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Dear Mr Rubushe

CODE OF CONDUCT FOR COMPETITION AUTOMOTIVE INDUSTRY

1. The Broad-Based Black Economic Empowerment Commission ("B-BBEE Commission") is established in terms of section 13B of the Broad-Based Black Economic Empowerment Act No. 53 of 2003 as amended by Broad-Based Black Economic Empowerment Act No. 46 of 2013 ("the B-BBEE Act").
2. The role of the B-BBEE Commission is to monitor and oversee the implementation of the B-BBEE Act in the interest of the public as outlined in section 13F of the B-BBEE Act.
3. This letter is specifically issued as part of our oversight responsibility flowing from our mandate under section 13F which amongst other things require the B-BBEE Commission to promote adherence to the B-BBEE Act to safeguard the objectives of B-BBEE in the interest of the public.
4. The B-BBEE Commission has received and perused the draft code of conduct for competition in the South African automotive industry and wishes to highlight the following:

- 4.1 The purpose and objectives of the code of conduct does address issues which we as the B-BBEE Commission deal with as derived from our mandate as prescribed by the B-BBEE Act and cater for promotion of the B-BBEE Act objectives as follows:
- 4.1.1 An increase in the number of dealerships owned by historically disadvantaged persons catering to the ownership element;
 - 4.1.2 For more service providers to participate in the OEM networks, particularly firms owned and operated by historically disadvantaged persons which falls squarely under enterprise and supplier development; and
 - 4.1.3 Training of independent service providers which talks to issues of enterprise development.
5. Thus, we are of the opinion that the code of conduct for competition automotive industry does not raise any concern or conduct that is contrary to the B-BBEE Act and are of the view that it might go further in ensuring economic transformation based on industry commitment and acceptance of such. Further, we would like to encourage dialogue with **the dti** in terms of grants and incentives provided to the sector to determine how these can be used to promote transformation and achievement of B-BBEE.

We look forward to your cooperation towards creating an inclusive industrialised economy that is globally competitive.

Yours sincerely



Ms Busisiwe Ngwenya
Compliance Division
B-BBEE Commission
26/10/2017