

ISSUE 4 • VOLUME 7 • NOVEMBER 2016

# UPDATE

NEWSLETTER OF THE MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA

HAPPY HOLIDAYS FROM ALL  
OF US AT THE MIOSA



MOTOR INDUSTRY OMBUDSMAN  
OF SOUTH AFRICA

TOGETHER WE GROW



# NEW VEHICLE SALES AND EXPORTS – OCT 2016

**459,486**

vehicles sold  
in the first ten  
months of 2016



That's **10.1%** less than the first ten months of 2015

**48,745**

New vehicles sold in  
South Africa Oct 2016

**1,387**

more than Sept 2016

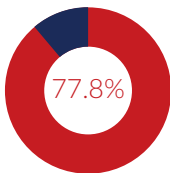
**5,494**

less than Oct 2015

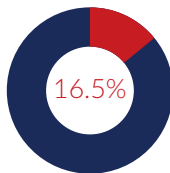
**32,738**

Passenger vehicles sold  
in Oct 2016, down by  
3,438 units or 9.5%  
on 36,176 vehicles  
sold in Oct 2015

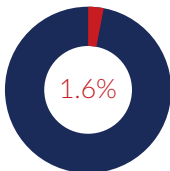
## SALES PER INDUSTRY



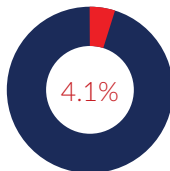
Dealer



Rental Industry



Government



Corporate

## TOP 5 SELLERS



1. Toyota - **11,129**

4. AMH & AAD - **4,844**

2. VW - **8,055**

5. Nissan - **3,692**

3. Ford - **7,199**

Passenger vehicle sales accounted for  
67.2% of car sales in October 2016

Commercial  
vehicle sales in  
Oct 2016, **11.4%**  
lower than Oct  
2015 and **3.62%**  
higher than  
Sept 2016



Light commercial  
vehicle sales in  
Oct 2016 were  
down by **10.7%**  
from Oct 2015  
and up by **5%**  
on Sept 2016

## TOP 5 EXPORTS



1. Mercedes-Benz - **9,087**

4. BMW - **5,277**

2. VW - **6,386**

5. Ford - **3,514**

3. Toyota - **5,694**

**30,718**

vehicles were exported in October 2016

**10.8%**

higher than Oct 2015

**6.4%**

down from Sept 2016

Supplied by Absa, Member of Barclays

Source: Naamsa

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## MESSAGE FROM THE OMBUDSMAN

### SEASON'S GREETINGS

2016 proved to be a difficult year for all those involved in the motor industry. Steadily rising fuel prices had a negative effect on consumer household spending. Coupled to this was the political turbulence that rocked the economy to its foundations, resulting in a continued downward spiral in the value of the rand. All this had an unbelievable impact on the industry. This included the smaller service providers as well as manufacturers and importers.

However, despite the doom and gloom, the motor industry showed its mettle by adjusting and realigning. One could immediately see the difference in strategies and the remarkable agility of the industry to adapt to the challenges at hand. New and innovative thinking became the order of the day that inspires hope and belief in an industry that will survive, no matter what.

It is also heartening to note how consumers were being treated during these difficult times by the solid service providers in all the areas of the industry. It is clear that by helping customers in a positive and sympathetic way, service providers pave the way for future business opportunities.

Johan van Vreden  
Motor Industry  
Ombudsman of  
South Africa



As we near the end of another year – one that will not be remembered for its economic successes – we are convinced that it will be remembered as the year of innovation and unusual strategic thinking.

Thank you to all the service providers in all the different sections of the motor industry for your solid and determined support for the office of the Motor Industry Ombudsman of South Africa. The cooperation has certainly assisted in the growing confidence that consumers are gaining in our industry. The most remarkable attribute to the industry is that they insisted that the MIOSA remain the fair, independent and objective organisation that it has been for the past 16 years.

With the above in mind, the MIOSA would like to wish everyone in the motor and related industries in South Africa a peaceful and happy festive season. Thereafter we can prepare ourselves for 2017. A year that will no doubt bring new challenges for us to face and deal with. ●



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## FROM THE DESK OF KOBIE KRAUSE

### THE PITFALLS OF PARK AND SELL

An owner leaves his or her car at an agent to sell on his or her behalf. It sounds great, but it caused many consumers to be without redress to the retailer when the vehicle became defective. Is this a new attempt to circumvent the Consumer Protection Act (CPA)?

In terms of section 27 of the CPA, the intermediary must disclose information to both the seller and the buyer of the vehicle. The legislator in terms of section 9 of the regulations to the CPA, describes in detail what information the intermediary must divulge to both the seller as well as the potential buyer and what must be recorded and how the records must be kept.

It is noteworthy that section 9(1) mentions that this regulation does not detract from the provisions of any other applicable law.

It is obvious that the provisions

**Kobie Krause**  
Deputy Ombudsman



relating to the law of agency becomes relevant. In a nutshell. The agent will be held personally liable if he/she does not disclose the identity of the principle. That is the person who gave him/her the mandate to sell or render the service. It is therefore important that the intermediary disclose the identity of his principle when selling the vehicle. This should be done when negotiations start with the consumer to enable the consumer to make informed decisions during the negotiation process.

The second-hand goods Act also comes into play and the intermediary should also conform to all the requirements in terms of the Act. ●

## NEW REGISTRATIONS: AUGUST 2016 TO OCTOBER 2016

The total number of registrations recorded in August 2016 was on par with the previous three months. The vehicle dealer sector (mainly used) topped the list by a large margin. It is clear from the

number of registrations from this sector that the pressure that vehicle finance houses are putting on dealers to prove registration with the MIOSA is resulting in the huge number of registrations.

### 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

For the first time motorcycle dealers contributed 11 percent to the total of this sector. Mechanical workshops ended the month with the normal strong showing. The other major player was the fitment centres. Panel shops and spares outlets made up the numbers. A few filling stations and engineering shops were also noted but not in any volumes.

The total number of registrations recorded in September 2016 was one of the highest in 2016. The fitment centre sector again took first place as more franchisees from groups registered. It was, however, a close race as the vehicle dealer network (mainly used again) maintained the momentum gained in August. Mechanical workshops

remained a strong performer in third place. As in August panel shops, spares outlets as well as a few filling stations made up the numbers.

The total number of registrations in October 2016 reflected the average of the months prior to September 2016. Fitment centres outshone all the other sectors. They won by a mile with the dealer and workshop sector second and third respectively. The three sectors represented 93 percent of the total for the month.

It is expected that registrations will slowly taper off during the next three months due to the December holiday season and the normal slow start at the beginning of a new year. ●

## A CASE IN POINT

### COMPLAINT

A customer bought a 2007 Subaru Tribeca during October 2015 for R118 020 from a dealer. Two weeks after purchase the vehicle broke down. Diagnostics showed that the cylinder head gasket had blown.

### CONCLUSION

The MIOSA found that the vehicle in question did not meet the requirements stated in section 20 and section 56 (1) and (2) of the Consumer Protection Act 68 of 2008 (CPA). The

new owner had acted in line with the abovementioned sections by having an independent assessment carried out on the vehicle which concluded that the cylinder head had been previously worked on and had been damaged in the process.

The MIOSA ruled that the dealer must collect the vehicle in question at their risk and expense and inspect it in order to determine damages as well as cancelling the sales agreement in accordance with the CPA. The dealer adhered to the ruling made by the MIOSA. ●



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# MAJOR PLAYERS IN THE INDUSTRY

## MOTOR INDUSTRY WORKSHOP ASSOCIATION (MIWA)

MIWA is the Motor Industry Workshop Association of South Africa, the largest workshop trade association in South Africa.

MIWA is the collective voice of independent workshops, directly representing over 2 500 workshops nationally.

MIWA is an association that strives to keep its members abreast on the ever-changing repair industry, thereby ensuring that vehicles are repaired to acceptable standards designed to make vehicles last longer, perform better and safer on South African roads.

MIWA urges motorists to use MIWA independent aftermarket workshops for all automotive products and services.

In terms of the Code of conduct, MIWA members undertake to provide products and services at fair and reasonable prices honouring the letter and spirit of the guarantee accompanying the sale of such products and services.

MIWA also has an ethics committee that is tasked with ensuring compliance within the association. Should non-conformants be identified, appropriate punitive measures will be applied, which may include suspension or termination of such members.

As the motoring public becomes more educated, so too are their choices in determining where to service and repair their motor vehicles. MIWA is currently driving a consumer education programme via local newspapers in educating consumers on various motor-related topics.

MIWA members offer professionalism and credibility that sets them apart from the rest. MIWA representation, amongst others, spreads from general repair shops to brake and steering specialists, auto electricians, driveline and transmission specialists and vehicle accessory centres.

MIWA members offer the correct repair equipment and suitably trained staff to ensure that work is carried out in a professional and competent manner.

By dealing with accredited MIWA independent aftermarket workshops, customers have the peace of mind knowing that their vehicles are in safe hands, undergoing repairs and maintenance with quality parts at fair and reasonable prices, all backed up by suitable guarantees.

### MIWA CONTACT DETAILS

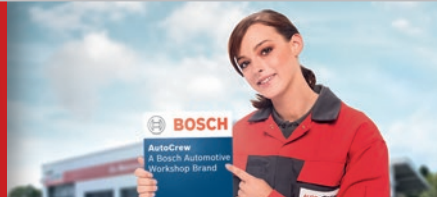
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## MIOSA ACTIVITIES

The MIOSA is continuously interacting with government, players, bodies and institutions in the local motor industry



The advisory committee of the MIOSA held its annual meeting in Pretoria recently. Front row: Ina Opperman, consumer journalist, Johan van Vreden, ombudsman. Back row: Nico Vermeulen, NAAMSA. Ken Manners, NAACAM. Renai Moothlal, NAACAM. Apologies: Dr. Mathews Phosa, Dr. Popo Molefe and Brand Pretorius.

to enhance relationships. As the MIOSA motto states: TOGETHER WE GROW. To the benefit of supplier and consumer alike.



Interaction with the National Consumer Council is of cardinal importance to the MIOSA. Ombudsman Johan van Vreden (left) recently held informal discussions with Trevor Hattingh of the NCC.



The MIOSA continuously liaise with provincial consumer affairs offices in the interest of improved customer relations. Lucious Bodibe, head of the case management unit of the MIOSA (fifth from left, back row) recently visited the KwaZulu-Natal consumer affairs office to bring those present up to date on the workings of the MIOSA.



The Ferrari distributors in South Africa have registered with the MIOSA. Ombudsman Johan van Vreden recently paid a visit to the dealership in Johannesburg to take a look at the wonders on wheels from Maranello.



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## PEOPLE, PUNS AND PRODUCTS

### 2030 F1 RACER

Ever wondered what F1 cars will look like in years to come. The people at Motorsport.com put their heads together and came up with this rendition of what an F1 car will look like in 2030.



### BRAIN TEASER

Name the car, the engine that propelled it and the year it took part in F1 events.



Arrows A2. Ford-Cosworth DFV. 1979.

### OH MY SOUL

A recent post on Facebook: *Please can someone explain this one to me. If my car is a 1.4 litre engine, how did they fit 40 litres of petrol in it? I am totally confused. Scratching my head.*

### SINGAPORE SPECIAL

The all-electric Dendrobium – designed and built in Singapore – kicks out 1 500 bhp with zero to 100 km/h in 2,6 seconds. Maximum speed is a claimed 400 km/h. That's good enough to give some Ferraris and Lamborghinis a run for their money. Only ten will be built.



### A VERY SPECIAL BMW

Rock 'n Roll legend Elvis Presley drove this BMW 507 around Germany while doing military service. It then disappeared for almost 50 years before ending up in BMW's hands and undergoing a complete restoration.



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## MASSIVE MAYBACH

The Vision Mercedes-Maybach 6 concept is six metres long and it is fully electric. Total output is 550 kW (750 bhp). Zero to 100 km/h in less than four seconds with an electrically limited top speed of 250 km/h.



## THE CABIN OF THE FUTURE

Ever wondered what the cabin design of a car will look like in years to come? Well, Lexus is giving us a clue with the interior of its UX Concept compact SUV. The emphasis will be on a wide array of information at a glance.



## A CITROËN FOR THE FUTURE

This design study by Citroën, dubbed the CXperience Concept, gives a clear indication of what future Citroëns will look like. This concept has a plug-in hybrid petrol /electric powertrain coupled to an eight-speed automatic transmission. There is a distinct lack of side mirrors. These have been replaced by small arms housing cameras that project an image to a small screen just inside the door.



## PEUGEOT'S DAKAR CHALLENGER

Peugeot will tackle the 2017 Dakar with this stunning-looking, so-called 3008 DKR. Powered by a 3-litre, twin-turbodiesel engine, power is delivered to the rear wheels only.



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# SOUTH AFRICAN TYRE MANUFACTURING CONFERENCE

## INVESTMENTS INTEGRAL TO SAFETY CUSTODIANSHIP



The South African tyre manufacturing industry, which is spearheaded by local players Bridgestone, Continental, Goodyear and Sumitomo continues to benefit from ample investment geared towards production processes. However, deeper conversations pertaining to legislation, education and safety processes are necessary in ensuring that the industry in all its spheres preserves the ethos of safety for everyday motorists.

This has been the impetus behind the South African Manufacturing Conference's collaboration with industry-related stakeholders such as government and the National Regulatory of Compulsory Specifications (NRCS) in addressing the intricacies of the tyre manufacturing industry from production to quality assurances processes supported through proficient regulatory methodologies.

Among the many cornerstones behind this collaboration is the continued expansion of South Africa's tyre manufacturing industry. Last year 11 million tyres were sold locally, accounting for 61 percent in domestic sales. Two million tyres were exported from South

Africa while a total of 5 million imported tyres entered the market.

The value of vision has propelled SATMC's commitment to partnerships with the Tyre Importers Association in collectively addressing and engaging the technical regulatory institutions such as the NRCS, the South African Bureau of Standards (SABS), the South African National Accreditation System (SANAS), the International Trade and Administration Commission and the South African Revenue Service.

The proactive positioning of engaging regulatory institutions through conversations on technical regulatory standards and specifications, the lack of technical standards and specifications, formulating duty implementation policies as well as tyre tariff amendments alludes to a sense of optimism. This will shape a network of qualified custodians if it is taken into account that the local tyre manufacturing industry over the past four years has been galvanised by a R4-billion collective investment injection towards enhancing tyre production facilities.

This has culminated in significant strides made by manufacturers in remodelling production processes. ●

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# NUMBER PLATES: INDUSTRY NEWS

## BROUGHT TO YOU BY THE SOUTH AFRICAN NUMBER PLATE ASSOCIATION

### IS THERE A HIDDEN AGENDA?

The current status of the number plate industry is critical and less than 37% of the SANS 1116 permits for number plates are still valid. Number plates are essential products and production cannot be interrupted, for it would have a devastating impact on the economy.

Industry requested SABS to grant a concession, which would have allowed industry to operate legally, while addressing matters of concern. SABS, however, declined the request and remains obstinate in its view that the current actions are justifiable and increased the monthly permit fees between 147 percent and 204 percent.

SANAS suspended SABS Commercial for the second time this year on all scopes of accreditation, with the exception of SANS 17065 that covers product certification of number plates. SABS Commercial is in fact in breach of said specification, for:

- Embossers did not receive the required two audits per annum and thus paid for a service they never received.

- The SABS Approvals Board rejected audit reports completed by unregistered auditors, which resulted in the expiry of the majority of SANS 1116 permits.

SABS Commercial is blaming the current failures of the retro-reflective sheeting, on the non-compliance of the provincial graphics & logos, but the following should be taken into consideration:

- The retro-reflective materials currently in use, were approved by the relevant provincial MECs;
- Current failures are due to SABS Commercial changing their test methods.

Industry has taken a unanimous stance against the excessive fee increase and submitted an objection to the SABS Board, stating that:

- The fee increase will result in a dramatic price increase on embossed number plates that would affect the consumer;
- The majority of embossing businesses will find it difficult to afford the dramatic fee increase, which could result in numerous job losses;
- There will be a shortage of compliant number plates if embossers are forced to close down as a result of the permit fee increase.

Industry is awaiting feedback.

### SUPPLIED BY THE SOUTH AFRICAN NUMBER PLATE ASSOCIATION

Email: [zurika@neza.co.za](mailto:zurika@neza.co.za)



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## INTRODUCING A CASE MANAGER



Graham Botha  
Case manager

Graham Botha (65) was born and bred in Johannesburg and matriculated at Highlands North High School. After a stint in the army he completed his technical training at Lindsay Saker in 1973.

This was followed by a nine-year stint at the Brixton fire brigade where he acted as maintenance mechanical assistant.

Graham then moved to Durban where he joined a Nissan dealer and soon became service adviser. After two years he joined the Automobile Association of South Africa as a technical examiner. He was then promoted to the position as technical area manager in Natal.

Graham joined the MIOSA in March 2015.

Regarding his position at the MIOSA, Graham says: "I work closely with the National Consumer Commission and I thoroughly enjoy my job."

A keen golfer, he also enjoys watching F1 on TV.

What will he do when he retires?

"My wife and I enjoy the bush. It is my dream to one day buy a camper and for the two of us to visit game parks throughout South Africa."

Graham and his wife have two children and four grandchildren. ●

## NEW APPOINTMENT



Tshepang Confidence Motaung  
Case manager assistant

## WHAT NEXT?

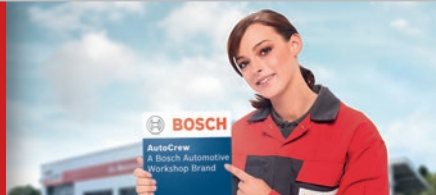
The following warranty claim came to the attention of the MIOSA recently. A disgruntled owner claimed, due to technical problems experienced with the vehicle, close on R180 million in total. This includes: Loss of income R108 000; defamation of character R28 million; pain and suffering R28 million; discomfort R88 million.

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

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