

NEDLAC CONNECT

NEDLAC NEWSLETTER FEBRUARY 2024



Hello 2024

Welcome to the February edition of
Nedlac Connect.

One month has already passed since we
officially began the new year. 2024 also marks
the thirtieth anniversary of democracy in South
Africa. Additionally, South Africans will return
to the polls this year for the seventh general
election since 1994.

Nedlac eagerly anticipates the upcoming months with enthusiasm and optimism.

In this edition of Nedlac Connect we report on:

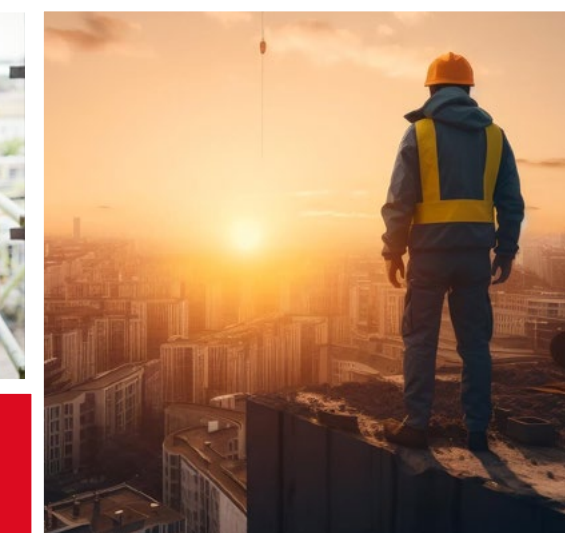
- The Trade & Industry Chamber's annual Strategic Dialogue Session, during which vital information regarding trade and industrial development was exchanged;
- The approval of a revised Nedlac Constitution and new Nedlac Bill by the Executive Council meeting at the end of January.
- The launch in December of a proposal for a Just Transition Financing Mechanism for public comments by the Presidential Climate Commission (PCC).
- The engagement by social partners at Nedlac on the Electricity Pricing Policy from the Department of Mineral Resources and Energy (DMRE).
- Nedlac facilitating a dialogue session for the Integrated Resource Plan 2023 (IRP23) on January 30, 2024.
- Updates on the renovations to Nedlac House and the Nedlac boardroom.
- Nedlac launching its coaching and mentoring project consistent with its goal of providing its staff members with access to mentoring and guidance support;

Additionally, we have curated a collection of noteworthy media clippings for your perusal.

We extend our sincere appreciation to our social partners for their ongoing support and insightful contributions.

We kindly request that you disseminate the newsletter to expand our reach to a more extensive audience. Please inform us if you no longer wish to receive our newsletter so that we may remove your name from our email list.

Enjoy the read!



Annual Trade and Industry Strategic Dialogue held with the Minister of Trade, Industry, and Competition

On Thursday, January 25, 2024, the Trade & Industry Chamber (TIC) of Nedlac organised the annual TIC Strategic Dialogue Session.

The dialogue provided the Chamber with an opportunity for the TIC and Minister to provide updates to each other. The meeting was held in the spirit that leadership, courage, and trust is needed to effectively address issues.



Ebrahim Patel, Minister of the Department of Trade, Industry and Competition

Source: <https://www.thedtic.gov.za/leadership-2/>

The dialogue was held as a hybrid session with the physical session hosted at the dtic campus, in Pretoria. It was attended by Minister of Trade, Industry and

Competition Ebrahim Patel and deputy minister, Mr Fikile Majola, Minister of Public Enterprises Pravin Gordhan and members of the TIC and the Technical Sectoral Liaison Committee (Teselico). The delegation from the TIC was led by the Labour Convenor, Tony Ehrenreich and the Business Convenor, Theo Boshoff.

In reporting back on the work of the TIC, Tony Ehrenreich emphasised the following:

- The inclusion of localisation in both policy documents at the Chamber and on master plans platforms where social partners participate.
- Interventions to resolve threats to close the Ashton Canning Factory, which would have resulted in loss of productive capacity and jobs.

- Exploring the feasibility of employees participating as shareholders in a company where they are employed such as Employee Share Ownership Schemes
- The need for revitalisation of industrial parks, and the need for social partners to work with the government in this regard.

Minister Patel provided an overview of both industry and trade issues. Important trade issues included:

- African Continental Free Trade Area (AfCFTA): The Minister indicated that the SA and Southern African Customs Union (SACU) preferential trade was set to be gazetted on 26 January 2024.
- Feedback on the African Growth and Opportunity Act (AGOA) forum and the

African member states position for the renewal of AGOA;

- The potential consequence of the European Union (EU) Carbon Border Adjustment Mechanism (CBAM) on carbon emissions stemming from the manufacturing process of carbon-intensive products destined for entry into the EU resulting in developing economies being subjected to an excessive burden of climate action taxes.
- The development of the South Africa BRICS Trade Strategy which aims to facilitate an investment-led trade with BRICS partners including new members;
- The forthcoming World Trade Organisation (WTO) Consultative Conference .

Some of the key understandings reached at the dialogue included:

- The need for an increased role of Nedlac in providing oversight and monitoring the implementation of commitments made by social partners, and to ensure successful execution of their deliverables.
- The TIC should identify critical priority issues and address them in depth as opposed to addressing a large number of issues at once.
- Nedlac and social partners should enhance communication of the work of Nedlac.
- Labour should enhance its engagements with trade unions in the European Union to address the implications of the Carbon Border Adjustment Mechanism (CBAM) on trade and jobs.
- Government and business should collaborate to discover new markets and encourage trade inside African countries.



Nedlac's Trade & Industry Chamber (TIC) hosting its annual Trade & Industry Chamber Strategic Dialogue Session

Dialogue session held for IRP2023

Nedlac facilitated a dialogue session for the Integrated Resource Plan 2023 (IRP23) on January 30, 2024.

The dialogue served as a platform for social partners of Nedlac to initiate discussions regarding the IRP23 and to contribute to the public comment process.

The IRP is a plan aimed at estimating South Africa's electricity demand. It takes into account how the electricity demand will be met and the expense of such a demand. The plan refers to electricity generation and expansion programmes.

The dialogue session centred on the potential effects of the proposed energy mix on various fronts, including employment prospects, economic development, energy sustainability, and business confidence.



Dr Titus Mathe of the South African National Energy Development Institute (Sanedi)

Source: LinkedIn

Dr Titus Mathe, representing the South African National Energy Development Institute (Sanedi), provided an overview of the nation's commitment to carbon footprint reduction. He

emphasised the advancements about the environmental objectives set for 2025 and 2030. Mathe emphasised that the decarbonisation of the electricity, manufacturing, and transportation sectors is a prerequisite for achieving the nation's environmental goals.

Furthermore, he provided a comprehensive summary of the essential factors that should be incorporated in the draft IRP 2023. These factors comprise compliance with emission regulations, implementation of the Electricity Availability Factor (EAF), and a commitment to achieve carbon neutrality by 2050.

He further unpacked the IRP23 two-time horizons, the first being the period up to 2030 focusing on addressing prevailing generation capacity constraints and system requirements to close the supply gap.

Horizon two covers the period from 2031 to 2050 and focuses on long-term electricity generation planning with pathways to achieve a resilient Net Zero electricity sector by 2050.

Social partners and other energy made the following points:

- The need for an equitable distribution of energy sources, encompassing nuclear, gas, renewable, green hydrogen, energy efficiency, and demand-side management.
- The importance of balancing climate change concerns with energy security, and the need to pace the energy transition according to the country's resources and affordability.
- The importance for demand-side management and municipal energy plans to be incorporated into the IRP23.
- Concerns about the handling of minimum emission standards in the IRP23 and the severe impact of air pollution on public health.
- The urgency to consider ancillary services and the necessity for the IRP23 to address transmission prerequisites and past performance to alleviate potential risks.

After the discussion, a resolution emphasised the necessity of all stakeholders contributing input during public comments and called for the formation of a joint Nedlac and Presidential Climate Commission (PCC) Task Force.

IRP23 work will commence by the proposed task force as soon as it is formally presented at Nedlac.

The task force will examine critical aspects pertaining to the IRP23, including demand-side proposals and assumptions and models, the impact on communities and workers, and the role of gas and other renewable energy sources.

PCC launches just Transition Financing Mechanism for public comments

In December, the Presidential Climate Commission (PCC) launched a proposal for a Just Transition Financing Mechanism for public comments. The Just Transition Financing Mechanism (JTJM) framework identified three barriers for the mobilisation of transition finance. These are policy and regulatory issues, misaligned capital allocation, and market gaps.



The proposal says that addressing these financing barriers requires a comprehensive assessment of financing needs and constructive engagement with key financial stakeholders. Challenges within the domestic financial sector impede the expansion of financing for a just transition.

One of the proposals for funding are social ownership initiatives to facilitate a just transition that require grant and capacity-building funding. While

Tapping into funding can provide valuable business growth and guidance.

Source: <https://www.mtnsmehub.co.za/business-advice/sa-government-funding-initiatives-for-smes/>

empowering low-income communities, these initiatives can also ensure equal and fair access to sustainable energy sources.

The proposal argues that funding is required for new value chains and local economic opportunities which can fill the void left by the decarbonisation of our energy system and other industries.

These initiatives can actively promote economic growth, environmental justice, and the empowerment of low-income communities, thereby facilitating an equitable and inclusive transition towards a future that is more resilient and sustainable for all.

Nedlac Bill submitted to the Minister for consideration, and revised constitution ready for implementation

A revised Nedlac Constitution and new Nedlac Bill were approved by the Executive Council meeting at the end of January. This is an important milestone in the history of Nedlac since the Governance Task Team has been considering and deliberating on changes to the Nedlac Founding Documents since 2017.

The new Nedlac Bill has been submitted to the Minister for processing to the Cabinet and Parliament. It will also need to be scrutinised by the State's Law Advisors.

The Nedlac Constitution is now ready for implementation and the Nedlac secretariat is working on an implementation plan. Many of the proposals in the Constitution already happen in practice in Nedlac.

The key changes that will be institutionalised in the next period include:

- Formally constituting an Overall Convenors Committee with terms of reference;
- Requesting the Executive Council to delegate certain functions to the Manco so that Executive Council meetings can focus on socio-economic matters only such as the government budget dialogue;
- Asking constituencies to formally appoint representatives and alternates to all structures; and
- Revising the protocols of the Annual Summit, Exco, Manco, the Chambers and other structures in respect of chairing. There is now more flexibility on who can chair these structures and how often chairing can rotate between constituencies.

If and when new members want to apply to join Nedlac, there is now a clear process that will apply. This involves:

- An application should be made in writing to the Executive Director
- The Executive Director will assess whether it is a valid application and if so, submit to the Overall Convenor of the relevant constituency for them to consider whether it meets the criteria to become part of Nedlac.

• These criteria are currently as follows:

- For a trade union federation, it must be registered for two years or be a merger between two federations for two years, have at least 300 000 employees or can establish that its admission will increase the diversity of representation of Nedlac and promote the objectives of Nedlac
- For a business or employer organisation, it must be registered for two years or be a non-profit company, must have paid-up membership representing one million or more employees or making a GDP contribution of at least 10%. An organisation can also be admitted if it can establish that its admission will increase the diversity of representation of Nedlac and promote the objectives of Nedlac.
- For a federation of non-governmental organisations it must be registered as a non-profit company or organisation, represent a significant community interest on a national basis, has a direct interest in development, be constituted democratically and can seek mandates.
- The Overall Convenor must give feedback to the Executive Director within 45 days
- The Executive Director must then submit the application and the feedback to the Overall Convenor's Committee which will submit it to the Executive Council to make a decision.

A similar process needs to be followed in respect of termination of membership if a federation no longer meets the criteria set out above or has ceased to function.

Electricity Pricing Policy from DMRE considered by Nedlac social partners

During last year, the social partners at Nedlac engaged on the Electricity Pricing Policy (EPP) from the Department of Mineral Resources and Energy (DMRE). The Policy aims to regulate electricity pricing in South Africa, seeking to obtain a balance between several competing objectives, inter alia affordable electricity tariffs for low-income consumers and cost-reflective electricity tariffs for all other consumers.



It further seeks to guide the National Energy Regulator of South Africa (Nersa) in regulating the implementation of the Electricity Regulation Act, 2006.

The EPP was gazetted by the Minister of Mineral Resources and Energy for public comments on 10 February 2022 until 12 March 2022.

Following the public comments consultation process, the DMRE tabled the policy for engagement at Nedlac. The Energy Security Workstream established a task team comprising of Government, Business, Community and Labour to engage on the Policy.

The task team met 18 times between April 2023 and November 2023.

At the end of the engagement process, following inputs from social partners, the task team reached areas of agreement on all sections contained in the policy. The Nedlac Report was sent to the Minister of Mineral Resources and Energy in January 2024.

The EPP provides direction and principles for the formulation of electricity prices in South Africa

Source: <https://www.businesslive.co.za/bd/companies/energy/2017-06-05-eskoms-proposed-20-price-hike-will-severely-hurt-municipalities-and-firms/>

Nedlac launches a coaching and mentoring programme for staff

Nedlac launched its coaching and mentoring programme for staff on 13 December 2023. The initiative is designed to provide a minimum of ten coaching sessions to all Nedlac and PCC employees over the next twenty-four months. While senior staff will have personal coaches there will be group coaching and mentoring for other staff members.

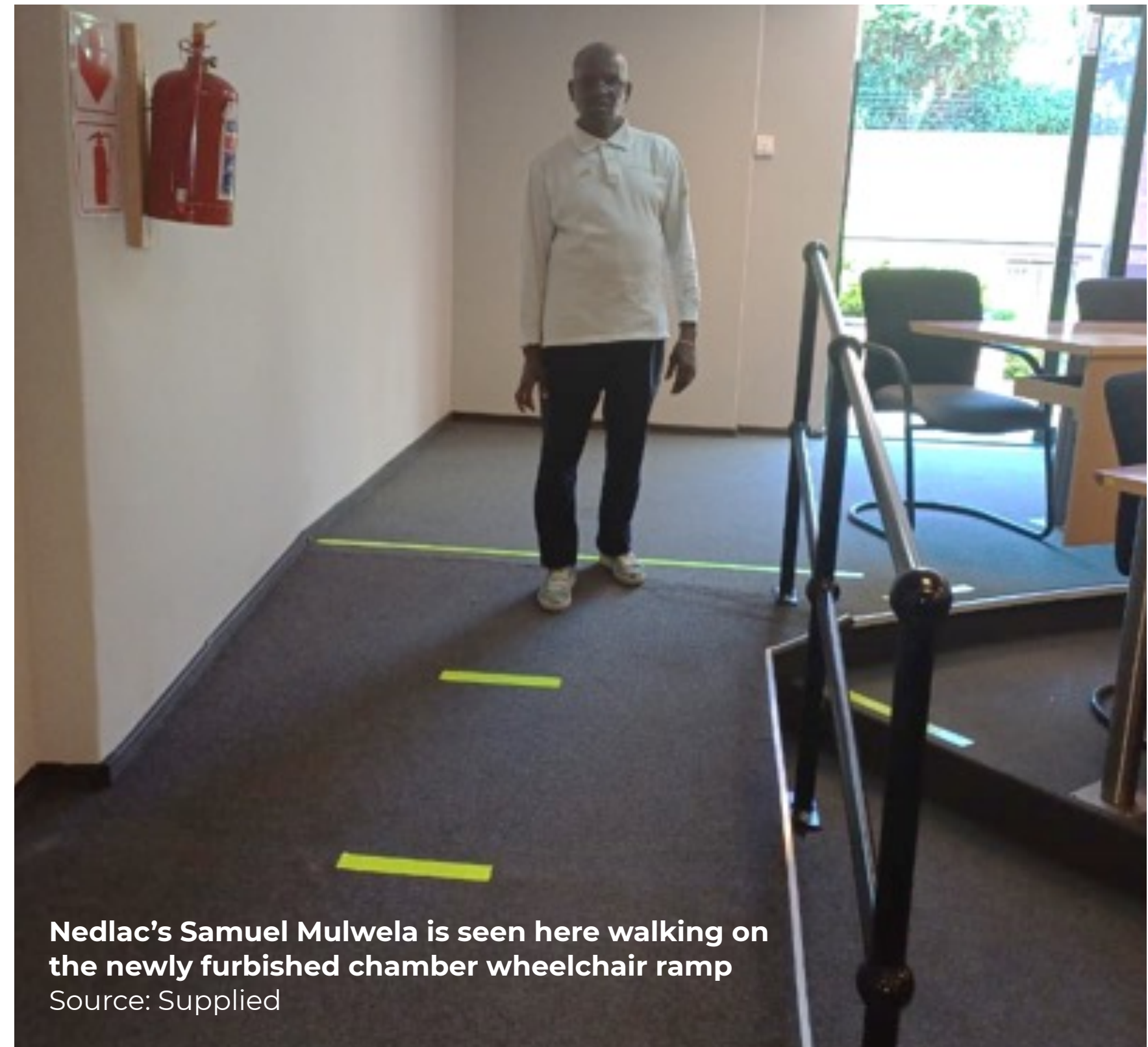
The launch presented a chance for the programme to be introduced to staff members and for them to familiarise themselves with possible coaches.



Nedlac and PCC staff engaged in a coaching session.
Source: Supplied

Nedlac's Chamber Room gets new look!

The Nedlac Chamber Room at the Nedlac building was made wheelchair-accessible and Occupational Health and Safety (OHS) - compliant in November/December 2023. A new extended emergency escape door and wheelchair ramp were added in the chamber area to aid emergency evacuations.



Nedlac's Samuel Mulwela is seen here walking on the newly refurbished chamber wheelchair ramp
Source: Supplied



Improved chamber room improves accessibility, fire safety, and OHS compliance while stressing user safety.
Source: Supplied

In the Media

STEFANIE DE SAUDE DARBANDI: Let us hope the visa landscape shifts from obstruction to collaboration

In this opinion piece Immigration attorney, Stefanie De Saude Darbandi, explores the intricacies of South African immigration in 2024, navigating the impacts of the COVID-19 pandemic, delving into legal battles, and challenges, highlighting victories, setbacks, and calls for reform. It paints a nuanced picture of the current landscape while advocating for a collaborative and responsive approach from the Department of Home Affairs.

Read more: <https://www.businesslive.co.za/bd/opinion/2024-01-11-stefanie-de-saude-darbandi-let-us-hope-the-visa-landscape-shifts-from-obstruction-to-collaboration/>

Source: Business Day

January 11, 2024



US agrees preliminary deal with Africa on extending AGOA by 10 years, says Patel

The United States has reached a preliminary agreement with African nations to extend their preferential trade access by another decade, pending approval by Congress, South Africa's trade minister Ebrahim Patel said, adding government wanted to conclude the renewal of the deal early this year, enabling more than 30 African countries to continue exporting goods to the American market duty-free. Their special access under the African Growth & Opportunities Act (AGOA) is scheduled to expire in September 2025.

Read more: <https://www.news24.com/fin24/economy/us-agrees-preliminary-deal-with-africa-on-extending-ago-by-10-years-says-patel-20240112>

Source: News 24

January 15, 2024



Team SA aims to attract foreign investors at WEF to plough cash into nation's electricity transmission network

Government is working on presenting a compelling case to attract foreign investors to plough money into expanding South Africa's electricity transmission network in a bid to deal with the energy crisis, Minister of Electricity Dr Kgosientso Ramokgopa said at the World Economic Forum (WEF) annual meeting which was held in Davos last month.

Read more: <https://www.iol.co.za/business-report/economy/team-sa-aims-to-attract-foreign-investors-at-wef-to-plough-cash-into-nations-electricity-transmission-network-9e7256de-9e51-454e-a49b-e11ff09912a2>

Source: IOL

January 12, 2024



South Africa may offer digital nomad visas after public feedback

South Africa's Department of Home Affairs (DHA) has invited the public to offer feedback on proposed significant changes to the country's immigration law by March 29, 2024.

Read more: <https://nedlac.org.za/wp-content/uploads/2024/02/South-Africa-may-offer-digital-nomad-visas-after-public-feedback.pdf>

Source: Techpoint africa

February 14, 2024



EVs are the ultimate opportunity for South Africa

South Africa is also getting on board, with a recent whitepaper by Trade, Industry, and Competition Minister Ebrahim Patel outlining the country's roadmap to incorporate Electric Vehicles (EVs) into the transport mix by 2035 - more sustainable transport is taking centre stage in the Western world, as efforts to address climate change ramp up.

Read more: <https://www.autoforum.co.za/View-News-Article.aspx?News=evs-are-the-ultimate-opportunity-for-south-africa-24-22-12>

Source: AutoForum.co.za

January 12, 2024



WEG Africa applauds energy standards that drive motor efficiency

The announcement by South Africa's government of its plans to introduce Minimum Energy Performance Standards (MEPS) is not a day too soon. Research in South Africa indicates that about 200,000 electric motor units are sold each year, with almost 70% of them between the 0.75 kW and 11 kW size range. Up to half of these have no stated energy rating, which implies that they are the most inefficient motors available.

Read more: <https://www.cbn.co.za/industry-news/power-transmission-motors-drives/weg-africa-applauds-energy-standards-that-drive-motor-efficiency/>

Source: Cape Business News

January 18, 2024



Manufacturing activity picks up in November

Stats SA has reported that manufacturing production increased 1.9% year on year in November despite an intensification in scheduled power outages and worsening port congestion, and the sector was boosted mainly by wood and wood products, paper, publishing and printing, as well as motor vehicles, parts and accessories and other transport equipment.

Read more: <https://www.businesslive.co.za/bd/economy/2024-01-11-manufacturing-activity-picks-up-in-november/>

Source: Business Day

January 12, 2024



Nxesi appoints second National Minimum Wage Commission members

Employment and Labour Minister Thulas Nxesi has appointed the second National Minimum Wage (NMW) Commission that will advise on the setting of the national minimum wage and sectoral determinations, after a thorough consultative process with the National Economic Development and Labour Council stakeholders.

Read more: <https://www.engineeringnews.co.za/article/nxesi-appoints-second-national-minimum-wage-commission-members-2024-02-07#:~:text=Members%20of%20the%20new%20commission,represent%20business%20at%20the%20commission.>

Source: Schalk Burger – Engineering News

February 07, 2024



Meetings

February & March 2024

8 • 2 • 2024: 10.00 – 14.00
Labour Marketing Chamber Meeting

9 • 2 • 2024: 10.00 – 14.00
Consideration of UI and CF Implementation Plan
Emerging Issues

9 • 2 • 2024: 13.00 – 15.00
Employment Tax Incentive (ETI) Dialogue Session
Public Finance and Monetary Policy Chamber

12 • 2 • 2024: 12.00 – 15.00
Labour Market Chamber Meeting

13 • 2 • 2024: 09.00 – 12.00
Human Risk and Ethics Committee Governance

14 • 2 • 2024: 10.00 – 12.00
Audit and Risk Committee Governance

14 • 2 • 2024: 10.00 – 13.00
Dialogue Session: White Paper on the Citizenship, Immigration, Refugee Protection towards the Overhaul Immigration system in South Africa (Department of Home Affairs)
Development Chamber

16 • 2 • 2024: 08.00 – 17.00
13th Presidential Climate Commission (PCC)
Quarterly meeting
PCC

20 • 2 • 2024: 10.00 – 14.00
TESELICO Sub-Committee
Trade and Industry Chamber

20.2.2024: 14.30 – 16.30
Freight and Public Transport
Trade and Industry Chamber

22 • 2 • 2024: 10.00 – 15.00
Trade and Industry Chamber

23 • 2 • 2024: 10.00 – 13.00
MANCO
Governance

28 • 2 • 2024: 14.00 – 16.00
Labour Law Reform Task Team
Labour Market Chamber

28 • 2 • 2024: 10.00 – 13.00
TESELICO Sub-Committee
Trade and Industry Chamber

29 • 2 • 2024: 10.00 – 13.00
Public Finance and Monetary Policy Chamber

29 • 2 • 2024: 10.00 – 14.00
Decent Work Country Programme Steering Committee
Labour Market Chamber

05 • 3 • 2024
Energy Sector Workstream
Economic Recovery Reconstruction Plan

07 • 3 • 2024: 14.00 – 16.00
Cost of Living Rapid Response Task Team
Emerging Issues

13 • 3 • 2024: 10.00 – 13.00
Labour Law Reform Task Team
Labour Market Chamber

19 • 3 • 2024: 14.30 – 16.30
Freight and Public Transport Workstream
Economic Reconstruction and Recovery Plan

22 • 3 • 2024: 10.00 – 13.00
MANCO
Governance

26 • 3 • 2024: 14.30 – 16.30
Freight and Public Transport Workstream
Economic Reconstruction and Recovery Plan

26 • 3 • 2024: 10.00 – 13.00
TESELICO Sub-Committee
Trade and Industry Chamber

28 • 3 • 2024: 10.00 – 15.00
Trade and Industry Chamber



ABOUT US




The National Economic Development and Labour Council (Nedlac) is the vehicle by which Government, labour, business and community organisations seek to cooperate, through problem-solving and negotiation, on economic, labour and development issues and related challenges facing the country.

USEFUL LINKS

- ▶ [Nedlac Act](#)
- ▶ [Nedlac Constitution](#)

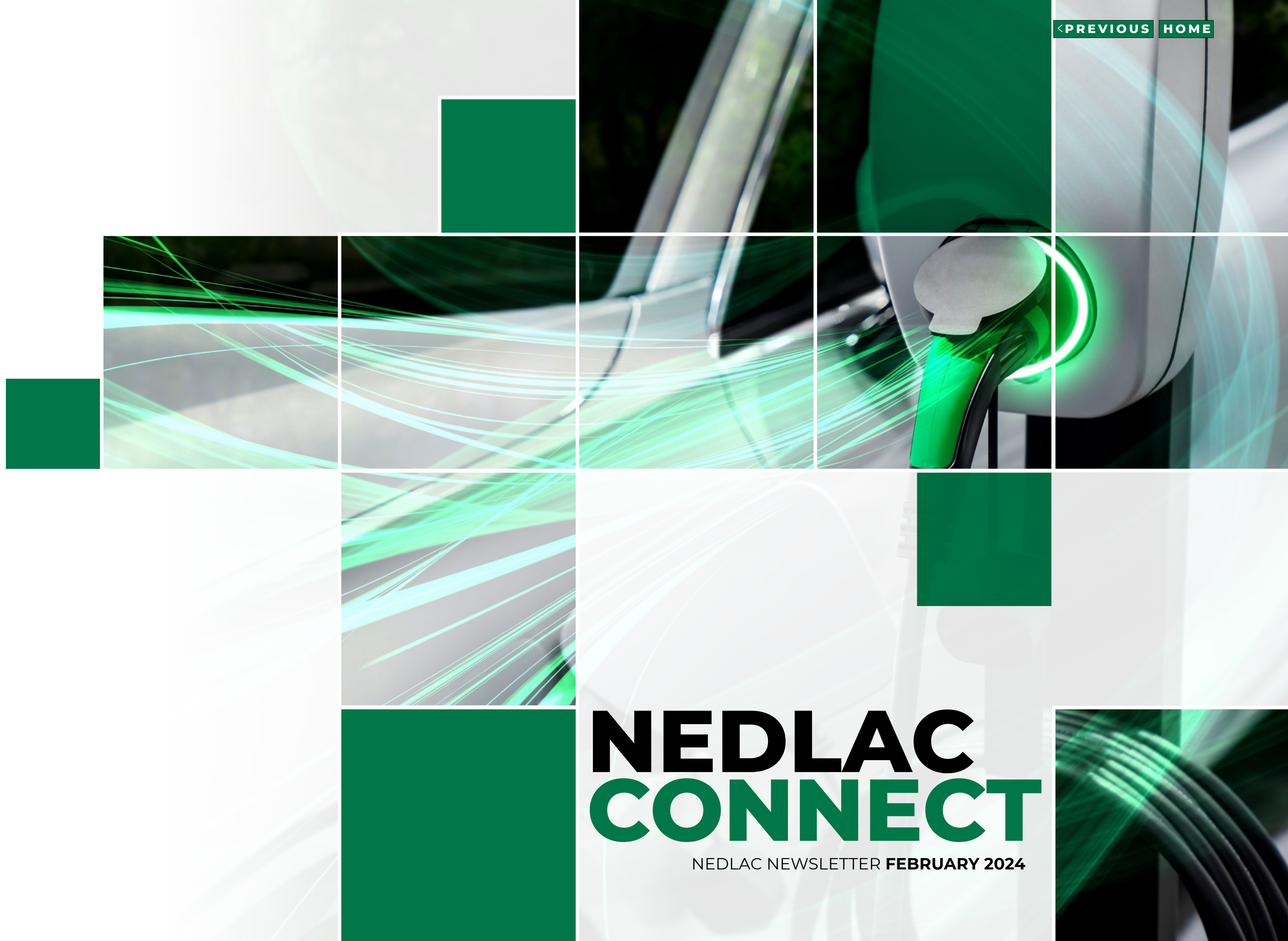
CONNECT WITH US AND
SHARE YOUR VIEWS.
WE WOULD LOVE TO
HEAR FROM YOU.

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