



REPORT
ISTMA ANNUAL ASSEMBLY
JOHANNESBURG, SOUTH AFRICA
June 29 – July 2, 2008

INTRODUCTION:

Bob Williamson President of the Toolmaking Association of South Africa (TASA) hosted the ISTMA Annual Assembly in Johannesburg, South Africa, assisted by funding from the Gauteng Provincial government. The Canadian Tooling & Machining Association (CTMA), represented by Les Payne, Executive Director, attend this event to promote our member companies, establish contacts, and seek opportunities for the Canadian machine, tool, die and mould industry.

Other objectives were to:

- Encourage a minimum of 2 Canadian companies to visit South Africa
- Participate in the ISTMA-World Assembly and use the opportunity to network with ISTMA member countries.
- To represent Canada and discuss global trading issues specific to the machine, tool, die & mould industry.
- Obtain international market and business information that is critical to the development of foreign trade activities for Canadian tool shops.
- Visit local plants to assess the level of technical ability of the tooling industry in South Africa.
- Attend technical seminars
- Further promotion of Canada's bid to host the ISTMA-World Conference in 2010.

PEMD funding was arranged for two member companies to participate, along with an association representative. Information was sent out to the membership a number of times; however the current negative business conditions in Canada along with the recent social unrest and riots in Johannesburg played their part to dissuade members from attending. Therefore our objective of partnering with member companies on this activity was not realized.

TASA CONFERENCE:

The host association held a conference for its members prior to the ISTMA meeting. Dirk Van Dyk, full time national program manager for the National Tooling Initiative outlined the progress of this program to date (www.ntipweb.co.za). It is a federal/national initiative to rehabilitate and grow the South African tool, die and mould making (TDM) industry as a key growth stimulator for manufacturing and technical skills development.

It was clear from our visit that the South African TDM sector has a major shortage of capacity and skilled workers. South Africa produces less than 20% of its tooling needs and imports over 80%. Skilled workers earn approximately \$6.00 - \$10.00 dollars (CAD) per hour. South Africa had a 5% GDP growth in 2007 and it is expected to be around 4% in 2008. The main manufacturing industry sectors are automotive (50-55%) and packaging (approx. 30%). It was reported that unemployment is approximately 40%.

Bosi Mhaga, Deputy Director General of the Gauteng Provincial Government, Economic & Development Planning (www.ecodev.gpc.gov.za) was in attendance along with Angela Kays, Senior Manager, Gauteng Economic Development Agency (www.geda.co.za).

The CTMA has a number of contacts, both government representatives and private tool shop owners, for any association members that may be interested.

TRAINING:

Thanks to 43 Million Rand of support funding (approx. \$5.5 Million CAD), South Africa's first Toolmaking Centre of Excellence training facility has opened in Durban. The project was spearheaded by TASA in partnership with the provincial Department of Education, Finance & Economic Development. Project Manager, Trevor Smith, reports that more than 20 pupils have advanced towards level three of the National Certificate in Mechanical Engineering and 20 similar centres are planned for the rest of the country.

ISTMA-AMERICAS MEETING HIGHLIGHTS:

The three ISTMA regional branches met individually during the morning of June 30th. Highlights of the ISTMA-Americas meeting included:

- Minutes and financial reports were accepted.
- Contact list was reviewed and updated.
- Business conditions survey and questionnaire was reviewed. Next survey will be conducted electronically by the NTMA in the United States.
- Canadian 2010 Conference Report was presented.
- Next ISTMA-Americas meeting is scheduled to be held November 3, 2008 in Windsor, Ontario, Canada.

ISTMA-WORLD ANNUAL MEETING HIGHLIGHTS:

This meeting took place at the Sandton Convention Centre in Johannesburg, South Africa on June 30th. Highlights from the meeting included:

- Minutes and Financial Reports were accepted.
- Uddeholm and Sandvik have been accepted by ISTMA-World as the first Global Partners
- A PowerPoint presentation was given by Canada on the 2010 ISTMA-World Conference that will be held in Windsor, Ontario.
- Associations discussed best practices on membership recruitment
- Terminology project is now complete and is available for sale.
- ISTMA membership now at 31 countries
- Next Annual Meeting to be held March 2009 in Singapore during the MTA 2009 and Asia MEDTECH shows.
- Next ISTMA-World Board meeting to be held November 3, 2008 in Windsor, Ontario, Canada.

COUNTRY REPORTS:

The following reports were presented on business conditions within the global tooling industry:

Canada: Canada's tooling sector, and manufacturing in general, remain in a major downturn with reduced prices, reduced profits and weak work volumes. The construction industry is also now showing signs of slowing down following a very long and robust period of growth. Natural resources, oil and gas are still producing solid growth numbers and they are the brightest economic drivers of the Canadian economy.

China: Busy – it was reported that over one million people are employed within the tooling industry in approximately 30,000 tool shops.

Czech Republic: Tooling industry is very busy.

Finland: Tooling industry business conditions are very good with increased work from Russia.

India: GDP growth was reported at 9% and the Tool, Die Mould sector was reported at 20% growth.

Italy: Tooling industry is slow and difficult.

Portugal: Following the negative 2007 year with a 10% contraction in the manufacturing sector and price pressure from customers, 2008 is showing positive signs. Tooling industry is busy with increased employment.

South Africa: 5% GDP in 2007 with slowing at the end of the year and 4% GDP is expected for 2008. Tooling industry is at capacity.

Spain: GDP average growth over last 15 years has been 3-4%. Housing industry is very slow; credit squeeze by banks; 8% unemployment. Tooling industry very slow and it is hoped this is the lowest point prior to a recovery.

Turkey: GDP growth was at 6.6% last year. Tooling industry is fully booked and investment is increasing.

PLANT TOURS (July 1st):

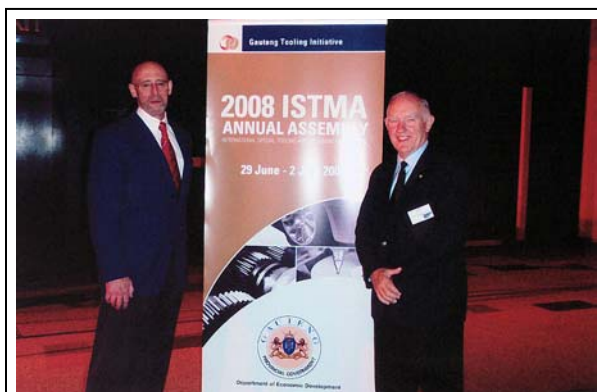
Läpple (Pty) Ltd. (www.lapple.co.za) produces automotive body components, systems and assembly components for local OEM's. The plant was very impressive; however it looks more like a stamping department normally found inside a typical OEM's plant than an independent parts supplier.



Delegates visit Läpple (Pty) Ltd. in Johannesburg, South Africa

Ford Motor Company (Silverton Assembly Plant) recently announced plans to invest 1.5 Billion Rand (approx. \$192 Million CAD) into its 2 facilities in South Africa – split between its engine plant in Port Elizabeth and its assembly plant in Silverton. During our visit to the Silverton plant, it became evident that management would appear to take a paternal attitude towards its employees which, in today's world, was quite refreshing. One would hope this can be maintained.

PHOTOS:




L-R: ISTMA-Americas President Harry Moser (Agie Charmilles) and CTMA Executive Director Les Payne at the 2008 ISTMA Annual Assembly in Johannesburg, South Africa



ISTMA-World President, Joaquim Menezies chairs the South African Annual Meeting. Note Canada's PowerPoint presentation promoting the 2010 Conference in Windsor, Ontario on the screen.

Our thanks to International Trade Canada for their financial assistance through the Program for Export Market Development (PEMD) in helping us participate in this event.

Respectfully submitted,



Leslie Payne, Executive Director
Canadian Tooling & Machining Association
ISTMA-Americas Secretariat
ISTMA Representative for Canada

LP/jmc