



**“The National Association of Manufacturers in Electronics Components (NAMEC) represents broad based small and medium enterprises in ICT sector in South Africa.”**

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**SEPTEMBER 2011**

# Introduction



“ NAMEC remains adamant that this process is not just about the 11 million Set top Boxes for South Africa, it is mainly about the content, software and the transfer of technological expertise to blacks and historically marginalised sections of our society”.

*Keith Lekoete Thabo  
NAMEC Chairperson*

*NAMEC was formed on 29 October 2009 at the Set TOP Box colloquium as part of a formal process of ensuring the participation of black small business in the digital migration process. The association has since formed partnerships with National Union of Mine Workers (NUM), the National Union of Metal Workers of South Africa (NUMSA), the Communications Workers Union (CWU).*

*Our primary objective is to ensure unity amongst black ICT SMME's in the ICT sector to act as a collective. We also envisage unity in the industry with all stakeholders and role players in the sector so as the country can work together in this process to support of efforts to ensure the development of our country and the achievement of the national objectives in line with the objectives of the growth path.*

# Aims and Objectives

*The association's main objectives are to protect, bargain for, lobby and promote the interests and rights of the historically disadvantaged, emerging, small, medium, micro enterprises in the manufacturing and assembly of amongst others:*

- Electronics systems;
- Broadcasting and communication equipment, systems and components;
- Information and communication services,
- Information technology systems and development;
- Innovation, research and development of all areas about information technology and broadcasting and electronics.

*The association aims to build an enabling environment for the development and flourish of SMME's in electronic manufacturing and related services to through:*

- Setting standards for the sector;
- Providing information and advice to membership;
- Represent the collective interests of members;
- Create structures and systems that encourage SMME's in electronic manufacturing to share experiences, skills, best practice models and resources;
- Coordinate capacity building in the sector;
- Lobby and advocate members interests of the sector;
- Create strategic alliances and partnerships with key stakeholders to facilitate delivery of services, resources, funding and support for members.

# National Representation



Our motto has been simple “Transform the SMME sector to be champions of economic growth and decent job creation”

The NAMEEC representation is spreaded all over the country and it is divided into the following provinces, which are demarcated to correspond strictly to the provincial boundaries established in the South African Constitution: Western Cape, Northern Cape, Eastern Cape, KwaZulu Natal, Free State, Gauteng, Limpopo, Mpumalanga and North West.

## NAMEEC Members

*Office Bearers: Keith Thabo(Chairperson)Dep Ntombi Nkosi);Fredah Ngobe(Secretary Gen); Clement Macqai(Treasurer);Kopano Molefe(Community TV,S), Norna Thukani(ICT),Paul Setouri(Technical),Trevor Wentzel(Western Cape)Professor Kunene(Kzn );Richard Poulton(N/Cape)*

# National Representation

## Provincial Offices

### Western Cape

69 Milton Road  
Cape Town  
8000  
Trevor Wentzel: +27835854167

### KwaZulu Natal

D5078 Section 4  
Madadeni ,Newcastle  
2951  
Professor Kunene: +27744143704

### Free State

109 Debult  
Phuthaditjhaba  
9866  
Moss Mofokeng : +27826712932

### Eastern Cape

9 Vincent Road  
Vincent  
Eastlondon  
5247  
Khupsa Ndzimela:

### Northern Cape

INDLU OTHANDO BUILDING  
Sardina Street  
Saldana  
7395  
Henry Goliath ; (+2722 ) 714 1235

### Mpumalanga

Building no: 7 Beru de Poun Park  
N4 Office Park  
Emalahleni, 1035  
Fredia Ngobe: +27825191725/ (013) 6566081

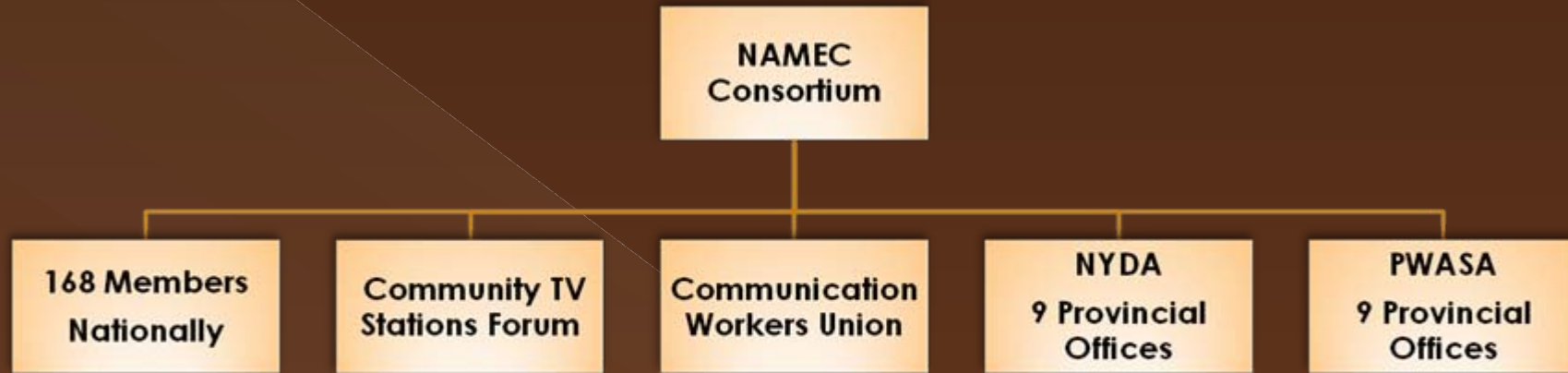
### Limpopo

No: 2 Paul Kruger  
Polokwane  
0699  
Peter Malate : +27722637185

### North West

Factory Number 9  
First Street, Industrial Sites  
Mahikeng,  
2745  
Eustice Khoetha : 0824475000

# National Context



# Our Programs



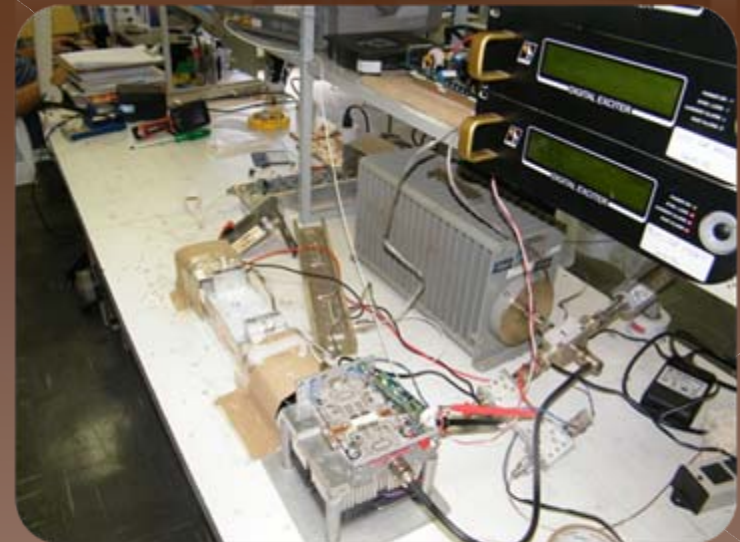
Ultimate Blue Box manufacturing



One Segment mobile television



Manufacturing of the Intelligent Set top Box



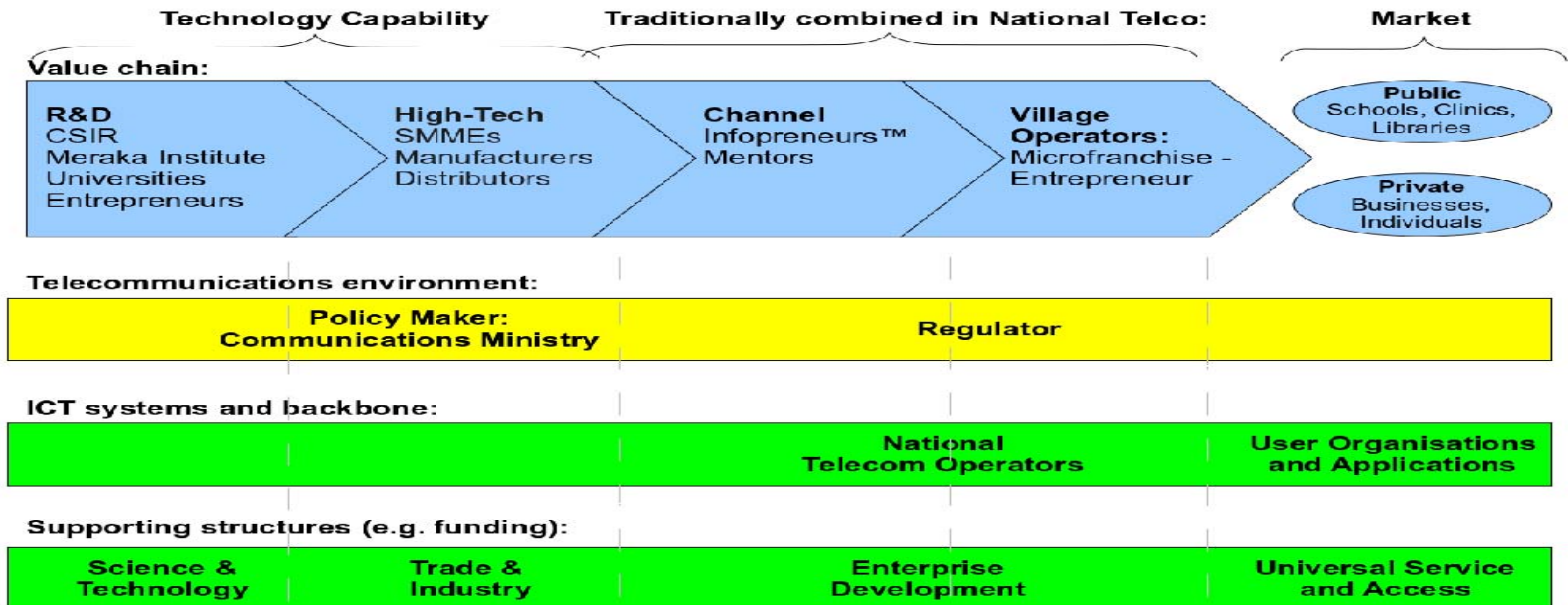
Development and Design of the

Intelligent Set Top Box

# Our Programs

- Development and Design of the Intelligent Set Top Box
- Manufacturing of the Intelligent Set top Box
- Mesh Network components manufacturing
- Ultimate Blue Box manufacturing
- Broadband Services Provision
- E-skills – Training and certification
- One Segment mobile television
- Content Development
- SMME Development

## Innovation Ecosystem





# Our Milestones

- Namec was officially formed on **the 29<sup>th</sup> October 2009** at the Set TOP Box colloquium as a declaration by Black small business for participation in the digital migration process.
- **November 2009:** Namec Hosts its first AGM at NUMSA House in Johannesburg, the executive committee is elected, parliamentary submission are drafted. , NUMSA, CWU and Community Television Forum pledge their support for its existence.

## Black firm enters into digital TV telecasts

**Kea' Modimoeng**

GONE are the days of "white domination" and the marginalisation of black participants in the manufacturing of electronic components in South Africa.

This was the overarching message at the launch in Johannesburg yesterday of the newly formed National Association of Manufacturers in Electronics Components (Namec).

The association was formed last month as an outcome of the department of communications' recent summit on set-top-box manufacturing.



sector development strategy.

**FUTURE: Set-top boxes will change the way we watch TV.**

### Sowetan article

The set-top-boxes will be used for the digital migration from analogue to digital television broadcasting in 2011.

Speaking at the launch, Namec general secretary Adil Nchabeleng said: "Opportunities are self-evident in the manufacturing sphere and government has been quick and highly responsive in creating an enabling environment for new and credible players to engage with this opportunity."

He said even beyond manufacturing, other opportunities existed which ranged from job creation in areas of sales and logistics to installations, repairs and call centre support.

"Notwithstanding the significant gains made in infrastructure and service delivery within a diverse geographic range, South Africa still has a huge potential to expand its industrial and production base," Nchabeleng said.

Sithembiso Manzini, director for content policy development at the department of communications, said organisations such as Namec would benefit the Southern African Development Community (SADC) as a whole and urged other emerging manufactures to join.

"SADC countries are looking at South Africa to assist them with their migration, and in the process about 15 000 jobs would be created."

Asked if membership was only restricted to black-owned companies and professionals, Keith Thabo, Namec chairperson, said membership was open to everyone "who shares our vision".

Namec also has the support of trade unions such as the Communication Workers Union and the National Union of Metalworkers of SA.

# Our Milestones

- **December 2009:** The set-top box manufacturing strategy document is tabled before the DOC and Parliamentary portfolio committee. Its mandate was to amalgamate black ICT SMMEs efforts for participation in the ICT industry, support open standards for development and map the growth path forward.
- **In early January 2010** NAMEC engaged itself with research institution such as CSIR and smaller research SMME and ICT consultants to table a report on the status of the industry and opportunities for SMMEs.
- **March 2010: The standard debate begins.**  
With further engagements with the Japanese and Brazilian governments, Namec discovered that the ISDBT Standard proved to provide developmental benefits and facilitated the decent job creation agenda. A small fact finding delegation was dispatched to Brazil for further investigation, another local delegation was to engage industry on concerns over the new "competing" standard.
- In **April 2010** we took part in the Standards debate hosted by the DOC at Gallagher estate, with more detailed key performance indicators of both standards a delegation by each representative standard was present. DVB, ISDBT and DMBT. the latter was a one man delegation and not enough information was provided except a demonstrational video.

# Our Milestones

- **In August 2010**-NAMEC joined Presidential National Commission on Information Society Forums. These seminars communicated synergy and similar aspirations for the country's developmental objectives.
- **In October 2010**-in Sao Paulo Namec joined the ARIB (Japan) and SDB-T (Brazil) forums on digital TV and formed task teams with both countries in joint information sharing and assistance in implementation of the technology in South Africa.
- **November 2010**: NAMEC and Japanese companies including Fujitsu, EWD and Smart Network agree on contract manufacturing for Asian markets. SDBV-T Forum of Brazilian companies sign an MOU of intent with technical and financial assistance digital TV. NAMEC extends Membership at the Digital migration seminar to ISDB-T Adopting SADC countries, and calls for regional collaborative approach to freeing South Africa from colonization of a special type -DVBT.
- **January 2011**: The honourable minister of communication announced the adoption of DVB-T2 as a South African Digital migration standards.

# Our Milestones

○ **February 2011** NAMEC joined hands with the CSIR in developing and designing of the Intelligent Set Top Box. We propose a flagship programme titled as the Intelligent Set Top Box, "I-STB". The I-STB will operate within the digital migration agenda. The objective of I-STB is to dramatically **increase broadband penetration (> 90% in whole South Africa) through an integrated and innovative design of Digital Terrestrial TV (DTT) network and Set-top boxes (STB) to deliver both digital TV and broadband services.** This will increase the possibilities of new services and the number of people being able to receive TV broadcast content (when compared with the analogue situation).

## Till Today

○ We as Namec meet Department of Communication officials and other relevant stakeholders to present our strategic input regarding the involvement of Black Electronic Manufacturers in the Digital Migration Process. Namec represent over 150 black Electronic Manufacturers and employs over 1,500 people directly and over 2,000 indirectly. Our members are involved in components supply, assembly, distribution, sales, installation, repairs and maintenance of electronic equipment including I-STB's. We also have Community Television broadcasters as associate members for broadcasting platforms including content development.



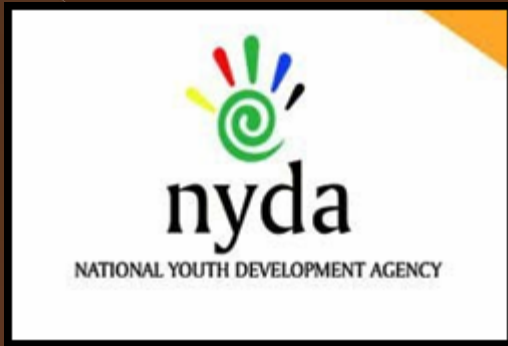
# Research & Fact finding mission

**During October 2010-** In Sao Paulo Namec joined the ARIB (Japan) and SDB-T (Brazil) forums on digital TV and formed task teams with both countries in joint information sharing and assistance in implementation of the technology in South Africa.

**From 1-9, SEPTEMBER, 2011** Seoul, Korea *Course in Digital Switchover & Broadcasting Production Technique by the Korea Communications Commission and the Korea Internet and Security Agency*



# Beneficiary Organizations



**M D A**

**MINEWORKERS DEVELOPMENT AGENCY**

**PWSA**

**PROGRESSIVE WOMEN ASSOCIATION OF SOUTH AFRICA**

# Beneficiary Organizations

## How will they benefit?

- Develop and grow capacity in electronic component manufacturing (SMME incubation programme);
- Sales and marketing;
- Storage and distribution;
- Installation; repairs and maintenance;
- Growth in employment opportunities;
- Skills development and re-skilling of technicians, and engineers operating in the new digital platform.

# Our Partners



CSIR

*our future through science*



PrimeTrack  
Advanced Tracking Solutions



RedeTV! HD



sbt



DURBAN  
UNIVERSITY of  
TECHNOLOGY



(CTF)  
COMMUNITY TELEVISIONS  
FORUM



M D A  
MINEWORKERS DEVELOPMENT AGENCY



# Our Partners



City of Cape Town

SBDV-T

forum(Brazil)



FREE STATE PROVINCE

Welcome to the  
Free State Province

# Our state of Readiness

## Manufacturing

- Hardware
  - › Designs are ready and all licensing finalized;
  - › Samples of PC Boards and complete products are available.
- Software
  - › DVB-T, MPEG-2, and MPEG-4 compliant
  - › High-end user friendly interface with MHEG-5
  - › Return path capability via USB port
  - › e-Government gateway finalized and ready
- Manufacturing
  - › Manufacturing current capacity is 30,000 units
  - › Provisional orders have been placed for additional machinery that will increase our capacity between 50,000 and 60,000 per month

# Our state of Readiness

## Manufacturing

### ○ Personnel

- › Additional Personnel and management of between 100 and 200, (male, female, including people living with disabilities) between the ages of 20 and 30yrs;
- › The various job categories and skill-sets are as follows:
  - Assembly and soldering of electronic components;
  - Testing, fault finding and repairs on circuit boards;
  - Packaging;
  - Storage and Stock management;
  - Installations using local SMME' s (NYDA and PWASA);
  - Repairs and Maintenance;
    - Local skills set and personnel development including SMME' s;
    - Facilities and personnel development on escalated faults and repairs including SMME' s

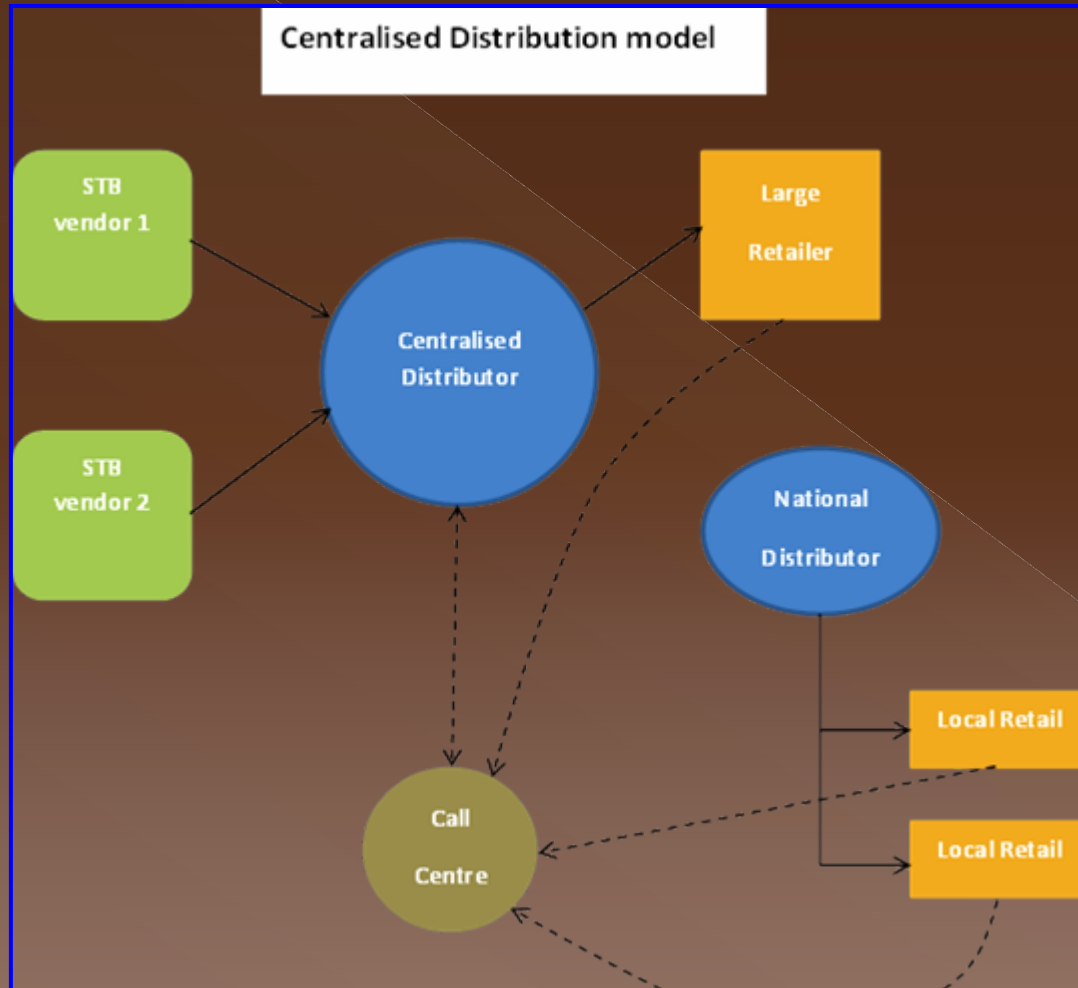
# Our state of Readiness

## Manufacturing

- Personnel (Continued)
  - › Management training and development;
  - › Board and governance training and development.
- Facilities
  - › Manufacturing facilities spread in four Provinces as follows:
    - (Gauteng \*4), (Western Cape\*2), (North West\*1), (Natal\*1) and (Free State\*1);
  - › Facilities expansion on track for Machinery, Storage and Personnel.
- Consumer Awareness and Outreach Programmes
  - › A team of 200 personnel throughout the country, spread per Region, per Province employed on the programme;
  - › Touching on women, persons living with disabilities, low income consumers and consumers in rural areas;
  - › Interacting with National and Provincial Consumer Groupings.

# Our state of Readiness

## Distribution, Installations and Aftersales Services



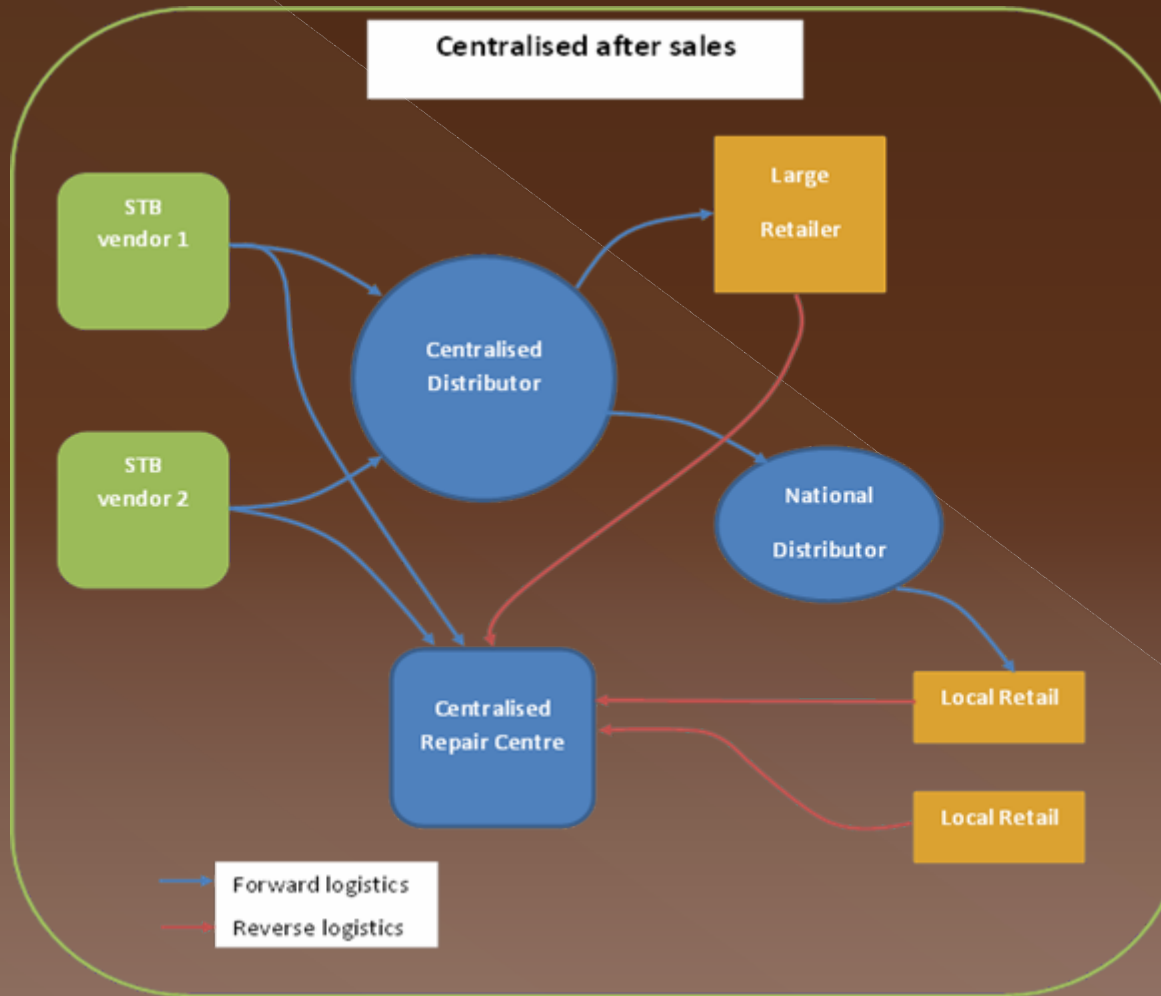
The sales channel will be provided by retailers, private distributors (wholesalers), state distributors (e.g. Post Office) and virtual retailers (internet).

The distribution will be provided by national distributors, retailers with their own distribution, regional and local distributors.

In this model the supply chain is controlled by a primary distributor who buys bulk stock.

# Our state of Readiness

## Distribution, Installations and Aftersales Services



An option that is feasible is that of a centralised repair facility. Whilst such a centralised facility may not be essential, there are a number of advantages that such a facility will provide.

- Repair costs can be significantly reduced and streamlined by utilising production processes.

- Reduced repair costs means that the viable life expectation of an STB is significantly enhanced.

- This facility will provide sustained employment for up to 200 people.

# Conclusion

The DTT migratory process offers our young African brethren the chances of benefitting economically, technologically, socially, educationally and otherwise by participating meaningfully in the digital roll out plan of the incumbent South African government – rather than being constantly relegated to being mere consumers of goods and services as is often the norm to date.



Thank You