

ISSUE 2 • VOLUME 7 • MAY 2016

UPDATE

NEWSLETTER OF THE MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA



MOTOR INDUSTRY OMBUDSMAN
OF SOUTH AFRICA

TOGETHER WE GROW



NEW VEHICLE SALES AND EXPORTS – APRIL 2016

184,627

vehicles sold
in the first four
months of 2016



That's **9.7%** less than the first four months of 2015

40,390

New vehicles sold in
South Africa April 2016

7126

less than March 2016

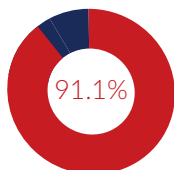
4079

less than April 2015

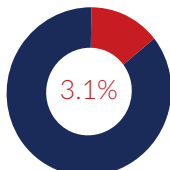
26,077

Passenger vehicles sold
in April 2016, down by
3949 units or 13.2%
on 30,026 vehicles
sold in April 2015

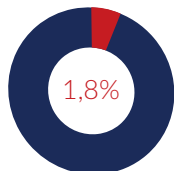
SALES PER INDUSTRY



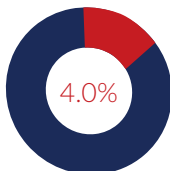
Dealer



Rental Industry



Government



Corporate

TOP 5 SELLERS



1. Toyota - **8,791**

4. AMH & AAD - **4,001**

2. VW - **6,262**

5. GMSA/Isuzu - **3,183**

3. Ford - **5,473**

Passenger vehicle sales accounted for
64.6% of car sales in April 2016

Commercial
vehicle sales in
April 2016 were
0.9% lower than
April 2015 and
15.4% lower than
March 2016



Light commercial
vehicle sales in
April 2016 were
down by 0.1%
from April 2015
and 15.9% on
March 2016

TOP 5 EXPORTS



1. Mercedes-Benz - **9,000**

4. Ford - **5,033**

2. BMW - **6,253**

5. Toyota - **4,214**

3. VW - **6,004**

32,856

vehicles were exported in April 2016

39.2%

higher than April 2015

18.8%

up from March 2016

Supplied by Absa, Member of Barclays

Source: Naamsa

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MESSAGE FROM THE OMBUDSMAN

DISPUTE RESOLUTION: THE CHALLENGES FACED BY THE OFFICE OF THE OMBUDSMAN AS WELL AS INDUSTRY IN GENERAL.

The MIOA is always trying to find ways to speed up the processes of finding equitable solutions for disputes within the motor and associated industries. The accusation is often – and sometimes not unreasonably – made that it takes too long for the MIOA to come to a decision when dealing with complaints. Apart from the usual, but necessary paperwork that has to be completed before a dispute resolution process can take place, there are a few things to ponder over.

Sometimes we are our own enemy by creating some of the hold-ups and obstructions that occur during the investigation of a case.

During a meeting it often happens that a participant speaks at every opportunity he or she gets. It is time consuming and it bogs down the process.

Quite often the other participants in the meeting aren't aware that such behaviour is obstructive.

Then there is the endless use of committees to try and resolve an issue. More often than not those present don't know who is in charge and what the deadline for the resolution is. Lack of confidence is another challenge,

Johan van Vreden
Motor Industry
Ombudsman of
South Africa



especially when statements like “does that fall within our mandate?” are made.

Then there is the individual who insists that everything goes through the correct channels, creating obstruction by scrupulously following every rule to the letter, even when the individual's better judgment would serve the organisation far better. Of course, the cherry on top are those endless e-mails with the inevitable CCs'.

It is interesting to note that these negatives were successfully addressed during World War II to disrupt enemy efforts. To this end a manual was compiled to counter obstructive behaviour. Credit for producing the manual must go to the USA intelligence services.

Modern-day experts on this subject are American authors Robert M Galford, managing partner of the Center for Leading Organizations. Bob Frisch, managing partner of Strategic Offsites Group and his partner Cary Greene.

By studying this document individuals will remain vigilant in the everyday running of their organisations.



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NEW REGISTRATIONS:

FEBRUARY 2016 TO APRIL 2016

When analysing the February 2016 data relating to new registrations with the MIOSA, the workshop sector once again topped the number of new registrations. Vehicle dealers – mainly used – that have registered showed a strong improvement. A marked contribution was made by dealers in the rural areas that also registered.

Interesting to note in the dealer sector was the number of motorcycle dealers that registered. The number of panel beater shops that registered during February 2016 represented the highest number since accreditation of the MIOSA. Spares shops and fitment centres also featured as in the previous quarter.

After the conclusion of negotiations with the component manufacturers, the number of registrations from this sector topped the list in March 2016 by a huge margin. Other contributors to the total number of registrations were used vehicle dealers and workshops. All the other sectors made a smaller than usual contribution.

During April 2016 a major parts retailer registered all its retail outlets, resulting in the best showing of this sector since accreditation. The dealer and workshop sector put in another strong showing. The number of filling stations,

roadworthy centres and used parts dealers that registered was encouraging.

Looking at the overall picture it becomes clear that the message to register with the MIOSA is slowly but surely reaching the far-off, smaller towns scattered all over the country. In this regard, the MIOSA inspectors are doing a sterling job.

2015 MIOSA ANNUAL REPORT

The 2015 annual report of the MIOSA was published at the end of April 2016. The full report can be viewed at www.miosa.co.za. Here are a few extracts from the report.

In order to keep finances under control, the finance department is staffed with well-qualified staff who not only controls the income and expenditure, but also takes responsibility to collect outstanding levies.

The MIOSA is adamant in its threat to publicise findings and businesses that fail to comply with the recommendations made by the MIOSA.

The MIOSA has also partnered with all provincial consumer protection offices and government departments to conduct much needed education programmes.

The number of calls received by the office of the MIOSA during the 2014 financial year totalled 41 894. This number increased to 175 932 during 2015.

Benefits

- Internationally recognised brand, with a distinctive corporate identity
- Effective marketing, advertising programme & customer retention programme
- Comprehensive technical support portfolio, including ESI[tronic], Bosch diagnostics, technical training, hotline & field support
- Quality automotive parts at competitive prices
- National Deal Partner support programme
- Fleet Program



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FROM THE DESK OF KOBIE KRAUSE

MAY A RETAILER OR SERVICE PROVIDER AGREE WITH A CONSUMER TO OVERRIDE THE CONSUMER PROTECTION ACT (CPA)?

It has become an endemic problem in that retailers or service providers attempt to agree with consumers to override the CPA.

In terms of section 51 of the CPA it is prohibited that such an agreement may be entered into.

If a retailer or service provider wishes to limit or have exemption from its obligations in terms of the CPA, the provisions of sections 54(1)(d), 55(6)(a) and (b) become applicable. The aforementioned sections should be read with section 49(4) and (5) of the CPA.

It is a specific condition of section 49(1)(b)(1) that any such limitation or exemption must be drawn to the attention of the consumer in a clearly defined manner and form that is likely to attract the attention of an ordinary alert consumer before the earlier of the time at which the consumer:

1. Enters into the transaction or agreement, begins to engage in the activity, or enters or gains access to the facility;
2. The consumer must be given an adequate opportunity in the circumstances to receive and comprehend the provision or notice.

Kobie Krause
Deputy Ombudsman



A practical example is as follows: A retailer advertises a vehicle with the intention of selling it as is. The advertisement does not indicate that the vehicle will be sold as is. The consumer starts to engage in the activity by enquiring about the vehicle. Once the consumer has decided to purchase the vehicle, the retailer starts explaining that, due to the deflated price of the vehicle, no warranty can be given.

It must also be kept in mind that in terms of section 55(5) of the CPA, it is irrelevant whether a product failure or defect was latent or patent, or whether it could have been detected by a consumer before taking delivery of the goods.

Lastly, a retailer should take note that section 56(4) of the CPA provides that the statutory warranty is in addition to any other warranty the retailer might give to the consumer. A consumer who therefore decides not to buy or receive a warranty from the retailer will still have the statutory warranty to rely on.



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ALERTDRIVER

LOOKING OUT FOR MOTORCYCLES

Riding a motorcycle has many benefits, not the least of which is having the freedom to navigate traffic congestion effectively. Riders also have as much right to the use of the road, but with that right comes responsibility.

Take for example the emergence of new motorcycle lanes – the far right lane, which is an emergency lane. This lane has, it seems, become the de facto lane, with other lanes only being used by bikers if there are obstacles blocking their travel.

While it can be reasoned that such use has benefits for both cars and bikes, the fact is that this use is tantamount to abuse when riders pass slow-moving traffic at breakneck speeds.

While the following suggestions are for vehicle drivers, there is equal admonition for riders to show some consideration.

Though a motorcycle is a small vehicle, its operator still has all the rights of the road. Allow the motorcycle rider the full width of a lane at all times.

Always signal when changing lanes or merging with traffic.

If you spot a motorcycle rider with a signal on, be alert. Motorcycle signals are often non-cancelling and could have been forgotten. Always ensure that

the motorcycle rider is turning before proceeding.

Check all mirrors and blind spots for motorcycles before changing lanes or merging with traffic, especially at intersections.

Always allow for a greater following distance – three to four seconds – when travelling behind a motorcycle. This gives the motorcycle rider more time to manoeuvre or stop in an emergency.

When you spot a motorcycle rider travelling between lanes, allow extra space for him or her to pass. Trying to be spiteful can result in serious injuries or even death.

In the USA the month of May is Motorcycle Safety Awareness Month where more emphasis is placed on creating a safer environment for motorcycle riders to operate in.

Let's make every day a Motorcycle Safety Awareness Day in South Africa.



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Dr. Norman Lamprecht
Executive Manager
of the National
Association of
Automobile
Manufacturers of
SA (NAAMSA)



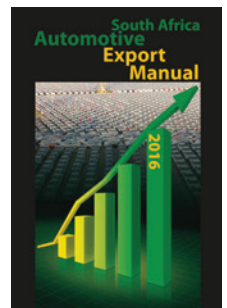
The 2016 annual Automotive Export Manual publication, produced by Dr. Norman Lamprecht, Executive Manager of the National Association of Automobile Manufacturers of SA (NAAMSA) as well as Director of the Automotive Industry Export Council (AIEC) has just been released.

Total automotive industry exports for 2015 increased by R35,8 billion or 30,9% to R151,5 billion from the R115,7 billion in 2014 and comprised a significant 14,6% of South Africa's total export earnings. A record of 333 802 right- as well as left-hand drive vehicles, along with a diverse range of automotive components, were exported to 140 countries with the export value to 30 destinations more than doubling on a year-on-year basis. The domestic automotive industry's top export markets in value terms were Germany with R35,0 billion followed by the USA with R20,9 billion. The importance of the trade arrangements

that South Africa enjoys with the European Union, allowing for duty-free vehicle and automotive component exports to the 28 countries in the region, the 15-country Southern African Development Community (SADC) free trade area as well as the AGOA trade arrangement with the USA, enhanced exports to these countries.

The industry in South Africa currently has one of the most competitive trading environments in the world with no fewer than 55 brands and 2 872 model derivatives for consumers to select from in 2015. This offers car buyers the widest choice to market size ratio anywhere in the world. Similarly on the light commercial vehicle side there were 31 brands with 625 model derivatives to choose from in 2015.

Potential opportunities for the domestic automotive industry relating to trade arrangements such as the "Cape to Cairo" free trade area, including 26 African countries, as well as South Africa joining the BRICS coalition along with Brazil, Russia, India and China, also feature in the publication.



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PEOPLE, PUNS AND PRODUCTS

A SPECIAL JAGUAR

Jaguar planned to build a limited number of the XKSS way back in 1957. Due to a fire at Jaguar's Browns Lane manufacturing plant, the project didn't go as planned.

The company recently announced it will now build a limited number of these classic cars which will set a buyer back about R20 million. You can buy 80 new Toyota Corollas for that amount!



BRAIN TEASER

Who is the youngest driver to have ever won the F1 drivers' title?

Sebastian Vettel was 23 years, 4 months and 11 days old when he won the title in 2010.

A MASSIVE MEAN MACHINE

This four-wheel so-called motorbike, called the Ludovic Lazareth, is powered by a 4,7 litre, V8 Maserati engine delivering 350 kW or 470 bhp. Thanks

to the quad-wheel design it can lean into corners up to 30 degrees. The price? R3,3 million.



YET ANOTHER MAZDA MX-5

The lightweight, two-seater Mazda MX-5 with its front-engine, rear-wheel-drive layout was first introduced in 1989. It continues to be the best-selling two-seater convertible sports car ever.

Now in its fourth generation, the latest addition to the range offers a push-button retractable roof. It is powered by a 2-litre, four-cylinder engine.



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THE SILENT PASSENGER

Scared of tackling that late-night drive home? There is a solution. Get yourself a so-called Replica Passenger. It is a life-like body held in place with the seatbelt. For more information go to info@redemeraldcommunications.com



LOOK, NO HANDS

A championship for driverless cars? It isn't fiction. The series, which will act as a support category to Formula E events, plans to field all-electric, driverless cars during the 2016/2017 season. What next?



A FAST HOLLANDER

It is called the Donkervoort and it is made in Holland. It is powered by an Audi 2,5 litre, five-cylinder engine. Performance is staggering, to say the least. Zero to 100 km/h in under 2,8 seconds. Only 40 will be built at a price tag of R2,6 million.



NEW SUBARU IMPREZA

Subaru fans rejoice. The Japanese manufacturer has introduced its next-generation Impreza at the New York Auto Show recently. With a chassis offering improved rigidity, it is powered by a redesigned 2-litre engine offering 113 kW.



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NUMBER PLATES: INDUSTRY NEWS

BROUGHT TO YOU BY THE SOUTH AFRICAN NUMBER PLATE ASSOCIATION

SABS : CERTIFICATION SERVICES STILL ON HOLD

Industry had another meeting with SABS Commercial on 18 April 2016 and was informed that more than 232 embossing permits expired, since the implementation of their process to reinforce controls and full testing.

SABS Test House currently fails the majority test number plate samples on the number plate graphics and provincial logos. It is important to mention that the various provincial MECs are the custodians of the number plate graphics and logos, which were introduced approximately twenty years ago, and SABS Test House hence never tested it for compliance. The blank number plate manufacturers did submit the previous provincial approval letters and signed-off graphic samples to SABS Commercial, which weren't accepted.

National Department of Transport (NDOT) will arrange individual meetings between SABS, Industry and the relevant Provincial Department of Transport representatives to discuss the reasons for the test failures of the provincial graphics and logos. The intention is to reach consensus between all parties, during said meetings, whereafter the provincial

representative will endorse the approved retro-reflective sheeting samples of each supplier. Industry is in favour of this process and the timeline for these meetings is still being determined.

The SANS 1116 specification still requires compliance to the relevant provincial Gazettes, which will have to be amended to reference the approved graphic samples. Amendments to Gazettes can be an extremely tedious process and will thus not offer an immediate solution for the graphic and logo failures.

Industry is thus in dire need of an interim solution, since our integrity is seriously at stake and the financial loss is escalating daily. A number plate is an essential product and production cannot be interrupted. An official concession will allow Industry to continue operating legally and we therefore requested SABS Commercial's assistance to arrange a meeting with the SABS Executive Committee, during the meeting of 18 April 2016.

SABS Commercial, however, informed Industry on Tuesday, 3 May 2016 that communication to the industry, including the meeting minutes, will be further delayed and no timeline was provided.

SABS Commercial is contractually obligated, as per the General Permit



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Conditions, to communicate any changes in the certification requirements to permit holders / clients. SABS Commercial is further subject to the conditions of SANS 17065 and SANS 17021, which also clearly stipulate a certification body's duty to communicate revised certification requirements to their clients. Please see the relevant excerpts below:

- The SABS General Permit Conditions of 14 May 2015 states under sub-clause 3.5 Changes Affecting Certification:
 - 3.5.2 *"When the certification scheme introduces new or revised requirements that will affect the Permit Holder, SABS Commercial will ensure that these changes are communicated to the Permit Holder."* (sic)
- SANS 17065 states under sub-clause 7.10 Changes affecting certification:
 - 7.10.1 *"When the certification scheme introduces new or revised requirements that affect the client, the certification body shall ensure these changes are communicated to all clients. The certification body shall verify the implementation of the changes by its clients and shall take actions required by the scheme."*
- SANS 17021 states under sub-clause 8.6.2 Notice of changes by a certification body:

8.6.2 *"The certification body shall give its certified clients due notice of any changes to its requirements for certification. The certification body shall verify that each certified client complies with the new requirements."*

SANA received a copy of the CEO's letter, titled "REINFORCEMENT OF OUR QUALITY PROMISE", for the first time on 7 July 2015, as response on a complaint regarding the severe delays in issuing new SANS 1116 permits. Said letter made no reference to the impact the reinforcement of controls would have on a particular industry and the new testing requirements weren't mentioned. Clause 2 of said communiqué in fact states *"that there are no new requirements that have been introduced at the SABS for the issuing of the SABS Mark."*

I believe that the current status of affairs could have been prevented if there was proper consultation with Industry. One cannot help to ask whether SABS ever contemplated the ramifications their actions would have on a struggling South African economy?

CONTENT AS SUPPLIED BY THE SOUTH AFRICAN
NUMBER PLATE ASSOCIATION

SANA Contact Details:

Cell: 082 322 5208 Fax: 086 684 1304
Email: zurika@neza.co.za



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INTRODUCING A CASE MANAGER



Terry Kent (66) is a man of many trades and a master of all. He is a qualified mechanic, panel beater and spray painter. He has the necessary papers to fly light aircraft and to do skydiving. And, what's more, Terry has a diploma in dressmaking.

"I started working on cars when I was six years old," explains Terry. "My dad was a race car mechanic and I started helping him at a very early age."

There is nothing that Terry can't fix. From tractors to Ferraris. From trucks to powerboat engines.

Terry joined the MIOSA after a six-year stint with the Automobile Association of SA.

His interests are boating, motor racing and fishing.

TAKE CARE

One of the main delaying factors when dealing with a complaint is still the failure of consumers to complete the complaint form in full. This causes a significant delay in the processing of complaints.

The foremost rule every consumer should follow before completing any document, is that they should read it through carefully first before applying pen to paper. By supplying nothing more and nothing less than exactly what the document asks for, they would be ensuring that no delay is caused in the processing of their case.

Complainants must always remember that by applying their initials and/or signature to any document, they attest that they have read, understood and agreed with not only the accuracy of the information they have supplied, but also to the content thereof.

NEW APPOINTMENTS



Anette Vermaak
Assistant case manager



Kenneth Makatu
Case manager

GOODBYE KEN

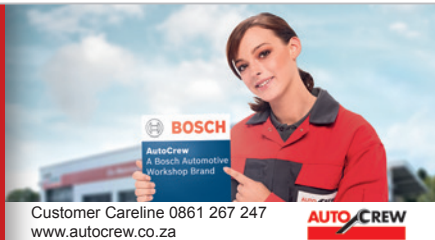


Ken Visser acted as the MIOSA's handyman, fixing everything that needed fixing. A likeable individual with a great sense of humour, he has decided that the time has come to put his feet up and enjoy retirement. From all at the MIOSA: Thanks Ken and may life be kind to you. You deserve it!

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