



NEWSLETTER OF THE MOTOR INDUSTRY OMBUDSMAN OF SOUTH AFRICA

UPDATE

FROM THE DESK OF THE OMBUDSMAN

A LOOK AT 2013

It was with almost a sigh of relief that the motor industry signed off 2012 having increased sales over the previous year albeit by much reduced margins. The outlook for 2013 is by all the signs not as rosy as the previous year. Another year of cost control will have to continue and it is clear that dealer group's confidence levels are dropping compared to what we have seen over the last two years.

To make matters worse, the rising fuel price as well as the threatening toll fees for motorists in Gauteng will just add to the challenges facing the motor industry in 2013. There are also reports of growing consumer debt which in itself is an indicator that South African households are taking financial strain.

On the positive side one can only hope that the interest rates stay low and that the currency does not show any more weakening. Although it is not foreseen that

manufacturers could stave off any price increases to keep it as low as they did during 2012, the relative stability in the pricing and supply of motor vehicles should contribute to a modest growth in the New Year.

The supply of spare parts still remains a major challenge for most manufacturers. However, one can understand the balancing act that has to be carried out to prevent dead expensive stock on the shelves. Consumers are not as sympathetic and one cannot blame people when they have invested the price of a vehicle and then in some cases having to wait weeks for spares.

The MIOSA remains ready to face its own particular challenges in the New Year and hope that with the implementation of the new systems we will be able to make our contribution to improve vehicle ownership in South Africa.



Johan van Vreden -
Motor Industry Ombudsman of South Africa

Calls received and Complaints logged by the office of the MIOSA

REVIEW OF THE PAST 3 MONTHS

With the implementation of a new telephone management system last year and the continuous upgrade of our complaints system, more accurate report writing is being introduced.

Over the past 3 months a total of 7 048 calls were received which is an average of 107 calls per working day.

The majority of the calls are:

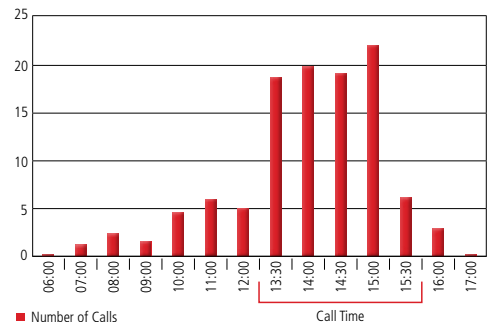
1. Follow up on current cases;
2. Advice on how to lodge a new complaint; and
3. CPA advice.

Our call centre is open between 13:30 and 15:30 Mondays to Fridays. As can be seen in the chart this is the busiest time of day.

The total number of complaints lodged over the past 3 months were 4 773 which is an average of 72 new complaints logged per working day. The number of complaints lodged with the MIOSA are actually reducing due to the new systems which have been implemented. With the CPA in place, the MIOSA is also able to educate the public and therefore help them solve their own complaints before it becomes necessary to lodge a complaint with the MIOSA.

Leanne Lubbe - Personal Assistant to the Ombudsman

DAILY TELEPHONE CALL TRAFFIC (INCOMING CALLS)



NEWS FROM GAUTENG

SURI MOTOR GROUP EXPANDS ITS OPERATION IN THE NORTH OF PRETORIA

On the 1st February 2013 Suzuki Montana, owned by Jaco Liebenberg and managed by Dealer Principal, Sharon Liebenberg, moved into their brand new 700m² showroom that offers sales of new and used vehicles as well as a fully equipped parts and service centre.

To further improve their service to their clientele in the north, Suri Motors opened the following franchises recently: Citroën Montana, GWM Montana, Mahindra and SSangyong Montana as well as GWM and Mahindra in Pretoria North. All these brands are complimented by parts and service centres.



Suri Motors subscribes to the TPP of the MIOSA



ANNUAL GENERAL MEETING 2012 -

MEMBERSHIP GROWING AT A STEADY PACE



Barend Venter - OPPASA Chairman

At the 2012 AGM of the Outdoor Power Product Association of South Africa, held at Ekudeni in Muldersdrift, the international manufacturing group, STIHL received the "Supplier of the Year" award, as voted by OPPASA members. STIHL have won this same award numerous times in the past. Dinamark received the "Runner up Supplier of the Year" award.

Honeydew Lawnmowers was voted "Dealer of the Year" and GrassnyerKliniek in Pretoria received the "Runner up Dealer of the Year" award.

OPPASA is looking forward to the year ahead with 82 members and still growing.

The new executive committee members chosen for the upcoming year are:

Chairman: Barend Venter
Vice Chairman: Alvin Steenkamp

Additional members:

- Gail Sanvenero
- Mike Nel
- Gert Venter
- Kurt Nagel
- Louis Kotze
- Phillip Labuschagne
- David Dunkley

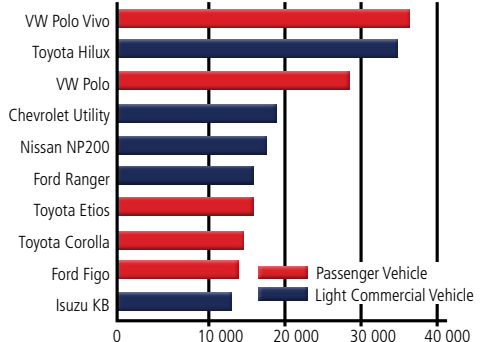
OPPASA subscribes to the TPP of the MIOSA

CONTACTING CONSULTANTS

Regional TPP consultants for pre-owned vehicle dealers, workshops, panelbeaters and fitment centres

Johannesburg/ West Rand	Tjaart van der Walt (jnr)	084 845 9057
Pretoria/Midrand/ East Rand/Free State/ Limpopo/Mpumalana/ North West/ Northern Cape	Mercia van Niekerk	082 442 9250
Kwazulu-Natal	Cyril Neilson	071 608 9995
Eastern Cape	Stephanie Newsome	081 267 2608
Western Cape	Rozanne Spangenberg	082 575 2681

TOP SELLERS IN THE NEW VEHICLE MARKET IN 2012



FROM NAAMSA:

• COMMENT ON 2012 CALENDAR YEAR NEW VEHICLE SALES STATISTICS

Following record domestic new vehicle sales in 2006 when the domestic total market peaked at 714 315 vehicles – the market declined for three consecutive years through 2009 and thereafter registered three successive years of relatively strong growth culminating in 2012 total sales of 623 914 vehicles.

For 2012 new vehicle sales were broadly in line with NAAMSA expectations which had projected an improvement in new vehicle sales for the year of up to 8%. In the event, industry aggregate sales for calendar 2012 at 623 914 units had improved by 52 499 vehicles or about 9.2% compared to the total of 571 415 new vehicles sold in South Africa during the previous year. Furthermore, factoring in the total sales reported by Great Wall Motors of 7 794 units for calendar 2012 – not split according to segment – the total South African new vehicle market last year would have been around 631 700 vehicles.

On balance, 2012 turned out to be a year of relatively solid growth. New vehicle sales generally and new car sales in particular performed well above initial expectations despite a slowing economy. Industry trading conditions remained intensely competitive with over 60 brands and close on 2 100 model derivatives, in the new car and light commercial vehicle sectors, competing for consumers' franchise. Initial calculations indicate that motor industry new vehicle related sales turnover had grown by about 11%, based on volume increases and a weighted average estimated increase of about 3% in new vehicle prices, during 2012 to reach about R182 billion for the year. Industry new vehicle export sales were estimated to have added a further R52 billion to total Industry 2012 revenue.

AGGREGATE ANNUAL INDUSTRY SALES BY SECTOR, OVER THE PAST FIVE YEARS, WERE AS FOLLOWS -

Sector	2008	2009	2010	2011	2012	2012 / 2011 % Change
Cars	329 262	258 129	337 130	395 429	439 997	+ 11.3%
Light Commercials	169 466	118 159	133 759	149 287	156 170	+ 4.6%
Medium Commercials	12 130	7 229	7 557	9 259	9 816	+ 6.0%
Heavy, Extra Heavy, Commercial Buses	22 529	11 705	14 464	17 440	17 931	+ 2.8%
Total Vehicles	533 387	395 222	492 907	571 415	623 914	+ 9.2%

• INDUSTRY PROSPECTS FOR 2013

On the assumption that the South African economy will grow, in real terms, by around 3% in 2013 and taking account of expected other domestic and international trends - the outlook for 2013 in terms of Industry vehicle sales by sector is summarised in the table hereunder –

Sector	2008	2009	2010	2011	2012	2013 Projected
Cars	329 262	258 129	337 130	395 429	439 997	475 000
Light Commercials	169 466	118 159	133 759	149 287	156 170	165 000
Medium Commercials	12 130	7 229	7 557	9 259	9 816	10 400
Heavy, Extra Heavy, Commercial Buses	22 529	11 705	14 464	17 440	17 931	19 000
Total Vehicles	533 387	395 222	492 907	571 415	623 914	669 400

The 2013 projections translate into an expected improvement of about 7.3% in domestic sales volumes for the year.

New vehicle sales over the medium term will remain a function of the performance of the domestic economy and, in the case of export sales, the performance of the global economy. Prospects for the Industry for 2013, at this stage, remain positive, however, volume growth is expected to be more subdued than the annual growth in total sales recorded over the past three years, namely, 24.7% year on year in 2010, 16.1% in 2011 and 9.2% in 2012.

Article acknowledgement: NAAMSA and RGTSMART

2012 CAR OF THE YEAR FINALISTS



2012 BMW 3 Series 320i Automatic



2012 Ford Ranger 3.2 XLT 4X4 Double Cab Diesel AT



2012 Hyundai i30 1.8 Executive



KIA RIO 1.4 TEC



2012 Lexus GS 350 EX



2012 Mercedes-Benz B 180 CDI BlueEFFICIENCY



2012 Nissan Juke 1.6 DIG-T Tekna (Leather)



Opel Meriva 1.4T Cosmo



2012 Porsche Boxster



2012 Range Rover Evoque Si4 Dynamic 5-door



2012 Toyota 86 High Spec 6MT



2012 Toyota Yaris 1.5 HSD Xs

NEWS FROM THE WESTERN CAPE

GINIEL'S SUPER SECOND PLACE IN 2013 DAKAR RALLY



Staff members of Imperial Toyota Cape Gate, who sponsors Giniel with a Lexus LX570 for personal use, proudly poses next to a Toyota Hilux prepared for the Dakar Rally in South America

Imperial Toyota Cape Gate subscribes to the TPP of the MIOSA

MIOSA WELCOMES NEW SUBSCRIBERS

The following dealers/service providers have joined the **Transaction Protected Project** of the MIOSA recently:

DEALER GROUPS

Automall

Automall Honda East London
Automall Nissan East London
Automall Renault East London
Town Motors East London

Stucky Motors

Stucky Motors Newcastle
Stucky Motors (MB) Newcastle
Stucky Motors Piet Retief
Stucky Motors Volksrust

SURI MOTORS

Citroen Montana Pretoria
GWM Montana Pretoria
Mahindra Montana Pretoria
Suzuki Montana Pretoria



Kent Motors Pinetown
GWM/Mahindra Pinetown
Kent Motors Durban
108 A. Lambede Street Durban
Kent Motors 1 Durban
78 A.Lambede Street Durban

INDEPENDENT DEALERS

Ariano Motors Lephahale
A to Z Motors Pretoria
Baviaanspoort Road Pretoria
A to Z Motors Pretoria
Stormvoël Road Pretoria
Cape Auto Centre Kuilsriver
Centurion Motors Group Centurion
Gys Pitzer Motors Pretoria
Kia Vryheid Vryheid
Potch Motors Potchefstroom
Remo Cars Pretoria
Roga Car Bar Paul Pietersburg
Stormvoël Motor City Pretoria
Subaru Pretoria Centurion
Sydney's Cars Sydney's Cars
First Street Welkom
Sydney's Cars Sydney's Cars
Hofmeyer Street Welkom
The Autodrome Paarl
Urban Auto Parow
Value Cars Vredenburg

SERVICE PROVIDERS

Car Care Clinic Centurion
Car Care Clinic Rivonia

COMMENT ON THE JANUARY 2013 NEW VEHICLE SALES STATISTICS



Nico Vermeulen -
Director NAAMSA

In amplification of the new vehicle sales statistics for the month of January, 2013 – released by independent statistical service provider, Messrs RGT SMART – the Association commented that following the positive sales performance throughout 2012, the strong underlying momentum had continued into 2013 with January new vehicle sales recording substantial gains on the corresponding month last year. In the event, January 2013 aggregate new vehicle sales at 55 007 units registered an improvement of 6 805 vehicles or a gain of 14.1% compared to the 48 202 vehicles sold in January last year. All major segments recorded double digit year on year growth – new cars 12.3%, light commercials 20.0%, medium commercials 10.6%, heavy trucks 30.0% and extra heavy trucks 16.6%. Moreover, the January, 2013 export sales at 17 399 vehicles reflected an improvement of 5 794 vehicles or a gain of 49.9% compared to the 11 605 vehicles exported in January last year.

Discussions are ongoing between Mercedes-Benz SA (Pty) Ltd, Daimler AG, the Department of Trade and Industry and other Stakeholders to facilitate the early resumption of full Industry sales reporting. In the meantime, Mercedes-Benz SA (Pty) Ltd would continue to provide a single total sales number for passenger cars, commercial vehicles and export sales and Messrs RGT SMART would continue to compile estimates for Mercedes-Benz commercial vehicle sales by segment.

Overall, out of the total detailed (disaggregated) reported Industry sales of 52 775 vehicles (excluding Mercedes-Benz SA (Pty) Ltd), 76.9% or 40 568 units represented dealer sales, 16.7% represented sales to the vehicle rental industry, 3.2% to government and 3.2% to Industry corporate fleets.

The new car market continued to demonstrate strength in January, 2013 and at 39 738 units, including Mercedes-Benz sales, reflected an improvement of 4 348 units or 12.3% compared to the 35 390 new cars sold in January last year. Continued strong demand by the car rental industry, which accounted for 22.5% of total new car sales during the month, had supported the market during January, 2013. Recent exchange rate weakness would have contributed to pre-emptive buying by consumers to avoid higher expected new vehicle prices.

Including estimates for Mercedes-Benz commercial vehicle sales by segment – sales of Industry new light commercial vehicles, bakkies and mini buses at 13 346 units during January 2013 reflected a massive increase of 2 226 units or 20.0% compared to the 11 120 light commercial vehicles sold during the corresponding month last year.

Sales of vehicles in the medium and heavy truck segments of the Industry at an estimated 700 and 1 223 units, respectively, had recorded an increase of 67 units or 10.6%, in the case of medium commercial vehicles, and a gain of 164 units or 15.5%, in the case of heavy trucks and buses, compared to the corresponding month last year.

Industry new vehicle exports during January 2013 at 17 399 vehicles had registered substantial gains rising by 5 794 units or 49.9% compared to the 11 605 vehicles exported in January last year. The momentum of vehicle exports was expected to improve further over the balance of the year and particularly exports of light commercial vehicles should increase substantially during 2013.

Despite indications of slower growth in the economy, the performance of the South African automotive sector continued to surprise on the upside. The overall near term outlook for the automotive sector remained reasonably positive. Factors that would continue to support domestic sales included the low interest rate environment, replacement demand, the highly competitive trading environment with attractive incentives, low debt servicing costs, high technology new model introductions and strong demand by car rental companies.

TOTAL VEHICLE SALES BY MANUFACTURER FOR JANUARY 2013

	RSA	EXPORT
VOLKSWAGEN GROUP SA	10 511	4 549
TOYOTA	10 219	5 399
GMSA	5 585	142
NISSAN	4 645	967
FMC	3 969	1 449
BMW GROUP	2 329	3 820
HONDA	1 233	39
JAGUAR LAND ROVER	886	0
CHRYSLER SA	865	20
TATA	695	0
RENAULT	558	0
PCSA	507	0
FIAT GROUP	466	3
SUZUKI AUTO	431	0
MAHINDRA	377	0
MITSUBISHI MOTORS SA	338	0
PORSCHE	211	0
VOLVO CARS	210	3
UD TRUCKS	155	27
MAN	133	21
IVECO	102	1
SCANIA	80	39
VOLVO TRUCKS	77	1
SUBARU	60	0
NC2 TRUCKS SA	40	2
POWERSTAR	35	1
FAW	29	0
BABCOCK	12	0
RENAULT TRUCKS	5	16
MASERATI	3	0
VOLVO BUS	1	0
SUB TOTAL	44 767	16 499
AMH & AAD	8 008	0
MBSA	2 232	900
INDUSTRY TOTAL	55 007	17 399

Article acknowledgement: NAAMSA and RGTSMART

INDUSTRY CODE FOR THE AUTOMOTIVE INDUSTRY IN SA

The Automotive Industry of South Africa filed an industry code with the Department of Trade and Industry before the Consumer Protection Act was promulgated.

This code has subsequently been revised and according to sources at the Consumer Commission the code is about to be advertised for comments. The code is at present enforceable in terms of Section 82(1)(b) of the Act in respect of all parties that signed the submitted code such as MIOSA, RMI, IDA, NAAMSA, NAACAM etc.

The Minister of Trade and Industry has till date hereof not exercised his discretionary powers to "withdraw all or part of a previously prescribed industry code, on the recommendation of the Commission in terms of Subsection (5)." It is therefore important to appreciate that the present code is still in full force.

Once the code with any alterations thereto is prescribed by the Minister in terms of Section 82(2) then all participants in the industry will be bound by the code. It is therefore important that all present subscribers to the code will ensure to apply the code in their normal business activities.



Kobie Krause -
Deputy Motor Industry Ombudsman of South Africa

A copy of the draft code is available on the MIOSA website - www.miosa.co.za

Stucky Motors Group

THE STUCKY FAMILY AND THE MERCEDES BRAND:

A LOVE AFFAIR OVER DECADES

For nearly 5 decades, the name "Stucky" has been veritably synonymous with the name "Mercedes Benz." This association is thoroughly entrenched as a result of the deep commitment, staying power, and love affair this family has had with the Mercedes brand throughout the decades. The relationship between the Stucky Family and Mercedes Benz spans a period of over 47 years, through 3 successive generations of successfully owned and managed family business enterprises.

Stucky Motors was founded in 1965 by brothers Werner and Roland Stucky, who immigrated to South Africa from Germany in 1953 and 1954 respectively and started working at their father-in-law's automotive dealership. After founding Stucky Motors in Volksrust in 1965, Werner Stucky sr. personally built the workshops still in use today, using beams and scrap metal welded together for reinforcing of the concrete foundations, in place of more expensive steel reinforcing.

Specializing in building bus bodies during the 70's in 80's, they converted Leyland and DAF bus bodies to Mercedes Benz coaches. They were the first dealers in South Africa to sell commercial vehicles and busses into Swaziland, and started a trend and love for Mercedes Benz in Swaziland that lasts to this day. Over the years, the second generation of Stucky's broadened the leadership

base at Stucky Motors with the entry of Fritz Stucky in 1980, Karl Stucky in 1985, and finally Reiner Stucky in 2004. This had enabled the unprecedented expansion and success of Stucky Motors in the last decade, and it all but ensures it's success in the decades ahead.

They have not just survived, but thrived over the years, and this can be attributed to their steadfast commitment to service excellence and their passion for the expansion of the Mercedes brand.

Stucky Motors subscribes to the TPP of the MIOSA



Roland, Fritz, Karl, Reiner, Werner Stucky