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For Attention: Mr. Mziwodumo Rubushe

NEGATIVE VIEW AND COMMENTS ON:

DRAFT CODE OF CONDUCT FOR COMPETITION IN THE SOUTH AFRICAN AUTOMOTIVE INDUSTRY.

1.3.1 “To promote efficiency, adaptability and development of the economy”

“Refer to par 5.2 where service providers will not be appointed for excessively long terms, and not continuously renew their appointment”

Large Investments are needed to establish effective workshops, buildings, cash flow, office equipment, furniture, tools, training and personnel. Appointing multiple service providers with no indication or uncertainty regarding return on investment, will result in sub-standard investment from the service providers. Continuity in business develops experience and a solid foundation for any business.

1.3.4 “To expand opportunities for South African participation in world markets and recognise the role of foreign competition in the Republic”.

Foreign competition will have a direct result in the increase in unemployment of South Africans. “PROUDLY SOUTH AFRICAN”

2.2.1 “For independent service providers to undertake in warranty mechanical (maintenance and service) work”

OEM’s will not be able to reimburse Warranty claims since service providers will not utilize OEM parts, no turnover thus no profit to absorb the costs.

Regulating quality and level of competence (safety) will be extremely difficult with a substantial group of service providers, this regulation is currently provided on OEM level on a continuous basis with selective dealers.

2.2.4 “For increased choice of service providers for consumers for the service, maintenance and repairs of their vehicles”.

Service Providers must comply to the laws and restrictions as stipulated in the Financial Act, Transportation Act and the Road Traffic Act. Without regulation these acts serious quality issues, financial omissions and unroadworthy vehicles, will result in more accidents/deaths, poor fleet serviceability and financial losses.

Regards

A handwritten signature in black ink, appearing to be 'Les Greene', with a stylized flourish extending from the top right.

Les Greene