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MOTOR INDUSTRY OMBUDSMAN OF
SOUTH AFRICA

MIOSA

UPDATE

NEWSLETTER OF THE MOTOR INDUSTRY
OMBUDSMAN OF SOUTH AFRICA

ISSUE 1 VOLUME 7 FEBRUARY 2016

NEW VEHICLE SALES AND EXPORTS

- JANUARY 2016

48,615

vehicles sold in the first month of 2016



That's **6.9% less** than the first month of 2015

48,615

New vehicles sold in South Africa January 2016

552

less than December 2015

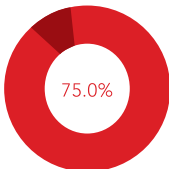
3,613

less than January 2015

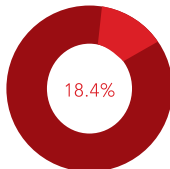
34,936

Passenger vehicles sold in January 2016, down by 2,272 units or 6,11% on 37,208 vehicles sold in January 2015

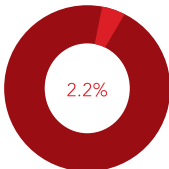
SALES PER INDUSTRY



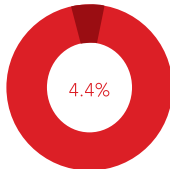
Dealer



Rental Industry



Government



Corporate

TOP 5 SELLERS



- 1 Toyota - 10,888
- 2 VW - 8,714
- 3 Ford - 6,524
- 4 AMH & AAD - 4,050
- 5 Nissan - 3,616

PASSENGER VEHICLE SALES ACCOUNTED FOR 72% OF CAR SALES IN JANUARY 2016

Commercial vehicle sales in January 2016 were 8.9% lower than January 2015 and 15.3% lower than December 2015



Light commercial vehicle sales in January 2016 were down by 8.3% from January 2015 and down 11.9% on December 2015

TOP 5 EXPORTS



- 1 VW - 4,061
- 2 Ford - 2,951
- 3 Toyota - 2,008
- 4 BMW - 1,927
- 5 Mercedes Benz - 1,280

13,057 21.9% 25.2%

vehicles were exported in January 2016

less than January 2015

down from December 2015

ACKNOWLEDGEMENT ABSA

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JOHAN VAN VREDEN
Motor Industry Ombudsman
of South Africa



MESSAGE FROM THE OMBUDSMAN

It is with great relief and thankfulness that all our hardworking staff returned safely from a well-deserved rest to face the new year. It is, however, with trepidation that when reading and watching the news one realises that the economic outlook for 2016 is nothing to get excited about. Despite this foreboding economic phenomenon that is facing not only South Africa, but also the rest of the world, one cannot rest on one's laurels and should more than ever strive to improve the efforts in our organisation's effectiveness.

We at the office of the Motor Industry Ombudsman of South Africa (MIOSA) strive to continually improve our service to consumers and industry and have set processes in motion that will greatly enhance the effectiveness of this office.

Amongst these projects that have already been set in motion, is the continuous training of the staff of the MIOSA. Technical training, as well as training and retraining of staff in

the practical utilisation of the Consumer Protection Act and the Code for the motor and related industries, will ensure that the service to consumers and industry will remain at a high level.

To improve the footprint of the MIOSA in the various provinces, more inspectors will be appointed to assist with the compulsory registration of motor and related businesses. Although we were able to achieve a good level of acceptance of industry in the registration process during 2015, it was disappointing to notice that certain businesses in the retail sector still do not appreciate the immense advantage of having a dedicated skilled ombudsman's office in place to assist with consumer disputes. Even though it is a legal requirement, non-payment of registration fees has placed a legal burden on the MIOSA to prosecute non-payers which is resulting in additional costs to the MIOSA.

Hopefully the registration situation will improve during 2016, which will inevitably result in lowering of levies in the future. With the above in mind, let us all join hands to make the best of 2016.



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NEW MIOSA REGISTRATIONS:

NOVEMBER 2015 TO JANUARY 2016

The strong upward curve in the number of new registrations experienced during the previous quarter (August 2015 – October 2015) continued in November 2015. The major contributor to the high number of new registrations was again, as in previous months, the workshop and fitment-centre sector. The panel beating sector also made a good showing. Encouraging was the fact that some motorcycle dealers and towing operators registered.

As December traditionally is a holiday month, the economic activity slowed down dramatically. The office of the MIOSA closed in the middle of the month for the summer break, resulting in lower than normal numbers of registration being recorded. The major contributors were used vehicle dealers and parts retailers. Registration of a splatter of fuel retailers was also recorded.

With the dawning of the new year registrations slowly but surely returned to acceptable levels compared to the same period in 2015. January 2016 immediately saw the workshop and fitment-centre sector snatching the first position again in the race to the highest number of registrations. Auto electrical workshops made a significant contribution to the good showing of this sector. Registration of some testing stations was also noted. ►

With such a good start at the beginning of the year the MIOSA is confident, that with the continuous growing understanding within the industry of the importance of registering, targets set for 2016 will be met.

NON-AVAILABILITY OF SPARE PARTS

The non-availability of spare parts for motor vehicles has left many a consumer frustrated and angry. The office of the Motor Industry Ombudsman of South Africa (MIOSA) often has to deal with these complaints and it has become quite an issue.

However, the answer to this problem isn't clear cut at all. Manufacturers and importers allocate millions of rands every year to their stockholding of spare parts. This then begs the question: why is it that consumers sometimes have to wait inordinate times for spares for the repair of their vehicles?

Many problems can be placed at the door of the frontline service provider. Often they don't have the cash flow to purchase the parts from the manufacturer or importer and then place the blame on the shoulders of their supplier. It is advisable for consumers to actually confirm with the frontline service provider that the order for the spare part has been placed and what the response of the part supplier was in terms of lead times. The other is for the consumer to contact his or her insurer to verify whether approval for the repairs – in the case of an accident damaged vehicle – was given to the frontline service provider.



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- Fleet Program



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FROM THE DESK OF KOBIE KRAUSE

MANDATE AND OBJECTIVE OF THE MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA



KOBIE KRAUSE
Deputy Ombudsman

On 17 October 2014, the Minister of Trade and Industry accredited the Code of Conduct for the South African automotive industry in terms of section 82(3) of the Consumer Protection Act (CPA).

The Code applies to the entire automotive industry irrespective of whether such persons are members of any automotive industry association. The Code also focuses on consumer protection, supplier guidance and fair business practices.

The Code provides for an alternative dispute resolution process, within the automotive industry between consumers and suppliers and between suppliers themselves. Also between suppliers and manufacturers/importers or consumers and manufacturers/importers.

In terms of the Code, the Motor Industry Ombudsman of South Africa (MIOSA) was established to assist in resolving disputes that arise in terms of the CPA regarding any goods or services provided by the automotive industry to such consumers within the industry supply chain.

The Code further determines that where there is non-compliance the matter will be investigated and dealt with by the MIOSA in

accordance with its procedures. The MIOSA may, in addition to any steps taken in terms of its procedures, refer such non-compliance to the National Consumer Commission (NCC).

A supplier may not, in the ordinary course of business, contravene an applicable industry Code as per section 82(8) of the CPA.

In terms of the Code, the MIOSA must implement the Code and its interpretation as vested in the MIOSA.

In terms of the Code, the MIOSA is responsible to collect all contributions due and owing by the members of the automotive industry. The MIOSA must invoice the members of the automotive industry monthly on or before the 7th day of each month. The invoices are payable monthly in arrears on or before the 20th day of each month.

The objective of the MIOSA, in terms of the Code, is to consider and dispose of complaints in a procedurally fair, informal, economical and expeditious manner in accordance with the principles of natural justice and by reference to what is equitable in all circumstances in accordance with the CPA and its regulations.



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ALERT DRIVER

A DIFFERENT PERSPECTIVE

This contribution is intended to give a slightly different perspective to driving tips. See it as an opportunity to implement behavioural changes which should stay with you every time you move into the driving seat.

Perform a 360-degree scan. The scan should include looking behind as well as to the right and left. Scanning helps to establish an escape route when confronted by a hijacker or a smash-and-grab artist. When driving down a suburban street, use peripheral vision to scan door to door, driveway to driveway. A child or pet could suddenly run out into the street.

Check mirrors every 5 to 8 seconds. When travelling at 100 km/h on a highway, you cover the length of a rugby field every three seconds. A split second of extra time could be what's needed in order to avoid a collision.

Hands must be on 9 and 3 position on the steering wheel. Positioning your hands at a 9 o'clock and 3 o'clock position provides a better steering radius and additionally gives more room for the airbag to deploy effectively.

When steering around something maintain a steady speed. Don't hit the accelerator or brake pedal when steering around an object. The last thing a driver wants to do is increase speed, as it will unbalance the vehicle.

After going around an obstacle, get steering back to zero. To help recover your steering, it's important to get your steering centred as soon as possible as one wants the vehicle's tyres flat and straight on the road surface.

Don't pump ABS enabled brakes. A driver should avoid pumping the brake pedal as the system is designed to do the braking while allowing the vehicle to be steered. Hard, direct braking, will ensure that the ABS equipped vehicle will stop as quickly and safely as possible.

Look at what's ahead. Instead of looking at a turn, concentrate on what's ahead. Look through the turn and determine what will impact on you after the turn has been negotiated.

Participate in driver training courses on a regular basis. This doesn't have to be an expensive effort to reinforce safe driver techniques, rather consistent and applied enforcement.

Remember, regular training and constant measuring will bring about behavioural changes resulting in improved road safety.

Eugene Herbert
Group managing director
The RAC Group



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NAAMSA

FORECASTS FOR 2016

UNINSPIRING OUTLOOK FOR DOMESTIC SALES

2016 is expected to be a lacklustre year for the SA automotive industry, particularly in the case of domestic new vehicle sales. Industry production levels, on the back of expected further growth in vehicle exports, should however remain in an upward phase.

Domestically, economic growth continues to disappoint and South Africa's fiscal position remains under pressure as a result of difficulties experienced by a number of state owned enterprises, rising expenditure on social programmes and increased debt servicing costs.

Projected SA vehicle sales for 2016

Cars	393 000
Light commercials	175 000
Medium commercials	10 200
Heavy, extra heavy, commercial buses	20 000
Total vehicles	598 200

What about South Africa's economic situation?

South Africa's economic situation remains constrained with expectations of sluggish

economic growth of around 1,0% at best. The volatile and sharply weaker exchange rate reflects poor international perceptions. The sharply lower value of the rand will translate into upward pressure in inflation, particularly in the case of new vehicle prices in the coming year.

The effect of the severe drought throughout the country will also negatively affect economic growth. Expectations of further increases in interest rates and administered prices (electricity, water, fuel) will further pressurise personal disposable income.

It is against this background that the outlook for domestic sales in 2016 remains uninspiring and, at this stage, a decline in total new vehicle sales of between 3,0% and 5,0% is anticipated. The consumer driven new car market is likely to show a decline in volumes at the upper end of the range with new commercial vehicle sales projected to perform better in relative terms.

Factoring in the expected improvement in exports, domestic production of motor vehicles in South Africa was expected to show an increase from 615 000 vehicles produced in 2015 to close on 660 000 vehicles in 2016 – an improvement in vehicle production of about 7,3%. This figure could prove conservative if vehicle exports expand more than currently anticipated.

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PEOPLE, PUNS AND PRODUCTS



NEW APPOINTMENT

Warren Olsen (46) has been appointed chief executive officer of the Sewells Group in Sub-Saharan Africa. Sewells is a global consulting and outsourcing firm which specialises in the automotive industry.

Olsen has vast experience in the local automotive business having held management positions at Imperial Motor Holdings, Honda, Renault, Mahindra and Great Wall Motors.

auctioned for \$12 million (R448 million) and it became the third most expensive car ever sold.

FERRARIS OF THE FUTURE



Students at a design school in the USA were given a free hand to design a road-going Ferrari for the future. Here are two examples of what they came up with.



F1 ON ICE

F1 cars are designed exclusively for race tracks. Right? Wrong. During a recent publicity stunt Toro Rosso driver Max Verstappen was let loose on the snow-covered slopes of Kitzbuhel in Austria. What next? A grand prix on the moon?



BRAIN TEASER

What is this wing-carrying racing car called?

Where was it designed and built?

1966 Chaparral 2E, Texas, USA.



YET ANOTHER FERRARI

With this 1956 Ferrari 290 MM, the legendary Manuel Fangio finished fourth in that year's Mille Miglia, a road race held on public roads in

Italy in days gone by. It was recently

SIGN AT A RESTAURANT



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AN EXPENSIVE TWO - WHEELER

This 1950 Vincent White Shadow sold for R3,5 million at an auction in America during January 2015. The selfsame bike fetched R6,9 million at a recent auction. Show this to the wife to prove to her that buying that expensive bike is a good investment!



A NO-SURPRISE BATTERY

Ohm Laboratories in the USA developed a battery with an integrated processor which monitors power levels and automatically cuts power when the battery drops to a critical level.

So, if you accidentally leave the lights of your vehicle on, the battery will shut itself down before going dead and then turn back on within thirty seconds when you start the car. What's more, the battery also has a replacement warning system which beeps when it is time to replace the battery.

A BIZARRE COMPLAINT INDEED

We live in a weird and wonderful world. Proof of which is some of the complaints received by the MIOSA. However, this one wins the kudos.

The consumer purchased a pre-owned vehicle in 2006 from a dealership, together with an extended warranty. A month later the vehicle started giving problems. The complainant took the vehicle back to the selling dealer and, unbeknown to the complainant, the selling dealer repaired the vehicle with pirate parts. In 2007 the consumer had repairs done to the vehicle and discovered that the extended warranty did not cover the cost of the repairs. The repairing dealer then sued the complainant for an amount of R45 000 for the repairs.

In 2014 the complainant emailed the relevant manufacturer with a claim of R33 million. Yes, R33 million! Some of the items on the list were: loss of income (R108 000), court case, documentation and tapes (R9 800), visit to selling dealer (R9 000), consultation, emails and phone calls (R7 500). Then comes the big one. Medical expenses and defamation of character (R28 450 000).



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SARTSMA

INTRODUCTION TO THE SOUTH AFRICAN ROAD TRAFFIC SIGN ASSOCIATION

The South African Road Traffic Sign Manufacturers Association (SARTSMA) is the trade body for companies that manufacture and supply road traffic signs and associated products for use in South Africa. SARTSMA is an informed and influential force in the South African transportation industry and its members are committed to follow the relevant national regulations and standards for road traffic signs. The association is dedicated in its efforts to face up to many of the challenges presented in the South African road traffic sign manufacturing industry, thus seeking to influence technological developments and to improve standards.

SARTSMA is represented on a number of technical committees and working groups under their auspices. These include SABS Technical Committee 1070 and associated working and action groups covering standardisation. The association is also a member of SARF (South African Road Federation) and members have active relationships at DoT, SANRAL and with provincial and municipal road authorities.

Effective road traffic signs are an integral part of a safe road infrastructure. High-quality, correctly specified, well-manufactured, retro-reflective road traffic signs are an important factor in achieving this requirement. The supply of incorrectly specified or poor quality road traffic signs have a direct bearing on the performance of the final product.



Road traffic sign manufacturing is currently not adequately regulated. Specified requirements, as per SANS 1519-2 are not always upheld. The lack of regulation results in inferior materials being used and poor quality workmanship on some finished road traffic signs. Contracts and tenders are often granted to unregistered manufacturers. They, either through ignorance or unethical business practice, provide inferior quality materials at low cost with no quality assurance on the finished product or recourse on subsequent failure. This ultimately increases the cost to Government and taxpayers. The trend also contributes to the high level of accidents experienced in South Africa, as well as the demise of the professional road



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traffic sign manufacturing industry – all at considerable cost to Government and consumers.

SARTSMA chairman, Garry Savill, advises purchasing agents to ensure that the products that are being purchased for road traffic signs are manufactured from good quality raw materials. These should meet the minimum material and design

specification requirements and should be backed up with meaningful performance warranty conditions from the manufacturer in the event of a problem.

SARTSMA CONTACT DETAILS:

Garry Savill (Chairman)

Email: garry.savill@sartsma.co.za /

info@sartsma.co.za

Website: www.sartsma.co.za



SOUTH AFRICAN NUMBER PLATE ASSOCIATION

SABS: PROCESS TO REINFORCE CONTROLS

On Monday, 25 January 2016, SABS Certification in Pretoria confirmed that all SANS 1116 permit renewals, as well as new and pending permit applications, will be put on hold. The SABS's ongoing process to reinforce controls is yet again given as the reason for the current state of affairs.

The number plate industry has suffered severe financial loss as a result of aforementioned process and an industry meeting was planned for Monday, 8 February 2016 in this regard. Embossers will be informed of the outcome and the way forward.

FEEDBACK : NORTH WEST SECURITISED NUMBER PLATE PROGRAMME

The new North West securitised number plate programme was rolled out on Thursday, 10 December 2015 at the Moretele Municipality in Mathibestad. However, the announced implementation date of 1 February 2016 went by without any action from the North West Department of Community Safety and Transport Management.

The South African Number Plate Association (SANA) is aware that the two national blankers took legal action against the Department and embossers will be kept updated about the outcome.

COURTESY OF THE SOUTH AFRICAN NUMBER PLATE ASSOCIATION

SANA CONTACT DETAILS

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INTRODUCING A CASE MANAGER

Kobus Rabie was born in Stellenbosch on 5 June, 1970.

After schooling in Potchefstroom and Carletonville, he then did his compulsory stint in the army.

Kobus then worked in his father's workshop in Pretoria until he joined the Automobile Association of South Africa in 2007. First in the roadside assistance department and then later in the organisation's quality assurance department as customer service specialist. He joined the MIOSA in February 2015.

A keen mountain biker, Kobus does about 900 kilometres per month during training.

What are his interests?

"I am a fanatic when it comes to endurance motorbike events such as the Roof of Africa and the Dakar," explains Kobus.

His hobbies?

"Our six-year-old daughter. I love to spend time with her," says the proud father.



GOODBYE THEO

After a three-year stint with the MIOSA, respected case manager Theo van Niekerk has decided to retire. Before

joining the MIOSA in April 2013 Theo, a qualified motor technician, spent 30 years at Toyota, mostly in the technical training department.

Says Theo: "I enjoyed my time at the MIOSA. It

PROMOTIONS WITHIN THE MIOSA

At the beginning of December 2015, Kevin Brandt was promoted to case manager after successfully completing the required in-house training. Kevin will be working with Graham Botha in the MIOSA's National Consumer Council department.

Antoinette Swartz and Rejoice Ngwenya have both been promoted to assistant case manager. They will spend the next couple of months undergoing on-the-job training. Once they have successfully completed the in-house training, they will be promoted to case managers.



ANTOINETTE SWARTZ
Assistant case manager



KEVIN BRANDT
Case manager



REJOICE NGWENYA
Assistant case manager

was rewarding to assist and advise people who encountered difficulties with their vehicles."

Thank you for your valuable input through the years, Theo. May you enjoy a long, healthy and happy retirement.



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