



To: RAAF Competition's Commission

RAAF has had a look at the competition's commission draft code and sees some of its provisions as being positive and some are seen to be negative please therefore see below for RAAF's response

The Pre-Amble

Point 1.3.3 seeks to promote to promote employment and Economic Social Welfare of South Africans

This point needs to focus on what hinders the entrance to the Motor Industry. Pointed out on the SMME report the LRA and the Bargaining Cancel rules hinder the entrance by SMME's to the industry.

1.3.6 To promote a greater spread of ownership, in particular to increase the ownership stakes of historically disadvantaged individuals.

This reference is simply used against SMME's as major players simply buy the credentials such as get one or two Blacks on the board and then they can compete against both Black and White small players.

Here there is a need that enterprises rather be categorized by their turnover rather than by their Races. This will help identify where help is really needed even if the major players whose turnover is above R42.5m do their tactics the small players will still be easy to identify.

2.2. The objectives of the Code are:

2.2.1. For independent service providers to undertake in-warranty mechanical (maintenance and service) work;

Warranty contracts are water tight and are meant to serve the interests of mostly cooperates outside of the country called (copretocracy). If this ever gets changed Cooperates will lose their income and this can cause problems.

Realistically it is an impossibility to change this subject without a serious fight. To suggest here that it should be changed is something that can easily be reduced to talk.

However we wish that this could really work as it will really come as a big solution to our problems.

## **10. STATUS OF THE CODE**

10.2. The terms of this Code do not supersede any other obligations that bind the signatories, whether such obligations may be statutory, compulsory and/or voluntary in nature.

If the code cannot alter statutes, compulsory and voluntary obligations then what is its purpose. The problems that we face up to in the industry are mainly statutory such as the provisions of the LRA, Collective Bargaining Provisions, BEE Act and Default Race Exclusions.

These items mentioned above are statutory and we understand their importance however also identify them as hindrances to entrance and the maintenance of sustained growth of the Economy

As the industry we don't really seek any other help either than the assistance in breaking down barriers to entrance we will do the rest by ourselves.

Federations Associations need funding so that we can function and seat on the Bargaining Council to influence the industry direction.

Kind Regards

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