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NEWSLETTER

Issue No 37, September 2014



from the Office

A full year has passed since I joined NAACAM and maybe it is time to reflect about the prospects of the component manufacturing sector in South Africa.

During the course of that year, our National Executive Committee (NEC) Working Group, comprising our President and two Vice-Presidents, convinced me into finding out for myself the reasons for the very existence of NAACAM. In the end, we all came to the conclusion that the core objective of NAACAM is to achieve the generally accepted 2020 Vision of the South African automotive sector; that is, to reach the local assembly of 1,2 million vehicles. However the component sector cannot simply wait on the side line and rely solely on the local OEMs to achieve that objective. Thus we modified that objective into the achievement of 1,2 million vehicle component equivalent by 2020.

This objective may be achieved in two ways: an increase in locally assembled vehicles or through exports of components. In order to increase our exports especially, the component manufacturers have to compete on world markets. Thus NAACAM's proposals for the Review of the Automotive Production and Development Programme (APDP) are focused on proposing increased incentives in order to compensate certain high Country Costs so that our competitiveness may be improved. These high country costs include: limited utilization of facilities impacting amortization costs, electricity costs and availability, logistics costs, unavailability of competitive local raw materials, stockholding and financing costs, labour costs / low productivity, importation costs of facilities, etc. Let's hope that our requests will be taken into account in the Revised APDP.

In my discussions with the NEC Working Group, we have thus come to the conclusion that our competitiveness may, in the future, increase through new APDP benefits and increased volumes of exports. However, all our efforts will come to no avail if one pre-condition does not materialize. That essential condition is stability in the labour market. Strikes, apart from causing difficulties for our employees, disrupt our supply chain, causing our overseas clients to turn to alternative sources when considering new projects. The immediate effects of strikes may be some loss of turnover and the melting away of profits for that particular financial year. However, in the medium term, overseas contracts may not be renewed, so that our factories may have to reduce their activities or worse even, to close down.

Last year, at the end of the automotive strike, all the stakeholders committed themselves to work together in order to avoid another long protracted strike in the automotive sector, when negotiations will take place again with the unions in two years' time. Some

discussions are already engaged between these stakeholders. And I do hope that employers and labour will be able to sign a 'social accord' in the near future, as the growth of our industry is indeed at stake.

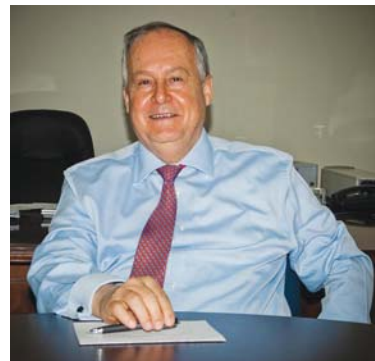
With increased competitiveness and a 'social accord', the foundations of the automotive component sector will be strong. We shall then all be able to develop and grow our industry. That growth will be able to capitalize on the two following ingredients: the Automotive Supply Chain Competitiveness Initiative (ASCCI) and Unity.

ASCCI has been created by NAACAM, NAAMSA (the OEMs), the Government (through The Department of Trade and Industry) and NUMSA (representing labour). Indeed that initiative showcases the ability of the stakeholders in the automotive industry to work together. Numerous initiatives are in their initial stages and should, in the short/medium terms, start bearing fruit.

The automotive component sector needs to provide our Government with clear inputs so that the best strategy is put into place for the benefit of all. Clear inputs may be achieved when all parties making up the component sector speak, not with discordant voices, but with one voice through Unity of purpose. During the past year, the Catalytic Converter sector and the Automotive Leather sector have joined NAACAM. Through internal discussions, we are now able to come up with mutually agreed proposals and speak with 'one voice' to Government. Through Unity, our proposals have a better chance of being heard, being understood, and thus being implemented by Government. It is my sincere wish that more sectors of the automotive industry will, in the near future, join forces with NAACAM. Indeed, our chances of succeeding are much improved through Unity.

Vision 2020, the APDP Review, a 'social accord', ASCCI, Unity; all these subjects will be discussed at South African Automotive Week. Ask our Mrs Bev Watts for free complimentary entrance tickets.

See you at SAAW 2014!



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New Executive Committee Appointment



Andrew Turner
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We take this opportunity to convey NAACAM's sincerest thanks to Simon Ledgerwood for his dedicated service as Western Cape Office Bearer, National Executive Committee representative from as early as 2008 and, especially, with regard to his hard work and input in the Western Cape Automotive Cluster - it is truly appreciated!

Microfinish signs Supply Agreement



Microfinish entered into a Supply Agreement to both MSD and the BF Germany Engine Parts group, to supply valve guides and valve seats manufactured in South Africa, at our factory in Pinetown. This is certainly a milestone in our company and we are very proud of this achievement.

Stringent audits in respect of our raw material (manufactured at our Foundry), together with the process of machining them to best quality, was conducted by MSD.

This partnership has no ending and we are proud to have been the chosen company.

G.U.D. HOLDINGS (PTY) LTD ACQUIRE LEADING COMPONENT MANUFACTURER

G.U.D. Holdings is pleased to announce the acquisition of Precision Press, a leading manufacturer of automotive metal pressing and sub-assemblies and a fellow NAACAM member. Precision Press will join the G.U.D. Holdings stable of companies that include premium automotive brands G.U.D. Filters, FRAM Filters, Safeline Brake Pads and Indy Oil.

"The acquisition of Precision Press is aligned with our strategy of being a leader in the manufacture and marketing of automotive products, and strengthens our relationship with our OE customer base." says Red Shuttleworth, CEO, G.U.D. Holdings.

Precision Press has an established reputation manufacturing OE quality automotive components since 2004 at their Cape Town based operations. "We have grown from our humble beginnings into a leading automotive metal pressing business and the acquisition will enable a step change in the business through the introduction of Servo Press technology, the first of its kind in South Africa", believes Simon Ledgerwood, founder and Managing Director of Precision Press.

Precision Press' commitment to quality and product innovation makes them a fitting accompaniment for G.U.D. Holdings. The automotive industry can look forward to many exciting developments from this new partnership.



Red Shuttleworth, CEO of G.U.D. Holdings and Simon Ledgerwood, Managing Director of Precision Press celebrate the new merger



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Road map for SA Auto Sector

South African Automotive Week will provide the sector with a health check and a framework of a plan to re-energize its vision of doubling vehicle production within the next five years, automotive industry leaders believe.

"A roadmap to drive towards the goal of 1.2 million by 2020 must be drawn up collectively between government, labour, the OEMs and component manufacturers", says National Association of Automotive Component and Allied Manufacturers of South Africa (NAACAM), Executive Director, Robert Houdet.

"If this is not done quickly we will not remain relevant and our industry will be at risk," Houdet said.

Houdet said South African Automotive Week, in which manufacturers and several levels of policy makers, including the Minister of Trade and Industry, would participate, would provide a base for the development of such a roadmap.

Reviews and testimonials on the newly implemented Automotive Production Development Plan (APDP), progress on the implementation of the Automotive Supply Chain Competitiveness Improvement Initiative (ASCCII) and a benchmarking study are all expected to hold up a mirror in which the industry will reflect, assess the gap and plot an improved way forward.

"There is no doubt that the SAAW2014 will challenge the readiness of South Africa's automotive supply chain to adapt to a fast changing global landscape, new technologies and key market opportunities and threats, with a specific focus on our ability to increase exports," says Automotive Industry Development Centre CEO, Barlow Manilal.

Manilal said "the fact that SAAW was developed by industry, for industry, would create an appropriate platform and sounding board and present current global benchmarks against which the health of the automotive supply chain will be measured."

"Key to growth is the ability of the industry to access new markets," says Houdet.

"The participation of numerous international buying delegations and a key theme in the learning programme of accessing Africa as a market, gives confidence that SAAW2014 is a key vehicle in facilitating growth and direction," he said.

Heavies gather for trade at South African Automotive Week

South Africa's national minister of Trade and Industry, Dr Rob Davies will join automotive executives to woo international investors and reshape a strategy to double vehicle production in South Africa over the next five years.

Southern Africa's automotive manufacturing supply chain and foreign buyers from 20 countries will gather at South African Automotive Week in Midrand next month (October 14-17).

Davies will be joined by a host of foreign trade ambassadors, the heads of local OEMs and several invited international technical experts to outline South Africa's potential growth path.

No less than five international experts will present on the learning programme. These include the head of Nigeria's newly formed Automotive Council, Aminu Jalal and Mike Whitfield, CEO of Nissan, which produced the first locally (Nigeria) assembled vehicle in that country earlier this year.

National Association of Automotive Components and Allied Manufacturers (NAACAM) of South Africa Director, Robert Houdet said the depreciation of the Rand, new industry development in Nigeria and the closure of Australia's auto manufacturing industry presented opportunities for South Africa's accelerated growth.

The Automotive manufacturing advisor to the Australian government, Goran Roos, will, in fact, also be at The Week.

Speaking at the launch of South African Automotive Week on Friday (12 September at the Rosslyn Automotive Supplier Park) Houdet said The Week, "is as much about new markets and business deals as it is about supply chain efficiencies and the improvement of local component manufacturers to global standards."

"We cannot grow exports and fill gaps in the global market if we are not in the most competitive positions with respect to cost, quality and delivery - key indicators of manufacturing efficiency."

The learning programme at the Week, which includes no less than 6 technical workshops and numerous presentations "is very ambitious and represents one of the most comprehensive packages of information and resources for every member of the supply chain," says Houdet.

"Buyers representing significant purchasing power from the UK, USA, Nigeria, Taiwan, Hungary, China, Russia, Uruguay, Spain, Turkey, Argentina, Namibia, Kenya, Lesotho, Malaysia and Namibia, will be present, while trade ambassadors from a wider range of countries will also participate," Binning said.

Numerous activities feature as part of the Week, including the RMI World Skills Competition, the winners of which will represent South Africa in Brazil and a student design Competition to manufacture an automotive component from recycled plastic.

Key exhibits, as part of the 350 booth Tradeshow in Halls 4 and 5 at Gallagher Convention Centre, include several pavilions representing the Gauteng, Kwazulu Natal and Eastern Cape auto centres, a showcase of aluminium use in the sector, demonstrated through the New C-class Mercedes, produced in East London and a pavilion dedicated to Electric Vehicle development.

More than 20 emerging automotive manufacturers will also be showcased with the mainstream, thanks to the support of the Small Enterprise Development Agency, while up to 3000 technical scholars will be exposed to the initiative as part of a skills and career development initiative hosted by the Retail Motor Industry Organisation.



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Arno Koch with SJM Flex team members

Respect for people:

Finally, it is his belief that, in order for all of this to work well, there must be a complete respect for people and for life. This means that people must be enabled to work, and must be able to celebrate successes. Koch highlighted that everyone seeks recognition, both in the workplace and at home.

The focus in a manufacturing environment must ensure quality of life through the creation of harmonious relationships amongst all members within the company. Koch states that, "Technology is key, but respect for people is the most important element. The factory workers' lives should be made easier with OEE - they must feel tired but satisfied at the end of a work day, instead of being frustrated by a process or machine."

This event was a huge success, with fantastic attendance. Close to 100

Arno Koch reveals Manufacturing Philosophies for Success

Arno Koch, a world renowned OEE and Lean coach from the Netherlands, visited South Africa this month to spread his knowledge and understanding with local manufacturers and industry leaders.

His motto is "To Learn and Teach - To Search and Guide". Whilst in South Africa, he gave a presentation at a function, hosted by Haldan Consulting, in Port Elizabeth on the 18th of September, at Elizabeth Place. During his talk, he outlined the framework which he believes to be fundamental to an Overall Equipment Effectiveness (OEE) implementation, as well as to a manufacturing company's overall success. These 6 areas of focus are: True North, Visualise Losses, Eliminate Losses, Flow, Standardisation and Respect for people.

True North:

The first area of focus is what he calls "True North", which is the overarching ambition or vision of the company. In other words, "True North" refers to those uncompromising goals and indisputable principles that must be followed. He urged attendees to discover and define what their "True North" is, both in the workplace, and in a personal capacity, and then to maintain this principle in everything they do.

Visualise Losses:

Secondly, he highlighted the importance of being able to visualise losses affecting production within a facility, by using an effective OEE tool. Koch sees losses as a potential improvement, not as an excuse for blame.

Eliminate Losses:

Koch emphasized that once those losses are identified, it is vitally important to form a multi-disciplined team to systematically tackle the problem, and eliminate the causes of each major loss. This team must include people that are closest to the machinery on a daily basis, such as operators and other members from the production floor, because they can provide valuable information that does not exist anywhere else in the company.

Flow:

Furthermore, Koch explained that everything that is done within the manufacturing company must contribute to "Flow", which means that there must be a continuous flow in every process so that you create a complete movement in the direction of the customer. The principle of flow means that everything is connected, so that if one entity moves, everything moves. Koch believes that flow should not be about force or a major intervention, it should be self-regulating.

Standardisation:

The fifth area of focus must be standardisation. He explained why this is important: "If you find out what needs to be done, standardise it and bring it into the process to make sure that the one resolution that has worked will stay in this process. So, if new people come in, they will work according to that standard". Standardisation is a matter of visual management and operational stability.

Individuals representing companies from all over South Africa were in attendance, including Aspen, Coega Business Development Corporation, CRH-Africa, Eberspächer, EBOR, Eveready, the Exporter's Club, Federal Mogul, Foxtec-Ikhwezi, Fresenius-Kabi, Granroth, Grupo Antolin, Hansens Engineering, Henrose Plastics, Hulamin, Kraft Mondelez, Lumotech, Nelson Mandela Bay Business Chambers, Nelson Mandela Metropolitan University, Ramsay Engineering, Shatterprufe, SJM-Flex, Somta Tools, Sovereign Foods, Umicore and Veyance Technologies. He also hosted individual workshops with Lumotech, SJM-Flex and Ramsay Engineering. His insights provided a fresh look into their manufacturing and improvement strategies, as well as clarity into their vision and focus for the future. His invaluable knowledge stems from his experience within hundreds of manufacturing plants worldwide, from nearly every industry.



Erik Hansen and Arno Koch



Laverne Louis (Haldan Consulting), Arno Koch and Lucky Lazarus (CRH Africa)

NAACAM's website has had a facelift! There are new topics and an updated "look and feel". Please do pay a visit when you have time:

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**TOOLMAKERS:
How to make use of the Youth Fund**

On the 15th of October 2014 at the South African Automotive Week, TASA Gauteng will be hosting a job fair, where possible toolmaker candidates will be available for interviewing for various positions in the tooling manufacturing industry.

You, as the potential employers, will have the opportunity to interview candidates for 15 to 20 minutes to determine if they will be suitable for your organisation.



These candidates have completed their training in toolmaking (excluding the completion of their projects) and are immediately available for employment, with more than 1500 hours of on-the-job experience.

By employing these candidates you will be able to claim back from the Youth Wage Subsidy - TASA Gauteng will be able to assist you with this process, and ultimately your participation in this job fair will be making a meaningful contribution to skills development in the country.

Prior to the job fair you will be provided with a candidate list as well as times of the interview sessions. You can then register for the individual session you wish to attend and TASA will setup the interview between the candidate and yourself.

Once you have registered and selected candidates you will receive the CV's of your potential employee's, and on the day we will provide you with a pack containing all their information.

For more information on the up and coming job fair and details on the students ready for employment, contact Madelein at TASA Gauteng on 012 642 1285 or email madeleinh@gtiweb.co.za.

TASA Gauteng | 012 643 1285 | www.tasagauteng.co.za

Automotive Investment Scheme (AIS) Guideline Amendments

The dti released the latest amendments to the Automotive Investment Scheme (AIS) Policy Guidelines in April 2014 after being signed by Minister Rob Davies. These amendments have several implications to the component manufacturing industry.

The first amendment is the increase of the entry level benefit to 25%, the intermediate benefit level to 30% and the maximum at 35%. This has seen an increase from 20%, 25% and 30%. This signifies serious intent from government to provide support to the automotive component industry. These changes are not applicable to the OEM's.

The second significant amendment is the percentage benefit that can be claimed at each claim interval. The first claim is now calculated at 40% of the qualifying investment, the second claim at a cumulative 70% of the qualifying investment and the balance being claimed at the third claim. The intention is to increase the flow of benefits sooner to the component manufacturers.

The dti has expanded the scope of the programme to provide similar benefits to tooling manufacturers. This is very positive, as tooling companies were previously excluded and can be seen as an intervention by government to promote the development of the local tooling industry within the automotive sector. Any inclusion of tooling was previously limited to a qualifying criterion for the intermediate benefit available to the automotive component manufacturers. This criterion remains in place under the revised guidelines.

Further, the dti has amended the period in which applications must be submitted to qualify for the benefit. Previously applications had to be submitted a minimum of 90 days before the commencement of production, whereas the amendment now requires applications to be submitted between 90 and 120 days before the commencement of production. The implication of this amendment is better management of the planning process for the submission of applications to qualify for the programme benefits.

The dti has included an empowerment requirement to qualify for the intermediate benefit of 30%. This requirement states that with a minimum Level 3 B-BBEE compliance a point is scored towards the contribution for achieving the intermediate benefit level. The inclusion of a B-BBEE requirement

indicates the intention of government to foster the development of local component manufacturers with empowerment credentials. This however does pose a challenge for multi-national component manufacturers to comply with this requirement.

The qualification criteria at the maximum benefit level stipulates the qualification for "Strengthening the automotive Supply Chain" by including the introduction of a component that has never been manufactured in South Africa previously. The introduction of a new component cannot be used twice as a qualifying criterion for the maximum benefit level. This is seen as a double dipping on the same criteria and not in the spirit of the programme objectives.

The dti also added Competitiveness Improvement Costs to the list of qualifying costs for component manufacturers and tooling companies. The objective of this benefit is to enhance their competitiveness through the improvement of processes, products, quality standards and related skills development.

Overall the amendments are balanced, with some positive amendments that are welcomed. The most important revision is the increased benefit levels provided to component manufacturers which has not been extended to the OEM's as yet. This emphasises the importance of the automotive sector to the economy and facilitating job creation.

For more information on the AIS contact:

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A paradigm shift in accounting for revenue Make every cent count....

An entity's revenue is a significant benchmark that drives metrics like net income, EBITDA (earnings before interest, tax, depreciation and amortisation), and earnings per share. The manner in which revenue transactions are accounted for will soon change and the impact to your business could be fundamental.

On the 28th May 2014, the International Accounting Standards Board issued IFRS 15 Revenue from Contracts with Customers (IFRS 15) which will result in significant changes when recognising revenue for some entities.

Entities in the automotive industry, including component manufacturers, dealers, original equipment manufacturers and their finance affiliates, will be affected by IFRS 15 which replaces all current IFRS revenue recognition guidance. Contracts for the construction of tooling which currently falls under the scope of IAS 11, Construction contracts, will now be accounted for under IFRS 15, ensuring consistency in the manner in which revenue is recognised. Significant areas of interest include the accounting for pre-production design and tooling arrangements, marketing incentives including cash rebates, volume rebates, repurchase options, product warranties, contract costs, and lease financing arrangements.

IFRS 15 will be effective for IFRS reporters for the first interim period within annual reporting periods beginning on, or after, 1st January 2017, and will allow early adoption. Most entities will need to restate comparatives, and therefore have less than 16 months to ensure a smooth transition to IFRS 15.

A cross-functional effort within an entity should be applied in preparation for IFRS 15. Amendments made to Revenue can have an impact on other areas of the business, including IT systems and processes, taxes and arrangements such as bonus plans, and investor relations.

For further information, or a complimentary discussion on IFRS 15, kindly contact:

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Who we are.....

A new NAACAM member, Columbus Stainless, founded in 1966, is South Africa's and Africa's only producer of stainless steel flat products. You'll find our product in everything from a kitchen sink to a quality wristwatch. Because of the boundless potential for stainless steel as a metal for the future, we at Columbus remain dedicated to becoming one of the leading suppliers of stainless steel in our domestic market and the global arena.

Acerinox, S.A. (Spain), a major international stainless producing Group holds a 76% shareholding in Columbus Stainless (Pty) Ltd. The balance of the shares, (24%), are held by the IDC (Industrial Development Corporation). Columbus Stainless is situated in Middelburg in the Mpumalanga Province of South Africa. Our plant is a technologically advanced, fully integrated, single-site operation. This gives us flexibility to adjust quickly to changes in the market.

We have created a modern, efficient stainless steel production facility that meets the changing demands of users in the domestic market and around the world. With a wide range of products in Austenitic, Ferritic, Utility and Duplex grades produced in our plant in Middelburg we are able to offer a variety of grades of stainless steel suitable for most applications. Backed by sound technical support, we are also able to make recommendations on correct material selection as part of our customer support process.

At present some 25% of what we produce is sold into the rapidly growing South African and indeed sub-Saharan markets. Our exported products are channeled through a well-developed network of agents and group sales outlets operating in Europe, the Americas, the Middle East and the Far East. In addition, we trade directly to a number of end user and some re-roller customers



New NAACAM Members



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 Manufacturer of autocatalytic converters.
Quality Rating: ISO 14001/ISO TS 16949
B-BBEE Rating: Level 9

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 Part of global company Acerinox. Producer of flat stainless steel products in coil, slit, sheet and plate form. Wide range of products in Ferritic, Austenitic and Duplex grades.
B-BBEE Rating: Level 6

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Quality Rating: TS 16949:2009/ISO14001
B-BBEE Rating: Level 8

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 The company's main business functions include importing and retailing various precious metal containing products, manufacturing chemical solutions and compounds containing precious metals for the automotive market and refining of precious metals.
Quality Rating: ISO 9001:2008/ISO 14001:2004
B-BBEE Rating: Level 8

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 Manufacturer of autocatalysts for supply to canners and ultimate inclusion as part of exhaust system.
Quality Rating: TS 16949/ISO 50001/OSHAS 18001/ISO 14001/Mercedes Benz A Rating/ Ford Q1/ GM QSB
BBBEE Rating: Level 6

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Website: www.sjmflex.co.za
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Quality Rating: ISO TS 16949/ISO 14001/OHSAS 18001

UMICORE CATALYST SOUTH AFRICA (Pty) Ltd
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Website: www.umicore.com
 Coaters of catalytic converters.
Quality Rating: ISO TS 16949/ISO 14001/OHSAS 18001

Japan Best Practice Programme 15-22 November 2014

Japanese Industry is globally recognised as being the world leader in its approach to continuous improvement, focused on improving Quality, Cost and Delivery Performance, utilising Lean Manufacturing and Total Productive Maintenance (TPM) principles. SMMT Industry Forum, based in the UK, has had a long association with Japanese Industry and was the first organisation to be appointed by the Japan Institute of Plant Maintenance (JIPM) as an assessment agency for the prestigious TPM award process.

Now in its tenth year, this Best Practice Programme, organised by Industry Forum, offers a unique opportunity for delegates to experience first-hand TPM deployment and innovative improvement techniques, to help their own organisations move toward the goal of zero accidents, zero breakdown and zero defects.

The programme, which will be led by experienced Industry Forum subject matter experts, includes lectures from leading experts in Lean manufacturing and TPM, and visits to seven world leading organisations in the manufacturing and process industries. Each visit will have a specific theme, which will include TPM pillar deployment, application of the Toyota Production System, and improvement using small group activities.

After spending the first three days in the heart of Tokyo, the programme then moves to Nagoya by travelling in the world famous Shinkansen high speed train. No visit to Japan would be complete without a visit to Toyota. After gaining a full understanding of the history of Toyota the group will visit the ToyotaTsutsumi Plant.

Last year's programme attended by 22 delegates including 12 delegates from South Africa was an outstanding success and feedback included:

"A memorable trip to Japan seeing TPM in all its beauty and glory" Lance Schultz: Manager Supply Chain and Supplier Development, AIDC (South Africa)

"During this visit you have a fantastic opportunity to see best practice at work and sustainable in world class companies" Daryl Steel: Facilities Manager, Perkins Engines

For more information visit
<https://www.industryforum.co.uk/training/japan-best-practice/> or mail jbpp@industryforum.co.uk

RETAIL SALES: 2011 - August 2014 (incl.)

	2011		2012		2013		08/2014	
	Pass	Comm	Pass	Comm	Pass	Comm	Pass	Comm
Abarth	5	-	107	-	85	-	44	-
Alfa Romeo	812	-	944	-	447	-	246	-
Audi	14,531	-	16,743	-	19,336	-	12,887	-
Babcock	-	132	-	-	-	-	-	-
BMW	23,560	-	24,744	-	24,793	-	16,790	-
Cadillac	2	-	-	-	-	-	-	-
Chana	348	363	58	95	-	-	-	-
Changan	-	57	-	96	-	-	-	-
Chery	-	-	-	-	1,996	-	931	-
Chevrolet	29,754	17,996	31,175	19,324	23,328	18,330	14,967	11,540
Chrysler	590	-	584	-	621	-	232	-
Citroen	1,941	86	1,945	193	1,583	210	502	84
DAF	-	-	-	86	-	115	-	157
Daihatsu	-	-	-	-	947	1,202	321	959
Dodge	2,086	-	1,765	-	1,304	-	542	-
FAW	-	-	-	-	169	355	410	419
Ferrari	-	-	-	-	125	-	56	-
Fiat	2,678	598	3,198	593	3,491	852	1,503	476
Ford	26,679	14,764	25,891	16,545	37,724	20,925	26,052	17,907
Foton	-	-	-	-	-	686	-	539
Freightliner	-	1,312	-	1,272	-	1,417	-	926
Fuso	-	986	-	965	-	1,233	-	794
GWM	-	-	-	-	1,881	4,979	809	1,710
Hino	-	3,103	-	3,295	-	3,461	-	2,152
Honda	7,828	-	9,093	-	12,904	-	6,118	-
Hummer	5	-	8	-	-	-	4	-
Hyundai	-	-	-	-	45,104	4,571	28,630	3,127
Infiniti	-	-	127	-	194	-	230	-
International	-	849	-	576	-	207	-	-
Jaguar	520	-	909	-	1,086	-	709	-
Isuzu	-	15,988	-	16,515	-	18,328	-	13,338
Iveco	-	913	-	1,079	-	1,327	-	967
Jeep	4,383	-	7,237	-	7,343	-	5,008	-
Jinbei	-	-	-	-	-	-	-	78
JMC	-	-	-	-	-	831	-	371
Kia	-	-	-	-	20,320	2,360	9,912	1,714
Land Rover	5,133	628	6,686	776	6,917	582	4,179	255
Lexus	1,178	-	1,371	-	986	-	937	-
Mahindra	451	1,321	1,447	2,294	1,219	2,501	698	1,755
MAN	-	1,866	-	1,719	-	1,768	-	1,169
Mazda	-	3,772	-	1,961	-	2,528	-	1,937
Maserati	72	-	65	-	51	-	20	-
Mazda	4,790	-	4,827	-	3,173	-	1,415	-
Mercedes	23,509	5,275	22,420	5,479	23,520	5,673	16,606	3,694
Mini	2,509	-	2,794	-	2,878	-	1,455	-
Mitsubishi	1,734	1,558	2,619	958	3,030	1,456	2,277	705
Nissan	17,065	22,827	20,627	29,173	19,436	27,521	10,342	19,045
Opel	4,365	307	2,704	231	2,603	154	2,346	103
Peugeot	2,813	413	3,393	413	3,596	415	1,497	130
Porsche	1,131	-	1,435	-	2,436	-	614	-
Powerstar	-	181	-	484	-	522	-	347
Proton	-	-	-	-	266	-	79	-
Renault	10,347	145	10,216	644	12,107	518	11,896	369
Renault Trucks	-	298	-	-	-	-	-	-
Scania	-	1,293	-	1,332	-	1,626	-	1,395
Smart	124	-	133	-	95	-	23	-
Ssangyong	-	-	80	40	215	52	68	22
Subaru	1,250	-	861	-	1,153	-	871	-
Suzuki	5,462	-	4,724	-	4,865	-	4,074	49
Tata	1,909	2,573	2,795	3,118	3,921	4,043	720	2,131
Toyota	52,424	52,709	65,645	50,965	66,805	55,497	43,332	36,343
UD Trucks	-	3,234	-	2,992	-	3,079	-	2,128
VDL	-	24	-	33	-	19	-	3
Volkswagen	75,495	9,887	82,363	9,710	83,628	9,067	54,357	5,016
Volvo	3,240	1,525	2,984	1,615	2,876	1,774	1,794	1,464
Zotye	-	-	-	-	4	-	-	-
Total	330,723	166,983	364,717	174,571	450,561	200,184	286,503	135,318

Please note: Figures for Mercedes-Benz in all tables are estimates
 Source: NAAMSA/Lightstone Auto

On the lighter side.....

I contend that for a nation to try to tax itself into prosperity is like a man standing in a bucket and trying to lift himself up by the handle. **Winston Churchill**

The only difference between a tax man and a taxidermist is that the taxidermist leaves the skin. **Mark Twain**

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BBBEE -

Will your business be compliant with the new codes?

With the Revised Codes of Good Practice coming into effect on 1 May 2015, many businesses should be realigning their BBBEE strategies, in order to comply with the new codes. According to the Revised Codes of Good Practice of October 2013, any business that is verified after 30 April 2015, irrespective of which financial period is being measured, will be verified on the new codes. This means that any business whose BBBEE certificate expires after 30 April 2015 would need to understand which areas of their business require attention to avoid dropping too many levels.

If you do not know what your compliance score will be under the Revised Codes, you should consider doing a Gap Analysis. This will allow clients to establish what they would score on the new revised codes, should they do nothing different from the current codes. This exercise will highlight which elements require attention, be it financial spend, resource changes or considering Black ownership for your business. It will identify the shortcomings of your business' BBBEE score and what the targeted spend is required in order to maximise your points in each element. The exercise is based on your latest financial statements, in order to give you a realistic view of your possible score.

To explain this in a little more detail below is an example of a Generic business that has a 20% Black Ownership, an annual turnover of R400 million, 50 Managers and a net profit of R4,5 million. The scorecard on the left shows their compliance level on the current 2007 Codes of Good Practice and the scorecard on the right is the Revised Codes of Good Practice of 2013:

Current Codes			Revised Codes		
ELEMENT	TARGET	SCORE	ELEMENT	TARGET	SCORE
Ownership Equity	20	18.6	Ownership Equity	25	21.4
Management Control	10	11	Management Control	19	16.57
Employment Equity	15	17	Skills Development	25	11.17
Skills Development	15	15	Enterprise & Supplier Development	40	39.5
Preferential Procurement	20	20	Socio-Economic Development	5	5
Enterprise Development	15	15	Total Score	109	93.89
Socio-Economic Development	5	5			
Total Score	100	101.6			

CONTRIBUTION LEVEL		LEVEL 1	CONTRIBUTION LEVEL		LEVEL 3
VALUE ADDING SUPPLIER	YES		EMPOWERING SUPPLIER	YES	
ENTERPRISE DEVELOPMENT BENEFICIARY	NO		ENTERPRISE DEVELOPMENT BENEFICIARY	NO	
PROCUREMENT LEVEL	135%		PROCUREMENT LEVEL	110%	
ENHANCED PROCUREMENT LEVEL	168.75%		ENHANCED PROCUREMENT LEVEL	137.50%	

Certain assumptions were made for this exercise as there were some unknowns, such as whether all the suppliers were Empowering suppliers or not. This could have a huge impact on the Procurement score and will be key to the business' overall score, as any business that is not deemed an Empowering Supplier will not be recognised for BBBEE spend.


This company dropped from a Level 1 to a Level 3, by doing nothing different. A Gap Analysis highlights where the gaps are in each element in order for the measured Entity to understand how to realign their BBBEE strategy and which elements require attention. If businesses do not take appropriate action they could find themselves dropping to uncompetitive levels of compliance or even becoming Non-Compliant. This can have a negative impact on sales and prevent the opportunity to successfully tender for business.

For more information on BBBEE please contact SAB&T BEE Services, as we are an IRBA approved Registered Auditor, a full member of ABVA (Association of BBBEE Verification Agencies) as well as an associate member of NAACAM. SAB&T BEE Services can offer our clients solutions to their BBBEE needs, which include:

- BEE Verifications / Certificates
- Gap Analysis (Old vs new codes)
- Strategy Planning
- BEE Training
- Consulting

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