gas Association
107	SA Egg Producers Association
207	SA Electronic Federation
166	SA Federation of Civil Engineering Contractors
108	SA Foundry Association
109	SA German Chamber of Commerce and Industry
110	SA Guild of Interior Designers
111	SA Institute of Electrical Engineers
112	SA Institute of Foundries
113	SA Institute of Materials Handling
114	SA Institute of Steel Construction
115	SA Institute of Welding
116	SA Institution of Mechanical Engineering
117	SA Instituut van Siviele Ingenieurs
163	SA Leather and Footwear Industry
118	SA Micromount Society
208	SAMED - South African Medical Device Industry Association
179	SA Milk Organisation
119	SA Motor Industry Employers Association
145	SA Oil Processing Association
121	SA Paint Manufacturers Association
122	SA Property Owners' Association
123	SA Protective Equipment Manufacturers' Association
120	SA Numbering Association
124	SA Pump Manufacturers Association
183	SA Refinery Managers
125	SA Riding for the Disabled Association
126	SA Rubber Association
154	SA Sugar Association
127	SA Screen Printing Association
128	SA Stainless Steel Development Association
129 & 175	SA Petroleum Industry Association / SAPIA
250	SA Tyre Retreating Association

130	SA Value & Actuator Manufacturers Association
131	SA Welded Steel Pipe & Tube Association

132	Self Medication Association of SA
133	Small Electrical Appliance Marketing Association
146	Snack Food Association
212	Snacks food Association

93	South African Bureau of Standards / SABS
223	South African Footwear & Leather Export Council
225	South African Footwear & Leather Industry Association / SAFLIA
245	South African Metal Finishers Association
180	South African Nursery Association
221	South African Paint Manufacturers Association

134	Specialist Press Association
135	Steel & Engineering Industries Federation of South Africa / SEIFSA
213	Steel and Metal association
136	Steel Tube Manufacturing Association
99	SUFSA
137	Tank Container Association
255	Technical Association of the Pulp & paper Industry in SA / TAPPSA
138	Textile Federation
243	Texfed
200	TIASA / Thermal Insulation Association of South Africa
171	Timberweb
139	Trade information Services
140	Trade Organisation
141	Travel Association
215	Waste Institute of South Africa
190	Water Institute of South Africa
233	WRAP / Worldwide Responsible Accredited Production
244	Nonwoven Association of South Africa

Main question 1.57 - OTHER

1	Help with contacts/networking
10	Provides some general information
14	Help with contacts/networking
21	Provides training for building inspectors [which generates demand for the product of the establishment]
3	Recommends suppliers/customers to members
4	Admin related matters advice (e.g. legal aspects, pensions)
5	Help strategic planning
51	Helps on the HR side
52	Transfer of skills
7	Deals with labour matters
8	Training
85	Provides benchmarking information
9	Deal with infrastructure issue matters
95	Employers organisation
96	Bargaining council at negotiations
100	**They do not do anything / None / None of what is listed**

Main question 1.58 - OTHER

5	Do own sales
6	Existing associations are a waste of time
11	"Talk is cheap" (e.g. no action – talking)
12	No real need
61	Associations are managed by old people
62	Associations are managed by people who are academics and do not know about businesses

Main question 1.60(b) - Factors Influencing Level of Sales as share of exports

0	**Exports too little to comment on**
999	**Does Not Know**

PRODUCT (CHARATERISTICS) / Product strength

50	Ability to provide the right product
1	Quality of Products
101	Product shelf life is short
5	Customer requirements
711	Brand requests in region (SACU / SADC)
712	Acceptance of product
501	Quality & variety of products
103	Product mix with emphasis on new product with higher margin
120	Innovation – only export their most expensive product

TRANSPORT / LEAD TIME / LOGISTICS

2	On time delivery / lead times
21	Logistical viability
3	Reliable transport / transport system
32	Logistics (-)

17	Distribution costs
18	Shipping costs
31	Transport costs are high

Pricing / Cost / Competitiveness

4	Price / pricing
41	Local cost
42	Local supply

9	Costing and feasibility
51	Cost of materials

10	Competitiveness
401	Competitiveness in global terms
403	Cost competitiveness / ability to be cost competitive
402	Edge over outside-SADC countries

DEMAND

7	Demand
71	Foreign demand
716	High demand for product to be sold in Mozambique, Lesotho and Zimbabwe
710	Growth of customers in African markets
7102	Growth in Africa and Middle East
714	Greater demand for local markets has reduced proportion exported
715	There are more projects in Africa [new product opportunities in Africa]
7101	Loyal customer base (+)

75	Legislation which has increased demand abroad

713	Other countries do not trust SA products

EXCHANGE RATE / CURRENCY

8	Exchange rate
801	Volatility of Exchange Rate
81	Rand strengthening - demand drops off
82	Rand weakening – exports increase
802	Exchange rate improves selling price
94	Strength of currency in African countries / currency can be too low

SALES CHANNELS

11	Good distribution channel
111	Availability of local agents & logistics
112	Partnership of local customers
113	The expansion of SA retailers into Africa (e.g. Pick N Pay)
908	Lack of international sales team [influences where to go?]

COMPETITION

90	Small local market [ambiguous response]
91	Competitors [poor answer]
92	Competition [in the export market]
909	Foreign competition/foreign competitor

INCENTIVES / SUPPORT

901	Support of export council-trade exhibitions
902	Incentives as they offset logistics costs

POLITICAL / TRADE DEALS / RISK

13	Foreign political situations
14	Lack of confidence in (domestic) political leadership
97	Trade Agreements
98	Perception of the SA economy
99	Political instability
910	Risk /liability [which is greater abroad, in export market]

911	Governmental, bank, customers restrictions (in terms of policy restrictions)

OTHER MISC

85	Profit margins are higher for exports
15	International Market penetration
6	Capacity
61	Ability to supply the market
62	Market Access
65	Resource availability - labour
93	Port inconsistencies [?] and disruptions [Issues at the port, including disruptions]
96	Production Inefficiencies [? Efficiencies?]
105	Efficiency of production
95	Difficulty & cost of exporting
904	Timing of international tenders
905	Success in establishing joint ventures with partners

907	Value added technology / commercial offerings [?]
405	Lack of reputation on technological quality capabilities available in the country (-)
912	Stock dumping

Main question 1.60(c) – Choice of Market Region

0	**Exports too little to comment on / ad hoc exports**
999	**DNK**
20	**None**

ACCESSIBILITY / MARKET ACCESS

1	Easy Access / access to markets / to distribution networks
1011	Openness to trade
1015	Trade agreements
5	Competitive duty free trade agreements
1012	Ease of doing business with the country
10121	Regulations of countries e.g. antidumping duties
1013	Proximity to regions
11	Proximity
1014	Import regulations that are reasonable for direct imports – use of agents in a 3rd country for export through another country
1331	Ease of transportation – getting goods to the market
17	No hold up on border controls

PRODUCT

2	Final Product
13	Quality
131	Where quality products can still get a higher price
132	Product type arrangements within (inter-)company [high quality low-cost single component produce for group to make it competitive]
17	Quality Product following product development

FIRM CAPABILITIES

15	Capabilities built on dealing with the high demand in SA
16	Firm ahead of foreign trends

SALES CHANNELS

3	Presence of sales representatives
31	Exports are through agencies
8	Sales coverage/structure

COST / FINANCIAL CONSIDERATIONS

4	Supplying costs
41	Logistics/transport costs
44	Shipping costs
42	Price
47	Viability
53	Transfer pricing
9	Profitability considerations / financial attractiveness
112	Exchange rate in the target country
117	Competitiveness

TRANSPORT INFRASTRUCTURE

43	Logistics/Distribution
113	Transport infrastructure

DECISIONS OUTSIDE ESTABLISHMENT'S CONTROL

51	Group policy
52	Participation of customers [in the market regions]
10	Parent company's regional allocations

DEMAND CHARACTERISTICS / CUSTOMER BASE

62	Customers
621	Concentration of customers
622	Customer expansion
623	Export to similar markets in terms of climate patterns
63	Demand for the good / where the customers are
63	Demand for product
624	Where customers source, not only on price
626	Market potential

BRANDS / BRANDING

81	Branding activities

CHARACTERISTICS OF FOREIGN MARKET

61	Customer base with similar needs to SA market logistics
611	Environmental factors – characteristics of location where there is demand for product
612	Maturity of market – less mature markets (developing) easier to enter
613	Size
615	Strong currency region – e.g. regions where currency keeps its value
616	Where Chinese products have not destroyed the market
67	Language

PRESENCE OF PARTICULAR SECTORAL ACTIVITIES ABROAD (TO GENERATE DEMAND)

625	Mining activity / existence of mining industry
627	Presence of an agricultural industry
628	Presence of food processing activities

INDUSTRY STRUCTURE / COMPETITION

64	Competition; how saturated the markets are
65	Competitor activity
614	Competition in the market [scale, extent, etc.]

RISK & STABILITY

46	Operational risk
122	Financial risk
14	Stability
111	Place most stable economically

OTHER

7	Activity
71	Anywhere where there is work and a market
82	Level of target country's technology
101	Does not seek international markets – where establishment gets inquiries from
114	Service
115	Networking
116	Availability of capital

83	Geographical location – e.g. being in Angola has helped move closer to other regions
91	Where value proposition lies (trade advantage, proximity & lead time)
18	Stability of business
125	Credit worthiness of foreign customers

Main question 1.61 – COUNTRY CODES

99	Countries not specified	4177	Reunion (island – France)
		4179	Russian Federation
4005	Angola	4184	Saudi Arabia
4009	Argentina	4185	Senegal
4012	Australia	4186	Seychelles
4013	Austria	4188	Singapore
4016	Bahrain	4193	South Africa
4020	Belgium	4196	Spain
4021	Belize	4197	Sri Lanka
4027	Botswana	4206	Swaziland
4029	Brazil	4207	Sweden
4032	Bulgaria	4208	Switzerland
4035	Canada	4210	Taiwan
4038	Cape Verde	4212	Tanzania
4041	Chad	4213	Thailand
4044	China, People's Republic	4219	Turkey
4048	Comoros	4223	Uganda
4049	Congo, DRC	4224	Ukraine
4051	Cooks Islands	4226	United States of America
4053	Ivory Coast	4227	United Arab Emirates
4058	Denmark	4228	United Kingdom
4064	Egypt	4233	Vietnam
4073	Finland	4241	Zambia
4074	France	4242	Zimbabwe
4081	Germany	4252	East Europe
4082	Ghana		
4084	Greece	4256	Europe
4086	Grenada	4257	Far East
4097	Hong Kong	4259	Ireland
4100	India	4260	Middle East
4101	Indonesia	4262	Rest of the World
4102	Iran	4263	SADC
4105	Israel	4264	Scandinavia
4106	Italy	4266	South America
4108	Japan	4270	Western Europe
4110	Kazakstan	4271	Worldwide
4111	Kenya	4272	Ethiopia
4113	South Korea	4273	Uruguay
4114	North Korea	4274	Burkina Faso
4120	Lesotho	4275	Hungary
4128	Madagascar	4276	Bangladesh
4129	Malawi	4280	Guam
4130	Malaysia	4281	Sudan
4138	Mauritius	4282	Venezuela
4141	Mexico	4283	Chile

4148	Mozambique	4284	Kuwait
4150	Namibia	4285	Panama
4153	Netherlands Antilles	4286	Guatemala
4154	Netherlands	4287	Qatar
4155	New Zealand	4288	Asia
4157	Nicaragua	4289	Mali
4159	Nigeria	4300	Miscellaneous African countries with a port
4163	Pakistan	4301	CIS countries
4171	Philippines	4302	Czech Republic
4173	Poland	4303	Luxembourg
4310	Miscellaneous African countries	4304	Sierra Leone

Main question 1.62 – UNUSUAL CODES & OTHER

1	Risk Capital Facility

Main question 1.64 – Reasons for not exporting any more

1	Customers / buyers from abroad cannot guarantee payments
2	China is supplying goods below our costs / Cheaper goods available from China [e.g. not competitive internationally]
3	Price
4	Demand
41	Export when opportunities arise
42	Was a one off [an emergency order] through a trade show [but might open up opportunities in the future] – do not have the volume or standard quality at present for more exports
43	Loss of clients
5	Costs
51	Costs – not competitive enough
51	Costs thus not competitive enough
52	Tariff duties a problem
15	More effective and efficient to deal with distributors
6	Exchange rate volatility when locked into contracts (lost money)
61	Exchange rate volatility
10	Exchange rate made it unfeasible/a problem
7	Changes in government policy [? SA or destination country?]
8	Changes in global projects
9	Liquidation of company establishment exported to
11	Export when opportunities arise
121	Labour costs extremely uncompetitive when compared to the rest of the world

Main question 1.65(b) – Reason for Choice of Preferred Logistics Option

1000	**Do not deliver or pick up anything**
0	**No comment to make**

Cost considerations / comments related to costs

1	Depends on the relative transport costs
2	Use most cost effective and reliable
4	Air freight is too expensive
5	Sea is preferred as it is the cheapest
6	Road is cheaper compared to air freight
8	Road is most economical / cheaper
13	Both airport are used depending on the carrier – for some shipments ORT cheaper
16	Cheaper /cost effective
18	Reasonable or low costs
19	More reliable & cheaper

Availability / Lack of alternatives / Convenience / Efficiency

17	Availability
15	Road: only feasible option but minimal transporting as customers pick up goods
151	Road most appropriate option
1510	Customers are close to the establishment making road transport most appropriate
3	There is no alternative to stated option
40	Most convenient to move the goods as using other modes of transport, still need truck transport
45	Convenience
41	Convenience – own fleet
42	Rail is not viable at this stage in terms of service & infrastructure
65	Location defines road and sea
66	Road is preferred because containers are easier to move that way
10	Road – it is easy to access
12	Road is the only realistic or feasible option for the goods
63	Efficiency [Road]
61	Cheapest and quick
638	Best cost efficiency though cannot compared costs for rail
631	The most feasible option [Road]
636	Road transport arrangements are flexible

Product characteristics

51	Associated with minimum handling of products
62	Road is most appropriate (effective or efficient) due to nature of the product distributed
69	The only way to move ships

Speed / Time

9	Road is the quickest way to get goods to the customers
11	Time limit
21	Works well if goods placed for global shipments in advance

Rail

7	Rail services could be a possible option
71	Rail infrastructure is poor &/or rail inefficient although preferred
72	Rail services could be a possible option but service is unacceptable
721	Rail is problematic in terms of time, security, efficiency
14	Rail more efficient and less risky
635	Rail would be much cheaper but the infrastructure is very poor / not available
639	Rail would be great due to proximity. It is a sustainable alternative

Other comments

121	Local deliveries so road transport is well suited
632	If planned in advance, sea freight helps smooth orders
633	Mixture – availability, affordability, sufficient [Road]
634	More competitors to choose from in logistics [Road]
637	Costs are high and road network needs attention as does congestion
640	The items produced move themselves by road
22	Sea freight a growing option to help smooth orders

Main question 1.65(e) – UNUSUAL CODE

5	Both airports

Main question 1.65(f) – Choice of Airport

1	Close proximity [to airport]
11	Ease of access
7	No other option (e.g. the only one in Durban)
8	Location

2	Flights and carriers available
21	Depends where imports are coming from
22	Depends on product destination
3	Availability of cargo

31	Capacity

4	No choice, use an agent so depends on agent
41	Routing not our problem – tender system so someone else chooses

5	Costs are lower
51	It depends on costs
52	Expensive to use air freight – only on rare occasions/emergencies

6	Distance from our establishment is a major problem

85	Clients decide on how to move goods but for now location for samples
86	Influence of the partners

87	Expertise [as it required to handle goods]

9	Speed [direct via Emirates though in some cases via Joburg]

Main question 1.66(a) – SPECIAL CODE

99	NOT APPLICABLE – do not submit / do not deal with government

Main question 1.67(b) – REPORTING

0	**None – No department approached** **None – nothing not cumbersome**

999	**No reports - submitted at group level elsewhere**

99	**All burdensome**

DOC / INFORMATION

1	Employment Equity
2	Applying for funding & time it takes for funds to come
3	WSP
6	Workmen's Compensation
7	Accounts (Audited statements)
8	BEE requirements
9	Production of statistics (incl. as part of QES)
12	Skills Development
13	Environmental Compliance Reporting
16	JSE requirements
20	Tender documents
26	All reporting related to BBBEE & certification
71	VAT Reviews
75	Reporting proof out of imports
81	Reporting [vague]
95	Paperwork
96	Production of stats for government
120	Administration & Implementation of financial incentives

AGENCIES / DEPT

1	SARS
14	SARB
11	DoL
23	Dept of Health
31	DoHET / SETA
60	dti
61	IDC
4	CIPC
17	Stats SA
25	Relevant departments
97	All Municipality
19	Planning & Buildings [Municipal] [incl for CoO - Certificate of Occupancy]

Main question 1.67(c) – PROBLEM WITH STATUTORY REPORTING

0	**None (incl. No department approached) [PILOT VERSION OF QUESTIONNAIRE]**
999	**No reports - submitted at group level elsewhere**

PAPERWORK / ADMINISTRATIVELY BURDENSOME

1	Preparation of special reports
11	Need specialized personnel to complete reports
2 [see other codes]	Time consuming / tedious
9 [see other codes]	Cumbersome / not user friendly
5 [see other codes]	Too much reporting / excessive reporting
23 [see other codes]	High admin burden
15 [see other codes]	Voluminous / number of docs
32	Excessive procedural requirements in terms of Employment Equity
33	Excessive procedural requirements in terms of WSP OFO codes
37	Need to collate tons of information
54	The level of auditing and compliance plus costs
55	Too much details and data collection required
56	Documents are not user friendly
110	Large volumes of record keeping
133	QES timing does not work for the firm as it is busy with other reporting
135	Information asked is probably not used

COMPLEX

10	Complexity
18	BBBEE criteria are complicated and customers get it wrong themselves
101	Complicated to complete - information overload and suspects information not even used

LACK OF CONSISTENCY

25	There are inconsistencies
4	SETA changes template too frequently
19	The format constantly changes

COMMUNICATION

7	Lack of follow up
71	No skilled staff to answer queries [in government departments] / do not know what is going on or take too long to handle queries
8	They (Agencies / Departments) do not have busy business people in mind

COSTLY

40	Very costly process / expensive

41	Have to meet all the criteria for BBBEE [to get **dti** funding]
42	Diverts resources (administrative and financial) while not central to the business (and done poorly accordingly)
50	Keeping record of everything is costly & have to hire people to do reporting

NO OR LIMITED BENEFIT

531	Does not benefit anyone
532	No benefit
57	Waste of time
60	Lack of flexibility (when policy not relevant or misguided)
21	Time consuming for no gain

PENALISES SPECIFIC TYPES OF BUSINESSES

31	Smaller firms that do not have managerial capacity might not be compliant

ASK FOR THE WRONG TYPE OF INFORMATION / DETAILS

13	Details which are not prepared to release (confidential) are asked for
131	In terms of equity: the bands are too narrow so advancements in the company are not reflected in the report
132	Administrative requirements are irrelevant
17	Information needed is sometimes hard to get

53	Irrelevant [some amount of reporting is irrelevant]

80	Trade-offs between policy intent and compliance reporting whose implications need to be understood [Need reporting that IS for policy intent purposes rather than for compliance requirements purposes]

DATA ENTRY SYSTEM DOES NOT WORK IN GVT DEPT

6	Ineffective data systems
14	Not easy to enter the information online
35	WSP online reporting is cumbersome - the IT system is slow and often crashes

DELAYS / TIME FRAME

60	No clear time frame / there are delays

INTERNAL

38	Have no HR department (in-house)

Main question 1.68(b) – OTHER

1	Theft [of fabric]
2	Armed robbery
3	Fraudulent collection [of goods – fake documents presented when goods collected]
4	Off-site theft during transport

MODULE 2

REFUSE TO ANSWER

-3	R.A. as per the codebook

Main question 2.5 – Unusual Answers

99	Establishment not in operation in 2008 or establishment just initiated operation in 2008
21	Tend to breakeven so no change

Main question 2.7 – Other

10	Miscellaneous large category (incl. office equip & furniture)
101	Computer, office equipment, furniture
11	Telephones and CCTV
12	Computer equipment
13	Office equipment
14	Other capital equipment
15	IT equipment

Main questions 2.10 & 2.11 – Unusual Codes

9	Ongoing or continuous training
99	Not quantified or measured
999	DNK

Main question 2.12 – Comments

Revenue related comments

11	Revenues declined due to a reduction in market share
12	Impact of crisis & high levels of competition
18	Revenue targets: below budget for market related reasons
105	Met target, but there is room for improvement

13	Demand growing faster than capacity (+ve comment)
130	Stability [of ? - unclear] (+ve comment)
101	Turnover up by 12% (+ve comment)
16	Went through a strong revenue growth / growth period (+ve comment)

Production volumes related comments

5	Mainly due to lower global demand for EAB [elective abortion related] production
11	Production declined due to a reduction in market share
12	Productivity & efficiency not to required standards
13	Production and efficiency not up to standard
14	Not meeting potential
17	Related to revenue targets
141	Production volumes increased
142	Market share was more or less the same
143	Put staff on short time
144	Production volumes increases as had to drop prices

19	Targets achieved by working extra overtime
15	Demand growing faster than capacity (+ve comment)
16	Went through a strong revenue growth / growth period
140	Always want to produce more & beat previous volumes [e.g. targets are ambitious]

Operating expenses related comments

1	Operating expenses high / higher than expected
200	Manage to meet target following cost cutting & retrenchment measures
201	Difficulty in reducing costs
202	Lots of hidden costs emerged (e.g. pallets)
203	Increase in miscellaneous utility costs eg electricity, in rates and in transport costs causing targets not to be achieved
205	Market share comes at a high price and had to be extremely competitive thus margin decreased
2031	Municipal costs too high - cost of electricity is too high specifically
211	Operating expenses marginally up
207	Not able to meet targets due to inflation & weakening rand
208	Spent more than anticipated
209	Labour cost increases in excess of inflation & raw material price increases
215	Have managed to keep a tight lid on expenses

204	Have successfully improved productivity due to multi-year programme (+ve comment)
206	Cost Saving initiatives

Profit related comments

111	Profit out of target due to a reduction in market share & SA market not growing (amongst other)
112	Profit not in target as to improve market share establishment had to be extremely competitive thus cut margin
12	Impact of crisis & high levels of competition
13	Met targets due to cost cutting and retrenchments
114	Profit margins are decreasing
113	2012 was bad for business
116	Did not meet target due to inflation and weakening rand
115	Lower prices have caused losses
117	Target profit not met following labour disruptions
120	Miscellaneous factors, incl. low growth in domestic market have caused reduced market share + labour disruption & uncertainty have not helped
125	Rising wage costs
128	Consistency & predictability [?]

110	A number of factors mean profits have been exceeded [reasons unspecified]
15	Business is growing at over 7% per year
3	Profitability has been sustained

General comments [CUT ACROSS]

21	Targets unmet as time is spent on training employees who then leave after 2 months
22	Trying to do a turnaround strategy
23	Bottlenecks are dealt through hiring [new workers] which helps meet targets [when these are met]
24	Targets not met due to the poor economic climate/ industry has been bad
104 [also see code 24]	These were tough years, so we were unable to meet target / poor performance of economy affected ability to meet targets
25	Inflation & rand depreciation caused targets not to be met
27	Exchange rate & fuel prices have helped us reach our targets
213	In 2012 we incurred a bad debt as a large customer was liquidated

504	Ensured customer satisfaction & market [strategy]

MODULE 3

Main question 3.6 – OTHER

10	Existing staff's family
20	Minimum requirement is matric
201	Minimum is matric with maths & science
202	Work experience & matric
203	Matric + science
30	No experience or education needed [for SA workers – use foreigners with skills as main production employees]
40	Based on job requirements

Main question 3.8 – OTHER reasons for hiring of temp staff

1	Absenteeism
11	Replace absent staff / sick employees
2	Hire on probation period [evaluation]
3	Special type of workers for special projects – temporary disability, apprentices, learners
4	Assessment for permanent employment

Main question 3.9 – OTHER Channels

1	Department of Labour
2	Local LIV village
3	Friends and/or associates of employees
4	Referrals
5	Social Media
6	E-recruitment
7	Advert
8	Institutions via training manager
9	From entrance of enterprise

Main question 3.12 – OTHER task outsourced

1	Gardening and cleaning / general space maintenance or upkeeping
2	Drivers
3	Waste management
4	Industrial Organisation
5	Labour
6	IT
7	Warehousing
8	Production of samples

Question 3.14 – OTHER Area for PDIs

2	Miscellaneous others - Quality control & food - Supply chain and sales & demand - Gardening and cleaning - Engineering & Purchasing - Technical quality & melting manager
20	Quality
4	Dispatch
7	Sales
50	Storage Manager
60	Admin Manager
8	Technicians

Question 3.14 - Race[MV34]

African	1
Coloured	2
Indian	3
White	4
Asian	5

Main question 3.16 – UNUSUAL CODES

999	DNK
1000	Non-wage rate included in wage rate figure

Main question 3.19

4	No problem

Main question 3.21 – UNUSUAL CODES

999	DNK

Main question 3.22

PROBLEMS

0	**None**
555	**None because has better terms and conditions than the standards**
999	**DNK – e.g. respondent does not deal with collective bargaining / respondent or establishment does not engage with process / respondent is the wrong respondent for question**
9999	**Does not see them as an advantage but not as a problem either**

GENERAL – LENGTHY DECISION-MAKING PROCESS

12	Generates (unnecessary) time delays in the decision-making process
121	Prolonged duration
122	Slow in terms of time it takes to resolve disputes
123	Takes a long time to reach agreement
24	Time waste & inflexibility means that it all goes back and forth

GENERAL BALANCE OF POWER / INFLUENCE / LEVERAGE ISSUES / REPRESENTATION OF EMPLOYEE[MV36]

5	No individual plant level decision making – Collective dealing; limits bargaining power
1	Wrong agenda – agenda is pushed, it is not about joint effort
2	Adversarial
21	Unduly high union pressure
210	Union power is maximized in this sector
211	Unfavourable power balances
212	Disempowering
223	Not everyone is part of the system
241	Patil weapon [ruler territory / dominance by one ruler? – id 371]
242	Union leaders do not care about their members
215	Intimidation - small group above others (e.g. small groups of people have strong influence over other groups of people)
216	Confrontational attitude of union
217	Union tainted view of employer is passed onto employees
22	Unreasonable demands
220	Creates significant potential for polarization between employees & managers
115	Wage increases above inflation means that there are tensions over a shrinking pie
221	Harassed the establishment
36	Shop stewards act in own interest rather than interests of collective
89	They do not consult businesses
26	Lack of direct input [by establishment] during negotiations
92	Lack of understanding between BC and employee
86	No rule as to what issues are legitimate. Cases dismissed even if legitimate so wasted time
37	Some union heads do not attend wage negotiation meetings so that the workers are not represented
303	One sided – only for workers

STRIKES

4	Possibility of a strike
41	Too many strikes / disputes
42	Disputes regarding wage increases
43	Industrial Action on a wider scale
44	Strike action negatively affects business operations
47	Collective strikes are a problem
48	No attempt to resolve problems before strikes start
46	Establishment pays penalties when there are delays & they supply OEM on daily basis so that with strikes come penalties
209	High strike risk and government intervention

INFLUENCE OF LARGE COMPANIES OR PROBLEM FROM OTHER COMPANIES OR FROM INDUSTRY

31	Dominated by large companies / large companies or players drive the agenda [of the Union]
32	Decisions can be swayed by large firms
33	Small companies cannot be compared to big ones – as such collective decisions are a problem
34	Problems with other companies with industry
131	Little or no control over the process/decisions as establishment is small (nationally or relatively to sector)
50	Industry putting pressure on establishment (management) to support lower wages to employees; establishment pays above collectively agreed upon wages
118	[Industry] Rep at the national level not labour intensive
82	Industry specific leverage is too high

"COSTS" TO EMPLOYEES

272	Employees could get more outside [wage] without collective (e.g. employees are penalized by collective bargaining)
273	Internal wage negotiations have better outcome / direct internal negotiations lead to better wage outcomes
29	Reduced Individuality

RIGIDITIES FOR BUSINESS

23	Makes responses to changes in business fluctuations too rigid
117	Ignores situations when wage increases cannot be done
219	No control over BEE salaries
25	No ability to negotiate [arrangements] privately [with employees]
91	Generic approach – does not take into account firm specificities
306	Decisions are made across the board
308	Lumped together regardless of individual circumstances
134	No control over increases awarded to staff
13	Centralised decision-making
131	No control over the process
133	Inability to design/craft to suit own division

POLITICAL

14	Politically driven
16	Too much political interference

WRONG FOCUS AREA / LACK OF UNDERSTANDING OF BUSINESS PRIORITIES OR OF BUSINESS ISSUES

3	Lacking business acumen in union representatives
111	Incorporates other agendas (e.g. politics)
231	Focuses on insignificant issues
201	Requirements penalise small / smaller firms
80	Rules & terms & conditions negotiated in Jhb do not always suit coastal regions
30	Lack of understanding of company specific problems / of company arrangements
301	Decisions are not (always) linked to business needs
302	They do not understand business but set rules & regulations that affect business operations
304	Percentage out of sync with financial situation of the business
321	Non-relevant topics are critical to others
97	Detached from performance
132	It is the prerogative of management to manage and to change policy
309	The wage set by the BC does not reflect differences in firms' financial health, size and skills available

ADMIN BURDEN ON FIRMS

15	Too many rules and regulations to follow
200	Expensive to administer
203	Red tape incl. excessive red tape

LABOUR FIRING / LABOUR MANAGEMENT INFLEXIBILTY

94	Not easy to let people go under any circumstances
96	Difficult to fire people
206	Difficult to deal with troubled employees individually
222	Restricts management's ability to deal effectively with a trouble employee individually
225	Cannot punish staff for absenteeism because protected by the Union
81	Absenteeism supported in terms of union not allowing employers to discipline employees in the right way
202	Following disciplinary process difficult & time consuming / Inflexibility in labour decisions for establishment

WAGES

204	Dictate wage rates - unreasonable
205	No minimum wage in the collective agreements
207	Wage rate is too high
2070	High wage rate for qualified laborers [?]
2071	Wages may be set at maximum rates
208	Minimum wage is high in sector
2080	Wages are higher than in the absence of bargaining council
38	Wages not productivity related
2072	Productivity vs wage are not strategically proportioned

2073	Wages earned are for incorrect skill levels [wages are not adequate to the level of skills? – id 284]
305	Disadvantage to the workers – 3 pay scales
307	Salary increase might be set too high but with inflation this might be justified
6	Wage agreement is old

COMMENTS ON INCENTIVE PERSPECTIVE / INFLUENCES WAGE SYSTEM NOT REWARDING GOOD EMPLOYEES

9	Incentive issues – people are paid the same irrespective of their ability or excellence
93	System of wage setting does not reward excellence
931	Good workers do not get rewarded
932	Restricts decentralized reward flexibility
933	High entry level rate per hour even with no experience
934	Increases are given to some workers who do not deserve it
935	Cannot pay talented BBBEE individuals more

COSTS TO ESTABLISHMENT

271	Cost to the company
28	Contribution levels too high
95	Difficult to comply with wage increase – not cost effective or not affordable results
911	Can inhibit business growth by setting minimum L costs
87	Very costly with no real benefit
27	Cost of employees

LABOUR RELATIONS – OTHER COMMENTS

213	Staff are not compliant with working conditions like overtime
214	Decisions by the union are causing tension among workers
218	Ignorance of employees in regards to wage increases
2190	Workers are un-informed and lose wages as a result of strikes
2191	The people are not guided properly
54	The employees are used by officials
52	Removes CO-employee interactions

MISCELLANEOUS OTHER COMMENTS

11	With an intermediary, the message employer wants to pass to employees is distorted
35	Employees see no value [in ? – in collective bargaining arrangements?]
17	Lack of understanding between BC and employees
18	They are far / remove from us
116	Not focused on employment [creation]
51	Cases are not screened before referral of a dispute
53	Corruption by union officials
8	Process is outdated
7	Enforcement of collective bargaining is poor
300	No compliance [BY OTHER FIRMS]
85	Lack of understanding of benefits
83	No involvement when Union matters arise at company / establishment [?]
84	Give workers false hope
88	They leave us sort out problems ourselves

55	Inability of the union to rope in everyone-some companies still act independently

Main question 3.22

BENEFITS

0	**None**
999	**Does not know – incl. specific reasons, e.g. respondent does not deal with collective bargaining**
9991	**Do not belong to it [a union] – do not have to adhere [to collective bargaining]**
9999	**Does not see them as an advantage but not as a problem either**
150	**No advantage as many staff already above minimum wages**
-2	**No Comment**

NEGOTIATIONS

100	Easy – negotiation & implementation externally driven
109	Saves time and money
1001	Negotiations take place off site
101	Saves time in negotiating / less negotiation times
1003	No dealings with staff
1004	No need to enter [into?] local bargaining
1005	Do not [have to] deal with each individual employee
271	Not governed by the DoL
1007	Removed from plant level negotiations
112	It opens [up] participation in decision-making process
215	Easy to negotiate
3	Dealt externally
7	Is not ad hoc but rather an annual process

DURATION OF AGREEMENT ARRANGEMENTS

1080	Happens once every 3 years / 3 year agreement
503	Agreements are for long period of time
510	Can reach multi-year agreement
1080	3 year agreements

RULES & PROCEDURES / REGULATIONS

107	Set rules/procedures – fairness and consistency
1070	Does not require plant level dispute [arrangements]
1079	Centralized and controlled
208	Limited illegal strikes
516	1 set of rule for all – simplifies process

HELPFUL – ACCESSIBILITY, EXPERTISE, ETC.

1081	Easily accessible
1082	Always willing to help telephonically
214	There is industry specific knowledge on hand
110	Collective strength and expertise available
1073	Issues are handled in a more professional manner

COMMUNICATION/TRANSPARENCY

103	The bargaining council keeps firms up to date with policy changes
105	Communication (incl. sharing information on what is going on with growth)
1051	Keep us informed on new legislation
1050	It is good for staff by giving them a voice
118	Greater level of transparency

LEVEL PLAYING FIELD EFFECT

6	Fair playing field (if enforced)
1040	It creates uniformity (e.g. on rules)
2085	It creates a platform for industry comparability
102	Standardised conditions of employment / same min wages
1021	The whole industry is affected, so less pressure
113	Promotes fairness & consistency in employment policies
114	Does ensure fair labour practice
1043	Levels industry playing field
204	Leveling effect between companies, everyone pays the same min wage
1072	Regulates the industry in terms of benefits
515	Common agreement across industry

COLLECTIVE SOLUTION

104	Helps deal with employees collectively
1041	Problems are dealt with collectively

BUSINESS / EMPLOYERS EFFECT

1	Still need organised labour [need labour to be organised]
106	Helps the firm to be in business
1064	It gives flexibility to manage the business without worries
1061	Business rationale
1062	Less hassle for the company
303	Employers protected by agreements
213	Eliminates worries / facilitates the business
1074	No management time lost at plant level
1067	Allows one not to interfere with day to day relationship with staff
1065	Can lead to high performance in the workplace
512	[Can] blame someone else [responsibilities]
1090	Having a mediator makes work for the establishment lighter as do not have to solve problems and disputes
1066	Reduced admin burden
8	Some clauses allow flexibility

LABOUR – WORKER PROTECTION

200	Workers protected by labour agreements
202	Workers feel their rights are looked after
210	Labour peace
211	Protects the less educated workers
55	Standardized employee benefits
212	Those at the national level are skilled, which is not the case with the shop stewards
305	Controls abusive employers
300	Gives workers protection

LABOUR – WAGES

201	Set wage increases
203	Negotiate a fair / decent wage rate for workers
2031	Good for workers as they get higher wages
206	Wages are cheaper than plant level negotiation
207	Minimum wage set by Bargaining Council

MEMBER EMPLOYEES – OTHER

205	If workers are sick, doctors are very affordable
209	There are AIDS & TB programmes available to members
500	Workers benefit from union schemes such as lower health fees / health care, etc
508	Employees benefit is they adhere to the processes (they can get the desire outcome)
1101	Administration of provident & sick fund taken care of
301	Provides benefits to employees (e.g. provident fund)
505	They have a good HIV programme

CONFLICT RELATED COMMENT

9	Lower conflict
4	Minimizes labour disputes
1071	Takes conflict off site
1075	Employees do not dispute what Union says
1076	Promotes good relationship between management & employees
1068	Conflict within company is reduced
108	Helps with good relations employers/employees / Promotes good relationship between management and employees
111	Distances negative negotiations from the business
502	Peace Clause
504	Nice alternative to going to court to resolve disputes
506	Bargaining Council deals with problems
507	Provides a platform for employees to take up issues
509	Less strike action
511	Dispute are solved more rapidly & quick turnaround [around issue]
1077	Collective bargaining (not plant arrangement) makes things easier
1078	Whole industry gets stability
1042	Not biased / impersonal process
1008	Objectivity – not personal agenda
600	We are not [directly] involved

OTHER

1002	Network opportunities exist
1102	Good returns on investments through provident fund - B.C. [bargaining council]
1006	Increase competitiveness of industry
501	Consistency of leadership in BC creates familiarity with establishment

Main question 3.23(b) – INCENTIVE ARRANGEMENTS

GENERAL MOTIVATING SCHEMES

1	Team of the month
15	Employee of the year
27	Employee of the month scheme
11	Daily meetings to inform on performance as motivational tool
92	Have production work to record work done
12	One step ahead program – Quality and productivity related
13	Miscellaneous – e.g. awards, certificates, gifts
14	Bright ideas/kaizen – incentives for continuous improvement culture
16	Succession planning
19	Productivity SA programme [where workers measure their own productivity]
23	Internal training [Abbot training to enhance productivity]
63	Incentive scheme for management level employees
25	Safety Incentives
28	Earn a Living wage
31	Participation in the workplace [?]
76	Suggestion scheme [see code=84]
84	Suggestion scheme with people winning award
8	Non-monetary rewards [unspecified]
80	Gets a certificate of break a record [of production?]
81	Letter of appreciation
83	Hampers
86	Daily targets
89	Monthly draws (incentives)
91	Presentations to emphasize the importance of work
93	Employees wellness
90	If meet production target within a month, get days off

MONETARY SCHEME / REWARD INVOLVED

2	Production performance bonus/productivity scheme based on output
9	Savings secured through a waste reduction scheme passed back onto employees
10	Annual bonuses (e.g. 13th cheque) [see code=100]
100	Year-end bonus
54	Annual performance based bonus
18	Holiday pay and rewards
20	Monetary reward system / monetary incentives
21	Performance based incentive / performance related bonus
29	Bonuses based on company & individual performance
30	Bonus when targets are achieved
3	Attendance bonus schemes or attendance bonuses
5	Profit sharing arrangement
51	Bonus scheme based on profit from previous year
55	Lump sum payment that is period specific share awarded
57	Financial incentives if department reaches own target
61	Sale specific bonuses (e.g. based on sales increases)
62	Cash incentives if staff finish [work completion] early
64	Short term bonus scheme
58	Share incentive

65	Clean as you go policy reward eg cleanest team in month receives a monetary reward
82	Voucher (e.g. shopping voucher)
67	Bonus for packing targets per day
68	Bonus for reaching converting tonnage per day
69	Production Improvement Bonuses
70	Quarterly gain share/incentive scheme
75	Monetary Incentives
77	PPP (Perfect performance pay) across the board, incentive scheme
7	Output incentive scheme
22	Production incentives
6	Incentive bonus

NEGATIVE

94	If production targets are not met, employees could be disciplined

WELFARE TYPE INCENTIVE & ADDITIONAL EMP PROVISIONS

24	Each worker has a savings policy and they work as a co-operative
4	Provident fund (without employee contribution)
43	Deals with problems like a family - solve problems on a case by case basis
17	Benefits scheme: School fees, loan facilities
33	Always pass extra work onto employees for them to get additional money
87	Funeral policy
88	UIF
95	Non-monetary stimulus – education benefits for children of employees
97	Free meals provided to employees
26	Interest free credit assistance

SPECIFIC SCHEME

60	Firm specific scheme / scheme designed by firm [being piloted]

OTHER

34	Pay above min wages
105	Specific Campaign (for staff to attract customers)

Main question 3.28 - OTHER

1	Following processes
2	Labour laws & legislation distracts from QoL
3	Benefits from deductions
4	Outsourcing
5	Occupational Health & Safety

Main question 3.28 - Comments on Labour Market Law & Regulations

LABOUR-HIRING STRATEGIES

1	Weight up problems caused by regulations vs benefits of increased production
2	Can hire on contract when workers have higher productivity during trial period after which productivity slumps
11	Technicians hired from abroad
4	Hiring determined by market conditions
52	Few new positions in firm- mainly replacements
15	The hiring of workers is however project dependent

LABOUR- SKILLS

12	Staff demand higher wages but do not have the skills

LABOUR-LABOUR COSTS/FIRING

14	High labour costs
41	It is very hard to fire an employee

SUBCONTRACTING

21	Sub-contractors get the job done
25	Subcontracting guided by market conditions [demand]
26	Temp hiring is related to market fluctuations
27	Prefer to start with employees on a contract basis and then make them permanent after some time

MACHINERY

32	Machine options are explored
33	Machinery is too capital intensive
34	Technology used wherever possible to replace people
35	Machinery considered in terms of productivity with fewer employees needed & better benefits for existing employees
36	Capital [machinery] outsourcing so do not have to deal with injuries
37	With automation the operating costs will come down
38	Competitiveness requires automation in some cases

PRODUCTIVITY

31	Machinery used accompanied with training which enhances productivity
51	Currently working on labour productivity [issues]
53	Constant attempts made to increase productivity
56	Try to show that productivity means better wages
54	Laws are more strict on lower productivity which has a positive effect on the company
55	Strategy defines productivity related changes

COMMUNICATION / FEEDBACK

6	Many forums available to get regular communications

OTHER

7	Present labour environment detracts from QoL considerations by smaller business owners causing closures, less employees, etc
8	Deductions can be made for certain circumstances e.g. drivers can be held responsible for theft + effect
81	More red tape – it adds to the cost. It is important but the law must consider employees as well as the employer
82	How labour relations are dealt with is based on strategy
9	Have implemented EE, skills, health, safety as well as staff rep committees

Main question 3.30 – UNUSUAL RESPONSES

99	DNK

Main question 3.31 – UNUSUAL RESPONSES

999	All
9999	Ongoing training
1000	Do not do any form of training
10000	DNK[MV37]

Main question 3.32 - OTHER

1	Equipment suppliers
2	First Aid Course
3	B&M [with training organized by them through the cluster and CTCIP so not private]
4	OEMs as who are customers
5	In house – own staff

Main question 3.33 – UNUSUAL RESPONSES

4	DNK

Main question 3.33 - OTHER

3	Staff development in the area of adult basic education & training
4	Workforce flexibility
5	Leadership & management

Main question 3.34 – EVALUATION OF THE IMPACT OF TRAINING PROGRAMME

999	**Does not use training programme**

0	No evaluation [incl. no internal evaluation but could be done externally] / establishment does own training
1	No formal or specific evaluation

5	No training schools for machinists so internal training is done

GENERAL COMMENTS - OBSERVATIONS

32	Performance / general improvements / continuous improvements / review of performance
102	Managers evaluate individual performance
103	Monitor business performance
30	Visual & verbal interaction with trained workers
31	General observation that the training has yielded results
34	Ability to use newest technology
37	Effectiveness
39	Repeat business
44	Feedback from the production line
45	Feedback from customers
95	Evidence of improvement in multi-skilling – employees working all around
97	Competence of labour
980	Change in the behavior of the workforce
27	Feedback of training is summarised in reports & participative discussions
46	Increased level and quality of production and service
47	Increase in sales
43	On the job progress - Practical implementation of training
107	Increased sales turnover yielding to promotions & career pathing
100	Employees have to meet objectives and standard operating procedures in place

GENERAL COMMENTS - PRODUCTIVITY

36	Productivity / efficiency improvements
105	Increased productivity yielding improved staff retention
38	Accelerated individual productivity
40	Evidence of better / increased productivity
41	Check improvements or changes in production level / output

GENERAL COMMENTS - CERTIFICATE

109	Outcome passed
33	Certificate from the training/by training institution

TESTS / ASSESSMENTS

10	Internal Tests (e.g. skills / knowledge)
11	After training exam
101	Tests (e.g. practical & theoretical)
104	Regular assessments taken
108	By conducting performance reviews & assessments

BENCHMARKING / MORE SPECIFIC EVALUATIONS

20	Post training audit with employees benchmarked
201	Before & after training comparisons of performance
25	Awareness of the value of training using portfolio of evidence and log books
26	Knowledge of incumbent compared to before training using one to one feedback (presentations)
204	There are measurements [targets] that need to be achieved
2010	Drop in repairs of finished products as in-house training has recently been started
42	Less / reduced waste (at individual/ plant level)
48	By monitoring targets
49	Quality checks on products
51	Better compliance
52	Improvements in the quality of the product
53	Quality of work [improvements]
54	Appraisal system
55	Effectiveness of task implementation (e.g. use of machine)
106	Reduced spoilages yielding improved customers retention

MORE GENERAL EVALUATIONS

202	Performance evaluations that are linked to the training received
203	Formal training evaluations
205	Internal evaluations
206	Long term internal assessments
118	Periodically monitor the performance of employees

OTHER

50	Annual appraisals
92	Effectiveness of review training form
93	Enhancement of employees understanding of the problem at hand
94	Monies received back from SETA against spent [?]
96	Employees are motivated / gain confidence in the job at hand
110	Empowers the workforce in the industry
117	Improves the moral of the employees
98	Questionnaire given to staff to get their perspective on training (what has been learned)
99	Members look forward to come to work and learn
113	All the positive effects associated with training adds to company revenue

Main question 3.35 – Other

10	Competency profile
15	Succession Planning
25	A skills development team decides who is eligible for training and employment engages with counsellor for this
35	A training programme has to be available. We want to upskill them [but they should also want to be trained]
45	Training defined around particular jobs

Main Question 3.36 - List of SETAs

Code	Acronym	
999	**None [no SETA registered with]**	
0	No SETA registered with	
1	FP & M	*Fibre Processing Manufacturing*
2	CTFL	*Clothing Textiles Footwear and Leather*
3	Furniture	
31	Furniture & forestry	
4	Clothing and Textile	
5	MAPP	*Media, Advertising, Publishing, Printing and Packaging*
6	MERSETA	*Manufacturing, Engineering and Related Services Sector Education and Training Authority*
7	Pharmaceutical Manufacturing	
8	CHIETA	*Chemical Industries Sector Education and Training Authority*
9	FOODBEV	*Food and Beverages*
10	MICT	*Media, Advertising, Information and Communication Technologies*
121	Wholesale & retail SETA	
122	Concrete Industry	
13	SEESA skills training	
14	Agri-Seta	
11	Motor / Rubber	
21	World class manufacturing SETA	MERSETA?
13	Retail & Manufacturing	
15	M-Powerment	?
16	MEIBC	
141	Concrete Industry	
99	**Unsure / DNK**	

Main question 3.37

BENEFITS OF THE SETA TRAINING SYSTEM

0	**None**
7	**None – not practical to access**
4	**No comment**
145	**In the process of applying so no comment**
9990	**No dealing with SETAs so cannot comment**
9991	**Do not use SETA training system**
9999	**DNK**

TRAINING/SKILLS COMMENTS - STANDARDISATION

111	Standardisation of training developments
112	Consistency in skills development

CO-ORDINATION / CENTRALISATION

115	Consensus on training programmes
1151	Centralised national co-ordination of skills development
118	Place training within a structure

ACCREDITATION / REGULATION ON TRAINING QUALITY

20	There is structured and endorsed training in place
1152	Regulation of quality of training
101	Accredited training recognized throughout SA / the training received is recognised
1010	Recognition of competence
1153	Enhancing accredited training providers
1154	Recognizes peoples experience / qualifications in the industry
625	Puts training into the NQF

TRAINING/SKILLS COMMENTS - RELEVANCE

1	Focused training
110	Improves skills
114	Training is quite relevant
1142	Useful for basic refresher courses
146	Proper / good quality Training

INDUSTRY / SECTOR FOCUS

12	Interactions with similar people and industries doing the same thing
113	Training is industry driven
1132	Allows for industry specific focus

FUNDING / FINANCIAL INCENTIVES / REIMBURSEMENT

212	It is free
2	Correct reimbursement amounts returned
21	Financial incentives / funding available
211	Funding of prioritized training
22	Grants received are used to continue training
23	The establishment gets a portion paid back for any training done
24	Make employer aware that there are incentives for training
3	Mild incentive to train
13	Save resources (do not have to reinvent the wheel)/ Sharing of resources
14	Being part of a financially stable SETA
15	Rebates from SARS
50	Discretionary grants
51	Allocation of discretionary grants to enhance training
52	Payment of mandatory grants to companies paying skill levies
53	Training not very costly
130	Makes it easy to hire trainees and reduce costs
17	DG & MG [?] grants provided to promote training (WSP&ATR)

GROWTH/DEVELOPMENT COMMENTS

54	Funding from SETAs is helpful for artisans
61	SETAs also fund ABET
5	Creating employment
6	Opportunities for development
62	Trying to close the skills gap / provides access to training
620	Learnership & training provided (through SETAs)
621	Forces companies to train which is good for skills improvement
622	Helps keep the focus on developing people / pushes awareness on training / awareness and communication driven
63	Helps to find areas of weakness
131	Young people get work experience
132	Unemployed people get work experience
624	It improves workers and production
626	Creates skills in the workplace
135	Data collection of sector skills
105	People feel empower
623	Support from SETA on various developmental matters

ESTABLISHMENT & STAFF BENEFIT – GENERAL

8	Increased growth within organization
810	There are financial returns that are good
119	***Helps us to be up to date with our equity plan***
116	Improved culture of learning in organization
25	Encourages company to train workers
127	Help prepare some high level staff but only by using our own resources
128	Company can align ito training programme more appropriately
120	Enables employees to engage in training programmes

ESTABLISHMENT & STAFF BENEFIT – STAFF PERFORMANCE & MOTIVATION

9	Better staff performance
10	Motivated staff / improved staff moral
73	Motivates members to work responsibly
106	Opportunity to improve staff performance

ESTABLISHMENT & STAFF BENEFIT – PRODUCTIVITY (incl. Communication)

72	Improves target
83	Improved productivity
91	Improved communication
92	Better understanding of instructions

ESTABLISHMENT & STAFF BENEFIT – PRODUCT QUALITY

71	Improves quality
27	Helps with product quality

TRAINEE BENEFITS

11	Ability for staff to earn more [through training]
117	Gives employee an opportunity to realize their potential
84	Happier employees
811	Provides worth to the employee

CHOICE BY COMPANIES

1133	Companies can choose & direct their skills development

OTHER

125	Encourages better use of WPS development
16	Cost effective
82	They sort out all the administrative work
85	Firm is knowledgeable about training system
87	Submission of the skills plan is easier to do than before / they have integrated their system
19	Establishment is updated by information received from the Department of Education
141	Easy access to training venues
18	Equal Opportunities
121	Direct communication to people on the ground
89	They assist in some discretionary grant applications
93	Help CSR image

Main question 3.37

Disadvantages/problems OF THE SETA TRAINING SYSTEM

0	**None**
20	**No comments – do not deal with them**
9990	**No dealing with the SETA so cannot comment**
9991	**Do not use SETA training system**
145	**In the process of applying, so no comment**
9999	**DNK**

BUREAUCRACY/PAPERWORK

1	Bureaucracy / bureaucratic
7	Extensive Paperwork required / high admin costs
71	Difficulty in processing paperwork
711	Reporting is intensive
10	Added cost
13	Admin requirements

ADMIN INEFFICIENCY / Problems incl. on claim reimbursement

130	Poor or very poor admin
3	Making claims is difficult
6	Reimbursement process is
23	Reimbursement fragmented in bits and pieces
100	Inconsistency in reporting system
51	Inefficient admin system
102	Waste of money & application insufficiencies [?]
85	Money is wasted on the administration of the system
155	Finalising of contracts [?]
156	Issuing of certificates [?]

COMMUNICATION / INFORMATION

4	Slow communication processes
44	Limited communication if was not for the fact that looking to become an accredited training organisation
41	Do not approach firms
42	Not enough education to companies on how they work
522	[Need to] See companies in relevant industry to understand their grant payment needs
43	Poor communication - generally or in advising/confirming grants allocated
17	Do not have adequate information on training providers

MONEY / FUNDING / REIMBURSEMENT ISSUES - General

72	Grants are not always approved
77	No budget guarantees which can affect refunds
8	No payment tracking system
95	Lack of consistency in providing funding
25	Funding window should be open more regularly

MONEY / FUNDING / REIMBURSEMENT ISSUES - Delays

801	Sometimes delays in getting payment
94	Delay in receiving grants timeously [up to 2 years post training reported]
802	Slow progress in paying grants
803	Not getting paid

MONEY / FUNDING / REIMBURSEMENT ISSUES – Insufficient funding/small refund

82	Reduction in how much is reimbursed for WSP
81	They run out of funding
98	Refund is very small
920	Decreased funding by 20% & no fund available
24	Grants received have reduced to 20%
921	Insufficient funding
922	No funding for higher level training
83	Funding is a problem / have endless troubles with payments
92	Reduction in funding for grants
93	Difficulty in obtaining DG [discretionary grants] grants

MONEY / FUNDING / REIMBURSEMENT ISSUES – Tax on firm dimension

84	SETA is just a tax on payroll
951	The rebate is lower than the levy paid
96	Establishment needs to pay 1% of their payroll to SETA
97	Keep taking money but now do not get discount s

TRAINING QUALITY / ADEQUACY OF TRAINING

52	SETA Training is not relevant
520	General, not customized or design specific
521	Training supported by SETA not adequate to fill all the gaps
523	They cannot assist us in any way because of the nature of our business
524	There is no training available for the type of skills the establishment needs
525	SETAs do not understand specific needs of establishment and of industry
91	Specific skills e.g. engineering are not catered for
21	Nothing much to offer in the sub-sector in which establishment operates
911	Only offer general training, not company specific training
912	Insufficient artisan training
913	Not all [required?] courses are accredited

5	Training theory is not up to standard
53	Not up to date with training materials
9	Some courses are waste of time
15	Useless / waste of time
154	Waste of money

916	Fundamentally what goes through the SETA is not worth it itself unlike what goes through the CTCIP which is fantastic
914	Duration is too long for outcome
917	Training is not adequate to improve the productivity
915	Narrow spectrum [of training?] – Ordinary people do not understand it [?]

LIMITATIONS OF SETA SYSTEM

14	In-house training not accredited
16	Only funds firms accredited institutions
18	All training must be SETA accredited
19	Small Businesses cannot access it
75	Poor leadership (wrt too many industries in one SETA & not up to date training materials)
76	Not support [for] trade schools
1134	Responsibility for training falls onto companies

INTERNAL COST OF TRAINING TO ESTABLISHMENT (incl. departure of trained staff)

11	Cost on working time
112	Time off which increases costs
111	Sending staff on training costs the company money & working time
12	Potential resignation [from trained staff?]
158	The timing in which training occurs slows down production
2	Loss of higher skills [? - resignation]
159	Trained employees leave

OTHER COMMENTS

151	Inaccessible
152	No result
153	Easy to exploit the system
101	System not sustainable in long run
22	Change from the old training systems to the new is complicated
851	Unions feel they have to approve without them being involved with spending
157	No evidence of training taking place in sector
165	Corruption by SETA organisations
166	There is an honest will to help people but the system is being abused

Main question 3.39(a) – Other

1	Financial [cost] / costs constraints
5	Time constraint for training
2	Limited capacity of HR
4	No culture for training people in the past
8	Some employees do not want to be developed and trained
9	Basic communication skills are lacking including poor level of English which matters for specific training programmes
11	SETA funding only covers a fraction of what it costs to train

3	Training done continuously
35	Fabulous training that is relevant to the firm and to improving performance is taking place through the cluster and CTCIP

7	Need to evaluate training and to develop a proper training programme

Main question 3.39(b)

0	**Do not know**

148	SETAs do not provide proper training programs but have specialised training providers to do the training

151	Inaccessible
171	The SETA is not bothered to approach establishment generally so DNK what is required

160	We have skilled management staff who train the workers and therefore do not require SETA

140	Training not relevant to the nature of our business
141	They do not cater for specific skills incl. sector specific requirements
145	There is no defined path which outlines how individuals get to and what individuals can use for a specific task [on the job training required]
142	Lack of facilities to train and to support the needs of the industry
143	SETAs do not provide skills development programme instead they focus on artisan programmes
161	SETA only provides general training, not specialized training required by the establishment or sector
162	We are specialized and there is no company accredited to do the training
165	SETA cannot meet the demand for specific training needs
163	They do not provide training on our machinery
164	SETA rarely provides training program options for us
172	The fitting dealership was inadequate from SETAs so firm had to source gap training
174	There is no advanced specific training

175	Quality of training is poor
178	No experience (training)

181	Do not accredit in house training

173	Many courses are sourced from private providers and not SETAs

170	Literacy [level] is also a problem

176	SETA not adequate - not right SETA for sector so changing SETA

177	Do not always get what we pay for [this is about re-imbursement]

Main question 3.40 – UNUSUAL RESPONSES

150	DNK but little or not a problem
151	DNK but high
200	DNK

Main question 3.41 – REASON FOR ABSENTEEISM

0	**DNK**

GENERAL HEALTH / SICK LEAVE / SPECIFIC ILLNESSES

1	Authorized sick leave [even when not sick]
11	sick leave
2	General sickness / Sickness / Illness
21	(Common) flu
206	Minor Ailments
23	Health issues
24	Chronic illness
25	Employees on prolonged sickness
27	Substance abuse
115	HIV/AIDS
15	Respiratory problems (URTI)

WEAKNESSES IN MEDICAL SYSTEM

9	Sick Notes are easy to obtain [health system comment]
92	Availability of fake doctor's notes
93	Hospital dates [hospital visit arrangements]
52	(General) visits to clinics/hospitals (which are congested)
4	The system which allows for fake or unreasonable health certificates

TO GO TO THE CLINICS / HOSPITALS / FUNERALS

5	Clinic days [in community]
51	At Union's AIDS clinic
53	To go to funerals

OTHER SYSTEM WEAKNESSES (TIME REQUIRED FOR QUEEING)

2031	Grant collection
401	Collection of chronic medication

GENDER OF WORKFORCE RELATED ELEMENTS

8	Female workforce with many personal problems
81	Maternity leave
82	Family issues as most of the workers female

FAMILY

7	Domestic / family issues
71	Death in family
13	Family responsibility leave / family responsibilities

SICK LEAVE SYSTEM ABUSE OR ABUSE OF GOOD WILL OF EMPLOYER

207	Petty Reasons
12	Abuse of sick leave
201	Alleged sickness
101	Absconding
202	No reason / AWOL

203	Private things to be done
204	Unauthorised leave
3	Taking sick leave to use up days OR leave cycle structure/arrangements
91	Sick leave is paid for [perverse incentives]

STRIKES

6	Strikes

PAYMENT / MONEY PROBLEMS

102	Absenteeism increases after pay day
112	Travelling Costs
100	Money problems
1000	Debt

OTHER PROBLEMS

110	Incompetent management
113	Transport Issues / stay very far
114	Poor absenteeism policy
28	Get drunk after long week-ends

OTHER RESPONSES

111	Differs per individual
17	Advantages of overtime [?]

Main question 3.43 – MEASURES TO REDUCE ABSENTEEISM

0	**Nothing / none / none because absenteeism is not bad**
38	**None since it is uncontrollable**

HEALTH PROFESSIONAL INVOLVEMENT DIRECTLY THROUGH COMPANY

34	Medical (control health issues)
420	In-house / on-site clinic
42	On-site clinic and doctor to deal with health issues
48	On site clinic on Saturday
43	Doctors come in on weekly basis
45	Contracted services of psychologist
47	Annual flu vaccine for staff
490	Currently looking into getting a company doctor

COUNSELLING

102	Counselling of workers
35	Counseling session for those abusing sick leave
112	Social workers

COMMUNICATION / AWARENESS

113	Communications
115	Awareness campaign
116	Create awareness
103	Strong communication / improved communication between management and employees
103	Strong communication structure between management & employees
106	Encourage managers to communicate with staff
1061	Line managers have discussions with workers
1062	Talks by staff on importance of the work by the employees
341	HIV/AIDS talks and voluntary testing (Preventative)
16	Conduct induction about the difference between leave & absenteeism
200	Interview and informally follow up on health through face to face communication from time to time

HR / POLICY / INTERACTION WITH INDIVIDUALS

11	Request for explanations (about absence when high absenteeism)
18	Justification of absenteeism
181	Return to work interview with the supervisor to find out the reason for absenteeism
182	Carefully follow up on each incident to pressurize employees not to take unauthorized days
196	Better leave application to be completed and discussed with line manager with discussion on consequences & effects

19	Sick notes from doctors or hospitals/medical certificates required
414	If absent for more than 2 days request a medical certificate
411	Restricted permissible doctor notes
41	Request sick note/certificate [from doctor]

12	sick leave policy in place [including strict leave policy and disciplinary policy]

15	Implementing the 8 week BCEA
15	Implementation of 8 weeks rules as per BCEA [see http://phpbb.labourguide.co.za/viewtopic.php?f=2&t=7593]
17	Rules and regulations
187	Stipulate leave agreement in contracts

184	Have cancelled the policy [interpreted as: have cancelled the current absenteeism policy – reworking leave policy]

183	Not allowing days [for sick leave] to be allocated against annual leave

361	Return to work interviews

37	Workers must notify us of their absence at least 1 hour prior to work starting
49	Phone in when sick

189	Host pay day on a weekly basis
193	Trading leave for sick days

44	Staff wellness programme

HR / POLICY: MORE SERIOUS INTERVENTIONS – WARNING, DISCIPLINARY, EXPOSURE

180	Follow union rules/process - warnings
13	Verbal & written warning if no medical provided
190	Warnings - Verbal &/or written warnings
65	Issue 'warnings' when does not have a valid reason
69	Warnings given in 3 month cycles
197	Beyond a certain score on the absenteeism record employee is called in for discussion/warnings
199	Change to sick pay day plan - if do not come at all on a Monday than do not come for the week
61	Disciplinary hearing
611	Disciplinary measures or action
612	Disciplinary action to be taken once allocated number of sick days used
62	Fire staff / replace workers if no good reason provided
64	Strict policy in the form of wage cut & retrenchment if severe
67	Repeated absenteeism offices can cause retrenchment
20	Expose individuals with excessive absenteeism

GENERAL CONTROL SYSTEMS / MEASUREMENT / MONITORING

186	Clock card system
31	Biometric clock card system to keep track of absenteeism
188	Daily headcount, report given to HR on a weekly basis
195	Time & attendance register
322	Supervise attendance on daily basis
191	Have a leave book which must be filled in by worker upon return

175	Managers have been trained to deal with sick notes and absenteeism
14	Tighter management controls

3	Measurement of absenteeism
32	Close monitoring / monitoring by management / Monitoring measures
170	Closer focus placed on absent employees returning to work
75	Introduced new technology to track employee trends
321	Absenteeism reports and graphs
33	Proactively check sick leave records frequently
331	Stricter analysis of sick leave
121	Follow up on sick leaves
320	Absenteeism record used

MONETARY PENALITY

5	No work no pay policy
52	If no sick note is presented, the employee does not get paid
56	Unpaid leave if sick leave is exhausted
53	Wage deductions
51	No yearly bonus given to those who spend more than 10 days away without a valid excuse
55	Loan policy- if employees are absent too often they are not granted access to in house loans
66	Different rates for people who are absent often [rate of pay?]

HOURS REDUCTION

54	Give staff short time
71	Cut hours

INCENTIVES ON ATTENDANCE

101	Bonuses for workers who do not take leave [or moderate leave record?] / reward those who are not absent / attendance bonus
1041	Incentive program being explored
1042	Annual Bonuses are given based on the rate of absenteeism
107	Incentive if not absent for 3 years
108	Incentives for employees who are never absent
111	Gain share incentive scheme
1043	Incentives – monthly draws
39	Incentives or bonuses are provided for attendance

ASSISTANCE

109	Social grant for workers and families
192	Employee Assistance Program
25	Debt management

OTHER

72	Employ more people specifically in machine operations
73	Employ more workers

105	Issue addressed with Union

110	Management trained to deal with absenteeism
120	Increase training

Main question 3.46 - UNUSUAL RESPONSES

99	Many
999	DNK or cannot get the numbers for the years specified in the questionnaires

<u>Main question 3.47 / Pilot Question 6.55 which was qualitative then transformed into quantitative</u>

	No effect / no impact	3
	Staff are on ARV treatment	2
	Most are on treatment so effect minimum but sick leave up due to illness	2
	Absenteeism	2
	It affects attendance	2
	Minimal effect / not severely / Moderately	2

Main question 3.48 - COMMENTS

1	Has increased, not reduced company benefit
2	Outsource labour
3	Has started outsourcing

Main question 3.48 - OTHER

1	Increased company benefits
2	Information

Main question 3.49 – DEALING WITH HIV/AIDS

0	**None / Nothing / no programme**
99	**Does not know**

VCT / COUNSELLING / TESTING

1	Encourage VCT
15	Group wide VCT
21	VCT programme
210	VCT clinic for workers
22	VCT & Work place Testing & Treatment (WPTT)
71	Full programme organized by union to send workers for VCT
231	2 day HIV training workshop
24	Free screening every 6 months
213	Free testing
214	Voluntary HIV testing
13	Counselling
105	Counsellors at establishment
130	Once a year counselling
212	Counselling from a nurse to make them aware
61	Professional counsellors to educate infected / affected employees
104	HIV Helpline
232	Referrals (e.g. for counselling & testing)

CLINICS / MEDICAL CHECKS / MEDICATION / TREATMENT

2	Clinic days
19	Regular medical checks
190	Annual medical checks
8	Provision of medication by [partner group]
801	Establishment provides ARVs
802	There is a sister on duty who administers ARVs
11	Company paid treatment
47	Company makes a local doctor available to do tests/check ups
26	Specific interventions by medical staff
4	External medical checks for staff
10	Onsite or in-house clinic
101	HIV/AIDS clinic
102	Doctor is paid to come onsite regularly
103	Clinic for workers

CONDOMS

80	Condom distribution / condom dispensers

POLICY RELATED COMMENT

3	HIV/AIDS Policy
31	Allows for more leave or specific leave arrangements
35	HIV/AIDS workplace policy- full time internal committee
38	Staff are not discriminated against
39	Staff are free to go for treatment and to get well at own pace
36	Open door policy – assure them they will not lose their job

NO POLICY

300	No formal policy

PRODUCTION SIDE INTERVENTIONS

20	Give HIV+ employees easier work / greater leniency

INFORMATION / COMMUNICATION / AWARENESS

41	Monthly awareness talks
42	Setting up an annual health day to create awareness and provide information on all illnesses
51	Pamphlet / reading
14	Information posters in factory / posters
6	Education
62	Information sharing session
65	Information supply – communicate with employees to inform them about health
66	We are a small company so take it as it comes – get someone to talk to staff
17	Peer group discussions
180	AIDS peer educators
171	The union does a program where they come to talk to employees
171	Get the union to discuss with employees / Union has a programme to come and talk to employees
173 – see code: 80	Misc. – small interventions, Provision of condoms, posters, etc
175	Communication i.e. banners, posters etc
178	Presentation Aids
97	Chats & talks

5	HIV/AIDS awareness (programme)
55	(Routine) AIDS awareness days
52	Peer education
53	Awareness programme
93	Educate staff on awareness day
16	World [National?] Aids Day participation
161	Yearly awareness day
162	Awareness Campaign
163	Annual awareness campaign

23	Free HIV/AIDS training
172	Talk to employees about HIV/AIDS during basic training sessions
18	Training of infected staff
9	Awareness training
179	2 staff members attended TB & HIV training to assist share knowledge to staff and company on welfare
91	Health practitioner talked to staff about importance of testing

63	Clinic staff come in to give talks
64	Regular input from people who do health talk (Discovery Heatlh)

WELLNESS

7	Wellness (programme/events, etc. – general)
70	Have wellness day or days
72	Wellness programme that incorporates all chronic diseases

SPECIFIC PROGRAMME

12	Care programme
174	Onsite Employee assistance programme
25	Employee Assistance Programme
27	Communicable illness programme
176	Staff are offered HIV/AID programme & plan
177	Test Day Programme

OTHER

32	Provide support on a case by case basis
33	92% of all permanent staff know their HIV status
34	Pay for life & disability insurance for staff
37	Health and Safety officer permanently on site
43	The Union has taken care of the HIV/AID programme
803	Make sure they take their drugs
44	BC assists wage earners