

ISSUE 1 • VOLUME 9 • FEBRUARY 2018

UPDATE

NEWSLETTER OF THE MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA



MOTOR INDUSTRY OMBUDSMAN
OF SOUTH AFRICA

THE ROAD AHEAD

NEW VEHICLE SALES AND EXPORTS – JAN 2018

45,888

vehicles sold in the first month of 2018



That's **8.9%** less than the 50 386 vehicles sold in the first month of 2017

45,888

New vehicles sold in South Africa in Jan 2018

5,138

More than December 2017

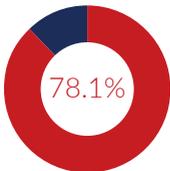
4,498

Less than January 2017

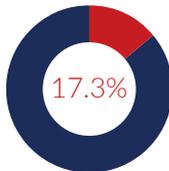
32,642

The number of passenger vehicles sold in Jan 2018, up by 6,048 units or 22.74% on 26,594 vehicles sold in Dec 2017

SALES PER INDUSTRY



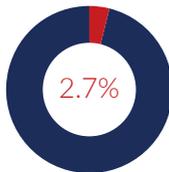
Dealer



Rental Industry



Government



Corporate

TOP 5 SELLERS



1. Toyota - **11,893**

4. Nissan - **4,400**

2. VW - **7,070**

5. Hyundai - **2,897**

3. Ford - **4,869**

Passenger vehicle sales accounted for 71.13% of car sales in January 2018



Light Commercial vehicle sales in January 2018 were down by 3.5% from December 2017 and down by 2.1% in January 2017

TOP 5 EXPORTS



1. Toyota - **4,381**

4. Mercedes - **2,106**

2. VW - **3,947**

5. Ford - **912**

3. BMW - **2,263**

14,212

vehicles were exported in January 2018

22%

higher than January 2017

18.2%

lower than December 2017

Supplied by Absa, Member of Barclays

Source: Naamsa



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MESSAGE FROM THE OMBUDSMAN

THE IMPORTANCE OF RECORDING YOUR BUSINESS INFORMATION ON THE DATABASE OF THE MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA (MIOSA)

Since the inception of the MIOSA in 2000, it developed from a voluntary organisation to an organ of state with certain powers to carry out conciliation processes. However, from the start the MIOSA operated from the premise that the quicker the database of recorded businesses can grow, the sooner the MIOSA will be able to reduce the prescribed contribution to industry at large.

By complying with the companies act and as far as possible with the King III code of practice, the MIOSA was able to put together a management structure that has served the organisation well. In fact, the MIOSA was so successful in its drive to grow its database that it was able to reduce the prescribed contribution during the second year since accreditation and every year since.

However, nothing can remain static and we are now entering into a new phase where certain compliance issues has forced the MIOSA to restructure its management model in line with the King IV code of practice that has become compulsory. This has resulted in new challenges for the MIOSA to evolve its

Johan van Vreden
Motor Industry
Ombudsman of
South Africa



current systems in such a way that the governance issues as per the companies act as well as the King IV code of practice. It goes without saying that the MIOSA will adhere to these governance issues as a matter of course. Where we are not able to comply with the King IV code of practice the MIOSA will of course explain any possible difficulty so that it can be acceptable in terms of the King IV code.

These new processes that have to be followed to remain compliant may have a financial impact on the automotive and related industries and may lead to an increase in the prescribed contributions to the MIOSA for a period of time. This will again reduce as the database of the MIOSA grows. At this stage we have not been able to quantify the extent of the financial impact but the industry will be kept informed.

The above illustrates the importance of recording your business information on the database of the MIOSA to ensure that the prescribed contributions are kept as low as possible. ●



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FROM THE DESK OF KOBIE KRAUSE

CONTRIBUTION IN TERMS OF THE ACCREDITED AUTOMOTIVE CODE OF CONDUCT

To contribute or not to contribute to the MIOSA, that is the question.

This is a topic that has been discussed and written about on numerous occasions. There are still industry participants who either refuse or neglect to adhere to the aforementioned accredited code.

This is what the minister of trade and industry, Dr Rob Davies, had to say regarding this issue: "As you should know, a refusal or failure to pay the levies constitutes prohibited conduct as section 82 (8) of the Consumer Protection Act, 68 of 2008 (CPA) prohibits suppliers from contravening any applicable industry code and prohibited conduct is punishable through administrative penalties of R1 million or ten percent of the transgressing firm's total annual turnover, whichever is the greater. Furthermore, a failure to assist the MIOSA in identifying members of the automotive industry might constitute criminal conduct as section 108(1) of the CPA provides that it is a criminal offence

Kobie Krause
Deputy Ombudsman



to hinder, oppose, obstruct or unduly influence any person who is exercising a power or performing a duty delegated, conferred on that person."

The above clearly explains the minister's attitude towards non-compliers. To those who at this stage do comply, we extend our gratitude for assisting the MIOSA in accomplishing its purpose to reach the stage that contributions would become negligible. We also invite industry members to identify non-compliant industry members to assist the MIOSA in compiling a credible database in respect of the industry participants.

Please note that the MIOSA has embarked on a litigation strategy to force non-compliant members to record their business information on the database with the organisation and to make the prescribed contributions. ●

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A CASE IN POINT

COMPLAINT

A consumer purchased a new vehicle from a dealer. After a while the consumer had numerous problems with the vehicle, which included engine component defects and/or failure. The required repairs were carried out under the manufacturer's warranty over the course of ownership. After the manufacturer's warranty ended, the turbo and engine failed.

The consumer was of the opinion that if the initial repairs done under warranty were of a high standard, the subsequent failures could have been avoided. The manufacturer had no obligation to assist the consumer regarding the cost to repair the vehicle, but as a gesture of goodwill and without prejudice they offered to incur the majority of the costs to replace the engine.

The consumer was of the opinion that the manufacturer should be held liable for the whole amount as he/she was under the impression that the engine failure occurred due to bad workmanship when the vehicle was under the manufacturer's warranty.

CONCLUSION

The MIOSA's recommendation was that the manufacturer had no liability to enter into any negotiations to incur costs after the warranty had ended in terms of the warranty agreement.

COMPLAINT

The MIOSA received a complaint from a consumer regarding an outboard engine for a motorboat that had failed after repairs. The MIOSA assessed all the information submitted, including photographic evidence that indicated that the engine in question was subjected to excessive overheating. These photos also showed plastic components that had melted. They also showed that the pistons and cylinders had heat seizure marks on them. It was established that the water intake tubes became blocked during the operation of the engine by a foreign matter which caused the engine to overheat and seize.

CONCLUSION

The MIOSA concluded that from the evidence and submission the operator ignored the warning signs and the continued usage of the engine resulted in total failure. The MIOSA was therefore of the opinion that the engine in question was operated in conditions over which the repairer had no control. Therefore the MIOSA could not support the expectation of the consumer that the service provider be held liable for the failure.

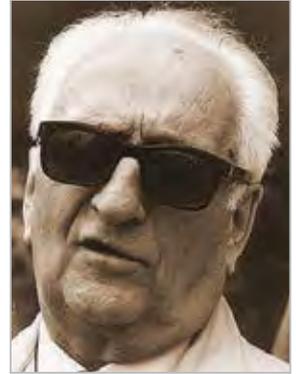
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We provide a full compliment of diagnostic technology from around-the-engine to around-the-wheel ensuring your workshop delivers accurate technical service.

FOOD FOR THOUGHT

Enzo Ferrari was a formidable individual. He made his mark single-handedly by building some of the world's most famous racing and road cars. Here are some of his quotes.



It's true that I have never met any man whom I thought altogether resembled me – but only because my faults are so numerous.

If you can dream it, you can do it.

I believe most things can be said in a few lines.

I build engines and attach wheels to them.

One must keep working continuously, otherwise, one thinks of death.

The client is not always right.

My cars are designed to go, not stop.

I have yet to meet anyone quite as stubborn as myself.

I have, in fact, no interest in life outside racing cars.

What's behind you doesn't matter.

I don't sell cars. I sell engines. The cars I throw in for free since something has to hold the engine in it.

You have to have courage to stand up to your critics.

Racing cars are neither beautiful nor ugly. They become beautiful when they win.

No-one remembers who took second place and that will never be me.

I want to build a car that's faster than all of them and then I want to die.

I have never gone on a real trip, never taken a holiday. The best holiday for me is spent in my workshops when nearly everybody else is on vacation.

Aerodynamics is for people who can't build engines.



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The web-based diagnostic software supports you through active troubleshooting during repair and maintenance.

MIOSA ACTIVITIES



The in-house public affairs information desk was established to keep staff members of the MIOSA informed. It contains a variety of informative publications such as the constitution, the Secondhand Goods Act and the Consumer Protection Act 68 of 2008. Staff members emptied the information desk on the first day of its inception! Shown here is Lucious Bodibe (public affairs manager) and Naomi Nemavhadwe who is responsible to keep the information desk up to date.



The advisory committee of the MIOSA held its annual meeting at the end of 2017. Present were (front row left to right) Kobie Krause (deputy ombudsman), Dr Mathews Phosa (chairperson), Johan van Vreden (ombudsman) and Ina Opperman. Standing left to right Renai Moothilal (NAACAM), Brand Pretorius, Nico Vermeulen (NAAMSA) and Adri Bezuidenhout (MIOSA).



Left: The multi agency compliance inspection on used car dealerships was the initiative of the National Consumer Commission. The office of the motor industry ombudsman, the Gauteng Office of Consumer Affairs, the National Credit Regulator and the South African Police Service played a role in conceptualising this campaign. Sonja Reed and Mercia van Niekerk of the MIOSA attended an inspection in the Pretoria North area.

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PEOPLE, PUNS AND PRODUCTS



WORTH WAITING FOR

The Jaguar I-Pace is an all-electric so-called crossover. It is powered by two electric motors, each producing 200 horsepower. It will be available from mid-2018.

MERC FOR THE FUTURE

The Mercedes-Benz EQ concept is basically an all-electric SUV with the dynamics of a coupé. The manufacturer claims it will be in production in three years' time.



SUPERFAST JAPANESE

The Aspark Owl, developed and built in Japan, can do zero to 100 km/h in two seconds. It is powered by two small electric motors, developing 320 kW. The four-wheel-driven Owl weighs only 850 kg.



NEW KTM

The all-new KTM Duke 790 is powered by a 799 cc, parallel twin, 8 valve, twin balancer shaft, dry sump, twin-chain-driven camshaft engine offering 79 kW engine.

Proof that the Austrians know what they are doing.



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Bosch brings together vehicle technology, the data cloud, and services to offer complete mobility solutions for the individual or fleet partner.



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A NEW BENTLEY

Called the Bentley Bentayga, it is powered by a 4-litre, V8 petrol engine. Zero to 100 km/h in 4,5 seconds. Maximum speed of 180 km/h. An SUV with grunt.



BRAIN TEASER

Name the car and the driver. In what year did he win the drivers' world championship? What makes his on-track achievements unique?



Ferrari 158. John Surtees. 1964. He is the only man who won the world title on both two- and four wheels.

A SPECIAL FERRARI

Of all the 1 200 Ferrari Daytona 365 GTB/4 models produced from 1969 to 1973, only five were made in a competition version, with light aluminium bodywork. A special order led to the addition of a road version with the same features. This particular car was recently discovered in a warehouse in Japan. It was sold for R27 million.



FUTURISTIC FERRARI

What will Ferrari's supercar look like in ten, fifteen or twenty years? Italian designer Adriano Raeli came up with this super design. Hope we see it in the flesh one day.





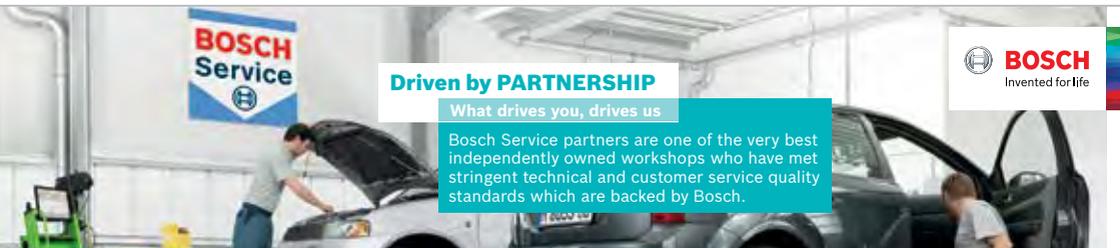
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RECORDING OF BUSINESS INFORMATION WITH THE MIOSA

NOVEMBER 2017 TO JANUARY 2018

The total number of companies that recorded their information in November 2017 with the MIOSA was the highest for 2017. Statistics show that used vehicle dealerships outshone all the other sectors within the automotive industry by a mile. Mechanical workshops continued with another strong showing. As has become the norm during 2017, panel shops and spares outlets made a good contribution towards the record total. Motorcycle dealers also made a strong showing.

Due to the December holidays and the office of the MIOSA being closed for the summer break, the number of companies that recorded their information with the MIOSA in December 2017 decreased by more than 70 percent. Vehicle dealerships, mainly used, together with mechanical workshop and spares outlets made up the bulk of the new recorded information.

Recorded company information in January 2018 recovered to almost the average for 2017. This total was boosted by the overflow from December 2017. The vehicle dealership sector outshone all the other sectors again with the workshop and fitment centre sectors

Tjaart van der Walt
Senior Administrative
Clerk



second and third. Panel shops, spares outlets and motorcycle dealers also made a sizeable contribution with a showing higher than their 2017 level.

It is expected that recording of business information in 2018 will start to pick up as the year progresses. The work that the MIOSA inspectors are doing countrywide assisting companies involved in the automotive industry to record their information with the MIOSA is proving invaluable. The contribution for 2018 has been lowered by 5 percent in certain categories as was the undertaking by the MIOSA from the date of accreditation that the contribution will be lowered as more companies recorded their information. ●

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The Bosch Service network is backed by Bosch supported with a full portfolio of services such as technical training, support and information database ensuring customer satisfaction.



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IS SPEED THE KILLER?

BY EUGENE HERBERT

MASTERTORQUE

Travel any highway and billboards shout the message SPEED KILLS, which, of course, results in one of two reactions towards speeding.

Firstly, there are those who agree and decry those who differ in opinion. Secondly, there are those who say it is stupid and quote instances of Formula 1 being the safest sport.

Some drivers believe that speeding alone does not actually cause crashes.

Very few crashes are due to one factor. So the claim in the opening paragraph is bound to be right. But this also illustrates that clinging to this claim as proof that speeding is not inherently safe, is worthless.

A good example of this is repeated attempts to break the world land-speed record, over recent decades. The Bloodhound SSC car uses a fighter jet engine in the hope of breaking the 1 000 mph barrier. If it stays completely flat and straight and has no critical mechanical failures, then there is a very good chance that it will travel extremely fast. But, it will be driven on an empty salt flat. Not a public road with a vast array of potential dangers.

It is not just breaking the posted speed limit that can contribute to serious or fatal crashes. If there are problems on the road, then it is easy to drive potentially dangerous speeds, even within the posted limit. It is called driving at an inappropriate speed for the circumstances. It is practically common – and deadly – on sub-urban and rural roads.

Also bear the following in mind.

The faster the car is travelling, the less time a driver has to react to any hazardous situations.

The faster the car is travelling, the further it will take to stop it. So if you cannot stop reaching the hazard, you will collide with it.

The faster a car is travelling at the moment of impact, the greater the damage, the more serious the injuries and the higher the risk of death.

It is as simple as that. ●



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INTRODUCING THE ADMINISTRATION MANAGER

Jennifer (Jenny) Johnson was born in Klerksdorp and matriculated in Naboomspruit. She joined the MIOSA in 2005 as receptionist.

Explains Jenny with pride in her voice: "I was employee number five. Today there are close on fifty people working at the MIOSA."

She was later promoted to filing clerk. After a spell as assistant case manager she was appointed as administration manager in 2010.

Does she like her job at the MIOSA?

"I love my job," says Jenny. "I find it very rewarding to assist other people

Jennifer Johnson
Administration Manager



and that is exactly what all of us do at the MIOSA."

A keen artist, she dabbles in painting and sculpture.

"I like to work with my hands," says Jenny. "I even built a rabbit hutch during the summer holidays."

Jenny is married with three children. ●

NEW APPOINTMENTS



From left to right: **Chrissie du Toit**, Inspector Westrand. **Ibrahim Adat**, Inspector KwaZulu-Natal. **Marsanne Cloete** Finance assistant.

The views expressed by contributors are not necessarily those of the MIOSA.

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