



Media Statement

For immediate release

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COMMISSION RELEASES DRAFT COMPETITION CODE OF CONDUCT FOR THE AUTOMOTIVE SECTOR AND CALLS FOR SUBMISSIONS

On Friday a draft Automotive Code of Conduct for Competition in the automotive sector was released for public comments in the Government Gazette (No 41132).

Since the beginning of the year the Commission has conducted extensive advocacy work in the automotive aftermarket industry following concerns of anti-competitive conduct. In the process, the Commission has engaged with numerous private and public entities to fully understand the competitive dynamics that exist within the automotive aftermarket industry.

During these engagements, particular attention was paid to the need to open up the market, transform and encourage increased economic participation of historically disadvantaged individuals (HDI). Thus, the purpose of the Code is to address the anti-competition concerns and enhance transformation in the industry and to foster inclusive growth.

The Code seeks to address identified concerns in the automotive aftermarket industry and will bind various OEMs (car manufacturers), government bodies and industry associations who will be signatories to it.

In a nutshell, the intended outcome of the Code, amongst others is:

1. For small, independent and historically disadvantaged service providers to undertake service and maintenance work whilst a vehicle is in-warranty;
2. For more small, HDI (historically disadvantaged individuals and independents) to undertake in-warranty auto-body repairs;
3. For more small HDI to own OEM dealerships;
4. The use of equal matching spare parts, in addition to OEM and identical parts, in the repair of motor vehicles.
5. The removal of OEM restrictions in the sale and distribution of parts, by retailers whether OEM-approved or independent.
6. More price and product options for consumers in the sale of parts.
7. Consumer education and awareness of costs entailed in the purchase of a motor vehicle.

The Commission invites automotive industry participants (especially small and independent repairers and maintenance service providers), consumers and any other interested party to submit their views and comments on the draft Code.

The deadline for submissions is 03 November 2017. The copy of the Government Gazette is attached.

[ENDS]

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