

JUNE/JULY 2020

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NADA



SAMBRA



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VTA

**RMI UPDATE:** PRE-COVID-19 AUTOMOTIVE EXPORTS EXCEL; COVID-19 SURVEY OF RMI ASSOCIATION BUSINESSES; WHERE TO FOR THE TYRE INDUSTRY? COVID-19: RETURNING TO THE WORKPLACE; THE DANGER OF UNMANAGED CONTRACTS; FIXES FOR THE HONDA CIVIC AND THE FORD KUGA





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drives us**



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ARA (Automotive Remanufacturers'  
Association), MIWA (Motor Industry  
Workshop Association), NADA

(National Automobile Dealers' Association), SAMBRA (South African Motor  
Body Repairers' Association), SAPRA (South African Petroleum Retailers'  
Association), SAVABA (South Africa Vehicle and Bodybuilders' Association),  
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# BELONGING IS BETTER BUSINESS



## Here's why...



### ⇒ *Legacy and unity*

- We've been representing the retail motor industry for more than **100 years**.
- With more than **8,000-member** businesses, our unity is our strength.

### ⇒ *Your voice*

RMI represents the industry at:

- Centralised wage negotiations.
- Various **MIBCO** and Industry-related Boards and committee structures.
- Various South African Bureau of Standards (**SABS**) committees and working groups.
- The National Regulator for Compulsory specifications (**NRCS**), defending our industry when compulsory specifications and standards are compromised.
- The Moto Health Care Fund, Industry Provident Funds and the Sick, Accident and Maternity Pay Fund.
- Meetings hosted by reputable organisations recognised by government, big business, consumers and relevant stakeholders like Business Unity SA (**BUSA**).



### ⇒ *Supports your business*

- Professional industrial relations advice ensuring procedural and substantive fairness when disciplining staff.
- Chairing of disciplinary hearings and **AUTOMATIC** entry at the **CCMA**, **DRC** and Labour Court.
- Exceptional CPA support at the National Consumer Commission (**NCC**) and the Motor Industry Ombudsman of South Africa (**MIOSA**).
- Facilitation of a business-to-business complaint where both parties are RMI members, with a complaint resolution rate in excess of 95%.
- Training needs and representation via **merSETA** and **W&RSETA**.
- Industry-specific products like **RMI4BEE**, **RMI4LAW**, **RMI4OHS** and **RMI4SURE**.



### ⇒ *Keeps you in the know*

- Industry labour relations seminars.
- *Automobil* magazine and weekly web letters.
- Commenting on industry topics in the media, and participating in and hosting numerous conventions and shows.







Where belonging matters

## Extraordinary times call for extraordinary strength and courage

**T**his is without a doubt the most challenging economic and trading period the RMI and its associations have experienced in our history. The sustainability of the automotive aftermarket is at a critical junction.


I appreciate that the last two months have created a lot of financial pressure on all of our members. The survival of the automobile aftermarket sector is key for South Africa, not only as a vital employment sector and contributor to the fiscus, but also as a significant enabler of, and support function to, many other sectors. Without an effective and operational automotive aftermarket, strategically located in each district, community, town, metro and city across all provinces, we are of the view that vehicle safety and effective vehicle repairs and maintenance will be negatively impacted and detrimental to the much-needed and speedy recovery of the economy.

In preparation for work readiness our members have adopted a phased approach to help alleviate financial pressure until business momentum can resume. It has allowed us time to ensure our businesses are all fully compliant with the stringent sanitisation regulations and protocols which need to be carefully adhered to. The reality is that just one positive COVID-19 case will close a business and we cannot afford that at this stage.

The RMI has accordingly developed an indepth COVID-19 business risk plan which will be used and updated for some time to come. We feel confident that our industry is ready and committed to implement all measures and maintain compliance at all times.

We understand that business recovery will take as long as six to nine months, if not longer, post lockdown to return to a sustainable and profitable return on investment. We not only have to deal with the impact of the virus and

the lockdown, but at the same time the global retraction of the economy. We need to be agile, adaptable and resilient during this time. We have found new ways of connecting and talking to members and customers with zoom calls and podcast and we have seen virtual training taking the lead. Moving forward we will continue to use these digital channels but I still see a more blended approach to avoid losing the power of face-to-face interaction. Our industry is known for its innovation and now more than ever, we need to find new, more effective ways of connecting with customers and staff. We will find a new normal.

I would like to end off by expressing my appreciation and pride in the way our member businesses have conducted themselves in these hugely challenging times. I would like to believe that this crisis will present an opportunity to come back stronger together. 

**Jakkie Olivier**

For information on the RMI and its workings, visit [www.rmi.org.za](http://www.rmi.org.za) or call 011 886 6300

# CONSTITUENT ASSOCIATIONS



## A DRIVING FORCE IN SOUTH AFRICA'S AUTOMOTIVE AFTERMARKET

The Retail Motor Industry Organisation is a proactive, relevant, retail and associated motor industry organisation recognised as the leading voice in South Africa's automotive aftermarket. It serves the daily needs of its members and plays a key role in enabling motor traders to deliver a superior service to motoring consumers. Eight Associations fall proudly under the RMI umbrella. Inter-associational business-to-business trading is encouraged in the interests of all stakeholders.



### **ARA - Automotive Remanufacturers' Association**

ARA represents the remanufacturing trade sector. This includes component remanufacturers involved in safety-critical components, inclusive of but not limited to vehicle cooling, turbocharger and braking systems; automotive engineers who machine and remanufacture engine components by way of expert engineering – ultimately rebuilding engines to its original specifications; and specialists in the repair, servicing and remanufacturing of diesel fuel injection systems fitted to diesel engines in earth moving equipment, highway trucks, stationary engines and passenger vehicles. ARA promotes the responsible reuse of remanufactured engine components for a 'greener' environment (carbon footprint). Its members are dedicated to providing consumers with only the best of advice, finest service delivery, and highest quality workmanship.



### **SAPRA - South African Petroleum Retailers' Association**

SAPRA represents the interests of all petroleum retailers in South Africa. Its aim is to improve growth and profitability for the investor. SAPRA plays an important role in tracking global and local trends that affect sustainability and help retailers remain relevant in an ever-changing business environment. Retailers voice concerns through one of the seven regional chairs strategically located around the country, into a National Executive Committee (NEC), where strategy and solutions are developed. This bottom up approach is a fundamental SAPRA imperative.



### **SAVABA - South African Vehicle and Bodybuilders' Association**

SAVABA members are professional, certified and regulated vehicle body builders in South Africa who manufacture commercial vehicle body applications (tanker, coal, refrigerated trucks and trailers) and bus bodies (commuter and tourist type). Members manufacture using the latest equipment and highly trained staff to ensure strict compliance with NRCS regulations; SABS standards and all other legal specifications and requirements.



### **MIWA - Motor Industry Workshop Association**

MIWA, the Independent Workshop Association, representing general repairs, auto electrical; air conditioning; accessories and fitment as well as transmission and driveline workshops strives to remain ahead of the ever-changing technologies and best practices of the aftermarket motor industry. MIWA encourages members to support inter-associational, business-to-business trading with a view to strengthen the RMI. MIWA remains the leading resource for members ensuring continued relevance and sustainability.



### **TEPA - Tyre, Equipment, Parts Association**

TEPA represents tyre dealers; garage/workshop equipment and tool importers and distributors; auto part wholesalers, retailers and independent operators in the aftermarket motor parts industry as well as manufacturers and importers of parts for the automotive aftermarket. The members of TEPA represent, promote, sell and endorse the use of legitimate, bona fide, quality branded products. TEPA members also export parts, equipment and components into Africa and other countries in the world. TEPA encourages at all times inter-associational RMI business-to-business trading, intent on strengthening the RMI Organisation as a whole. TEPA is seen as the mark of integrity and fair trade for the consumer, the business operator and the government. The Association is the legitimate voice of the tyre, equipment, and parts industry in South Africa and is positioned as an intermediary between government, business, and the consumer.



### **NADA - National Automobile Dealers' Association**

NADA represents the interests of business people who own or operate new motor vehicle and motorcycle franchise dealerships and qualifying used motor vehicle and motorcycle outlets. NADA is committed to the image enhancement of the retail motor business, facilitating the interface between dealers and OEMs; importers and distributors; building relationships between dealers and customers and bringing relevant industry issues to the attention of government. NADA is the respected voice on all matters relating to motor vehicle and motorcycle dealer business.



### **SAMBRA - South African Motor Body Repairers' Association**

SAMBRA is the pre-eminent motor body repair association in South Africa representing the majority of accredited motor body repairers. SAMBRA's grading system, which was introduced over 30 years ago, regulates repair standards in the motor body repair industry in South Africa and instils confidence in consumers and industry stakeholders alike. The Association works in close collaboration with various key industry stakeholders including Insurers, Original Equipment Suppliers, paint and equipment suppliers, the labour department and trade unions, as well as related SETAs – to maintain industry sustainability and development. It ensures the provision of technical and business management skills training in order for members to meet the demands of the industry.



### **VTA - Vehicle Testing Association**

The VTA represents private vehicle testing stations that are committed to operating within the law in accordance with the Road Traffic Act and the relevant SANS standards. In this highly regulated environment, the association represents the interests of its members at government level working groups and is committed to enhancing the reputation of the industry in all the spheres.

WE ARE BETTER TOGETHER



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Editor: Kate Kennedy

## Tough times for all

**D**id anyone think that, when the country closed down at the end of March, we'd still be pretty much in the same place 10 weeks later? Life is full of inconvenience – limited movement, a nightly curfew

and cabin fever – and stress. And the worst part, for me anyway, is that there doesn't seem to be an end in sight.

There are predictions that South Africa will reach its peak of COVID-19 infections in September, by which time I sincerely hope the government has amassed enough life-saving equipment to treat the worst cases. But this does mean that we're likely to in this frustrating limbo for months to come.

At least we've been released into Level 3, with a few more freedoms and a few businesses have been able to resume operations.

The automotive sector has been hard hit. New vehicle sales and export statistics, which are explored on pages 12, 13 and 38, draw a grim picture of reality. And the feedback from a number of RMI association business owners in response to a quick survey (page 14) give insight into what the lockdown has done to local businesses.

To those lucky enough to be allowed to operate, please take care of yourselves, your staff and your customers. To those forced to stay home, why not use some of the time making fond memories with your loved one?

'Til next time

Kate 

## Enrol in our Nated Engineering Studies Motor Trade Course.



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- N3: N2 or equivalent

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- ✓ Diesel Fuel Injection Technician
- ✓ Diesel Fitter
- ✓ Diesel Mechanic
- ✓ Motor Mechanic

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# TELL US WHAT'S ON YOUR MIND



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Wayne Adams, merSETA Acting CEO

**T**hese are indeed difficult and unpredictable times for industries throughout the globe.

The terrible knock in economic growth, reflected in the massive growth in unemployment numbers and the dramatic drop in consumer behaviour, has spared no company and no country.

The SETAs, too, have been affected. The skills levy payment holiday announced by the President at the start of the lockdown in March will have some negative implications, but in keeping with a ministerial directive, we continue stipends for learners.

It is important to note that the 2020 academic year in the Technical and Vocational Education and training sector has been restructured.

The minister has provided the following tentative return dates:

**NATED Trimester (ENGINEERING) students**

N6 & N3: 10 June

N5 & N2: 15 June

N4 & N1: 22 June

**NATED Semester (BUSINESS STUDIES) students**

N6: 25 June

N5: 29 June

N4: 06 July

**NC(V) STUDENTS**

Level 4: 13 July

Level 3: 20 July

Level 2: 27 July

Several TVET colleges have already developed learning materials both for TV and radio broadcasts available through the DHET website. These initiatives will continue beyond the return of students to campuses. Furthermore, all students who will not have returned to campuses in June and July will also be supported remotely until they return to campus according to the phase-in process.

TVET colleges are using textbooks, e-Guides, past question papers, and uploaded YouTube videos to assist students. These are supported through bulk text messages from colleges and WhatsApp groups set up by lecturers.

In addition, Indlela has implemented fresh ways for trade tests to continue without breaking the COVID-19 regulations.

A strong suit of our sector is the inter-connectedness of the supply chain process. This has a wholesome impact on training in all value creation processes.

As the intermediary between the education and training and the manufacturing and engineering sectors, the merSETA has forged strong inter-organisational and company relationships that will stand the test of time.

These relationships span decades. While there is likely to be a decline in the number of training opportunities in the immediate future, economies are bound to bounce back once the pandemic is under control and lockdown restrictions are lifted.


So, we should never take our eyes off the ball when it comes to skilling our workforce and students.

On behalf of the merSETA, I wish to applaud those companies that have stepped into the breach caused by the short-supply of personal protection equipment. In particular, we appreciate those companies that have re-engineered production processes to manufacture face-masks, gloves, ventilators as well as launching emergency field hospitals.

It once again shows the agility of companies in the mer-SECTOR.

We have taken a huge hit, but we also have strong shock absorbers.

'Till next month!

Wayne Adams  
merSETA Acting CEO 

# COVID-19 CONTRIBUTION DISCOUNT

WE KNOW TIMES ARE TOUGH, AND THAT THE LOCKDOWN HAS AFFECTED MANY SOUTH AFRICANS' INCOME. THAT'S WHY WE ARE OFFERING A 50% CONTRIBUTION DISCOUNT FROM APRIL TO JUNE 2020.

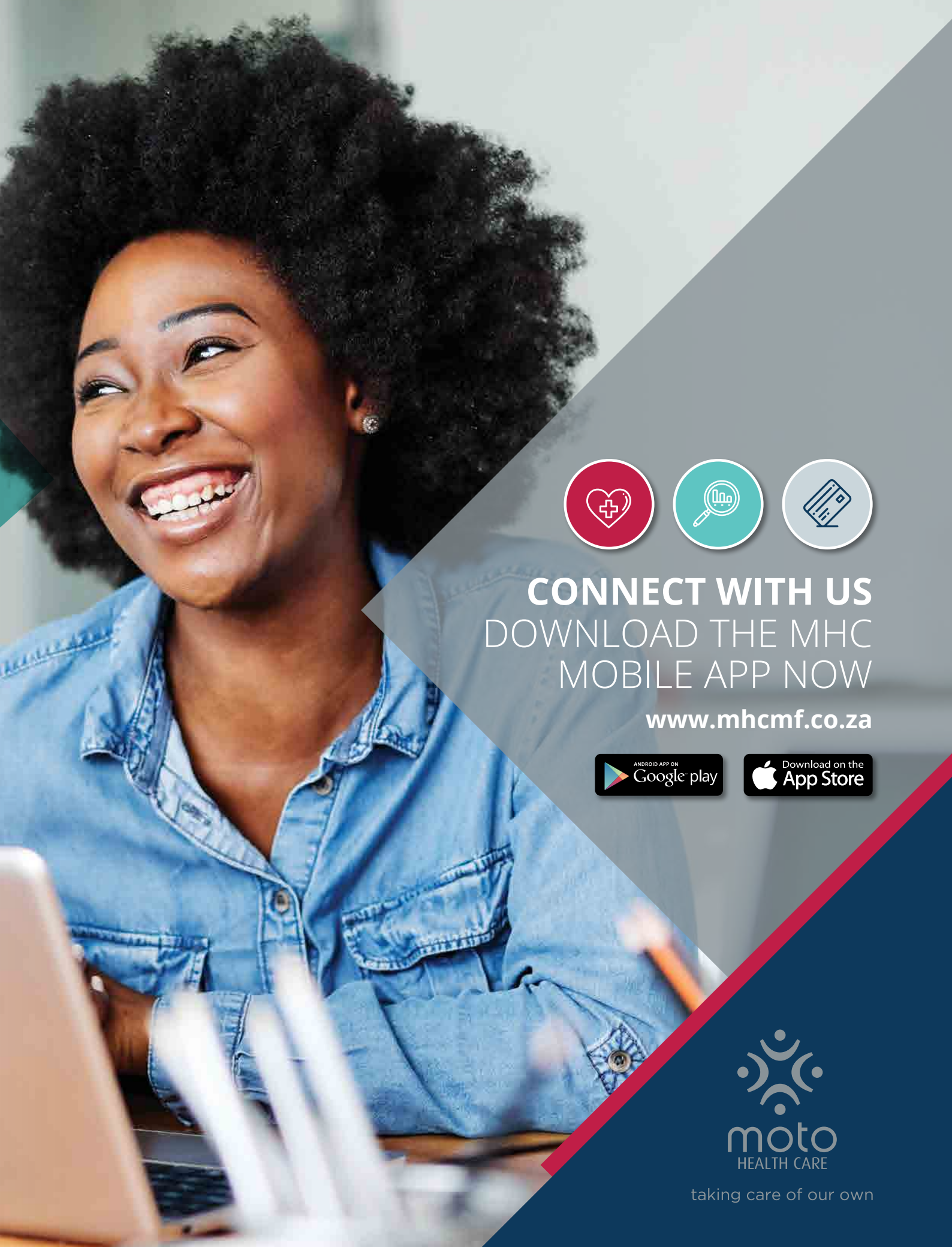
Remember, our call centre is open to answer any questions you might have about your option. During this time of crisis, we are committed to:

- Being available to our members with the least amount of disruption
- Ensuring sustainability of the Scheme for the best interest of all our members
- Ensuring that our industry is taken care of during this time

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taking care of our own

## Pre-COVID-19 automotive exports excel

**The nearly 100% decline in April 2020 new vehicle sales and export figures represent a barometer of the COVID-19 impact on the domestic automotive industry and the economy at large. Businesses and consumers remain uncertain on what the future holds through the current lockdown. As the bedrock of South Africa's manufacturing sector, vehicle and automotive component production, which eased back into production as of 4 May 2020, remain imperative to South Africa's economic fortunes.**

Despite already facing domestic and foreign economic headwinds in 2019, the domestic automotive industry once again excelled on the export side. Several new export records in 2019 compensated to a large extent for the progressive decline in the domestic new vehicle market over the past six years. The 2020 Automotive Export Manual publication just released the National Association of Automobile Manufacturers of South Africa (NAAMSA) and the Automotive Industry Export Council (AIEC) highlights that the export value of vehicles and automotive components comprised a record R201,7 billion, equating to 15.5% of South Africa's total exports in 2019. A record 387,125 vehicles worth a record R148 billion, along with a record R53,7 billion in automotive components, were exported to 151 countries in 2019. From 2018 to 2019, the total export values more than doubled in the case of 19 countries.

The broader automotive industry's contribution to the GDP in 2019 stood at 6.4% (4% manufacturing and 2.4% retail). As the largest manufacturing sector in the country's economy, a

substantial 27.6% of value addition within the domestic manufacturing output was derived from vehicle and automotive component manufacturing activity, positioning the industry and its broader value chain as a key player within South Africa's industrialisation landscape. The South African automotive industry's performance remains dependent on an intelligent partnership between the sector and government to develop the industry. One of the attractions of South Africa's automotive policy regimes over the past three decades has been its long-term vision and consistency.

The domestic automotive industry's top export markets in value terms in 2019 were Germany, with R75,5 billion, followed by Belgium, the UK and the USA. The UK, with 101,401 vehicles, was once again South Africa's top destination for vehicle exports in 2019. Volkswagen, with its Polo model, topped the country's export rankings in 2019. South Africa remains a strategic supplier of catalytic converters to the world, and by value, this component category maintained its dominant export position under the APDP in 2019, as the focus of exporters tends



Dr Norman Lamprecht, Executive Manager of the National Association of Automobile Manufacturers of South Africa (NAAMSA)

to be on high-value locally benefited, logistics-friendly automotive components.

The trade arrangements that South Africa enjoy with the European Union (EU), allowing for duty free vehicle and automotive component exports to the 28 countries in the region, as well as the AGOA trade arrangement with the USA, enhanced exports to those countries. The EU, with exports of R129,7 billion, or 64.3% of the total export value of R201,7 billion, was the domestic automotive industry's main export region in 2019. Africa was the industry's second largest export region with an export value of R31,9 billion, or 15.8% of the industry's total export value. The African Continental Free Trade Area (AfCFTA) to be implemented on 1 July 2020 could unlock many opportunities for South Africa in expanding regional integration into the continent, considering that 84.3% of the country's automotive exports into Africa were destined for SADC, which is the free trade area South Africa is part of.

On the import side, the top country of origin for vehicle imports in 2019 was

India, with 106,199 units, or 36.5% of total passenger car and light commercial vehicles imported. As a production hub for entry-level and small vehicles, most of the vehicles imported from India fell in these categories which comprise the bulk of new vehicle sales in the domestic market. India's profile is suited to produce small cars, which dominate its domestic market. Volkswagen's Polo Vivo is the only vehicle in these segments manufactured in South Africa. The value of vehicle imports from Germany, which included the premium brands, however, was almost 50% higher compared to those imported from India. The automotive policy regime in South Africa encourages domestic OEMs to manufacture high volumes of selected models linked to export contracts to obtain economies of scale, coupled with low-volume models imported to complement domestic market mixes. South Africa has one of the most competitive trading environments in the world, and in 2019 offered consumers a choice of no fewer than 46 passenger car brands and 2,507 model derivatives, the widest choice of new cars to market size ratio in the world.

Nine of the top 10 selling vehicles in 2019 were South African-built passenger cars and light commercial vehicles. The Toyota Hilux, with 40,934 units, was the most popular model sold in the country in 2019, followed by sales of 29,681 units by the top-selling passenger car, the Volkswagen Polo Vivo. An interesting phenomenon is that South African motorists are more inclined to rather drive bakkies, which have both commercial and leisure vehicle applications, than passenger cars.

Original equipment (OE) component imports by the seven vehicle manufacturers in South Africa increased to R106,8 billion in 2019, up by R9 billion, or 9.2%, from the R97,8 billion in 2018,



in line with the industry's record vehicle production volume, supported by the record vehicle export volume in 2019. Germany, Thailand, Japan, the US and China represented the main countries of origin for these components. High value, capital-intensive componentry, such as the powertrain and telematics, which collectively account for about 50% to 60% of the value in a modern vehicle, are mainly imported into South Africa and the remainder sourced in the domestic market. Global sourcing principles apply, which mean that every vehicle manufacturer sources a specific component from a specific globally recognisable brand supplier.

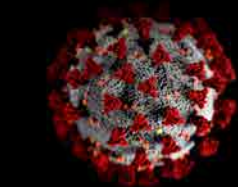
South Africa's global vehicle production ranking remained at 22<sup>nd</sup> in 2019, although its market share improved from 0.64% to 0.69% due to the record 631,983 vehicles produced in 2019, supported by the industry's record vehicle export performance. In terms of global LCV production, South Africa was ranked 14<sup>th</sup> with a market share of 1.25%. South Africa remained the dominant market on the African continent and accounted for 57.2% of total African vehicle production of 1,12 million vehicles.



South Africa is highly exposed to economic conditions in China and the world economy in general, and the COVID-19 pandemic will stifle export-oriented industries and manufacturing in the foreseeable future. South African exporting companies will be required to consider various scenarios for the world economy and global trade patterns in the short to medium term. The automotive industry across the world is currently experiencing unprecedented challenges due to the global lockdowns implemented across all major automotive manufacturing countries to flatten the COVID-19 curve, and South Africa is no exception to this. However, since the grand vision of the automotive industry involves electric vehicles, connected cars and autonomous driving, the latter two could just be accelerated as a result.

Globally, there is an interdependent relationship between the automotive industry and governments – the automotive industry depends on government support to improve viability, while governments support automotive industries to spur economic development. In South Africa the success of the country's automotive industry has and will continue to be of central importance to the future growth and prosperity of the country's economy. 





# COVID-19 survey

To get a better idea of what life has been like for the businesses of the RMI associations, we asked a few member businesses some pertinent questions about their experiences under lockdown.



## ARA



**ARA**  
*Frank Mac Nicol*  
*Almo Engineering.*  
*Virginia, Free State*

### **What has been your biggest challenge, considering your sector and location?**

Planning the eventual opening with half-staff. A criteria was worked out and put into place. Some of the staff who have been with us for 45 years were placed on UIF until further notice.

### **What help have you received during this time?**

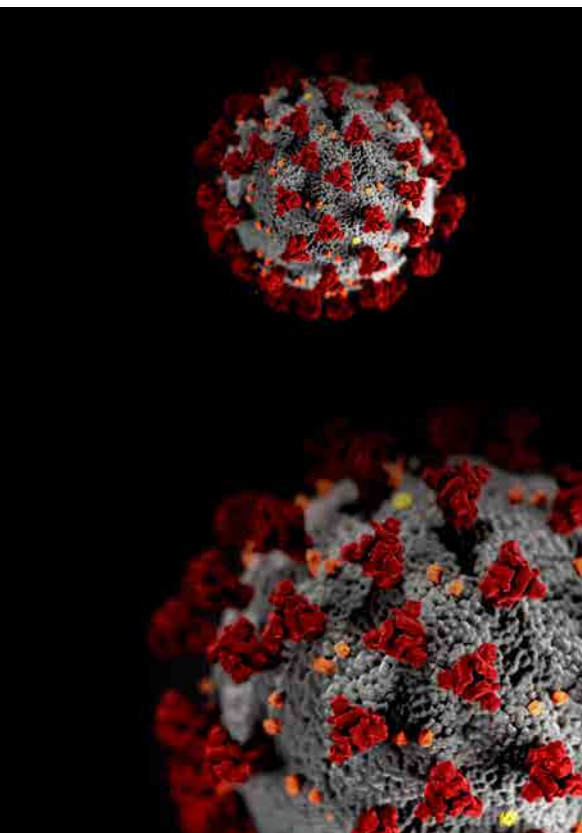
Government has changed the whole pandemic into a political, racial ploy. What help can I expect, being of the wrong colour? Ministers cannot wait to get a TV slot to add their five cents worth, which I found to be contradictory and worthless.

### **What one thing would you have done differently to better assist your sector?**

I would certainly have been more specific in regulating the transport industry, taking advice from role players like the RMI and their respective associations.

### **What are your predications for your sector for the remainder of 2020?**

2020 will go down in history. 2020 is when a vast number of people employed in the motor trade will become part of the unemployment statistics. 2020 is when many workshops will close, forever. 2020 is when the jobless will turn to crime, just to put food on the table. 2020 is when businesses change into 'survival' mode, cutting on most expenses, like insurance, like security, like purchasing cheap parts, like getting rid of staff that are not multi skilled, like not paying membership, like not using computer programmes



that have annual royalties, like not paying franchise fees... I am afraid the list is endless. Staff will have to agree to take pay cuts to retain their jobs... Unfortunately tougher times are looming. The whole lockdown was implemented for the right reason, but was conducted in the most unprofessional way. The price for their [government's] selfish recklessness cannot be calculated as yet, but the crunch is approaching at a rapid rate. ARA might survive, but by the skin of their teeth.

**Carlo Du Plessis**  
**Cencar**  
**Location**

**What has been your biggest challenge, considering your sector and location?**

Even with a smaller rotating

workforce, limited parts supply changes and a small measure of customer support from essential workers, it's impossible to provide enough revenue to cover the running costs and look after your workforce and their loved ones.

**What one thing would you have done differently to better assist your sector?**

By listening to the private sector the government can assist in growing the economy which they brought to its knees. The three key areas I think will opening up the playing fields are: getting rid of the senseless BEE structures, silencing the unions, and doing away with the unnecessary strict labour laws that prevent the right person being hired for the job. Stop funding SOEs with hard-earned money and rather put it back into the economy through the right channels, which will then create job creation in SMMEs.

**What are your predications for your sector for the remainder of 2020?**

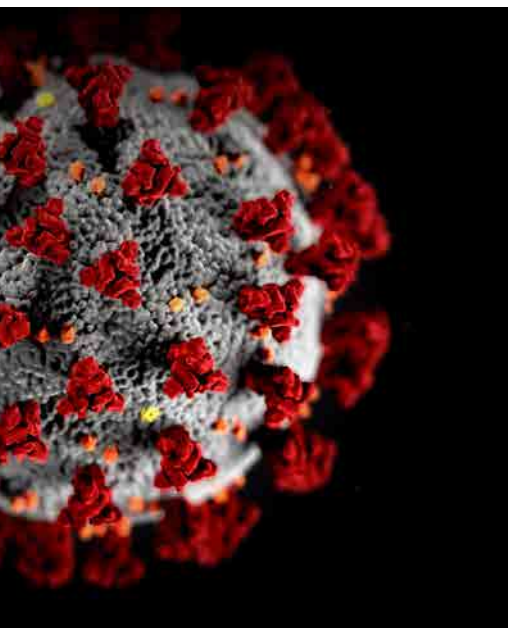
Looking at the positive side with the vehicle parts on the increase because of a weaker Rand, the fuel price and interest rates is at its lowest in years. With new vehicle sales down and the economy under pressure, the aftermarket repairs and second-hand sales tend to be in a better position. However, with all the job losses and the lower or no income current situation faced by most workers, the future does not seem to be too colourful. Even the help from government in terms of UIF and grant pay-outs will not replace salaries and the sense of purpose that comes with being gainfully employed.



**Executive summary by Attie Serfontein, National Director, ARA**

On a national scale, the ripple effect to economies of scale and industries with whom the motor industry is intertwined, which directly resulted in severe economic damage, and more-so SMME businesses has been a huge challenge. We have seen major job losses, and with UIF unable to process the mass number of claims for its Temporary Employer/Employee Relief Scheme (TERS) applications, salaries have often been left to business owners to pay.

The RMI has kept its members abreast (in record time through its COVID-19 Monitor circulars) of financial relief options provided by government and private funds as these are released in the media, as well as any developments and amendments to COVID-19 regulations. In a continued effort to reduce the financial impact on its SMME member businesses, the RMI has, and continues to, play a pivotal role in negotiations with industry stakeholders such as MIRF, MIFA, MIBCO, MHC, MISA, RMA, UIF – TERS, the Department of Labour and other government bodies.



The RMI has pro-actively studied all of the government regulations, and amendments thereof (subsequently, circulating notices) – to best equip its members with the tools needed to manage the impact of COVID-19. Given the nature of a pandemic – that cannot be predetermined – the response of the RMI received praises for its swift action, and co-operation with the industry.

In terms of emergency repairs (at the stage of alert level 5), ARA member businesses have marketed their availability to render emergency repairs to their clientele, with skeleton staff in place (and short-time procedures were followed), together with the required permits. Moreover, UIF – TERS was approached via MISA to ensure employees are awarded (proportionately) fiscally during the pandemic. ARA member business have adhered to government regulations (in accordance with RMI's interpretation of regulations), to ensure a smooth operation during the different alert levels

For the remainder of 2020, a close eye will need to be kept on the workforce, budget and incoming work and compared carefully with previous months or years of operation. Many ARA member businesses are running at a loss, and it will take months, if not years in some instances, to recover from the onslaught of the pandemic. New methods of trade will have to be adapted to and combined with innovative thinking, to minimise lost revenue and jobs.



**SAPRA**  
**Gerrie Lewies**  
**Futurent**  
**Pretoria**

### **What has been your biggest challenge, considering your sector and location?**

One of the biggest challenges we had, and still have, is the interpretation of the regulations. We have been bombarded with rules and regulations from the oil companies and fake news from everywhere. Now we have a much better understanding of how to deal with COVID-19. Another challenge we had was to get the staff on site and to ensure they follow instructions. And then we have clients who do not adhere to any regulation

### **What help have you received during this time?**

The oil companies gave rental relief and deferred fuel payments and the banks deferred loan repayments for three months. From UIF, we have not received any payments.

### **What one thing would you have done differently to better assist your sector?**

We should have done a better job to interpret the regulations, to communicate to our clients, employees and their families and share our experiences with retailers from all brands in our area.

### **What creative solutions have you developed in order to survive the lockdown?**

- We have closed labour intensive diversifications even if we were allowed to sell from there.
- We have worked a maximum of two shifts per person to reduce the hours.
- We are providing a good lunch for every working staff member.
- We have reduced the non-essential stock items to ensure we have fuel available.
- We have postponed all leave that was due during this period.
- We (the management) are spending more time on site to deal with incidents.

### **What are your predications for your sector for the remainder of 2020?**

We will remain at about 50% to 60% of the 'old normal' fuel sales for the next two to three months. The sales should increase to 70% to 80% of the "old normal" for the remainder of 2020. The staff complement may increase from the current two shifts to three or four shifts for the next few months.



**August Fleischman**  
**Fourways Filling Station (Pty) Ltd**  
**Bapsfontein**



**What has been your biggest challenge, considering your sector and location?**

Survival of the business.

**What help have you received during this time?**

UIF payments to staff sitting at home. The oil company allowed us to order smaller volumes. The banks offered payment holidays on instalments.

**What one thing would you have done differently to better assist your sector?**

To be able to sell at full capacity as the staff is already there – cigarettes, hot foods, etc.

**What creative solutions have you developed in order to survive the lockdown?**

Extended our cold foods product range and added more groceries items on the shelves.

**What are your predications for your sector for the remainder of 2020?**

After lockdown we would be running on 80% of 2019 volumes in 2020 and some service stations and jobs will not survive.



**Executive summary by Vishal Premall, National Director, SAPRA**

The Coronavirus numbers in South Africa are now starting to increase at an exponential rate, and will

continue in this trajectory for the medium foreseeable future. As the numbers increase, we recommend that business owners practice sanitisation protocols more vigorously than ever before. It is further imperative that citizens obey the President's orders to practice all cautionary measures.

SAPRA members are proud to be able to service the public and emergency services during this time. While it is a stressful time for all, we are working to keep the moral of employees at stations up and we encourage the public to acknowledge the sacrifice these people made since the start of lockdown.

It is also important to stress that while convenience stores are open, in the spirit of the lockdown, we are promoting responsible visits to these stores. We need to contain and control this outbreak any way we can.

We have observed many cases of non-compliance by business owners as a result of misinterpreted regulations or, in some cases, disregard for the regulations. The authorities have been very active and there are many examples where business owners suffered penalties and fines. Rather err on the side of caution, if unsure contact our offices.

Business will never be the same and we all must accept the 'new normal'. Interestingly the challenges during COVID-19 have to some extent accelerated this change. It has forced business introspection, resulting in business owners adopting leaner management strategies, reduced staff operations, repurposing of the product basket in the convenience store and relooking the offering on a needs basis. The pandemic has

exponentially accelerated a level of creative and innovative thinking that now makes the traditional business model look archaic. One thing is certain – although we can't be sure, exactly, what the fuel station of the future will look like, we can be certain that it won't have much in common with the features we're familiar with today. Clearly business unusual appears to be the new norm and the early change adopters will be winners.



**SAVABA**

**SAVABA**  
*Jaco Bezuidenhout*  
*Hydro Plant*  
*Silverton, Pretoria*

**What has been your biggest challenge, considering your sector and location?**

Ours was two-fold. Due to level 5 lockdown, our sector was not permitted to operate. This meant that we could not complete any orders that we received and started on before the lockdown commenced. Secondly, as most of the OEM dealers were not allowed to sell any commercial vehicles, new orders were not coming in.

**What help have you received during this time?**

The only help we received was the UIF – TERS grants from government.

**What one thing would you have done differently to better assist your sector?**

I believe that, not only our sector, but the economy as a whole, would have benefited if level 5 was not a

complete and immediate lockdown but rather a staggered approach where most businesses would be allowed to continue operating, even if only with 10% or 15% of their staff complement.

## **What creative solutions have you developed in order to survive the lockdown?**

We had to streamline our production line to cope with fewer employees working on specific jobs.

## **What are your predications for your sector for the remainder of 2020?**

I predict very limited growth (if any) in our sector, as companies are uncertain about the remainder of 2020, and are holding back on new purchases of commercial vehicles.



## TEPA

### **TEPA**

**Gary Nagoor**

**Royal Vulcanizing Station (PTY) LTD**  
**Kwazulu Natal**

## **What has been your biggest challenge, considering your sector and location?**

Unable to open for April 2020, resulting significant losses. Major strain on cash flows.

## **What help have you received during this time?**

Assistance from UIF – TERS for April 2020. A few suppliers have granted instalment payments or increased percentage on early settlement discounts, which we sincerely appreciated.

## **What one thing would you have done differently to better assist your sector?**

It's uncharted territory and I think everyone, including government, are doing the best they can, given the circumstances. Armchair critics are of no use in this time.

## **What creative solutions have you developed in order to survive the lockdown?**

We are trying our best to supply and service as many essential service companies and their service providers as we possibly can. It may be our only hope for business survival.

**Les Richardson**

**Supa Quick Silverton**  
**Gauteng**

## **What has been your biggest challenge, considering your sector and location?**

Implementing the COVID-19 plan with staff who have no interest in buying into it, refuse to wear masks etc.

## **What help have you received during this time?**

Information on legal requirements from RMI but little help from OHS implementation.

## **What one thing would you have done differently to better assist your sector?**

Offer/receive advice on cutting staff and no-work-no-pay to limit operational costs.

## **What creative solutions have you developed in order to survive the lockdown?**

Created emergency services responses and outlined what constitutes essential services. Created a WhatsApp group for

staff, keeping them advised on work schedules and health requirements.

## **What are your predications for your sector for the remainder of 2020?**

Business down 20%. My biggest challenge has been dealing with the landlord.

**Gary Friend**

**Hi-Q Nelspruit**  
**Mpumalanga**

## **What has been your biggest challenge, considering your sector and location?**

Confusion in what we may and may not do. Confusion in what the customer thinks we may and may not do. Purchasing of stock, paperwork, and logistics. Getting staff to be responsible once they leave the workplace.

## **What help have you received during this time?**

UIF, bank assistance, supplier assistance/relationships and all the RMI updates (thank you).

## **What one thing would you have done differently to better assist your sector?**

Clean, polish, clean again. Sanitize, clean again. Sanitize all touch points. Declutter the customer areas. Steam clean the showroom, rest rooms, equipment and tools every morning

**Stuart Check**

**South Bay Tyres Truck**  
**Division (Pty) Ltd**  
**Eastern Cape**

## **What has been your biggest challenge, considering your sector and location?**

Loss of revenue therefore having to retrench staff, short time for the remaining weekly paid staff and salary cuts for monthly paid staff members. On top of that, very bad debtor collections.

### **What help have you received during this time?**

Some funds received back from UIF. Full salaries to date have been paid though.

### **What one thing would you have done differently to better assist your sector?**

Focus to acquire more Essential Service business for my company as it seems that is all that will operate at full capacity in our country during a 'pandemic' under lock down rules.

### **What creative solutions have you developed in order to survive the lockdown?**

Nothing creative at all other than focusing on current business to make sure we hold onto what we already have.

### **What are your predications for your sector for the remainder of 2020?**

Very dull view out there. Many tyre shops will not survive this. For those that do, I estimate at least two years to recover from the 2020 losses.

**Ian Vrey**

**Linton tyre & fitment centre  
Eastern Cape**

### **What has been your biggest challenge, considering your sector and location?**

Lost one month and one week of business (R950,000). Dunlop suspended my account due to non-payment. Wages, and other non-negotiable costs. The vulnerability of our business sector was exposed – no meat on the bone.

### **What help have you received during this time?**

Only UIF for April. [At the time of printing] May is still not open for claims.

### **What one thing would you have done differently to better assist your sector?**

My profit margin HAS to improve.

### **What creative solutions have you developed in order to survive the lockdown?**

I do not think you can do anything during a crises like this, it is unpredictable. We took the dive and opened shop with a skeleton staff the moment I interpreted the regulations allowing shops to open. We pay outstanding accounts every second day.

### **What are your predications for your sector for the remainder of 2020?**

Definitely not business as usual; expenses cut to the minimum, skeleton staff, price increases and perhaps businesses closing down.

**Basil Field**

**Diesel Electric  
Free State**

### **What has been your biggest challenge, considering your sector and location?**

The uncertainty on what you were allowed to do and all the fake communication that was sent around on all media.

### **What help have you received during this time?**

We as a group have had at least two Zoom meetings a week since mid-March to plan what we will be doing. We also used RMI and Labournet communications to base our decisions on.

### **What one thing would you have done differently to better assist your sector?**

From day one we supported our Essential Service customer base.

### **What creative solutions have you developed in order to survive the lockdown?**

My management team and I were geared up to work remotely and could assist customers from home with one daily collection at the offices.

### **What are your predications for your sector for the remainder of 2020?**

We are currently operating at +/- 80% to budget and as soon as levels are be unlocked, the business will increase. The demand is there.

**Frans Maritz**

**FMIG**

**Western Cape**

### **What has been your biggest challenge, considering your sector and location?**

Just to do business during this period. Very slow at present.

### **What help have you received during this time?**

None whatsoever.

### **What one thing would you have done differently to better assist your sector?**

Nothing. Legislation won't allow any deviation.

### **What creative solutions have you developed in order to survive the lockdown?**

Short-time for staff. Much tighter controls.

### **What are your predications for your sector for the remainder of 2020?**

Survival, business to be very tough. Cash flow will be the name of the game.

## **Executive summary by Hedley Judd, National Director, TEPA**

In the course of discussions held with 14 members of the TEPA constituency of the RMI it was evident that the sentiment was mutual across the tyre, equipment and parts dealers across the country. Currently business is navigating in uncharted territory where the entire dynamic of business is so fluid that it not only changes from day to day but also sometimes within the day itself. The interactivity with other business partners and suppliers remains mostly based on remote digital meetings, which does work but also leaves a piece of the puzzle missing.

Cash flow has been one of the most critical challenges in the wake of the COVID-19 lockdown which has been exacerbated by the ripple effect of the debtors not fulfilling their commitments which has left many businesses unable to make their commitments to suppliers on time. Which in turn has in certain instances led to supply accounts being placed on hold pending settlement. The outcome of which is that the business is limited in stock availability and the whirlpool becomes ever increasingly faster, sucking the business down.

On the other hand, where staff are concerned it has become evident in many businesses that there were clearly some built-in inefficiencies that had crept in over time and like anything if it grows slowly enough it goes unnoticed. In this case though, the lockdown has enforced during the re-opening of the economy and the TEPA members the need to split the workforce into shifts, so as to comply with the regulations. This splitting of shifts has shown that a commensurately higher level of productivity can be realised from a smaller compliment of staff than prior to the lockdown. Whilst the business may

not yet be at 100% of turnover, the measurability is quite easy to compute.

This has led to the course of the business being plotted somewhat differently into the future, where less must mean more, in terms of throughput and effective hours of productivity. Part of this new course will inevitably result in staff being dropped off along the way. Most business owners are hesitant and or reluctant to take this course based on moral responsibility.


In response to the question of when the waters will calm and business will recover to within reach of the pre-COVID-19 turnover, the current activity levels need to be taken into consideration; reports are coming in about the urban operators reaching into the lower 40% of turnover and the rural operators already reaching into the 70-75% level of activity. The overriding message being played back is that everyone realises that margins need to be raised and that reserves need to be accumulated. The further part of the strategic forward thinking is to align the business where possible with the essential services operators where, in the event of another such catastrophe, there will still be some degree of sustainability in the model.

The regulations have caused much consternation regarding the manner in which they have been composed, which has allowed for many ambiguities being interpreted by readers, who all then look to another entity for confirmation of their beliefs in the interpretations. There are areas that may or may not be included into a sector of allowed activity. However, when considering the 'may not' aspect, by applying lateral thinking, the activity may possibly form part of the allowable activities. Hence the lesson learned in this has been

going forward to accurately designate sector work activities into clear and unambiguous terms within the scope of the currently accepted terms of reference.

Bringing the message closer to home, though, another important aspect will be to embark on an exercise to educate the public as to what does and what does not constitute an emergency repair. Preferably by use of a simple definition that addresses the context of emergency versus that which would not be classified an emergency.

The reality that COVID-19 will be around for a while (if not forever) is dawning on most people, not only the prediction that South Africa can expect a horrendous surge and peak in infections and casualties. In appreciating this message, what becomes inevitable is the 'when' and not the 'if' of the virus causing disruption in the workplace. How one mitigates the impact of the regulatory requirements of an infection case in the workplace will be critical as to the cost to the business unit. In other words, the business that takes a similar approach to that of the fuel sector with HAZMAT gear and teams, or in other words spillage containment, will be the prepared business. The equipment and products will be readily on hand to use immediately to perform whatever sanitisation is deemed necessary at the time without delay.

It has become imperative to follow the regulations and directions provided as the authorities are performing inspections and undercover tests for compliance with the regulations pertaining especially to the type of product being sold during the period when only emergency repairs and spares are eligible to be fitted or sold to all persons. The consequences of non-compliance are not worth the minor amount of effort that the regulations demand. 



# Pressure mounts to release key vehicle history to consumers

**The South African Motorbody Repairers' Association (SAMBRA), an Association of the Retail Motor Industry (RMI) is concerned about the lack of information available to the market with regards to the status of second hand vehicles.**



Richard Green, National Director, SAMBRA

**R**ichard Green, National Director of SAMBRA says at present there is no way for a consumer to find out if the second hand vehicle they are purchasing has been previously written off. "Not only does this have serious legal and cost ramifications, but it talks to the safety of motorists and a growing pool of unroadworthy and perhaps even stolen vehicles on our roads," says Green.


According to Green, insurers routinely 'write off' vehicles and these vehicles are sold, within a salvage contract to auction yards. "While there is

nothing wrong with this on face value, the problem comes in when these vehicles, still registered as Code 2 (the description for a used car) are sold to any buyer willing to pay the highest price on auction. In many cases these vehicles are bought by dubious repairers and sold back into the system for a good profit via digital sales platforms or unsuspecting used car traders. This is where the system goes awfully wrong as the unsuspecting buyers often ends up with a vehicle that has previously been written off by an insurer, deemed uneconomical to repair. It also has not been reclassified as a Code 3 vehicle and the purchaser has no way of checking the history."

The other problem facing the industry is if the cars are not repaired and sold on, they can be bought by hijacking syndicates. "Most vehicles stolen by professional thieves have a high value and are never recovered, as they're either stripped for parts and the bodies dumped or re-birthed under new identities. These written-off vehicles provide the perfect foil for this illegal activity. The severely damaged vehicles are bought on auction to obtain Code 2 registration documents which are then used to re-register stolen vehicles. The VIN and engine numbers on the stolen or hijacked vehicle is changed to match the written-off vehicle's papers and the scrapped licence plates are used on the

stolen car. For the unsuspecting buyer it is almost impossible to check the validity of his car papers," says Green.

Green says it is for these reasons that SAMBRA have requested SAIA (South African Insurance Association) to make this information available in the form of the VIN number of the vehicle so that consumers can be properly informed prior to making a used-car purchase decision. The information is routinely forwarded to SAIA from all insurance companies yet the request to SAIA has been denied to date. SAMBRA believe a formal, publicly accessible write-off register will minimise the illegal use of vehicle identifiers in the re-birthing of stolen vehicles and in curtailing stolen vehicle parts being used in the repair of damaged vehicles. It will also help eliminate unsafe vehicles for unsuspecting purchasers. "Practically, if there is not a market for these cars the practice will have to slow down," he says.

"Access to the write-off register is the only way one can check that repairable written-off vehicles don't contain stolen parts and it is the only way to take severely damaged vehicles off the road permanently. We need that write-off register as a vehicle remains on the register for the rest of its life, even if it's repaired or ownership is transferred," concludes Green. 

# RMI ASSOCIATION OF THE MONTH



## MOTOR INDUSTRY



Photo: rawpixel.com


### Digitalisation platform fast-tracked

At the beginning of the year, the Motor Industry Workshop Association (MIWA) announced its intention to launch a digital platform, in collaboration with Tyre Equipment Parts Association (TEPA) and Automotive Remanufacturers Association (ARA). No one could have known at that stage that on 27 March the entire country would be put on COVID-19 lockdown and everyone would be working remotely in April.

At the beginning of May, MIWA workshops started to open slowly, amidst a whole lot of uncertainty

and with significantly lower trading volumes. "This has been a highly challenging and a typical trading environment for all of our members. The future is still uncertain but it has forced us to re-think and change the way we do business," says Pieter Niemand, National Director of MIWA.

Now that Zoom has become a household buzzword and online shopping is the norm, even sceptics will agree that the internet is a platform without rival when it comes to convenience. And that's why we're unlikely to turn back.

"COVID-19 has forced MIWA to communicate with our members differently and this will definitely continue in the future. Over the last few weeks we've experienced communicating and learning through webinars and podcasts and the power of communicating through our Telegram information channel. This has worked so well. It is quick and efficient and gets to the right person immediately. We look forward to keeping our digital lines of communication open. It is so critical we stay connected," concludes Niemand. 

# WORKSHOP ASSOCIATION

## Ready for business?

When MIWA workshops around the country opened for business after the initial period of Level 5 lockdown regulations, they faced a new set of protocols and trading conditions.




Customer needs have changed significantly during lockdown, and trust has become more important than ever as people seek to ensure they deal with entities that can keep them safe while providing great service.

The most critical starting point has been preparing a comprehensive risk strategy to ensure members' workshops are ready for business. Each member was provided with a comprehensive set of sanitisation protocol posters during May for display in their workshops. These included staff, supplier, vehicle, workplace and customer protocols, all designed to keep both employees and customers safe.

We realise that we have to take these precautions very seriously. If anyone who has tested positive for COVID-19 enters the workplace, the business will be forced to close and all staff will be quarantined. We know the first two months after the implementation of lockdown have been especially difficult for our members who have introduced a phased-in approach to restarting

their businesses. This has helped ease the pressure of paying a full complement of salaries until the business has gained momentum. We remind members that the MIWA team is here to support and help.

The Chinese word for 'crisis' is frequently invoked in Western motivational speaking as being composed of two Chinese characters signifying 'danger' and 'opportunity' respectively. "Although this interpretation is not strictly correct there is a message, and that is 'Crisis presents an opportunity to come back stronger'. During the initial opening phase members have had to relook at a number of different processes and tasks usually conducted by a full complement of staff. This has given many business owners a new perspective and a chance to find a better way of doing things. One thing is for sure – we are definitely not going back to business as normal and no doubt we never will. This is really a chance to improve our businesses without compromising quality. It is a time for collaboration and a time to work collectively to build a stronger and more resilient industry. 





# RMI ASSOCIATION OF THE MONTH

## Second Moto Mech a stunning success

**We may not be hosting events in the foreseeable future but this does not mean we can't celebrate the events we did host early in 2020.**



Creighton Corris – winner of the School Mechanical Competition with Jakkie Olivier, CEO of Retail Motor Industry Organisation (RMI).




Christine Hancock, the only female participant in the School Mechanical Competition with Jakkie Olivier.



From left: Conrad Kapp, Hannes Crafford, Dewald Kapp and Jean Pierre Schuin.

More than 1,000 car enthusiasts and people curious about the motor industry attended the second Moto Mech show, hosted at Newton Technical High School in Port Elizabeth on 22 February by MIWA. This represents an increase of 50% on last year's attendance figures, according to event organiser Bridget Finn of Finn Auto Repairs – and many more would have visited the show, had they not been deterred by strong winds and inclement weather.

the first time, a female student mechanic took part. "We'd love to see more women in the industry, taking on roles besides service advisor – the participation of Christine Hancock is definitely an encouraging sign," he comments.

Christine was, in fact, the only female participant in the School Mechanical Competition. In the end, the competition was won by Creighton Corris, a learner at Newton Technical High School. 



Selection of classic cars on display along with interesting stands and plenty of competitions.

Those who braved the gales were rewarded with an experience that garnered outstanding feedback. Finn reveals that comments included: "Congratulations on an excellent show which was a huge success. The growth compared to the first show last year was excellent."; "Was an awesome show."; and "It was amazing.". One of the exhibitors said, "We thoroughly enjoyed the show and it definitely brought feet through the doors of the shop."


Motor Mech raised R7,000 for Newton Technical High School through ticket sales.

For Peter van Mosseveld, Co-host and Organiser of the Motor Mech show and MIWA Representative in the region, the school competition stood out because, for

## Moto Mech East London



The Moto Mech East London team included Renetia Van Tonder, Tim Kirby, Etienne Theron, Brendon Jinnah, Teresa Spenser Higgs, Peter van Mosseveld and Mike Smith.

The plan was to take Moto Mech to the Port Rex Technical School in East London next on 13 June. Unfortunately this has had to be delayed but co-organisers Teresa Spenser Higgs, Border MIWA Chairperson, the MIWA Border Regional Committee and Peter van Mosseveld, MIWA Associational Representative, say the interest is definitely there. "We have already been overwhelmed with the incredible support and enthusiasm shown by Port Rex Principal, Etienne Theron, Tim Kirby, Port Rex Marketing, and the rest of the staff at the school, and look forward to finalising a new date when business returns to normal." 

## Keeping options competitive for members

Two years ago, Autobooks got together with MIWA to offer workshop software data packages from HaynesPro. These have been an invaluable support and provide workshops with the most affordable and reliable WorkshopData, which conforms to manufacturing standards.

As HaynesPro is a European product however, the price is determined on the Rand to Euro exchange rate. "With the recent downgrade of our economy the Rand has taken a drastic fall, but we are determined to keep prices as low as possible for our MIWA members," says Pieter Niemand, National Director of MIWA.

In an effort to support and assist all workshops during this extremely difficult time, HaynesPro has changed its strategy and has put together the following special offer for members:



### Included in the HaynesPro Licence:


- Maintenance schedules
- Repair manuals
- Repair times
- Wiring diagrams
- And much more...

### We now offer all MIWA members the following payment options:

- 7 Day HaynesPro Licence
- Monthly payment
- Half split payment
- Once-off payment

"These are more realistic payment options for members who are struggling with cash flow until momentum picks up," says Niemand.

### Keeping options competitive for members

Any members wanting further information can contact Autobooks. Please visit their website <https://www.workshoppro.co.za> or email [info@autobooks.co.za](mailto:info@autobooks.co.za). 

## INTRODUCING THE MIWA NATIONAL EXECUTIVE COMMITTEE

### REGION: BLOEMFONTEIN

NAME	COMPANY NAME
DEWALD RANFT (National Chair)	DYNO TECH
BRUNO BURRI	SWEDO TECH

### REGION: PRETORIA

LES McMASTER (National Vice Chair)	M-CENTRE
ADRIAAN BOOYSE	GEARBOX & DIFF REBUILDING

### REGION: EASTERN CAPE

JACK FINN (Regional Chair)	FINN AUTO REPAIRS & DIAGNOSTICS
NOWELLYN VAN VUUREN	JENO AUTO

### REGION: BORDER

TERESA SPENSER-HIGGS (Regional Chair)	D & T SERVICING
---------------------------------------	-----------------

### REGION: KWAZULU-NATAL

DHAYA NAIDOO (Regional Chair)	FRENCH TECH AUTO
SHALDEN PILLAY	SHALDEN'S AUTO CENTRE

### REGION: WESTERN CAPE

NEVILLE FROST (Regional Chair)	LANDY SERVICE CENTRE
GUNTHER SCHMITZ	AUTOWORKS - SALT RIVER

### REGION: GAUTENG

MIKE GOLTMAN (Regional Chair)	BRYANSTON AUTO TECH
ANDREA BOGNER	BOGNER MOTORS WAY AND TRANSPORT

# RMI ASSOCIATION OF THE MONTH

## WIPCORP new grading provider



Pieter Niemand, National Director  
MIWA

MIWA has been working hard to ensure all its members are professionally graded and accredited. A key aspect of this is to align the business with top-class service providers using the latest technology and platforms for the best results.


MIWA has accordingly teamed-up with WIPCORP who will, effective from 1 June 2020, be the official service

provider responsible for independent, unannounced audits at all MIWA members' businesses to ensure legal and industry compliance. WIPCORP project management is a Level 2 BBEE project management business that has been in business for over 14 years. It designs customised programmes in conjunction with their customers' specific needs and requirements, which are efficient and cost effective.

WIPCORP is involved in the construction, automotive, manufacturing and engineering fields and is a member of several bodies including the Master Builder SA, South Africa Civil Engineering Association, BNI International, South Africa Pump Industry and South Africa Institute of Safety Professionals.

"During the grading process a workshop undergoes a thorough assessment," explains Pieter Niemand, National Director of MIWA. Aspects

scrutinised include the health and safety operating procedures, the premises, equipment, administration, specific staff qualifications, waste removal and staffing to name just a few. Even aspects of the business such as parking facilities, lighting, ventilation and uniforms are inspected.

The auditing team consists of service partners across the country who have been trained in both the technical aspects as well as the auditing of systems. Each service partner has operation experience and the latest technological tools to drive unbiased and value adding services. "This allows a much quicker turnaround time with regards to results of audits completed and the presentation of grading certificates. Having MIWA representatives in the regions also allows for personal feedback to MIWA members as well as guidance on where to improve on the overall results," concludes Niemand. 

## Innovative development in online learning

The world of work is being profoundly affected by the COVID-19 pandemic. Since the introduction of lockdown, and the phased re-opening of the economy, the Coronavirus pandemic has presented unique challenges to all types and levels of learning. These challenges have also stimulated discussion amongst MIWA and RMI ranks on the need for innovative development in online learning.

MIWA, under the leadership of the National Executive Committee and directed by Pieter Niemand, National Director of MIWA, participated, and will continue to participate, in the

RMI's National Executive Training Committee's current initiative to develop a framework for digital remodelling of lifelong learning and work. In this context, MIWA has the opportunity to draw from the learnings and experiences of paid officials, elected office bearers and other members as subject matter experts on learning and training. This can be done anywhere and at any time as this is what is central to lifelong learning.

Andrea Bogner, the MIWA NEC representative on the RMI's NETC, actively participated in the first





## Keeping in touch with customers

Covid-19 has changed the way MIWA members communicate with their customers. This may have seemed daunting at first, particularly for those members who have little experience in the digital realm. Fortunately, MIWA have been able to partner with Connected Life to offer all MIWA members a complete social media marketing package, including a website and daily marketing on all social media updates.

Digital marketing is such a great medium because it directs your customer's attention to your brand. "However, the real magic lies in the fact that they are empowered and in control of all decisions throughout the conversion process, which can work powerfully in your favour," says Pieter Niemand, National Director of MIWA.


Niemand cautions that the attainment of this goal hinges on providing quality content across a variety of platforms, from your website to newsletters, emailers and

blogs. "Again, Connected Life is able to assist in compiling targeted, gripping content that will hold your consumers' attention," he says.

This is the ideal time to reach out to customers. Regular communications will remind them that you are available to answer all their needs – but the flipside is that if you fail to start that dialogue, they may move on.

MIWA members can access the power of online for just R99 per month for the first six months. To access your free website all MIWA members need to do is visit <https://clife.co.za/gethelp/> and you can view a sample of how the site looks at <https://www.miwa.org.za/demosite/>




"Don't feel intimidated by this new world – it is a new way of connecting and doing business and you will reap the benefits," concludes Niemand. 



framework discussion on 30 April 2020. This included the examination and re-examination of a range of issues on how digital education and training solutions can be utilised to deliver skills programmes, learnerships, and apprenticeships, further meeting the requirements of assessments and moderations by Sectorial Education and Training Authorities and the Quality Council for Trades and Occupations. The inputs received included innovative learning methodologies for learners including apprentices who acquire re-skilling and upskilling at the workplace.

Electude and MIWA have worked together to find a solution for blended learning approaches particularly

for the motor mechanic and diesel mechanic trades. The mapping of the Electude modules for the motor mechanic trade against the Competency Based Modular Training (CBMT) delivery method has been tested and found to fill the gap in the use of only hardcopy training material. The flexibility of the Electude solution is such that regardless of delivery method, legacy or new occupational qualification, modules get mapped against the requirements in the relevant curriculum.

"MIWA has demonstrated, over many years, its resilience and willingness to embrace technology to promote skills development," concludes Niemand. 



## Where to for the tyre industry?

**Angie Frederic, an Executive Committee member of the Tyre, Equipment, Parts Association (TEPA), a proud association of the Retail Motor Industry Organisation (RMI) and owner of Supaquick Hillcrest, shares her views on what the future holds for the tyre industry in the wake of the coronavirus crisis.**

It's understandable if industry members are feeling anxious about how business will fare once lockdown has been lifted. "After all," says Frederic, "six weeks without trade has had an unavoidable impact on turnover, especially when there are still rentals and staff to pay."

She explains that although TEPA had made a request to government for tyre fitment centres to be considered an essential service, this was not successful. That said, some retail stores which service clients that fit into the essential services category have been allowed to remain open, and TEPA has applied for permits for these entities. From Level 4 however, the permit stipulates that it is only these clients that may be serviced – and, as Frederic points out, the fees generated from such jobs may not necessarily cover overheads.

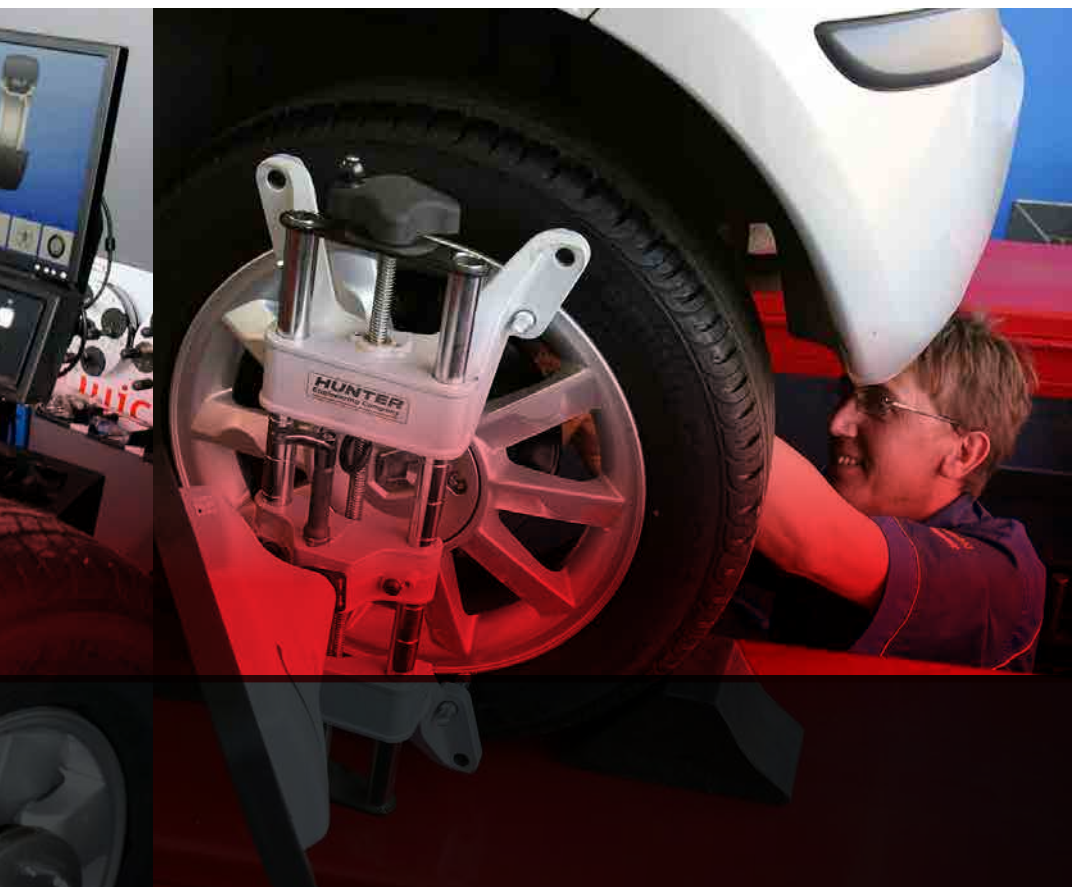
She reports that there are concerns around supply of product from manufacturers once lockdown has been lifted, while job losses are also to be expected. With their own budgets severely affected, consumers are likely to be reluctant to spend, and will be far more cost-conscious. "With profit margins in the industry already low, any further reductions will be a real blow for the industry, and there are likely to be a number of shop closures," she says.

One of the major issues dogging the industry, and those who work in it, is fear of the unknown – which, Frederic says, can play havoc with your state of mind. "There are so many questions I don't have answers to, and I know I am not alone: Will my landlord hold me to full rent over

the lockdown? If I am liable for full rent, and it gets amortised over the duration of the lease, that means my rental expense will increase – will my turnover cover this? What if the lockdown continues for months? I have applied for UIF for my staff – will I be paid out before the end of the month in time for the salary run? With the weakening of the rand, a number of suppliers have sent us price increase letters – how will consumers be able to afford this, given the strain they are already under? Will I have to go through the anguish of retrenching staff who have families to feed? Will SMME funding be available in time to save our businesses?"

There is an upside to all the fear, however: Frederic maintains





that such conditions often give rise to innovation, fueled by the determination to survive. After all, she points out, when thousands of people are relying on the tyre industry to feed their families, failure is not an option.


How to tap into this sense of determination? Frederic says it starts with making a conscious decision to remain positive; a choice you make every morning. From a practical point of view, it will help to scrutinize the costs of each line item. If possible, reduce your wage bill rather than retrenching staff – negotiate with your workers. Keep profit-over-cost ratio as healthy as possible; apply for a low interest loan or funding, and most importantly, don't give up.

"This epidemic will change the way we do business. Keep communicating with your customers via social media, and through in-store signage, to inform them about the steps you are taking to sanitise and keep them safe from the virus. Think how you can add value – for example, perhaps you can offer a service to collect their vehicles so that they don't need to come into your store (remember to purchase insurance to cover driving the customer's vehicle). Finally, keep up-to-date with what is happening in the rest of the world. Some countries are coming out of lockdown, and we might be able to learn from them."

Frederic adds that it's not all doom and gloom for the industry. "I think that we'll be able to get up and running quickly once we come out of lockdown.

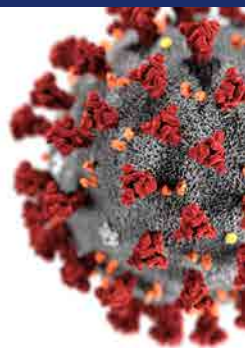
Most of our members stocked up before the lockdown, and will therefore be able to provide the level of service customers have come to expect."

What is she, personally, doing to mitigate the impact of the lockdown and the ensuing fallout on her business? "I have moved my office to home and have been working remotely," Frederic answers. She's also using the time to complete her moderator course; having struggled for some time to set aside the hours required, she's seeing the opportunity to do this as a silver lining to the situation.

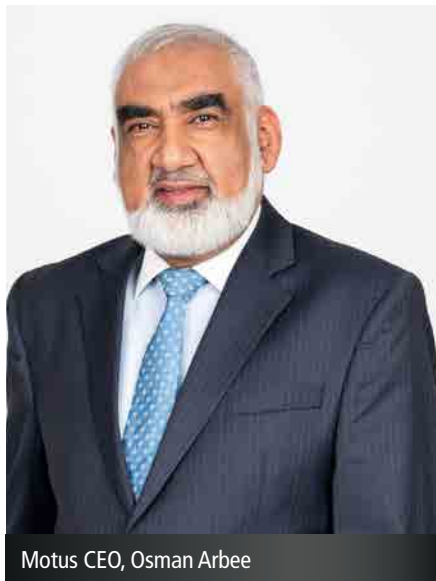
"I look forward to the time when we will say remember the Coronavirus and how the world stopped; but we were strong and innovative and the tyre industry survived!" she concludes. 



# Ensuring the safety of customers and staff



**Automated and autonomous driving are important technologies in helping make the traffic of the future safer, more efficient and more comfortable. Depending on the application, the market demands different solutions. For the time being, intelligent assistance functions, so-called Level 2+ systems, have the greatest potential for passenger cars.**



Motus CEO, Osman Arbee

**M**otus, one of South Africa's largest automotive group, has been in full support of the South African government's efforts to curb the spread of COVID-19 infections since the national lockdown was first announced and subsequently implemented at midnight on 26 March 2020. Now, thanks to well-designed workshop protocols, all Motus workshops are fully compliant with all the regulations issued by the South African government in terms of Section 27(2) of the Disaster Management Act, 2002.

## Limited service under Level 5 restrictions

Under the national lockdown, or Level 5 of the government's Risk Adjusted Strategy, vehicle servicing and maintenance was limited to assisting essential services workers, resulting in workshop throughput reducing to 1.16% of normal volumes during this time.

"As a group, we were anxious to get back to work," says Osman Arbee, CEO of Motus Corporation. "Not only to protect the livelihoods of thousands of employees, but to ensure that all of our fellow South Africans' vehicles are well maintained and roadworthy when they need to return to work."

While the lockdown undoubtedly resulted in the entire nation driving significantly less, if at all, there were still a large number of vehicles that required servicing both on mileage and on time, based on the OEM's prescriptions. Unsurprisingly, the restriction on vehicle servicing and maintenance during lockdown has now created a backlog of vehicles that need to undergo critical safety checks and servicing to ensure optimal performance. In fact, after seven weeks of lockdown, the backlog was at approximately 19% of the car parc.

## Alert Level 4: Clearing the service and maintenance backlog

The easing of restrictions on the automotive trade under Alert Level 4 brought welcome relief to the embattled motor industry. With an estimated four out of 10 workers returning to work as of 1 May 2020, albeit in a phased manner under Alert Level 4, workshop throughput in dealerships have already started to increase, and will continue to do as the backlog of services are cleared and further easing of the lockdown is implemented.

While repairs and maintenance for essential services was allowed under Level 5, Alert Level 4 also includes repairs to restore a car's safety and roadworthiness to good running condition, whether the car is used by an essential services worker or not. Motus is also thankful that the directives provide for the routine servicing and maintenance of vehicles that are due or overdue in terms of the manufacturer's service intervals.

"It remains critical for routine vehicle servicing to resume in order to prevent costly breakdowns further down the line," adds Arbee. "It's under these conditions that the benefits of

a prepaid service and maintenance plan comes to bear, as customers now benefit from vehicles fit for use without having a large cash outlay. We have already noted an increased percentage of transactions covered by these plans, which is indicative of the financial strain many of our customers are experiencing."

To that extent, Motus has worked around the clock to ensure that all facilities are fully compliant with all the directions regarding the sale of cars and emergency automobile repairs during Alert Level Four of the Covid-19 National State of Disaster (issued in terms of Section 27(2) of the Disaster Management Act, 2002, as published in the Government Gazette number 43308 on 12 May 2020).

### Prioritising health of employees and customers

When preparing its workshops for reopening, Motus focused on the health of employees and customers. "Our primary priority is always employee health," explains Arbee. "If our employees are healthy, then it's easy for us to collectively implement the other priorities we have identified. This includes our collective mandate that hygiene must be maintained in the workshops at all times. By ensuring our workshops are sanitised properly and fully compliant with regulations, we are confident that we are receiving our customers in a safe space."

The safety of customers is about more than just ensuring a workshop is clean though. It is entrenched in the revised protocols and procedures used in Motus dealerships, which include an increased focus on electronic communication for documentation and record keeping, as well as electronic ordering and payment processes. Where physical



interaction is unavoidable, social distancing is strictly applied, with processes optimised in such a manner that waiting time is minimised.


However, customer safety is also directly attributable to customers doing their part. "Wear a mask when you arrive, or we will provide you with a disposable mask. We will ask customers to sanitize their hands when entering, and we will be screening and recording customers' temperatures. No person, staff or customer, is allowed entry if a temperature of more than 37.5°C is recorded. Instead, we will ask those customers to seek medical advice," explains Arbee.

Further measures taken towards customer safety is the implementation



of contactless drop-offs and pick-ups for customers, especially in the servicing space, where dealerships collect and return vehicles from a customer's home or place of work, instead of the customer having to come to a workshop.

In a letter to the nation, President Ramaphosa said that life will slowly return as the lockdown is gradually eased, but that it will not be life as we knew it before. He added that now, more than ever, it is the conduct of each individual that determines the fate of all.

"As Motus, we are embracing this new reality, and look forward to continuing this journey with our customers," adds Arbee. 

## A breath of fresh air

### Ford's protection against rising pollution

**Air quality around the world has been on the decline, but don't just blame vehicles with low emissions standards; there are other causes of pollution like factories, burning of trash at waste management centres, and dust.**

According to data from the World Health Organization, nine out of 10 people breathe air containing high levels of pollutants. It gets very dangerous when the levels of particulate matter (PM) – composed of nitrates, ammonia, black carbon, and sulphates with a radius of 2.5 microns – are high. This is more commonly known as PM2.5, and they are capable of penetrating people's lungs and entering the bloodstream.

With the current state of alarm triggered by the COVID-19 pandemic, people have become far more self-aware and thankful for any feature designed to improve personal health and safety. Ford's cabin air filters, standard equipment across all vehicles, are an often underrated form of everyday protection from pollutants.

While air quality has improved in many densely-populated cities as a result of the extensive lockdowns, once production demands start to recover, air quality will once again suffer.

Currently in cities like Pretoria the pollution level is moderate, according to the Real-time Air Quality Index. Thankfully, Ford vehicles are standard-equipped with a high-grade cabin air filter to protect against harmful pollutants like exhaust fumes from entering the cabin.




#### Cabin air filter protection

Much like the other filters in your vehicle, the cabin air filter is specifically designed to separate dust, pollen, and other foreign particles from the air that we breathe in the passenger cabin.

It is positioned at the front of the vehicle's climate control system to filter the air before entering the cabin area. Not only does it keep us healthy, but it also keeps the climate control system from getting clogged and working inefficiently.

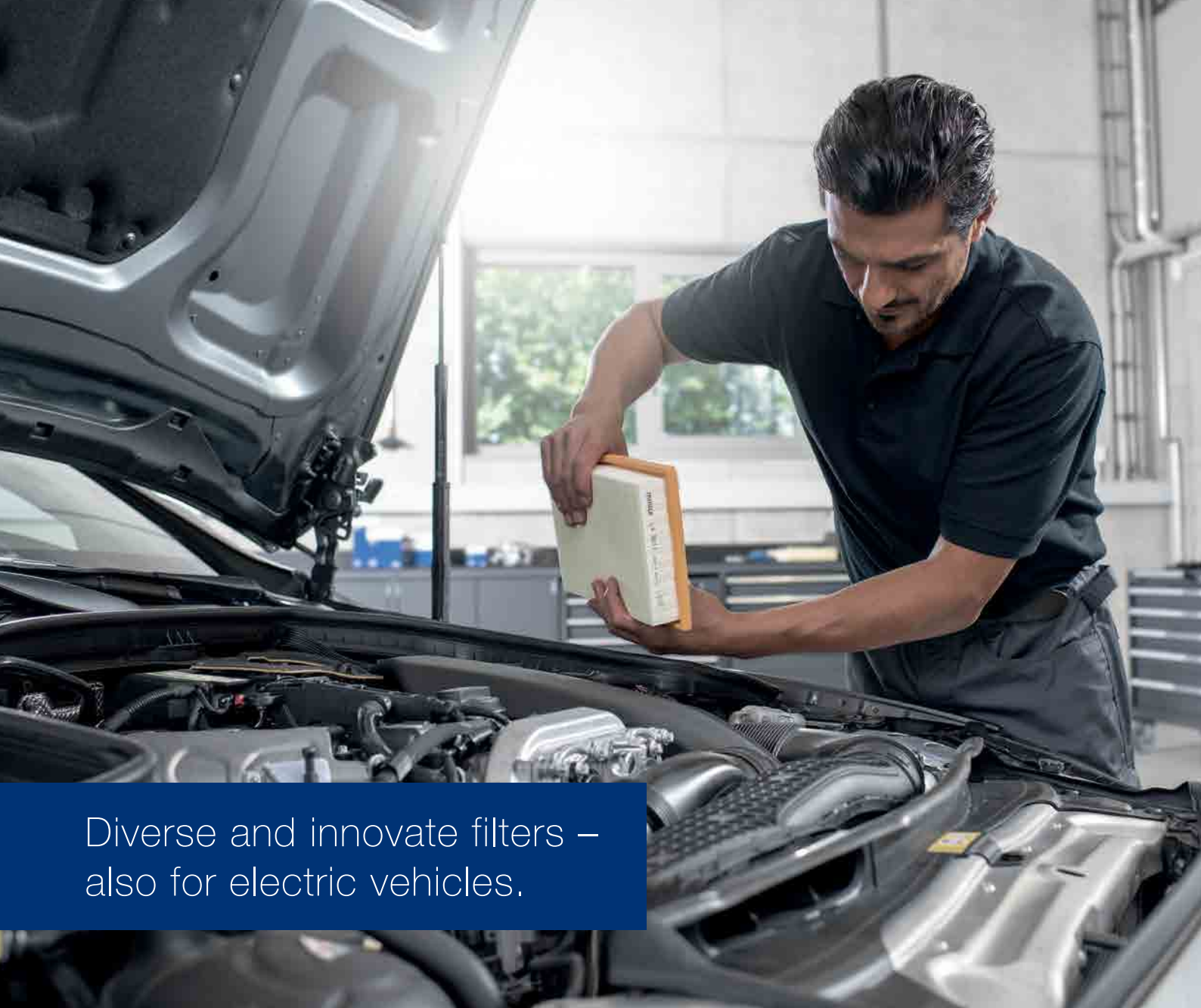
Ford Motor Company, in conjunction with cabin air filter development partner Freudenberg, the leading cabin air filtration experts, have rigorously tested the cabin air filter before considering its use for the Climate Control System. "Tests show that cabin air filters that are standard in our Ranger and Everest vehicles can catch dust particles that are as small as  $0.3\mu\text{m}$ ", says Dale Reid, Product Marketing Manager at Ford Motor Company of Southern Africa. "To give you an idea of how small that is, the diameter of a hair ranges from 17 to  $181\mu\text{m}$ . This also qualifies the cabin air filter to be a very good pollen filter," he explains.

Being able to filter micro particles and promote efficient air flow while being durable enough for long term use is a great feat only a specialized cabin air filter can manage. "If you use your vehicle everyday, be sure to check your cabin air filter every few months. It's easy to check and replace your cabin air filter – consult your owner's manual for the specific steps – or go to your preferred Ford dealership," Reid advises.

A clogged cabin air filter can be bad for your health. The air that circulates in the passenger cabin is seven- to 10-times more concentrated than the air outside. If your vehicle is passing air through a dirty cabin air filter, it increases the risk of having pollutants, exhaust, dust, and other particles enter the cabin. 







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## VWSA offers work experience to unemployed youth

**For the second consecutive year, Volkswagen Group South Africa (VWSA) is supporting the national Youth Employment Service (YES) programme by offering work opportunities to 520 unemployed youth.**

**T**he group, which began its 12-month employment period at the beginning of March 2020, consists of 141 candidates placed at VWSA, another 194 working for the VWSA dealership network and 185 candidates being taken in by SME host partners.

Of the 141 candidates that will work for VWSA directly, 123 will be placed at the plant in Uitenhage, 10 at the National Sales Organisation (NSO) in Sandton and another eight

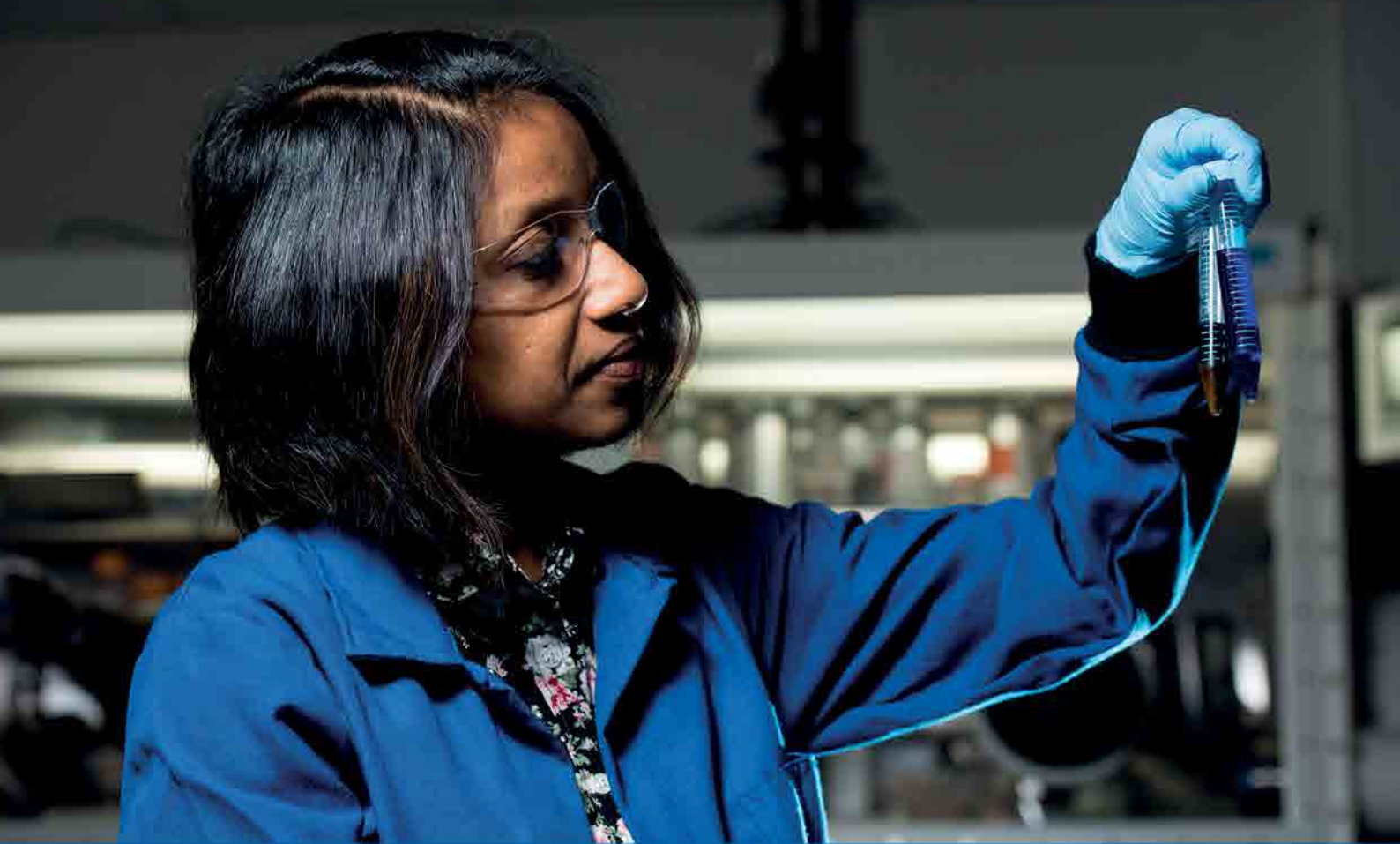
candidates will join the Group Parts Warehouse facility in Centurion.

This is the second year that VWSA is supporting the YES programme, launched by President Cyril Ramaphosa to enable young people without formal qualifications to gain work experience with the aim of improving their chances at long-term quality employment. In partnership with the YES Foundation, Harambee and UNLOCK'D, VWSA offered opportunities to 560 youth in 2019. Six of these candidates were

offered permanent positions within VWSA and the dealership network.

"Volkswagen remains committed to economic transformation initiatives, and we believe programmes like the YES initiative have a crucial part to play in alleviating the youth unemployment crisis in our country," said Thomas Schaefer, Volkswagen Group South Africa Chairman and Managing Director. "It is our hope that our involvement in this programme will empower youth to realise their potential and gain quality employment."





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### What is an Apprenticeship?

The apprenticeship system is a well-known technical training system which includes practical and theoretical training. Apprenticeships are offered in designated trades, and on passing a trade test, the candidate will be recognised as an artisan.

### Who is eligible for an Apprenticeship programme?

Any South African citizen, 16 years or older. There are different admission requirements for the various trades. Competence in Maths, Science and English will enhance your chances of selection.

### How does one apply for the Apprenticeship programme?

- If you are unemployed, you may apply to a company that is offering an apprenticeship programme.
- If you are employed, consult with your employer as to the correct procedures to be followed so that you may pursue such training.

# LEADERS IN CLOSING THE SKILLS GAP

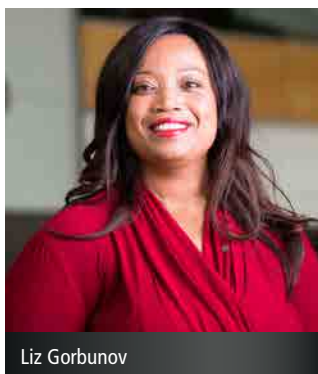


## Women of Steel

**There is no doubt that the automotive industry needs to continuously invest in women's empowerment on personal and professional levels as there is an incredible amount of evidence to support the positive ramifications.**



Chantelle Mashego



Liz Gorbunov



Lizette Crause



Melicia Bala

A study by McKinsey indicates gender diversity in management positions increases profitability. In previous studies, companies which were in the top 25<sup>th</sup> percentile for gender diversity on their executive teams were 15% more likely to experience higher-than-average profits, but the recent study shows that likelihood has increased to 21%. Nissan understands the importance of empowering and advancing women. This is evident in the company's initiatives towards gender equality in its workforce, particularly at the manufacturing plant in Rosslyn, where it has achieved a 50/50 gender split with the engineering trainees who participate in their skills development programme.

Nissan recently made an announcement of its R3 billion investment into the Rosslyn plant to build the Nissan Navara locally. At the helm of this project are Nissan's women who all play a critical role in ensuring that the Nissan Navara is delivered at the right time and exceptional standards that the organisation holds.

### Breaking the glass ceiling

Chantelle Mashego, a Senior Manager responsible for delivering the locally produced Nissan Navara has been at Nissan for 11 years and understands the complexities of building a vehicle.

"I've worked hard to grow through the ranks from a contracted engineer to holding roles in vehicle quality, parts quality and more. In that time, I've also held international roles including a stint at Nissan Spain, returning to South Africa with new skills and experience," says Mashego.

Melicia Bala who is Nissan South Africa's acting Human Resources Lead, ensures that only the best talent is recruited to build the latest version of the Nissan Navara. "We strive to be an employer of choice in the automotive industry and attract and retain the best talent."


### Leadership lessons

"As successful female executives, there is a responsibility to empower other women, to mentor, encourage and engage with them regarding our learnings over years," says Liz Gorbunov, General Manager:

Chief Marketing Manager, Light Commercial Vehicles and Sporty Utility Vehicles at Nissan South Africa.

The Nissan leadership team has a proven track record to ensure return on investment and one of the ways that this is being achieved is to empower and provide dealers with the necessary training.

Lizette Crause is the General Manager of Customer Quality and Dealer Network Development at Nissan South Africa. She is responsible for the dealer network, including ensuring profitability, returns, customer quality and people development at the dealerships. To ensure that Nissan fulfils its mandate to enhancing its presence in the sub-Saharan markets, Crause oversees the partner and network strategy to deliver exciting and diverse customer experience to secure Nissan's sustainable growth in Africa.

Gender parity in the auto industry still has room for growth and Nissan is committed to investing in the empowerment of women in the workplace at all levels of the business. 



# CONTRIBUTIONS TO THE MOTOR INDUSTRY RETIREMENT FUNDS AND THE IMPACT OF THE COVID-19 PANDEMIC

The Auto Workers' Provident Fund and the Motor Industry Provident Fund have amended their rules in line with the directive of the Financial Sector Conduct Authority (FSCA) to assist employers and employees who are in financial distress as a result of the Covid-19 pandemic and the national lockdown.

## VARIOUS OPTIONS AVAILABLE

The various different options available to employers depending on their circumstances in relation to the payment of contributions to our Funds are set out in the table below:

OPTION	CONTRIBUTION	ACTION
1 Employee works and receives a salary for working more than 23 hours in a week.	Normal contributions payable.	Submit contributions and schedules via MIBCO return system.
2 Employee is not at work and is not receiving a salary.	No contributions payable.	Submit change in pensionable salary for employee via MIBCO return system.
3 Employee works, but for less than 23 hours in a week.	No contributions payable.	Submit change in pensionable salary for employee via MIBCO return system.
4 Employee works normal weekly hours but, by agreement, receives a reduced pensionable salary.	Contributions on adjusted pensionable salary.	Submit contributions and schedules via MIBCO return system.
5* Employee works normal hours, but employer is in financial distress. Fund accepts application for relief.	No or lesser contributions in terms of fund agreement with employer.	Submit change in pensionable salary for employee via MIBCO return system. Include acceptance letter from Fund.

\* Kindly download the relevant forms from our website at [www.mirf.co.za](http://www.mirf.co.za) or request the forms by email from [covid19@mifa.org.za](mailto:covid19@mifa.org.za).

It is important to note that, even if retirement savings contributions are not paid, an employer must try as far as possible to still pay the cost of risk benefits to the Funds, for it will jeopardise members and their families if an event such as death or ill-health occurs, but the Fund is not in a position to pay the risk portion of the benefit.

**For more information, visit [www.mirf.co.za](http://www.mirf.co.za) or email [covid19@mifa.org.za](mailto:covid19@mifa.org.za).**

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## No surprise at April new vehicle sales

**According to NAAMSA, the April new vehicle sales figures were expected. "The 98,4% drop in new vehicle sales is a true reflection of the South Africa economy at the back of a 35-day hard lockdown where economic activity was not possible," said Michael Mabasa, NAAMSA CEO.**

Vehicle and automotive component production, as the bedrock of the country's manufacturing sector, will gradually ease back into production because vehicle production will resume under strict risk-adjusted measures, hygiene and social distancing requirements stipulated in the regulations to ensure the safety of all employees, customers, suppliers and of everyone who access the sector.

New vehicle sales statistics for April 2020 reflect the expected decline of 98.4% (36,213 units) from the 36,787 vehicles sold in April last year to the aggregate domestic sales of 574 units in April 2020. Equally, export sales at 901 units also registered a huge fall of 31,928 units or a decline of 97.3% compared to the 32,829 vehicles exported in April last year. Overall, out of the total reported industry sales of 574 vehicles, an estimated 275 units or 47.9% represented dealer sales, 37.8% sales to government, an estimated 12.4% represented sales to the vehicle rental industry, and 1.9% to industry corporate fleets.

The April 2020 new passenger car market had registered a decline of 24,877 cars or a fall of 99.6% to 105 units compared to the 24,982 new


cars sold in April last year. Domestic sales of new light commercial vehicles, bakkies and mini-buses at 318 units during April 2020 had recorded a significant decline of 9,494 units or a fall of 96.8% from the 9,812 light commercial vehicles sold during the corresponding month last year.

Sales for medium and heavy truck segments of the industry also performed poorly and at 64 units and 87 units, respectively, reflected a substantial decline of 515 vehicles or a fall of 88.9% in the case of medium commercial vehicles, and, in the case of heavy trucks and buses a decline of 1,327 vehicles or a fall of 93.8% compared to the corresponding month last year. The performance of vehicle exports over the course of 2020 remains linked to the duration of the COVID-19 pandemic and its impact on the global economy.

The April new vehicle sales and export figures represent a barometer of the COVID-19 impact on the automotive industry and the economy at large. Businesses and consumers are currently uncertain about what the future holds through the lockdown restrictions, with unemployment rate increases, negative exchange rate impact, negative annualised GDP

growth rate, and Moody's and Fitch's rating downgrade all putting pressure on disposable income and debt levels. The business activity index of the Absa Purchasing Managers' Index (PMI) survey crashed to an all-time low of a mere 5.1 index points in April.

The decline means that manufacturing output came to a near standstill during the nationwide lockdown. The PMI survey reflects the immediate, devastating impact the lockdown had on manufacturing output and overall demand. All of this translates into low business and consumer confidence, which will cause a delay in big purchases such as vehicles. While some easing of restrictions should aid a slow recovery in coming months, a lot of manufacturing capacity will remain idle for some time.

The industry is under no illusion that this is going to be a very difficult year ahead. However, the cut of the interest rate by a further 100 basis points during April 2020 will not only assist indebted consumers and businesses in the short term, but also help restart industry sales once the country resumes business. The reduction in fuel prices will also contribute while the oil price remains low. 





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## Goldwagen joins the Wolf pack

**Wolf Lubricants will be distributed exclusively by Goldwagen's retail outlets throughout Southern Africa, including South Africa, Namibia, Swaziland, Lesotho and Botswana, thanks to a new partnership between Wolf Oil Corporation and Goldwagen.**

With over 60 years of expertise, Belgium-based Wolf Lubricants has established itself as a market leader in the production and supply of cutting-edge lubricant products and additive technologies, delivering the highest levels of quality and performance. With over 130 Original Equipment approvals from the likes of BMW, Mercedes-Benz, Volkswagen and Ford, amongst others, Wolf Lubricants' commitment to offering value products and service is both well-known and respected throughout the industry.

"It was clear from the word go that the partnership made complete sense," says João Da Costa, CEO of Goldwagen. "With both our companies


being family owned and with motoring in our blood, we were quick to arrive at a common understanding.

"At Goldwagen we pride ourselves on our no-compromise approach towards offering quality products, service, and expertise. Wolf's reputation in these areas meant we knew we would be bringing on-board more than just a supplier but a long-term global partner with a local approach."

"Moreover, the FIA World Rally Championship (WRC), of which Wolf Lubricants is an official partner, will be hosting one of its rounds in Kenya next year. We believe this will further help to raise brand awareness and will

additionally demonstrate the highest levels of quality and performance found in Wolf Lubricants to Africa."

"This new partnership will add considerable presence to Wolf Lubricants in Africa," commented Fr  d  rico Alves, Area Sales Manager at Wolf Oil Corporation. "We believe our partnership with one of Southern Africa's most trusted vehicle spares distributors opens the door to an exciting time for both companies."

These dynamic companies, which are both part of the Nexus international automotive community, have entered into a supply agreement that started in the second half of 2019. 

A photograph of two Black men in a workshop setting. The man on the left is sitting, wearing a blue and black short-sleeved shirt and black trousers. The man on the right is standing, wearing an orange and navy blue short-sleeved shirt and navy blue trousers, with his arm resting on the shoulder of the seated man. The background is filled with industrial equipment, including chains and metal structures.

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## G.U.D. develops hand-wash station for taxi ranks

**An innovative mobile hand-wash station that allows people at taxi ranks to wash their hands with hygienic liquid soap and water to prevent the spread of the Coronavirus, has been developed by G.U.D. Holdings.**

**G**.U.D. is well-known for its premium automotive products, GUD Filters, Safeline Brake Pads, Fram Filters, Indy Oil and Holts. The company saw an opportunity to develop a simple hand washing system using its Indy Oil drums that could assist commuters and people living in water-scarce areas to wash their hands.

G.U.D.'s engineers built a prototype to test. The mobile hand-wash station consists of two 210 litre plastic drums which are fixed on a frame with wheels, a pump, water and a liquid hand soap dispenser. This simple design is effective in ensuring people are able to use it effortlessly.


G.U.D.'s BBBEE partner, Filpro, which operates in the informal market, has trialled the units in taxi ranks with high traffic volumes. Filpro conducted demonstrations of the hand-wash station at Vereeniging, Tskane, Tembisa, Pretoria CBD and Orange Farm taxi ranks around Johannesburg during the first week of May 2020. Filpro will facilitate the roll-out of over 100 free mobile hand-wash stations to taxi ranks throughout the country in the coming months.

"We received a very positive response from commuters at the taxi ranks during the trial run of the hand-wash station. People were queuing up to use the hand-wash station to wash their hands before getting into taxis. This simple hygiene practice

is crucial to help us overcome the Coronavirus pandemic," says Mboneni Magada, General Manager, Filpro.

Peter Mashego, Chairman of the South African National Taxi Association, attended the demonstration of the hand-wash station at the Tembisa taxi rank. He praised G.U.D. and

Filpro for their support of the taxi industry during this global crisis.

The innovative hand-wash station will not only benefit people at taxi ranks; G.U.D. Holdings are investigating offering the unit to schools, clinics, informal settlements and offices, to keep South Africans safe during this health crisis. 





# Alternative Energy in the Automotive Industry



**According to Stats SA, South Africa's gross domestic product (GDP) decreased by 1.4% in the fourth quarter of 2019.**

This slumped the economy into its second recession in consecutive years, which is to be further impacted due to the national lockdown. The result is that economic growth is predicted at a woeful -5.8%. The Reserve Bank's response was a recent reduction of the interest rate by 275 basis points. In addition to the woes brought about by COVID-19, Eskom has stated that load shedding will be a reality in South Africa for the immediate future (18 months) as much-needed maintenance on existing power plants is required.

Eskom has had a negative impact on manufacturing output in the automotive sector directly, but also impacts the planning of companies that are wary to commit investment to long term projects. This will continue to put strain on existing infrastructure and longer term manufacturing output.

On 1 April 2020, Eskom increased tariffs for direct customers by 7.81%. There have also recently been court cases between Eskom and the National Energy Regulator of South Africa (NERSA), with Eskom looking to hike tariffs by more than the amounts granted by NERSA. These higher tariffs strengthen the investment case for renewable energy.

As dealerships face increasingly complex challenges, including margin pressures that demand new business models, an investment in innovation and technology is of critical importance. Not only do new technological capabilities lower operating expenses and bring greater flexibility, but they help reduce fixed costs. Setting up a dealership to be able to withstand future shocks will ultimately prove to be a competitive advantage.

## SOLAR INSTALLATIONS

Solar installations are becoming a common sight across the country and many dealerships are taking advantage of the savings that solar offers, which is offset against their current (and future) electricity costs. The most important trend in the solar market currently relates to price reductions in battery technology, allowing installations to store their own power as a risk mitigant to load shedding

## BENEFITS OF SOLAR ENERGY

Solar installations are becoming more competitive as costs of technology decreases and electricity tariffs increase. South Africa has some of the best sunlight in the world and a government that supports dealerships investing in solar through supportive regulation and a beneficial tax regime for installations less than one megawatt.

With solar potentially offsetting a large portion of current utility energy consumption, costs are capped on that portion of future energy consumption. Solar installations have long lifespans: panels have performance warranties of 25 years and inverters and batteries often have 10 year warranties. Solar is also attractive from an environmental perspective and sends a clear message to the public of a brand's positioning relating to sustainability issues.

Investors in solar take a long-term view and it is clear that many

dealerships assess cash flows, break even points and the returns of solar to other investment projects.

## KEY CONSIDERATIONS

For dealerships interested in solar energy, the following points require consideration:

1. Obtain proper cash flow projections to enable ongoing performance monitoring of the system;
2. Ensure you deal with a reputable installer who will adhere to regulations;
3. Structure the funding of the project to minimise the difference between loan repayments and historic energy bills;
4. The capital cost constrains facing the investment can be overcome by longer terms of funding to ensure your cash flows don't come under pressure and you offset your cost of energy with your cost of funding.

Absa has deep knowledge of the renewables sector and understands the funding models suitable to dealerships. As solar energy is a long-term investment, it must not be financed like a short-term asset. To find out more about the automotive industry, renewable energy and available financing solutions contact Thami Letsoalo (*Thamsanqa. Letsoalo@absa.africa*) or:

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## COVID-19: Returning to the workplace

**Employers continue to navigate through uncharted waters. COVID-19 has caused damages to most businesses and the lives of almost every employer and employee.**

Fortunately, there has been some relief measures introduced by government which range from financial aid for businesses to financial support from the Unemployment Insurance Fund in the form of TERS (Temporary Employer\Employee Relief System). Although these measures have been introduced to assist the labour market, realistically, it will not completely dispose of the detrimental consequences of the COVID-19 pandemic.

With the changes in the lockdown levels, some form of economic activity is set to resume. The resuming of the economic activity within workplaces will simply not be the proverbial "business as usual", however. The government has set out stringent measures to ensure active combatting of the COVID-19 virus, especially within workplaces. These measures aim to ensure workplace preparedness. In terms of

the Occupational Health and Safety Act (read with the COVID-19 direction on Health and Safety in the Workplace which was issued by the Minister of Labour in terms of the Regulation (10(8) of the National Disaster Regulations), the employer has the responsibility to provide the employee with a safe working environment. This implies an environment that is free from health hazards and risks insofar and to the extent that it is reasonably practical for the employer to create. A further responsibility of the employer is to ensure that any risks that have been identified be combatted by taking steps to eliminate the potential risk – insofar as practically possible – or to mitigate the hazard or potential hazard.

The directive introduces administrative measures which the employer is required to follow. These include:

- That the employer will conduct a risk assessment within the workplace;

- That all employees are notified of the directive as well as how the employer intends on giving effect to it;
- Advising employees not to report for duty should they have symptoms that are associated with COVID-19. It is noteworthy that the ordinary sick leave, as contained in the Basic Conditions of Employment Act (BCEA) section 22, will be applicable;
- Each workplace needs to appoint a representative who will address the employees concerns and keep them informed;
- Active measures to minimise contact between workers and members of the public. If possible, introduce staggered working hours, shifts or rotation of staff to give effect to social distancing;
- Raising active awareness in the workplace of all relevant

aspects of the COVID-19 virus;

- Requirements for when an employee at work has been diagnosed with COVID-19; and
- Giving support to the Department of Health with contact tracing.

It also introduces **social distancing** measures. Every employer is required to ensure minimal contact between workers. Workstations should remain at least 1.5 metres apart whilst working. It might require the employer to have fewer staff present in the workplace at any given time. If the workstations cannot be 1.5 metres apart, physical barriers between workplaces should be erected or installed. The employer must ensure that the social distancing measures are implemented and complied with – in the workplace and in the common areas.

The directive further requires **symptom screening**:

- Every employer needs to screen employees at the moment that they report for work for any symptoms that are associated with COVID-19. The employee needs to report to the employer if they suffer from symptoms of COVID-19. Should the employee fall ill while at work, they need to report it to the employer immediately.
- Should the employee display any symptoms associated with the virus, he/she will not be permitted to enter the workplace. In the event that the employee presents with symptoms when already permitted to the workplace, the employer will need to isolate the employee and ascertain whether there was a risk of transmission in the workplace.
- The worker will need to be tested or referred to an identified testing site. The employee will be placed

on sick leave in terms of section 22 of the BCEA. Should the employee's sick-leave be exhausted the employer will have to apply for illness benefits in terms of clause 4 of the directive that was issued on 25 March 2020 under regulation 10(8) of the Regulations in terms of section 27(2) of the Disaster Management Act.

- The employer is required to ensure that the employee is not discriminated against on the grounds of having tested positive for COVID-19.
- If the employee contracted the virus at work, the employer would have to lodge a claim for compensation in terms of the Compensation for Occupational Injuries and Diseases Act.

#### **Sanitisers, disinfectant, and other measures**

The employer needs to provide the employees with hand sanitisers as well as adequate facilities for the washing of hands with soap and water. These should also be placed at the entrance of the workplace. Sufficient amounts of hand sanitiser should be provided for both the employee and members of the public they interact with. All surfaces, common areas and shared equipment would need to be disinfected regularly. Only the use of paper towels to dry hands will be allowed.

#### **Cloth masks**

Every employer needs to provide the employees with at least two cloth masks. These masks should comply with the requirements set out in the guidelines that were issued by the Department of Trade and Industry. Employees need to wear masks in the workplace and proper training on how to wear and clean the masks should be provided to the employees.

#### **Measures in respect of workplaces to which public have access**

The importance of these measures is to ensure that the employees, as well as the members of the public, are protected from being infected by their interaction. The social distancing, mask and sanitising of hands rules are still required during the interaction.


#### **Ventilation**

Proper ventilation of the workplace is required.

#### **Other PPE**

The employer will have to check regularly on the websites of the NHICD and NIOH whether there is any other PPE that is required as well as any other guidelines set out. The employer will then need to implement it.

Whilst it is imperative to understand that although the Occupational Health and Safety Act, together with the new COVID 19 directive and regulations on workplace preparedness, place a great responsibility on the employer, the employee is also expected to adhere to the prevailing legislation. It remains a joint effort to effectively combat the spread of the virus. Employees need to understand that if they do not comply with the safety measures introduced within the workplace, it will be regarded as severe.

Such employees will be disciplined accordingly and will face severe consequences for wilfully and recklessly endangering the lives of fellow employees and members of the public. 



**Douw Breed is a Director at Barnard Incorporated Attorneys, Centurion.**





# The danger of unmanaged contracts

**Contracts form the basis of commerce and irrespective of whether it is verbal or in writing, no transaction is entered into without a contract being concluded. Often a contract consists of pages and pages of clauses as the parties believe that by catering for each and every eventuality and recording each and every obligation it serves to 'watertight' the transaction.**

**A**lthough the purpose may be to watertight the transaction it may just have the opposite effect and provide one of the parties an opportunity to exit the agreement. The danger exists if parties do not comply with the essential conditions of the contract and if they do not manage their contracts properly. The misstep is then only realised, when the aggrieved party wishes to enforce the contract or claim damages upon a breach being

committed by the other party. An example of unfavourable conditions which may flow from poor contract management is illustrated in the following hypothesis:

- Two parties enter into a written contract for the sale of goods;
- The purchaser purchases the goods on account;
- The purchaser must pay for the goods within 30 days of delivery of the invoice.

If over time, the purchaser only pays for the goods after 90 days, and the seller accepts the late payments without objection, the parties may find themselves in a position where the 30-day payment terms are tacitly amended to 90 days.


Should this scenario persist for a longer period, without being acted upon, and the seller then decides to refute the 90-day payment terms and he notifies the purchaser accordingly, the seller



may possibly find himself in a situation where he repudiates the contract. This may have disastrous effects for the seller since, should his repudiation be accepted by the purchaser and the contract is cancelled, the seller is likely to find himself in a position where he no longer has a claim against the purchaser as a result.

Another example where poor contract management can lead to an unfavourable outcome, is where a contract provides for specific

procedures to be followed before legal action can be instituted. Often contracts require written notice to a breaching party to remedy the breach before the aggrieved party can elect to cancel or enforce the contract. Should the aggrieved party merely cancel the contract without providing the breaching party an opportunity to remedy the breach, the aggrieved party may be found to have repudiated the contract.

Although parties often elect to enter into written contracts to protect their interests, it will only serve the purpose if the parties remain cognisant of their obligations and manage their contracts with due care. Suppliers and service providers especially, should have a system in place which assists them in identifying the crucial obligations to be complied with. In the current economic climate, suppliers and service providers would be hesitant to terminate long-standing business relationships with consumers suffering temporary financial strain, there remain various options available to them to protect their rights. It is therefore advisable to obtain the assistance of a legal practitioner to ensure such protection, especially in instances where suppliers and service providers wish to grant leeway to consumers on their payment terms. 



**Andries Stander is a director in the litigation department at Barnard Incorporated Attorneys in Centurion.**

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# Are you suited to franchising?

## The big question is: Are entrepreneurs made or born?

Text supplied by the Franchise Association of South Africa

**When we look at the great entrepreneurs of our time – the Richard Bransons, the Bill Gates and the Elon Musks – we see people who are inventors, strategists and mavericks and we ask ourselves... can we be these people?**

**W**hilst most of us could never see ourselves taking those massive risks that true entrepreneurs have taken – risking everything they have and often failing many times before succeeding – at some point all of us have wanted to own our

own business, be our own boss and take up the challenge to make something of ourselves and in the process build up a nest-egg or live the good life. The common culture for decades has always been to instil in youngsters the idea that when they finish school or graduate,

they must get a good job and stick with it. Whilst many achieve success in this, the majority get stuck in a rut and are trapped in a job they detest, with a ceiling cap on what they can earn and constantly battling to stay ahead in an ever-changing business environment.

### The hard realities of going it alone

The transition from being an employee to being self employed is a huge leap of faith and anyone planning to take that step needs to understand and accept that he or she will have to undergo a complete change in work style, in attitude and in lifestyle. Old habits will have to be broken; the 'employee' mind-set changed and as an owner-operator will have to tackle:

1. Changing from being a cog in the wheel of a company to being the driving force of the chariot.
2. Becoming a 'Jack-of-all-trades' and being prepared to be everything from the janitor, bookkeeper, staff mediator and managing director – all in one day!
3. Forget about the 'nine-to-five' mentality and get used to working long hours.
4. Accepting that the buck stops with you and that you are responsible for your own success.
5. Be the driver of your ambitions – with the energy, focus and the will to succeed.



### Identify your strengths and passions

We all have grandiose ideas of changing the world, making a difference and achieving great things. Knowing and understanding what you want to achieve in a business means some honest soul-searching to make sure you are not just following a pipe dream. Whether you decide to start your own business or want to buy into a franchise, you need to make sure that

you have what it takes to go it alone. You need to be brutally honest as to your motives, and look at your health, lifestyle and family situation to see that these all fit into your plan to become your own boss. In choosing the franchise that is right for you, it is important to assess your own personality, your strengths and weaknesses, and try and match your personality to a particular franchise activity. Consider the following:

### Age

Consider your age and circumstances and decide what you want at this point in your life. Some franchise opportunities suit a more mature person whilst others require substantial amounts of time and energy. If you're at retirement age and you are considering a food franchise that requires long hours, make sure you have the stamina to go the distance. Decide whether your age is a barrier or an advantage to the particular business opportunity you are investigating.

### Health

Whilst it is quite common for retired people to invest in a franchise – and do so quite successfully – it is important that you assess your health before embarking on a business venture that might take its toll on your well-being. Franchises that require you to be on your feet for long hours or involve physical exertion could place you at risk.

### Experience

Although franchising promotes giving franchisees the blueprint to running businesses, background and experience can stand a new franchisee in good stead so make sure you can put your experience, education and training to good use – or look at acquiring some basic business and marketing skills.

### Life goals

Take a good hard look at what it is you want out of life at this point in time. As with everything in life, you must be committed so be honest in your assessment of what it is you want to achieve. Don't be tempted to start a business on a whim – you need to have a long-term goal that you will stick to, whether it's to accumulate wealth, work towards retirement goals or establish a business to leave to your children.

### Interests

Analyse what interests you – perhaps you have a long-time passion of working with your hands that now affords you the opportunity to turn into a business. Don't attempt something you have no interest in – you will be far happier doing something that appeals to you rather than investing in something for the sake of it.

### Attitude

An honest assessment of your attitude to life, people and business is important to identifying whether you are suited to starting a business. If you are a loner who prefers working alone, is not very sociable and has difficulty working with others, then starting a business might put a lot of pressure on you and hamper your success.

### Adaptability

Running a business will throw many curve-balls your way and you must have the flexibility to take things in your stride. You need to be adaptable in both your character and your work ethic to manage both personal and business challenges. With our fast changing world, adaptability is key to being successful.

### People skills

Unless you take on a business venture that requires very little human interaction, one of the most important aspects of business is being able to get on with people from all walks of life. In franchising, success lies in its public popularity and as one of their franchisees you need to continually interact with people – from your franchisor, your staff and your customers.

### Initiative

Although franchising gives you the blueprint to run a successful business, very much like getting a recipe for a great dish, it is up to you, the franchisee, to turn that recipe into a successful business. Whilst you will get all the tools to succeed from the franchisor – from the operations manual to the on-going support – only you can make that business succeed.


### Commitment

Without total commitment on your part, even the most successful franchise can fail. That commitment extends to throwing yourself wholeheartedly into the business, following the franchisor's business system down to the last word, being fully 'hands on' in the business and fulfilling your long-term business goal that is ultimately your life's goal.

### Financial support

Starting any type of business is not for the faint-hearted and in most cases, requires huge funding. You must make sure that you have adequate financial resources available for the business to sustain itself until break-even and thereafter keep a sharp eye on the financial health of your business.

### Family support

Finally, success cannot be achieved if you don't have the support of your family behind you. Any new business venture, with its long hours and teething problems, can take its toll on family life. Get their buy-in, make them a part of your plan and let them share the challenges and triumphs of your new venture. 

## Does franchising have a place in the new world order?

Text supplied by the Franchise Association of South Africa

**In a world that is continually changing and evolving, the question of whether franchising can retain its place as one of the most successful business models of all time seems to be in question. What is without doubt is the fact that small businesses still form the basis to any successful country and the cogs that keep the wheels of world economies turning.**


But with successful franchise brands becoming global players, they often move into the realm of big business, get listed and often lose their basic 'hands-on' characteristics that so defines franchising. Although only a handful of franchise companies are listed companies in South Africa, the volatility that has been witnessed in a few of the listed fast food and restaurant companies has us asking whether franchising is falling off its pedestal as one of the most successful business models of all time.

The answer is a definite no! Large listed franchise groups, in becoming corporate conglomerates answerable to their shareholders, take on accelerated growth through diversification and acquisitions and may then suffer the consequences of market volatility and/or risky investments.

It's a known fact that when the world economy undergoes changes – either positive or negative – franchising is standing by to pick up on new trends or gaps in the market and presto – you have a new franchise concept. The buzz words in global franchising are flexibility and adaptability. Whether a result of a need to inject some life into stagnant franchise brands or as a result of the new world order brought about by the recession, franchising is embracing alternative and options in a big way – either by coming up with innovative areas to franchise or simply by allowing their franchisees more flexibility when it comes to adapting their existing brands to operate in 'non-traditional' ways to help with their bottom line.



### Some of the trends in franchising that are coming to the fore include:

- Smaller, more cost-effective franchise models with reduced franchise fees, lower start-up costs, fewer employees and reasonable rents.
- Looking at new, less expensive alternate locations beyond the shopping malls and strip malls to expand into such as stand-alone kiosks, corporate catering, campuses, sporting events, etc.
- Investigating alternate markets for franchising expansion. Incorporating a brand within a convenience store or service station, and expanding an education franchise by linking in with school programmes, have already been tackled by local franchisors and is proving to be very successful.
- Operating in tandem with other non-competing brands is another way to expand the brand into new alternate markets using the support of other brands and untapped markets.
- Niche markets are offering one-of-a-kind franchises that give one the opportunity to get in on the ground floor of a new franchise trend. Whether it's in offering a unique 'gourmet' food experience or in the 'green' space of energy saving technology or the more environmental space of recycling, these are the new frontiers in franchising.
- Staying ahead of the game when it comes to identifying changes in customer behaviour, tuning in to social media trends and making sure that your franchise uses the latest in digital developments is crucial to long-term survival. 





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Written by Kate Kennedy

## Your helping hand during a crisis

**Operating a business is hard enough when the economy is growing and people have money to burn. Unfortunately, with the health threat currently being posed by COVID-19 and South Africa in varying stages of a national lockdown, we are not even remotely in a time of plenty.**

**W**hile all businesses are struggling to operate, apply for funding and exploring various grant options to assist with various expenses, owners of franchised business are able to lean on their franchisors for support.

According to the Franchise Association of South Africa (FASA), around 73% of franchisors have given their franchisees a royalty break/holiday/waiving of fees, and many also negotiated with their suppliers for payment plans to assist their franchisees with cash flow.

"Many franchisors have also appointed outside agents to apply for UIF relief on behalf of franchisees as these agents are more familiar with the UIF procedures and it saves the


franchisees the hassle," says FASA's Executive Director, Vera Valasis.

Some franchisor development managers even approached landlords to negotiate rental payments on behalf of franchisees.

"As far as we know, some landlords waived rentals for April and others charged 50% but most, if not all, still require utility payments," says Valasis. "Going into the future we are not sure what the landlords' stance will be but it seems, in most cases, there is an understanding of the current trading conditions."

There is a downside brought about by COVID-19 though – banks aren't too keen to finance new businesses right now.

"The banks are now even more cautious with regards to new applications for funding," says Valasis. "I understand from Nedbank that they are waiting to see what happens with sales/turnovers over the next three months as they cannot gauge an application on the past sales performance of a brand. Apparently the petroleum sector is also a major concern for the banks as the petrol stations are pumping around 10% of the usual sales which forced the banks to renegotiate many loans to this sector."

However, if you are considering becoming a franchisee, you have time now to make solid plans for your new business and can get operational as soon as the economy gets back on its feet. 





## We're part of your journey

Midas is a retail store designed around the needs of any vehicle owner focusing on various product ranges from parts and accessories through to lifestyle equipment. There are over 300 franchised outlets in Southern Africa. All our products from the approved

suppliers are guaranteed against manufacturer's defects on a national basis. The aim is to guide consumer perception and encourage them to associate quality branded products that are guaranteed, with Midas franchises.

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## Business resumes for dealers

### Vehicle dealers allowed to do business again under very strict conditions

The Minister of Trade, Industry and Competition, Ebrahim Patel announced on 12 May 2020 that certain trading activities on vehicles will be permitted during Alert Level 4. The newly published directives come after amended regulations were issued on 29 April 2020 where the country started to gear up for a gradual and phased recovery of economic activity under a "Risk-Adjusted Strategy".

Minister Patel affirmed that it was essential to have robust conversations and all-embracing consultations during the week prior with all key industry stakeholders in order to deliberately take a cautious approach that will always balance the need to resume economic activity with the imperative to contain the virus and save people's lives.

"As we have said before, this virus doesn't move, people do. One of the key enablers of this mobility is through vehicles. We have carefully crafted new directives which would empower our dealership network across the country to cautiously resume with their operations whilst reducing the risk of infection across the entire automotive value chain and save the lives of our employees and those they come into contact with through the dealer shop floor and their maintenance and repair centres", said Minister Patel.

Tim Abbott, NAAMSA President, speaking on behalf of the entire automotive industry, said while everyone was anxious about when

the industry would be allowed to trade, "we all understood that there are no trade-offs. The risk of this virus spreading is real and this is something we have embraced and it is part of all our business planning. We are very pleased that the Minister has heard our plea and we are also very grateful that our teams across all different brands and channels have collaborated seamlessly through NAAMSA and we all support the directives as outlined and announced by Minister Patel", said Abbott.

The following trading activities on vehicles will be permitted during Alert Level 4:

- trade in new and used cars;
- wholesale trade of new and used cars by OEMs and importers;
- export and import of all categories of cars through national ports of entry under strict guidelines;
- trade-in purchases, car lease scheme returns and wholesale trading of used cars.

To allow for and facilitate the sales of cars, and the proper functioning of the supply chain, it is necessary that the various administrative and other functionaries,



such as roadworthy assessment and testing centres, and other testing stations are operational.

The new directives allows for a slow gradual phased-in for all car sales across the country. During the first phase (13 to 23 May 2020), the following conditions were observed:

- all dealerships and used car outlets did operate with up to 30% of employment subject to a maximum of one employee or customer per every nine square metres of floor space (provided that small businesses may operate with a minimum of five employees);
- the majority of car sales will be done remotely via the internet, eCommerce or telephone. Personal contact will be kept to a minimum and only on appointment under very strict hygiene and social distancing conditions in



- line with the regulations;
- test drives will be conducted on appointment only;
- home delivery of vehicles with full sanitisation will be mandatory;
- where possible, electronic, or virtual signatures will be used for finance and insurance documentation;
- car auctions for all categories will be conducted online in compliance with the CPA regulations.

In Phase Two (25 May to 06 June 2020), the following conditions will be observed.

- all dealerships and used car outlets will operate with up to 60% of employment;
- limited customers will be allowed to enter the dealership under very strict hygiene and social distancing conditions in line with the regulations;
- remote vehicle sales will continue for those potential customers with access to online services;
- test drives can be arranged on site by appointment only, and under very strict hygiene conditions including fully sanitised cars;
- on site pick-ups and deliveries of fully sanitised cars will be allowed under strict hygiene conditions with an option of home delivery of fully sanitised cars, if possible;
- car auctions for all categories will be conducted online in compliance with the CPA regulations and limited physical contact will be allowed for viewing prior to the auction under very strict hygiene conditions including fully sanitised cars.

In Phase Three (08 June 2020 until Alert Level 4 is lifted), the following conditions will be observed.

- all dealerships and used car outlets will operate with up

- to 100% of employment;
- customer on-site contact will be allowed, but kept to a minimum, whilst remote vehicle sales are encouraged;
- test drives can be arranged on site by appointment only, and under very strict hygiene conditions including fully sanitised cars;
- on site pick-ups and deliveries of fully sanitised cars will be allowed under strict hygiene conditions with an option of home delivery of fully sanitised cars if possible
- car auctions for all categories will be conducted online in compliance with the CPA regulations and limited physical contact will be allowed for viewing prior to the auction under very strict hygiene conditions including fully sanitised cars and limits on the numbers of persons at auctions in order to maintain a distance of at least 1,5m between persons at all times, including when entering or exiting from an auction.

#### Further directions for car sales

All dealerships and used car outlets will ensure limited teams of employees and contractors to access the dealerships to prepare for the start-up in line with COVID-19 risk mitigation measures. They shall implement health and safety measures, including, but not limited:

- sanitisation procedures at all sites will be strictly applied to ensure that all work surfaces, equipment, and cars on the floor are disinfected before the dealership is opened, and regularly cleaned during the working period;
- maintaining social distancing protocols at all times;
- ensuring that all staff and customers wear a cloth face mask or a home-made item that covers the nose and mouth and not allowing any customer access to

- a dealership, used car outlet or auction without a face mask;
- [iv] not allowing an employee who is sick or who has COVID-19 symptoms to work;
- [v] mandatory screening of all employees when they arrive for work on a daily basis;
- [vi] mandatory signing of a register by all visitors and customers to all sites; and
- [vii] not permitting children access to dealerships and used car outlets under Alert Level 4.

Dealer Principals or other persons in charge of dealerships and used car outlets will ensure that ongoing training and guidance on personal hygiene and preventative measures are communicated to all employees on a regular basis. All dealerships and used car outlets shall at all times act in compliance with risk-adjusted measures for occupational health and safety as a prerequisite for operation.

## Support and enablement services

In order to improve efficiency and support car sales, the following entities must be allowed to operate under strict risk-adjusted measures, hygiene and physical distancing requirements stipulated in the regulations:

- car testing centres;
  - homologation services from the National Regulator for Compulsory Specifications [NRCS];
  - weigh bridges;
  - logistics for the wholesale distribution of cars across South Africa, subject to the following:
- [i] movement of cars under own power to be permitted from port of arrival to an approved storage facility provided vehicles moved do not exceed batches of 10 at a time;
  - [ii] new cars to be driven between dealerships within the same

- province where a car is required for sale only; and
- [iii] movement of cars to be permitted to service outlets required to complete the repair of the car where unable to perform the work at the dealership but excluding the fitment of accessories.

## Emergency repairs Service Operations

All car maintenance and repairs will be confirmed through appointment only. Unsolicited walk-ins will only be allowed under exceptional and emergency circumstances and a full record of each such instance will be kept in writing at the premises of the business for a period of three months after the state of disaster has been lifted. Members of the public will not be allowed, under any circumstances, to enter the workshop environment. These workspaces will exclusively be reserved for technical and support staff. Car owners are to maintain or service their cars within their own municipal boundaries unless in case of extraordinary circumstances.

The following categories are classified as emergency car repairs for passenger cars [PCs], Light Commercial Vehicles [LCV], Medium Commercial Vehicles [MCV], Heavy Commercial Vehicles [HCV], Extra Heavy Commercial Vehicles [XHCV], inclusive of buses, motorcycles, trailers, caravans, agricultural or any other implement designed or adapted to be drawn by such car:

- repairs on essential services cars, or on the cars of persons performing essential services;
- repairs required to restore a car's safety and roadworthiness to good running condition;
- routine servicing of cars that is due or overdue in terms of the manufacturer's recommended service intervals,

- whether due as a result of
- [i] mileage;
- [ii] time interval since last service;
- [iii] recommendation by car on-board computer;
- [iv] urgent collision repairs; and
- [v] specific OEM activated recall or warranty campaigns.


The following categories are not classified as emergency car repairs:

- [vi] cosmetic repairs, such as minor scratches and dents or cosmetic enhancements;
- [vii] voluntary or routine servicing that is not overdue in terms of manufacturer's service intervals; and
- [viii] warranty campaigns of a cosmetic nature unless warranty is due to expire within 30 days of the intended repair date.

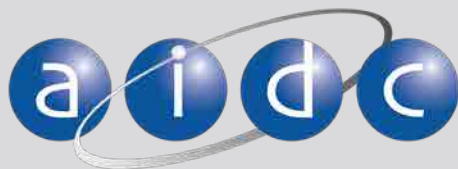
## Parts Supply and Logistics

Aftersales car servicing and parts sales should operate to support regular services and maintenance of cars under Alert Level 4 and to avoid or minimise any mechanical breakdown that might result in permanent damage given continued car usage and mileage increases during the extended lockdown by ensuring the provision of the necessary parts. In order to achieve this, the following facilities may be reopened under strict trading risk-adjusted measures, hygiene, and social distancing restrictions:

- auto electricians;
- tyre fitment centres;
- windscreen replacement centres;
- bond stores and parts distribution centres;
- motor body repairers; and
- any other related business that can attend to the mentioned repairs.

Support services should operate at the same staggered workforce levels as set out above, except for bond stores and parts distribution centres which shall operate at 50% from Phase One and ramp up thereafter. 





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### HONDA CIVIC: FUEL FILLER FLAP WILL NOT OPEN

**Question:** The fuel filler flap on our customer's 2010 Honda Civic will not open. The fuel filler flap release mechanism operates but the fuel filler flap remains closed. Is this fault known to you?

**Answer:** We know of a fault that causes the symptom you are experiencing and it is due to insufficient spring tension on the fuel filler flap. Fit an additional spring, available from Honda parts department, to the fuel filler flap Fig.1.1. Operate the fuel filler flap release mechanism several times to ensure the fault is rectified. 

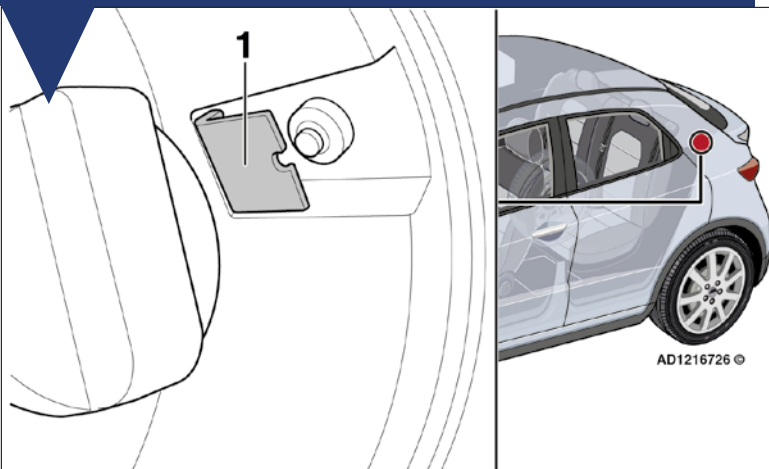



Illustration reference: hon532

### FORD KUGA: ENGINE OVERHEATING AND ENGINE MALFUNCTION INDICATOR LAMP (MIL) FLASHES WHILST DRIVING

**Question:** A customer's 2014 1,6 petrol Ford Kuga is suffering from engine overheating, intermittent lack of power and the engine malfunction indicator lamp (MIL) flashes whilst driving. We have experienced the symptoms on road test but cannot source the cause of the fault in the workshop. Can you help?

**Answer:** Yes, the symptoms you have described match a recent vehicle that we know has been fixed. The faults affect Kuga models with 1,6 turbocharged petrol engines up to 05/16. The cause is damage to the engine coolant expansion tank due to unsatisfactory location of the breather hose connector. Drain the cooling system. Remove and discard the coolant expansion tank breather hose Fig.1.1. Remove and discard coolant hose Fig.1.3. Fit new engine coolant expansion tank and expansion tank cap. Ensure the blanking plug, available from Ford parts department, is fitted to the engine coolant expansion tank breather hose connector Fig.1.2. Fit modified engine coolant expansion tank hose complete with breather hose Fig.1.3. Fill cooling system and bleed. Carry out road test to confirm faults are fixed. 

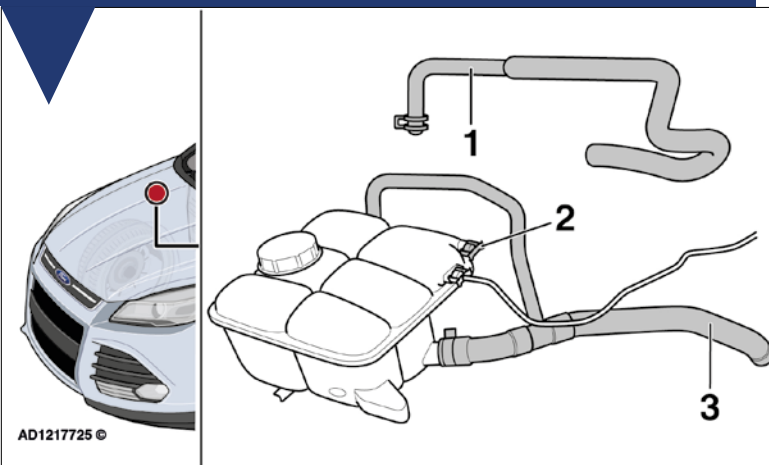


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# MEMBER UPDATE

The RMI welcomes these new businesses into membership

Member Trading Name	Street City	Member Trading Name	Street City
<b>A</b>		King Prop Auto	Bellville
AAES	Witbank	Kwik-Fit	Durban
Aces Panel Beaters	Sandton	<b>M</b>	
AEP Tuning	Durban	Malcoms Power Steering & Brake	Port Shepstone
Altebo Automotive Repairs & Spray Painting	Lebowakgomo	Marichi Enterprises	Boksburg
Amaroso Projects	Middelburg	Masterparts Pinetown	Pinetown
Amengold Mechanical Workshop	Pretoria	Mega Platinum	Marble Hall
Anderbolt Truck Rebuild Centre	Boksburg	Mkuzelozini Mechanical Repairs	Mkuze
Angelefty Mechanical Workshop	Nelspruit	Mmays Transport	Heidelberg
Automech Umzinto	Umzinto	<b>P</b>	
<b>B</b>		Panelcraft Express	Bellville
Bloem Auto Electrica	Bloemfontein	Patson Mechanical Solutions	Tembisa
Brethula Trading and Projects	Hammanskraal	Petronna Auto	Polokwane
BV Auto Repairs	Boksburg	Phumelela Brake & Clutch - Gauteng	Johannesburg
<b>C</b>		PhumZile Mphelo Services & Supplies	Polokwane
Car Service City - Craighall	Johannesburg	Punt Motor	Mossel Bay
Car Service City - Cedar	Sandton	<b>Q</b>	
CCE Services	East London	Quantum Auto Body Repairs	Nylstroom
CJ Workshop	Vredenburg	<b>R</b>	
Clairwood Motors	Durban	R81 Auto Worx	Arcadia
Classic Motor Repairs	Milnerton	Rite 2 Fit Motors	Durban
Colab Tuned	Kempton Park	RJ Panel & Spray	Strand
Commercial Truck Components Cape town	Montague Gardens	<b>S</b>	
<b>D</b>		Spring Centre Triangle Farm	Cape Town
DCT Engineering	Port Shepstone	Sterling Auto	Pretoria
DKN Mechanical Repairs	Uitenhage	Supa Quick Chatsworth	Durban
<b>E</b>		Supa Quick Loerie	George
Eshowe Motors	Eshowe	Supreme Spares	Port Elizabeth
Ethekwini CV Joints	Durban	<b>T</b>	
<b>F</b>		Tahira Solutions	George
Finovate Amplified	Stellenbosch	Tekton Autobody Repairs Bellville	Bellville
<b>G</b>		The Autolec Guy	Lephalale
GB Bodies and Trailers	Alberton	The Automotive Guyz	Nelspruit
<b>H</b>		Titus Auto Centre	Port Shepstone
Hashtag Engineering	Vryheid	Tloditja	Polokwane
Henred Fruehauf Lichtenburg	Lichtenburg	<b>U</b>	
Henred Fruehauf Uppington	Uppington	Unique Auto Panel & Paint	Tonga
Humble Motorsport	Midrand	<b>V</b>	
<b>J</b>		Visual Branding	Germiston
JBS Auto Repairs	Parow	<b>W</b>	
JCL Truck and Trailer	Bapsfontein	Waterberg Fitment & Service Centre	Lephalale
<b>K</b>		West Rand Motors	Klerksdorp
Kathu Auto Tyres	Kathu	<b>X</b>	
Kessel Motors Gardens	Cape Town	XT Fender	Randfontein
Kessel Motors Sea Point	Cape Town	<b>Z</b>	
Key trucks Durban	Durban	Zero Eight Auto	Johannesburg
KGK Motors	Kempton Park	Ziggys Auto Services (Pty) Ltd	Cape Town



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## Take a virtual tour with Ford

***"If I'd asked them what they wanted, they'd have asked for a faster horse."* This philosophy resonates with Henry Ford, a gifted entrepreneurial businessman who was about to revolutionise transport in new inconceivable ways. And on National Museum Day (18 May), Ford South Africa chose to recognise not only the eponymous Henry Ford – for his determination to make the motor car affordable to the average citizen and modernize the assembly line – but to also highlight the Ford museums you can visit virtually during these trying lockdown times.**

Henry Ford's career as a builder of automobiles began in the winter of 1893 when his interest in internal combustion engines led him to construct a small one-cylinder gasoline model while working as an engineer for the Edison Illuminating Company in Detroit. The first Ford engine spluttered to life on a wooden table in the kitchen of the Ford home and a later version of that engine powered his first automobile, which was essentially a frame fitted with four bicycle wheels and given the name Quadricycle. The Quadricycle was the first Ford car and symbolised the foundation and success of Ford Motor Company.

In 1908, Ford put the world on wheels with the Model T with over 15 million in sales. But initial demand outnumbered supply beyond prevailing production methods, which were slow and necessitated long working hours. Faced with another challenge, Henry Ford exuded more of his problem-solving acumen by pioneering the integrated moving assembly line which


precipitated a production revolution that is still used today. The slowest part of the entire process was waiting for the paint to dry. Black paint dried the fastest which is where the saying "you can have it any colour as long it's black" gets its meaning from.

But how do you satisfy your museum craving under lockdown, since these establishments have always thrived on foot traffic and sensory stimulation? Virtually, of course and just like Henry Ford brought stages of the assembly line to his workers, Ford has transported the authentic museum experience to your home.

Ford anoraks of the company's early automobiles will think they've hit gold with the virtual tour of the Ford Piquette Avenue Plant (<https://www.fordpiquetteplant.org/virtual-tour>), positioned on Piquette Avenue and the Milwaukee Junction Rail Line. This is home to Ford Motor Company's first purpose-built factory from 1904 to 1910 and Henry Ford would often ride or walk here from his home. Recognised as one of the most significant automotive heritage sites in the world, this was the

heartland of Ford Models B, C, F, K, N, R, S, and T. Productivity hummed from inside this little brick building, churning out the first 12,000 Model Ts which were then shipped out by railroad.

Through the online virtual tour one can imagine being a fly on the wall as Henry Ford laid out his plans for the Model T in complete secrecy, using a heavy-duty padlock to ensure its confidential files remained hidden from the rest of the workshop. This is a short virtual tour owing to the small size of the building but one packed with provenance to the point where you can almost hear Henry's footsteps against the creaking wooden floors.

Next stop in the virtualscapes is the Henry Ford Museum (<https://www.thehenryford.org/virtual-visit-to-henry-ford-museum/>) in the Detroit suburb of Dearborn Michigan, although the artefacts (or relics as Henry called them) of this indoor and outdoor exhibition are not limited to the automobile – despite various iterations of the Quadricycle, among others. 







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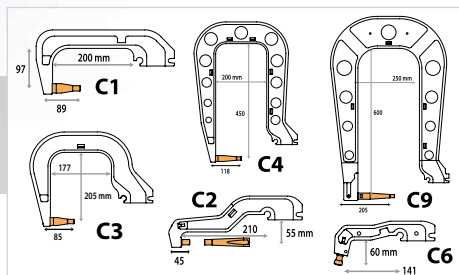
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### Automotive Bodyshop Equipment

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\* Product / Colour may vary from image provided, subject to stock availability. (E&OE)