



from the office.....

For this first newsletter of the year I want to draw your attention to the 2016 NAACAM Directory which was published earlier this month. It has a new look, with a much easier to read membership listing and several interesting articles, including the President's Message, information on the APDP and AIS, B-BBEE updates, IDZs, and several other topics. Remember that the directory is sent to all South African trade offices around the world, as well as being distributed at Automechanika Dubai and Frankfurt, to automotive industry visitors to South Africa and being available to all members in hardcopy format and on our website.



In February we had our round of NAACAM regional meetings in the five automotive centres, during which there was much debate on topical issues and some very interesting presentations. KPMG shared the results of a survey conducted in Europe on the characteristics of family owned businesses (see the report on page 4 of this newsletter), and as a result of members' requests they agreed to conduct a similar survey in South Africa, with separate results for manufacturing and other sectors. Thanks to Alan Barr, the KPMG partner in charge for arranging this.

At the Gauteng meeting a representative of Eskom shared on their IDM program. Eskom's Energy Advisors are equipped to make recommendations in regard to both tariffs and appropriate energy sources - whether electrical, fossil fuelled or renewable - based on an in-depth energy assessment of your business. Their consultations also include offering advice and information on funding opportunities for energy efficiency projects. As a result of the response we have asked Eskom to make similar presentations to the other regions in June.

We also had presentations at most of the regions on the Automotive Supply Chain Competitiveness Initiative (ASCCI) including sight of the 2017-2020 Business Plan. Members were positive about these and requested that ASCCI provide regular future updates to all the NAACAM regions.

A final word on the regions - the co-ordinator of the Eastern Cape Automotive Industry Forum presented at the Port Elizabeth and East London meetings, explaining the Forum's focus and encouraging all members to get involved and network. Unfortunately the Western Cape Cluster has not been able to secure the support necessary to keep it going so this short-lived initiative will soon shut down - all the more reason for members to attend the NAACAM Cape Town meetings to work together.

Moving to the industry in general, while this year the local market is expected to be depressed the exports should continue to grow, both for vehicles and for components. NAAMSA is predicting an all-time record production of cars in 2016, while light commercial vehicle production, which has been remarkably stable since 2012, is expected to show little growth. Interest rates may gradually increase while the Rand - well I am not foolish enough to try to predict what will happen here!

NAACAM has continued to work on behalf of members and make representations where necessary. So far this year we presented to NERSA on Eskom's last application for a further tariff increase, we objected to the proposed carbon tax, we commented on the proposed new B-BBEE Regulations as well as the draft SARS guidelines on the section 12L energy tax incentive.

Finally, let us all be aware that the biggest priority in 2016 will be our involvement with the dti and other industry stakeholders in searching for appropriate solutions for a post-2020 support regime for the growth and development of the automotive industry in South Africa. For NAACAM, as for most of the other stakeholders, the priorities must be higher volumes and increased localisation, and incentives must be focussed on these two factors together with the necessary investment support. Only then will the industry be able to achieve the increases in employment levels necessary to promote growth for all in South Africa.

Wishing you all a Happy Easter!

Roger Pitot



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NAACAM QUARTERLY SURVEY

Comparison of a sample of 77 companies for the years: 2013 - 2015 (Rm)

Year	Employees					Sales					Exports		
	Total	Monthly	Hourly	Contract	Annual Capex	Total	OEM	Other OEM P&A	Indep. A/Market	Direct Comp Mnfrs in SA	Via OEMs	to Customers	Total
2013	28,026	8,647	14,158	5,221	1,033	29,833	15,335	1,311	3,857	1,389	6,002		6,002
% Change	6.7	-3.4	8.1	19.8	-6.4	2.3	6.6	54.7	-3.4	61.9	-74.4		1.9
2014	29,907	8,349	15,304	6,254	967	30,522	16,347	2,028	3,725	2,248	1,538	4,580	6,117
% Change	-1.3	1.5	8.8	-29.7	60.8	8.9	14.8	11.3	7.5	0.1	-25.7	4.3	-3.2
2015	29,512	8,472	16,644	4,396	1,555	33,242	18,760	2,257	4,005	2,250	1,143	4,776	5,919

GENERAL COMMENTS:

Magneti Marelli and Visteon SA closed down.

Magna Closures, who was included in the Magna Mirrors report, is no longer in operation.

Acoustex was liquidated in July 2015 and Europlastifoam went into liquidation in October 2015.

INDUSTRY VEHICLE SALES, PRODUCTION, EXPORT AND IMPORT DATA : 2000 - 2016 (Proj.)

	2010	2011	2012	2013	2014	2015	Proj. 2016
CARS							
Domestically Produced							
Local Sales	113 740	124 736	120 417	113 356	122 610	112 566	104 000
Exports (CBU)	181 654	187 529	153 268	151 893	154 920	228 459	260 000
Total Domestic Production	295 394	312 265	273 685	265 249	277 530	341 025	364 000
Total Industry Car Imports	223 390	271 556	323 796	338 592	318 012	301 336	271 000
Re-exported imports			1 609	1 652	1 680	1 232	
TOTAL LOCAL CAR MARKET	337 130	396 292	442 604	450 296	438 942	412 670	375 000
LIGHT COMMERCIALS							
Domestically Produced							
Local Sales	96 823	108 704	121 638	127 051	137 044	140 310	131 000
Exports	56 950	84 125	123 448	121 345	118 585	102 664	115 000
Total Domestic Production	153 773	192 829	245 086	248 396	255 629	242 974	246 000
Total Industry LCV Imports	36 911	40 597	38 741	41 253	37 052	34 557	30 000
Re-exported imports			205	308	337	323	
TOTAL LOCAL LCV MARKET	133 756	149 301	160 174	167 996	173 759	174 544	161 000
MEDIUM & HEAVY COMMERCIALS							
NAAMSA sales (incl. Imports)	22 021	26 656	27 841	30 924	31 558	30 535	28 500
Exports	861	803	1 076	1 206	1 414	1 124	1 000
TOTAL LOCAL MCV/HCV MARKET	22 021	26 656	27 841	30 924	31 558	30 535	28 500
TOTAL AGGREGATE MARKET	492 907	572 249	630 619	649 216	644 259	617 749	564 500
TOTAL AGGREGATE EXPORTS	239 465	272 457	276 183	276 404	274 919	333 802	376 000
TOTAL DOMESTIC PRODUCTION	472 049	532,553	547 688	545 775	566 131	615 658	639 500
GDP GROWTH RATE	3,0%	3,2%	2,2%	2,2%	1,5%	1,3%	0,6%
Notes:							
• Domestically produced cars and lcvs total represents a proxy for aggregate local production.							
• Historical sales are based on data reported by NAAMSA member companies, vehicle manufacturers, importers and distributors.							
• Projections are based on NAAMSA analysis and demand assumptions and do not provide for supply side disruptions.							
• GDP growth rate represents GDP annual changes at market prices in real terms.							
• CBU Export figures are based on projects announced to date. Announcements of new CBU export programmes could change projections.							
• From 2012, imported vehicles which have subsequently been exported are reflected as "re-exported imports".							

Volvo XC90 Awarded 2016 WesBank / SAGMJ Car Of The Year Title

With a second win for the revered Swedish manufacturer, the Volvo XC90 took top honours at the 2016 WesBank / SAGMJ Car Of The Year announcement at a gala dinner hosted by WesBank, the competition's headline sponsor, on Tuesday.

Facing prodigiously tough competition in this year's 12-vehicle strong line-up - vehicles that all represent the best of the best from a cross-section of segments and price points - the Volvo XC90 made for a worthy contestant, ultimately taking South Africa's most prestigious motoring prize.

Reflecting changing trends in the buying patterns of the South African public, the XC90 is the second Volvo (following the S40 in 2005) and the second SUV in the competition's history to be crowned the winner. In addition, the Volvo XC90 has garnered accolades from multiple international publications, Car of the Year contests, and road safety authority awards. Locally, the XC90 has also found favour with consumers, who have voted the XC90 as the best SUV in its respective category.



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G.U.D. Holdings sponsors Science Laboratory to Open Air School

On 9 February 2016 G.U.D. Holdings gifted Open Air School with a new Science Laboratory at the school's 95th Birthday celebration. Open Air School has made history in Durban as the first special needs school to offer Physics as a matric subject for Grade 10 – 12 learners.

"The learners at Open Air School are an inspiration to us at G.U.D., we are proud of their motivation and commitment to excel in their studies. These learners are the future of our country and we encourage them to take advantage of having a dedicated Science Laboratory. They now have the opportunity to choose science and engineering oriented career paths," says Anthony Trickey, G.U.D.'s Group HR & Legal Director, during his speech at the 95th Birthday celebration.

Utilising an old classroom at the school, special consideration was taken to ensure that lab was designed and converted to accommodate the specific physical requirements of the learners, whilst still maintaining the performance of a fully functional science lab.

He also pledged an additional R 40, 000.00 to Open Air School for further requirements for the Science Laboratory or any other school needs. G.U.D. Holdings has invested substantially in many schools throughout the country and is also the largest player sponsor at The Sharks Academy.



Mr. A. Naidoo with his physics students in the new Science Laboratory

AUTOMOTIVE INCUBATOR OPENS IN MDANTSANE

With potential to facilitate township revitalisation, a first of its kind, automotive aftermarket incubator opened for business in Fort Jackson, Mdantsane in Buffalo City Municipal area on 9 February.

With the partnership of big automotive aftermarket brands, including Powertech Batteries, Sharwoods Tyres, Universal Safety Glass and Grandmark Glass, the incubator has equipped and trained entrepreneurs and their new staff to service customers in one of South Africa's largest townships.

Additional businesses will also be added to the 700m² facility, making the incubator a quality and accessible hub for automotive glass, battery and tyre sales and repairs.

The Automotive Industry Development Centre in the Eastern Cape (AIDC) says the incubator is not only servicing a growing robust and economically viable market, but will develop the economy within Mdantsane, where formal business development has lagged.

Considered to be the first incubator of its kind in the country, it is being established by the Automotive Industry Development Centre (AIDC), Eastern Cape - an agency of the Eastern Cape Development Corporation in partnership with Buffalo City Municipality and the Eastern Cape Province.

AIDC Eastern Cape acting CEO, Gordon Brink says the incubator, which also includes a food kiosk was a "stunning model for true public private partnership."

"Powertech Batteries, Sharwoods tyres and other brands are investing into community with the prospect of later returns while the AIDC Eastern Cape, on behalf of the Eastern Cape government, has developed a vacant mini warehouse for the five businesses that would operate from the location and will mentor and support the entrepreneurs in their new businesses to ensure sustainability."

AIDC Eastern Cape Project Director Fred Weatherall-Thomas said the level of support in areas such as financial controls and procedures, procurement, stock taking, marketing and compliance with respect to company and tax laws were "essential for long term success."

"The idea is that after three years of trading the new businesses will stand on their own, with the resources provided to them now released to assist in the creation of other new businesses," Weatherall-Thomas said.

Brink said the AIDC EC sought to replicate the incubator model in other Eastern Cape Towns "as a means of tangible and sustainable job creation, skills development and socio-economic development in under-developed areas, which are government priorities."

Powertech Batteries Regional Manager Steven Venter said the Fort Jackson outlet would cater for "all requirements in automotive battery market, but envisaged the bulk of the trade will emanate from the large taxi sector."

Venter said Powertech Batteries will support the incubator with the right to trade with their brand, state of the art technology for battery testing and charging as well as support with training and promotions.

Sharwoods Director, Richard Sharwood, whose outlets account for a dominant share of the Nelson Mandela Bay tyre market said the company "consider it good business practice to contribute to socio-economic development, while extending its brand."

"The tyre centre at the incubator will employ current technologies and best practice operations to ensure a satisfactory level of service and quality product for a wide range of vehicles," Sharwood said.

Speaking at the launch, Buffalo City Executive Mayor Alfred Mtsi, said the project was part of the Metro's responsibility to create an environment conducive to economic growth.

"The incubator's launch co-incides with the recent Growth and Development Strategy Summit where commitments were made to contribute to economic growth for the benefit of citizens.

Referring to the previous derelict state of the building, which now proudly houses the businesses, Mtsi said the development was the "beginning of more things to come."

"The dream to revitalise old buildings and business in our towns can come to fruition."

"Well managed incubators are the best tools to create sustainable jobs and develop SMEs which are critical in diversifying the economy, creating competition in the marketplace and lowering consumer prices," he said.

Mtsi hailed the occasion as a "special moment for those who are interested in the economic growth of the city. We are aware of the challenges but inspired by the potential."



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European Family Business Trends: Modern Times?

Family businesses have proved to be both successful and resilient. Their importance for an economy is significant and they have also played a significant part in the automotive industry, both globally and in South Africa. KPMG have released a report analyzing European Family business trends and there are many lessons which are relevant to South African family owned businesses, especially those in the automotive sector.

European Family Businesses demonstrate an increasing confidence in the future, positive performance and a clear desire and ability to adapt to the new market trends at odds with conservative image.

In Europe, 14 million family businesses provide over 60 million jobs in the private sector (source: European Family Businesses). In various countries, they represent from 55% to 90% of all companies, and are present in businesses of all sizes, from corner shops to big corporations.

Family Businesses are increasingly proud of being a 'family' company and demonstrate a unique formula for their lasting growth and success: to capitalize on 'family' strengths while actively adapting to the new and ever-changing market. European family business grow, undergo strategic changes and capture overseas opportunities. They actively professionalize by improving governance and hiring outside talents. And while facing a number of significant challenges, they make proof of an ability to adapt and take fast decisions in order to secure a bright future for their family and business.

75% of European family businesses feel optimistic about the future for their business

While the overall EU economy's recovery is feeble and unstable, European family businesses demonstrate increasing confidence and stable growth. Over half of the respondents (58%) cite a turnover increase in the last six months, and 46% - new recruitments. Backed by their confidence, three quarters (75%) of family businesses surveyed plan future growth and new investments in a year to come.

European family businesses capture global economic opportunities

European family businesses are challenging the common belief that they are less inclined to grow internationally and are rapidly increasing their activities abroad: 74% of the surveyed companies are already operating beyond their national boundaries, compared with 60% two years ago.

Furthermore, almost a quarter (23%) plan to invest further in internationalization and cite moving/exporting into new markets among their top business priorities for the next two years.

Despite a common misconception, family businesses open into new sources of financing and are ready to offer equity in the company's capital to the right investor

The right investor is primarily an investor with similar appetite for business risks and returns, similar values and understanding of a family business' nature. High-net-worth individuals prove to be that sort of 'right' investors. 42% of family businesses have previously received direct investment from HNWI's, and 92% of those consider this experience as positive.

Other key findings of the report include:

- European family businesses **demonstrate a strong ability to adapt to their environment and are ready to take fast strategic decisions**: 41% of respondents are planning to undertake a strategic change for their business in the next twelve months. The primary choices of this group are passing on management of the company to the next generation (26%) or selling the business (21%), both of which entail a drastic change in the company's management and ownership style.
- Striving for further growth, many European family business owners **take steps to achieve higher professionalization within their companies**: they improve their governance structures and bring in outside talents. 88% of them have already some formal governance mechanisms in place, and 75% have already integrated non-family members management roles.
- Family Businesses **extend philanthropic activities**: 34% of respondents consider them important for the business, compared to 18% two years ago. Still family businesses stay secret 'heroes': their philanthropic activities are often local and not widely known.

While family businesses show a high potential and desire for future growth, there are number of significant challenges that could handicap their success. The most critical concerns surround competition, recruiting and retaining talents, and declining profitability. In addition, the size of the business impacts the company's ability to develop and compete. Sometimes these challenges require business owners to make difficult choices for the future of their business.

"Family business market is rapidly changing. Companies are coming out of shade and increasingly advertising on 'we are a family business'. We are pleased to see, that they are growing and demonstrating strong desire and ability to grow further and succeed. But the challenges that companies face make them worry, as if not well and timely managed, they may have a detrimental impact on their future success," says Christophe Bernard, KPMG's Global Head of Family Business. "Family businesses are not only the backbone of many countries' economies today, but may be their future as well. Provided that family businesses learn to navigate the challenges deftly and on time, this future will definitely look bright."

To view the full report, please visit: www.kpmgfamilybusiness.com

About THE REPORT

The report is based on the research and insights of KPMG's Global Centre of Excellence for Family Business, as well as using the findings from our two recent studies:

- European Family Business Barometers**, conducted through 2013 – 2015 in partnership with EFB (European Family Businesses) and delivering insights into the confidence levels of family businesses in Europe. The fourth edition 'European Family Business Barometer: Determined to succeed' was released in September 2015 and was based on the 1401 completed questionnaires received from 25 European countries;
- Global Family Business Survey 'Family matters: financing family business growth through individual investors'**, conducted by KPMG and gathering responses from 125 family businesses and 125 high-net-worth individuals based across 29 countries worldwide, covering a total of 82.4% of global GDP (released in September 2014).

About KPMG'S GLOBAL CENTRE OF EXCELLENCE FOR FAMILY BUSINESS

With decades of experience working with family businesses, KPMG professionals across various countries understand the nature of a family business and are passionate about it. KPMG's Global Centre of Excellence for Family Business is designed to leverage KPMG member firms expertise on Family Businesses, enabling them to offer specialized insights to clients.

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NAAMSA MEDIA RELEASE ON THE 2016 / 2017 BUDGET

Commenting on the budget proposals announced today by the Minister of Finance, Dr Pravin Gordhan, in Parliament - the Past President of the National Association of Automobile Manufacturers of South Africa (NAAMSA) - Dr Johan Van Zyl said that against the background of growing pressure on the social and political fabric of the nation and the deterioration in the economic environment - the Minister had delivered a budget aimed in particular at addressing current concerns by international credit ratings agencies as well as those of potential local and international investors. A positive feature was the reiteration of governments' commitment to fiscal discipline, a progressive reduction in the budget deficit and the intensified implementation of the National Development Plan to promote growth and employment.

Commenting on features which affected the automotive industry, Dr Van Zyl welcomed the fact that the budget did not contain major tax shocks in respect of value added tax and personal income tax where partial relief to compensate for inflation had been provided. However, the extension of the base on which the tyre levy of R2.30/kg would be levied now affected all imported new, used or retreaded tyres as well as tyres fitted to all types of motor vehicles including off-road vehicles, golf carts as well as helicopters. The implications would have to be evaluated by affected parties.

A further potential problem area included the fact that no details had been provided on the referenced increase in motor vehicle emissions tax. In the absence of clean fuels, based on international specifications, the automotive industry would object to further tax increases. The availability of clean fuels was essential to enable the industry to offer customers high technology, highly fuel efficient and low emission new motor vehicles in South Africa and was also essential to reduce the emission of hazardous gasses harmful to human health and the environment. NAAMSA would seek clarity on this particular matter.

NAAMSA endorsed the importance of all new legislation being subjected to socio-economic impact assessments to avoid negative consequences for investment, growth and development. More than ever before South Africa required investment and growth friendly policies as opposed to ideological driven legislative prescripts. The Minister had also correctly identified the need for policy coherence and certainty as well as improved policy coordination between various government departments.

Whilst the budget proposals, on balance, would probably be reasonably well received by international and local investors - NAAMSA would have preferred to have seen more emphasis on a number of priorities including the imperative of cuts in government expenditure, the implementation of measures to improve the management of state-owned enterprises and steps to achieve higher levels of efficiency in government departments. Ultimately, wealth needed to be created before it could be distributed which underlined the importance of encouraging and attracting higher levels of international and domestic investment as a means of enhancing South Africa's economic growth and development prospects.

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BRAKE PADS

Safeline heavy duty brake pad awarded double stamp of approval

Safeline Brake Pads continues to set the benchmark in braking systems with the announcement of both SABS and E-Mark certification for their D7001 heavy duty brake pad. The D7001 fits the Mercedes Actros, DAF XF, IVECO Stralis and IVECO Trakker trucks. The brake pad manufacturer expanded their product range to include premium heavy duty brake pads in May 2015 with the launch of the D7001.

The South African National Standards and The United Kingdom Vehicle Approval Authority awarded Safeline Brake Pads their prestigious certification after conducting strict tests to ensure the D7001 met the international and local braking systems regulations.

Safeline Brake Pads is the only South African brake pad manufacturer to have both SABS and E-mark certification on their brake pads, further upholding their vision of being SA's safest brake pad. Their on-site laboratory conducts extensive tests on all brake pads to ensure compliance to the highest quality requirements.

"It is our mission to manufacture and develop leading world class brake pads and to supply customers with the safest brake pad on the market. We are very pleased to be awarded the SABS and E-Mark certification on our first heavy duty brake pad, the D7001. This achievement attests to our commitment to producing high performance, OEM quality and safe brake pads" says Diyan Botha, General Manager, Safeline Brake Pads.

The latest heavy duty brake pad to be released by Safeline Brake Pads is the D7008 and D7019, fitting Mercedes, MAN, Isuzu and Renault trucks. The brake pads also include brake accessory kits ensuring a complete brake fitment package.



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We take pleasure in advising that the 2016 NAACAM Directory is now available. Please contact Bev on 011 392 4060 or email bev@naacam.co.za to arrange collection of copies.

The Rolls Royce of logistics from BPL

The one of a kind new Rolls Royce Wraith inspired by fashion arrived at Bidvest Panalpina Logistics' warehouse, adjacent to OR Tambo International Airport, earlier this month.

This R8 million cargo came to South Africa via ocean freight from the UK and is en route to a private destination in Africa. It is the only one on the continent of the limited edition Wraith affiliated to fashion. BPL was entrusted with handling the customs clearing and playing host to the beautiful car in its state-of-the-art facility.

"We are proudly associated with the publicity the car is receiving," says Linda Evans, key account manager of BPL, "Our relationship with Daytona goes back more than a decade to when we began with Aston Martin, followed by McLaren and then Rolls Royce."



Linda Evans, BPL key account manager, and Craig Mountjoy, BPL managing director



Fashion bloggers at BPL's warehouse jump at the one and only opportunity to photograph the Rolls Royce before it departs for its destination

The Rolls Royce at Bidvest Panalpina Logistics' warehouse



First National Battery sends water to where it's needed most

The harsh reality of the worst drought on record in South Africa is felt most by the less fortunate. For Julia O'Connell, who runs Mustard Seed Orphanage in Qwaqwa, the drought has brought many of the day-to-day activities at this haven to an almost standstill. Henriette Bezuidenhout, who works closely with O'Connell, contacted several major companies to help alleviate the situation - amongst them, NAACAM Member, First National Battery.

First National Battery, a wholly owned subsidiary of JSE-listed Metair Investments, franchisor of Battery Centre and leading manufacturer and distributor of lead acid batteries to both the OEM and replacement markets, was quick to take up the challenge and arranged to send a donation of 10 000 litres of tap water to the orphanage. Tap water, rather than borehole water, is desperately needed for cooking, cleaning and bathing at the orphanage.

"This is such a wonderful gift - actually, the gift of life. Thank you very much. You have no idea what this means to the kids and the huge difference it's making," says Bezuidenhout.

The latest water drop at Mustard Seed Orphanage comes after First National Battery has already delivered well over 100 000 litres of water to drought stricken communities in the Eastern Cape and Free State.

"We're a South African owned company that takes its corporate social responsibility very seriously. We've reacted to the needs of our communities and by utilising the company's national footprint, will continue to provide much-needed drought relief where it's needed most," concludes Managing Director of First National Battery, Russell Bezuidenhout.



DURBAN SCHOOLS BREAK GUINNESS WORLD SCIENCE RECORD

Friday, 5th February was a special day for South Africa, and more so for Durban. Automotive component specialist, MAHLE Behr South Africa together with NGO, CASME used the largest practical science lesson world record as the perfect vehicle to generate enthusiasm and excitement with 2102 high school learners, and make Science “fun” and exciting.

It was a mammoth undertaking. 2102 learners, 76 teachers, 43 stewards and 50 volunteers all came together at the Durban Exhibition Center where students completed two different experiments. In an innovative attempt to save costs, the two experiments have been constructed using by-product materials kindly donated by MAHLE Behr's production processes. And each participating school will receive a set of equipment after the attempt.

MAHLE Behr SA has collaborated with CASME on a number of projects over the last three years, many of which endeavours to develop education in the critical areas of Maths and Science at schools in the rural and under-resourced areas.

MAHLE Behr SA Communications Manager, Jolene van Heerden believes that breaking a World Record will enhance the company's support of furthering science education at the high school level. “This was a first for South Africa,” van Heerden says. “Through attempting and achieving the World Record, MAHLE Behr and CASME will inspire, educate and spark the interest of Science leaders for tomorrow.”

Previously, the largest practical science experiment record was held by Vijnana Bharati School in Delhi, India for 2000 students. MAHLE Behr and CASME's target was 2100.

To have met the very stringent Guinness World Record criteria and standards the lesson had to take place in a given timescale, together in a pre-determined place.

“We have to meet a number of pre-requisites in order to get the official stamp of approval from Guinness,” explains van Heerden. “The pack had to include a cover letter explaining the context of the record attempt. Then we had to get two independent specialist witness statements confirming that the rules have been adhered to and must explicitly state the exact and final figure of the total participants taking into account any participants whom the stewards deducted from the total. Statements had to describe the counting process and overall attempt in details. So it's all very technical.”

The actual record attempt took place for one hour. During the adjudication process learners had the opportunity to enjoy a fun science show, and get the opportunity to visit career stalls to find out more about STEM (Science, Technology, Engineering and Mathematics) careers and study opportunities.

“By bringing together young children, teachers, university staff and volunteers from the community around a fun, hands-on science learning event not only do we hope to put South African science education on the global map but we also aim to generate excitement for science amongst participants. The learners who will be helping us break this World Record are at a critical stage in their schooling and will soon be making subject choices that will in many ways determine their future opportunities.” said Henre Benson, Operations Manager for CASME.

“The South African Department of Labour has identified skills shortage as being particularly high in terms of technicians, artisans and skilled labourers. This will help to raise awareness of the importance of education and, training in the under-resourced areas of maths and science of learners at secondary level.” said Van Heerden.

For more information please contact: Jolene van Heerden, Communications Manager MAHLE Behr SA | Tel: 031 7197718 email: Jolene.vanheerden@za.mahle.com



Learners attempting the Hardness Drop test



Learners recording their data and findings



Viewpoint of all 2102 learners

TOYOTA MOTOR CORPORATION (TMC) EXECUTIVE APPOINTMENTS - APRIL 2016

TMC recently announced important structural changes within the global management structure which impacts on Toyota South Africa and the Africa Region.

The impact of these changes can be summarised below :

- Dr Johan van Zyl previously President and CEO of TSAM has been appointed as Chairman of Toyota South Africa. He will continue to function as the CEO of Europe Region based in

Brussels.

- Mr Takeshi Isogaya is appointed as CEO of Africa Region based in Tokyo Japan.
- Mr Andrew Kirby currently Executive Vice President and Chief Operating Officer of TSAM, is appointed as the President and Chief Executive Officer of TSAM, based in Durban.

NAACAM offers its warmest congratulations to Andrew Kirby on his appointment

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Broad-Based Black Economic Empowerment Commission on its establishment and progress

On the 24th February 2016, Ms Zodwa Ntuli, Acting Commissioner for the BBBEE Commission, gave a presentation on the progress made on the establishment of the BBBEE Commission. According to the Association of BEE Professionals, she gave an overview of the legislation governing BBBEE and the challenges that were met in terms of implementation since its inception and the ways in which this has been dealt with through amendments aimed at addressing the gaps in the legislation. An overview of the institutional framework of the Act was given, highlighting the different institutions and tasks in relation to the implementation of the objectives of the Act and the manner in which definitions have been broadened. The amendments gives further clarity on how matters should be dealt with in future. There have been efforts to align the BBBEE Act with other legislation, but it was also noted that in the case of any conflict, the BBBEE Act will prevail.

A clear outline of the mandate of the Commission was given, stressing that it is working collaboratively and is seeking engagement with stakeholders, business and Parliament. The BBBEE Commission has the duty to monitor and ensure that the BBBEE legislation is implemented in a manner that achieves the objectives of the legislation. The BBBEE Verification Professional Regulator is created by the legislation, but the Minister is yet to make a determination of who this Regulator will be and what role it will play within these institutions. The verification process is a key aspect of the industry; it determines the levels.

The Sector Councils report collectively to the Minister, based on the reports given to them by the sector codes and sector charters on the activities in that sector. The issues raised by stakeholders

during meetings and engagements included the need to ensuring that skills development and enterprise and supplier development are emphasised, that the Commission must be well resourced with an adequate budget to employ skilled staff, that fronting and misrepresentation must be addressed and the impression dispelled that BBBEE is for the elite few.

Ongoing consultation with industry on requirements and education and awareness programmes to support compliance by entities were important. It was also stressed that the visibility of the Commission in investigations and prosecutions must be ensured and focus must be shifted from not only ownership, but all elements of BBBEE. Verification standards must be aligned, as this was one of the challenges, in part due to the lack of oversight and effective regulation. The Commission was already emphasising skills development and enterprise and supplier development and it was noted that any equity programmes must be aligned to priorities and create a real impact. The township and rural economies must be targeted to broaden empowerment, and there must be active monitoring of sectors to prevent collusive platforms through the sector codes. Alignment will be needed with the Preferential Procurement Policy Framework Act, as this hinders procurement initiatives aimed at advancing transformation. Some of the qualitative aspects of BBBEE must be examined in view of examples of departures from the Act that were given. There had been a call to remove barriers to transformation such as the credit policies of financial institutions and access to markets and the need for advisory services and cost effective dispute resolution mechanisms was emphasised. A consistent and transparent application of the Act would be required.

For more information or assistance on BBBEE please contact SAB&T BEE Services, as we are an IRBA approved Registered Auditor, a full member of ABP (Association of BEE Professionals) 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 Revised Codes) • Strategy Planning • BEE Training • Consulting

We service all 9 provinces within South Africa and may be contacted on 0860 233 669 or via email: marketing@sabtbee.co.za

Additional articles on website version of the NAACAM newsletter:

- News, advice & information from First National Battery:
 - Get road trip ready with these top tips
 - Battery Centre PE celebrates 25 years of quality service
 - Battery Centre East London celebrates 33rd birthday
 - Explained: the relationship between the battery and the alternator
- Employment Tax Incentive - What you don't know!
- Changes to the Board of Directors and Board Committees of Metair
- Metair Annual Results Highlight Continuing
- Call for Expressions of Interest from Black Suppliers
- AIS BEE Interpretation Note
- Auto Aftermarket Incubator Opens

Visit www.naacam.co.za to view or download

The National Association of Automotive Components and Allied Manufacturers (NAACAM) is excited to announce their premier Show to be held in the first week of April, 2017. It will:

- Showcase the capability of the South African component industry through an exhibition which will include related sub-sectors and service providers;
- Incorporate a conference with world class speakers;
- Receive the full support of all stakeholders in and related to the automotive industry;
- Promote further localisation of components through the supply chain at both the OEM and Tier 1 levels;
- Attract multinational component suppliers to participate;
- Link potential Tier 2/3 to Tier 1 suppliers.

The NAACAM Show will be presented alongside and in partnership with the Durban Automotive Cluster's (DAC) National Localisation Indaba.



Do not miss this event!

Get road trip ready with these top tips



There's no time like summertime to set off on a road trip with friends or family. In the spirit of road safety and a love for open road adventures, Battery Centre is encouraging South Africans to conduct important vehicle checks before taking to the road this festive season.

With your vehicle in top condition, you can ensure a smooth, safe trip to your destination.

1. **Starting point**

Firstly, pop the hood and check the vitals while the engine is cool. These include engine oil, brake fluid and water in the cooling systems. Get a petrol attendant to assist if you're unsure. Look out for irregularities like leaks; if any are apparent have the cause/reason sorted before driving the distance.

2. **Maintain the charge**

Ensure your car battery is in the best possible condition by visiting your nearest Battery Centre for a free battery and vehicle electrical check. One of the team of experts will check for battery damage, test the terminals and rate overall performance.

Should a new battery be needed, the best options for your specific needs will be advised before a quick and efficient battery replacement is made.

3. **Read the rubber**

Check whether the tyre tread on your wheels is within the safe limit. If it's worn below the limit, it's unsafe to drive and your tyres should be replaced – in SA, the legal tread limit is one millimetre. Look out for uneven tread wear as this can indicate an alignment issue.

Don't forget to check tyre pressure. If you're not sure what the optimum tyre pressure is for your wheels, reference your car's user manual and/or the inside of the driver's door. Remember to check your spare tyre, as you might need this along the way.

4. **Swish, swish**

It may be a fairly dry holiday in most parts of SA this year, with little rainfall predicted, but you should always be prepared for a downpour. Ensure your wipers are equipped to keep your windshield clear when it rains. Check the rubbers are still intact and not falling apart.

5. **Smooth, quiet drive**

Brakes, suspension, steering, shock absorbers and CV joints all affect your driving experience and safety. It's a good idea to get a professional to conduct a full check of all these performance influencers, for peace of mind throughout your trip.

6. **Switched on**

From windows, mirrors and lights to indicators and fuses, a check of all the electrical equipment is very important before heading out onto the road. Check for any malfunctions and be sure to replace or repair them in time for your trip. Carry extra bulbs in case of an emergency lighting issue.

7. **The emergency kit**

To avoid being caught off guard with no solutions at hand, do an audit of your toolbox for all necessary tools. You should have the following in your car: a reflective triangle, a torch and batteries, jumper cables, car jack, fire extinguisher, a wrench, rope, gloves, tape, screwdrivers, pliers and some rags for wiping your hands.

With your checks complete, you're all set to enjoy the beautiful local landscape without any vehicle stress. In case of battery troubles when you're on the road, [here's](#) where to find your nearest Battery Centre.



"Remember to get your car checked out after your trip as well, for year-round safety. Battery Centre experts are always on hand to assist with regular battery care and reliable advice," says Andrew Webb, Automotive Marketing Director of Battery Centre's parent company, First National Battery.

For more information about Battery Centre and the full range of batteries on offer, visit www.battery.co.za or call toll free 0800 112 600.

Battery Centre PE celebrates 25 years of quality service



This year, Battery Centre Port Elizabeth celebrates 25 years as a reliable supplier of quality batteries to the Eastern Cape automotive hub. The centre was opened in June 1990 by Andre Howitz, and has grown in strength and size, now serving a large client base in and around PE.

Small start

After building industrial batteries in East London for seven years, Howitz and his wife, Jillian, moved to Port Elizabeth and opened the first Battery Centre in the area in June 1990. The pair faced obstacles from the outset.

"When we first opened in PE, our customers didn't know the product at all, and didn't understand the value in it, which made for a very daunting start," says Howitz.

Energetic approach

Armed with unapologetic determination, Howitz and his wife worked tirelessly to get the centre off the ground. They had only a handful of employees, so did most of the work themselves, but relied on friendly service and quality batteries to make a name for themselves.

"Our approach to business has always been grounded in honesty and integrity," explains Howitz. "This has played a huge role in our success." After their first Battery Centre gained a loyal client base, Howitz and his wife decided to open a second outlet in Newton Park and then Knysna.

Howitz maintains the key to longevity in the retail space is exceptional employees. "I'm only as good as the people I surround myself with – my team is integral in the maintenance of each Battery Centre," says Howitz.

Keen adaption

With over 25 years' experience in the industry, Howitz has seen the market change fundamentally since he started out. "The vehicles of today are so much more advanced and demanding than they were years ago – Bluetooth, immobilisers, alarms, sound systems and onboard computers – but luckily our supplier, First National Battery, continues to produce world-class batteries that keep up with the ever-changing needs of modern technology."

Howitz hopes to see his Battery Centres grow and flourish in the years to come, and remains as dedicated to offering the best possible service and class-leading products as he did 25 years ago.

"It's all about having a winning combination – which takes years of hard work to achieve – and that's a reliable supplier, a team that's willing to go above and beyond, and the integrity to treat customers the way you'd like to be treated," concludes Howitz.

To find out more about Battery Centre, visit www.batterycentre.co.za.

Battery Centre East London celebrates 33rd birthday



This month marks an exciting 33 years in business for Battery Centre East London. What started as the very first Battery Centre in the area is now part of a sprawling network that services clients across the Eastern Cape.

Owner, Henry Quirk, used his many valuable years of experience in the industry to establish and expand the Battery Centre network in the area. Quirk joined Raylite in 1978 and quickly made his way up to relief manager and rep.

Keen for a challenge and project all his own, Quirk bought the East London centre in 1982, which had been operating as an unaffiliated battery fitment centre – and running at a loss with a flailing clientele.

Starting small

"The early days of establishing the business were difficult, as most garages had workshops where they fitted batteries and this was the norm in the area," explains Quirk. "We were offering a new, specialised concept – a convenient fast fit – and it took some convincing to build up a returning client base."

With the help of a reliable team, Quirk managed to break into the market – he maintains the quality of the product is what kept customers coming back. In 1993, Quirk's centre was awarded runner-up Battery Centre of the Year and, when his nephew joined him in the business in 1994, the business grew from strength to strength.

"Family values are a big part of how we serve our customers," says Quirk. "And that includes staff who have been with us pretty much from the start."

New territory

Quirk was delighted when the centre was awarded Battery Centre Franchise of the Year in 1995. In 1998, Battery Centre East London took over distribution for all First National Battery clients in East London. Spreading their reach even further, Quirk opened a Battery Centre in Umtata in the same year.

"Our Umtata branch services customers from Umtata, Queenstown, Fort Beaufort and Alice, as well as areas of the Transkei," comments Quirk. "It's quite an incredible network, and I feel incredibly lucky to be a part of it."

Quirk's advice for new business owners is to spend time building relationships with customers. "It takes a strong support system and a unique connection with your clientele to have real longevity," says Quirk. "Somehow, we managed to get that right – and I hope we can sustain it for the years to come."

To find out more about Battery Centre, visit www.batterycentre.co.za.

Keep your car battery cool this summer



Whether you're out on the open road or just at home, your car battery can take a beating during the summer months. Contrary to popular belief, skyrocketing temperatures pose a greater threat to your car battery than winter chills. Here's why.

Heating up

Excessive heat can cause battery fluid to evaporate which can damage the internal battery structure. High temperatures, combined with heavy traffic on overheated tar roads, can hike up the temperature under the hood of your car and push your car battery to its limits.

Batteries are prone to faults during hot weather, that worsen gradually and are often only noticed once cooler temperatures set in. It's therefore vital to maintain your vehicle battery throughout the year, but particularly during warm weather.

Basic maintenance tips

- Check terminal conditions under the hood regularly
- Check radiator fluid levels to avoid overheating
- Ensure battery connections are clean and tight – no dirt, engine grease or corrosion (often looks blue)
- For older batteries, refill with distilled water, if necessary
- Wherever possible, park your car in shady spots or a garage

Expert checks

Get in touch with the professionals to avoid battery failures. Battery Centre offers free battery testing – a thorough assessment of your car battery's working condition – as well as information on correct charging time, corrosion and battery replacement options.

Caught off guard

If you're caught in a sticky situation with a faulty battery, avoid being stuck on the road with no idea what to do. Pull over and put your emergency triangle out as a warning for oncoming traffic. Call for roadside assistance as soon as possible.

Regular preventative maintenance can help prolong the life of your battery and give you peace of mind before every journey. Take your vehicle to the battery specialists at your nearest Battery Centre every three to six months for safe, happy travelling.

For more information about Battery Centre and to find a centre near you, visit www.batterycentre.co.za or call toll free 0800 112 600.

Explained: the relationship between the battery and the alternator



When you climb into your car, turn on the ignition and start driving only to find your lights, electric windows or windscreen wipers aren't working, your first thought will probably be that your battery is on the blink. But this isn't always the case.

Car batteries get a good and bad rap – they're thought of as the powerhouse of the car, but they're also the first to get blamed if something goes wrong or the car doesn't start. In reality, the problem might not be your battery, but your alternator. The two are closely connected, and the well-being of the one depends on the other. But in those hair-raising, stuck-on-the-side-of-the-road moments, chances are your battery's mistakenly getting all the flack.

Alternator explained

The alternator gets its name from its function – it converts electricity from Direct Current (DC) to Alternating Current (AC). It's usually mounted to a specific part of the engine near the front of the car. It's a fairly small part of the engine – about a third of the size of the battery – and is most commonly made from aluminium. Despite its unimpressive size, the alternator serves a big purpose.

The purpose of the alternator is to convert mechanical energy generated from the fan belt into electrical energy that charges the battery. Essentially, without the alternator, the battery will never be charged and won't be able to power other electrical components of the car. No alternator would mean no radio, no lights, no wipers, no battery.

When alternators go rogue

Alternators deal with a lot. They process and have to withstand a lot of movement, which means they frequently experience breakages – most often because of the needle bearings used to turn the rotor inside the alternator. So before you blame your battery, it's important to consider that the issue might be your alternator.

The most common signs of an alternator on the blink is the warning light on your dashboard. If the light looks like a battery, don't immediately discount your alternator – some cars are made with both parts of the engine connected to the same warning light. Other cars might have an 'ALT' or 'GEN' warning light, which is also a sign of a faulty alternator.

Another key symptom of an alternator that's not functioning properly is malfunctioning electrical components of the car – the most common being dim lights. This is usually followed by blinking, dull dash lights and even a speedometer that stops working completely.

If you know what to look for, it's possible to diagnose a faulty alternator just by looking at the fan belt – it can be cracked, stretched or might have slipped off the alternator completely. Some car owners complain of a growling sound under the hood when their alternator packs up, often accompanied by a burning smell.

Fix one, save the other

If you don't get your alternator repaired or replaced immediately, it can do damage to the rest of your car – and your battery will be the first to fall victim. As the alternator fails, the battery picks up the slack and drains quickly. So your anger and frustration at the battery you think isn't working, is, in fact, misdirected. Keep the alternator in perfect working condition – it keeps your battery working too.

If you notice any of the signs mentioned above but you're unsure whether it might be your alternator or battery, visit a [Battery Centre](#) and a technician will help diagnose the problem. [Click here](#) to find a Battery Centre near you.

EMPLOYMENT TAX INCENTIVE (ETI) – WHAT YOU DON'T KNOW

The Employment Incentive Act No 26 of 2013 (ETIA) has, since its inception in January 2014, been both criticized and praised. It will no doubt come under the spotlight before its end in December 2016. There is no indication at this point as to whether ETI will be extended.

I have studied the ETI in detail and consulted across various industry sectors. Without a doubt the biggest challenges ETI faces are:

- Few are aware that the ETI program exists;
- Understanding of the ETI computations and compliance requirements; and
- The perception that ETI is easy to calculate and manage.

The contents of this article is based on practical experience in dealing with ETI which includes an actual case study of a successful ETI reimbursements.

WHAT MAKES ETI SO POWERFUL?

The ETI benefit is:

- immediately accessible, there are special application process;
- there are NO Black Economic Empowerment, gender or race requirements;
- not taxable;
- has no impact on other allowances such as the learnerships allowance, etc;
- can result in an actual physical cash refund/reimbursement;
- affects your bank account and bottom line immediately;
- frees up cash reserves to grow and enhance your business;
- a self-assessment tax claim, no audit or pre-approval is required before claiming the benefit.

ETI, A SHORT HISTORY

The ETIA was introduced by National Treasury to combat unemployment, skills shortage and create new jobs. The ETIA came into effect 1 January 2014 and ends December 2016 (Whether or not it will be extended is still uncertain).

2014

- The ETIA is separate from all the other Tax Acts – It is there to give money and not take money.
- There was a lack of ETI awareness and the education poorly managed.
- ETI is complex and misunderstood, which resulted in a very slow uptake. The market deemed ETI in many circumstances uneconomical to pursue.
- By late 2014 the ETI uptake improves, SARS issues guidelines, payroll systems start to incorporate the ETI calculations and provide training to taxpayers.

2015

- SARS announce that the ETI reimbursement process is in place and working.
- Unfortunately the ETI Refund/Reimbursement awareness and education is poorly managed.
- Very few tax payers are aware that they may forfeit their ETI benefits.

2016

- We start the final year of the ETI clouded in uncertainty again.
- The only fact we are certain of is that all ETI claims should be submitted this year. The two key dates being 28 February 2016 and 30 August 2016 are important for taxpayers to prepare and claim ETI.

ETI IN A NUTSHELL

ETI is for the employers benefit. Submission are made monthly and are also included in your half year and year end PAYE reconciliations.

Must Haves for the Employer:

Step 1

- It is important to ensure that the employer, in fact, qualifies to claim ETI and has qualifying employees. For the most part, provided the employer is registered for PAYE, is not a sphere of government and does not fall foul of any of the anti-avoidance measures, it will most likely be eligible.

Step 2

- The employer must be ETI Tax compliant on the day of the submission of the ETI claim (Date of submission of the EMP 201).

Step 3

- Employer must have "qualifying employees". ALL the requirements must be satisfied below.

Qualifying employees as per the ETIA:

- Employed on or after 1 October 2013;
- has a green ID book or valid asylum seekers work permit;
- younger than 29, and
- earns less than R6 000 per month.

Note: If the employer is located in a special economic zone the age requirement falls away.

Note: You may not terminate an existing non – qualifying employee in favour of hiring those that meet the ETI requirements. – The penalty for doing so is severe.

Step 4

- Calculate your ETI claim value.
- The employer will be entitled to an ETI credit for "qualifying employees". The benefit is received through the offset of the gross monthly ETI value against any PAYE payable (Reduction in liability).

This credit is calculated per employee, per month in accordance with a SARS formula and submitted with your monthly PAYE return. You may only claim an ETI credit for a maximum of 24 months for any one employee. The ETI credit is decreased after 12 months. There are 28 ETI critical events in the full claim period for any one employee that the employer must manage.

Please note that from 1 March 2015 hours are to be used instead of days when apportioning ETI.

Practical example

Assumptions: Employer has 10 qualifying employees which all earn R2 000 p.m. and a PAYE bill of R50 000 p.m.

Claim: The employer submits the monthly PAYE return showing the R50 000 liability and R10 000 ETI credit to be utilised. The employer need only to pay SARS R40 000. The R10 000 credit is treated as if it had been actually paid.

What does this mean from a business perspective?

Wages for two years	R480 000
Less Incentive	R180 000
Cost of employment	R300 000

This translates into a reduction of 37.5% in direct labour costs in the example above.

ETI COMPLIANCE

In order to claim ETI you must be ETI compliant on the day you submitted your ETI claim. This means that there may be no outstanding tax return for any tax type, nor must there be any tax amounts outstanding. Timing of the submission is important.

A tax clearance certificate will NOT be adequate to prove compliance.

The ETIA is still subject to the provisions of the Tax Administration Act. The most important of these is "Burden of Proof". When your ETI claim is eventually audited by SARS I would recommend that you have already compiled a SARS audit pack in advance, at bare minimum including the following:

- Proof that employees were paid minimum wage or, where there is no minimum wage, paid at least R2 000 p.m.
- Proof that there were no returns outstanding or taxes due on the date of each submission.
- Very detailed computations per month, per employee. Remember, SARS can ask for the data electronically and as such could request a report and verification of every single employee's ETI computation.
- Copies of contract of employments, together with company policies regarding working hours, salaries, copies of ID documents, etc.

ETI - GETTING IT WRONG

The ETIA has numerous anti-avoidance measures contained therein. What is sadly not publicised, are the most common ETI pitfalls.

Example

Company A has a monthly PAYE cost of R50 000 per month. In January of 2014 they were subjected to a VAT audit and SARS adjusted the input VAT, leaving a R2 000 balance payable. The company submitted an objection in January 2014, which, in likelihood will be successful. They calculate their ETI Benefit to be R10 000 and use this value going forward. In July 2014, SARS allows the VAT objection and there is no more outstanding VAT.

Consequences

The ETI is disallowed because there is an outstanding tax debt due to SARS. The ETI loss is R60 000, penalties and interest are levied at +/-R6 000. Company A now owes SARS +/-R66 000. Furthermore all the PAYE monthly returns are wrong from January 2014 to June 2014.

The July 2014 ETI benefit may not be utilised until the outstanding PAYE balance is settled. Not only does Company A now owe +/-R66 000 to SARS but they can no longer utilise their ETI benefit.

Solution

Had Company A made use of the relevant relief provisions in the Tax Administration Act, the VAT debt would not affect the ETI Compliance. Alternatively, the other simple option, if viable, is to pay the outstanding VAT balance and object thereafter.

ETI CREDIT OFFSET MECHANISM VS ETI REIMBURSEMENT

ETI offset

Most companies who qualify to claim for ETI never get an actual physical cash refund into their bank accounts. They owe SARS more in PAYE each month than what their ETI credit is worth. The PAYE owed is offset against the ETI credit.

ETI Cash Refund

For some taxpayers the ETI benefit will create a physical cash transfer of monies from SARS into their bank account. This generally occurs;

- If your ETI available credit is greater than the amount you owe to SARS every month and /or,
- You have never utilised your ETI before, this results in a once off reimbursement and you make use of the offset mechanism going forward.

These cash refunds will only happen every six months. The physical returns submitted, together with the monthly and annual calculations as well as the source documents, are audited rigorously.

Industries with high staff turnover, lean management structures and low wages usually give rise to material ETI reimbursement.

WHAT IS IN IT FOR THE STAKEHOLDERS?

Taxpayers – ETI Claimants

Taxpayers will benefit financially by releasing working capital into their businesses and be able to grow their businesses in line with the intention of this incentive. By reducing the cost of employment, it will make firms more competitive locally and globally. The additional freed up cash could also be utilised towards training and education programs for employees.

Corporates will need to raise the level of education in relation to Tax as a whole.

National Treasury

The value of the ETI, efficacy and potential will hopefully come to bear and the incentive extended beyond 2016. At this point treasury is unable to gauge the magnitude of the potential liability of ETI going forward. This is a valid concern, however I believe if the correct changes are made to the legislation, it would negate the unknown liability factor and have the desired employment effect.

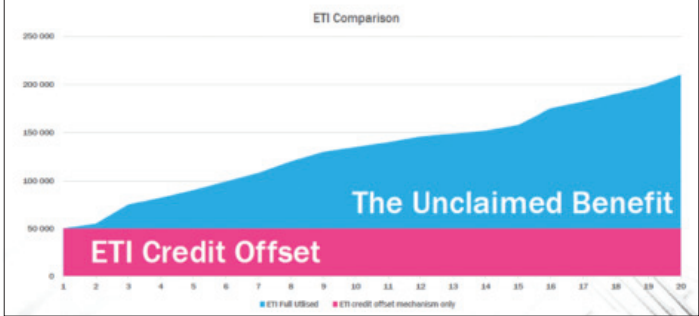
SARS

SARS will benefit from increased Tax compliance. Taxpayers will need to make sure that they have the necessary checks and balances in place in order to claim ETI. These improved processes and compliance, at taxpayer level, will stay in place going forward.

Independent Audit firms - Assurance

In the months to come, I believe the level of assurance required in order to deal with the “ETI Factor” will only become an issue once the audit has begun. It is near impossible for an audit firm to predict the materiality of the ETI and risk involved for any one client and thus account for it in the audit budget.

ETI Refund Analysis Graph



We have used the word refund and re-imbursement interchangeably above. ETI is a re-imbursement and NOT a refund. Reimburse means that the ETI cash benefits belong to the taxpayer already. They need only claim the benefit.

CONCLUSION

There is very little time left to claim your ETI benefits. The preparation and compliance checks may require more time than expected, so we would urge all qualifying tax payers to begin as soon as possible. ETI in theory simple but in reality a complex affair. An ETI strategy addressing the following is required to maximise benefit and minimise risk:

- How far back am I claiming?
- How much to claim?
- When to claim?
- How to claim?

If you are unsure, we recommend consulting with BCE for professional assistance in claiming what you are entitled to, this incentive could make a tangible difference in your business.



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Metair Investments Limited

(Incorporated in the Republic of South Africa)

(Registration number 1948/031013/06)

Share code: MTA ISIN: ZAE000090692

("Metair")

CHANGES TO THE BOARD OF DIRECTORS AND BOARD COMMITTEES

In accordance with paragraph 3.59 of the Listings Requirements of the JSE Limited, Metair shareholders are hereby advised of the following changes to the directors of the Metair board (the "**Board**") and Board committees.

1. Appointments to the Board

Metair initiated a process to identify new non-executive directors to strengthen the Board, with a particular focus on transformation, gender diversity and succession requirements. The culmination of this process resulted in the appointment of Ms PPJ (Portia) Molefe and Ms TN (Thandeka) Mgoduso to our Board as independent non-executive directors with effect from 1 March 2016. The Board is very pleased to welcome them and looks forward to their contribution to the continued success of Metair.

Ms Molefe's wide range of expertise has been shaped by her experience as an entrepreneur, as well as senior strategic positions held in government over a period of 20 years. She served as Chief Operating Officer of Trade and Investment South Africa, Chief Operating Officer in the Department of Trade and Industry, and as the Director-General of the Department of Public Enterprises. She is the co-founder and was Chief Executive Officer of Ubu Investment Holdings Pty Ltd (2010-2014), a company focusing on investments in infrastructure and advanced manufacturing and strategic advice in the development of key economic infrastructure and strategic sectors in Africa. She is also a non-executive director of Ubank and NPN Economists Pty Ltd, is on the Africa Advisory board of Alexander Proudfoot Africa Pty Ltd and serves on the board of Ubu Investment Holdings Pty Ltd and its subsidiaries.

Ms Mgoduso started her career as a clinical psychologist, during which time she lectured at universities and practiced both in South Africa and abroad. She then joined Transnet SOC Ltd, where she served as Group HR Executive and then as Chief Executive Officer of freight dynamics. She later joined Imperial Logistics as Group Transformation Executive and then served as managing director of Ayavuna Women's Investments ("**Ayavuna**"). After her time at Ayavuna, she spent time in strategic consulting and infrastructural development. She is currently on the boards of the South African Reserve Bank (where she chairs the remuneration committee), Tongaat Hulett Ltd, BLOSS Southern Africa Pty Ltd, Ayavuna Trust and Assore

Limited. She is the chairman of Jojose Investments Pty Ltd and a commissioner on the Independent Commission for the Remuneration of Public Office Bearers.

2. Changes to the Board Remuneration Committee

With effect from the 1 March 2016, Mr RS Broadley, an independent non-executive director of the Board, will step down as Chairman of the Remuneration Committee ("**Remco**"), but will remain a member of Remco, and Ms Mgoduso will be appointed as the Chairperson of Remco.

3. Changes to Social and Ethics Committee

Ms Molefe will serve as a member of the Social and Ethics Committee with effect from the date of her appointment to the Board.

Johannesburg
25 February 2016

Sponsor
One Capital



METAIR ANNUAL RESULTS HIGHLIGHT CONTINUING STRATEGIC DELIVERY

Increasing dominance of energy storage business reduces cyclicity and lays foundation for global presence across five continents

- Third and final phase of strategic redesign process in progress
- Two distinct business verticals created (energy storage and automotive components)
- Mutlu Akü performing well and integration completed on schedule
- Automotive components vertical impacted by key model changes in SA

17 March 2016 – Metair, a leading international manufacturer, distributor and retailer of energy storage solutions and automotive components, today announced creditable results for the year to 31 December 2015 under difficult circumstances.

The past year saw Metair enter the third phase of its strategic redesign process initiated ten years ago. The final “Globalisation” phase will span five years and see the Group position itself as a global manufacturer of energy storage solutions on five continents.

During the previous phase, Metair internationalised through acquisitions which brought better balance to the business by reducing its dependence on the highly cyclical OE business.

Today, Metair, manufactures, distributes and retails products produced in South Africa, Romania and Turkey through a dedicated retail network and sells to OE manufacturers primarily in Africa, Europe, Turkey, the Middle East and Russia.

As a result, two distinct verticals - energy storage and automotive components - have now been created, with the energy storage vertical accounting for a dominant 56% of Group revenue and characterised by real international exposure and global potential.

Theo Loock, Metair’s Managing Director commented: ***“The group delivered a creditable performance for the year buoyed by excellent progress on the group strategy including the establishment of the energy storage business that will drive our goal of becoming a global manufacturer of energy storage solutions.”***

Group revenue grew 6,3% to R7.7 billion supported by an increase in market share driven by the Energy Storage business in Turkey, both in the OE and Aftermarket sectors, coupled with an expansion in product offering by the Automotive Components business.

Operating conditions were extremely challenging over the past twelve months with a mix of prominent political and economic issues impacting performance across the markets where it operates. In particular, the impact of the model changes on Metair’s automotive component business in South Africa and the loss of Russian exports for Mulu Akü as a result of currency weakness and geopolitical tensions impacted operating profit margin which softened to 10.2% (FY2014: 11.4%).

“Metair has a proven ability to redesign and renew itself through continued investment in research and development to support technological advancement. I am particularly pleased that we managed to secure all targeted business from a major customer in South Africa on new model replacement and thereby refreshed 85% of our automotive components business in South Africa,” stated Looock.

A number of key operational milestones were attained during the period, including: the successful launch of the Metair International Battery (MIB) brand, the complete integration of Mutlu Akü (Turkey’s largest battery manufacturer) and centralisation of the group’s research and development centre in Turkey.

Metair expects the synergistic benefits from the formation of MIB to deliver positive results and is confident that MIB can record volume growth in the automotive energy storage segment. Every effort is being made to regain access to the Russian aftermarket.

“The continuous delivery on our strategic redesign is fundamental to achieving our growth ambitions to produce 50 million batteries across five continents within five years. Tactical acquisitions matching our returns criteria will be considered,” added Looock

Metair expects the international and local business environment to continue to be volatile and challenging, but the group remains committed to making further progress in its strategic redesign. Metair continues to seek acquisitions, however such acquisitions will only be considered provided they meet Metair’s returns criteria and the board has comfort regarding the group’s gearing and funding capacity.

The first six months of the new financial year will be particularly tough as new model launch production ramp up takes effect during this period. Earnings growth is unlikely in 2016 as the group is still in the process of redesign and product renewal driven by model changes. Every effort will be made to both optimise return on invested capital as well as cash flow. The board remains confident that successful implementation of our strategy will deliver sustainable growth and quality earnings over the medium term.

“Despite the opportunities presented, the next financial year will remain tough as we are still in the process of redesign and product renewal to support new model launches and production ramp up. The South African economy also faces its own challenges whilst the three-yearly wage negotiations with unions will commence shortly.

“The entire group is focussed on managing costs and every effort is being made to both optimise return on invested capital as well as cash flow. We are confident that successful implementation of our strategy will deliver sustainable growth and quality earnings over the medium term,” concluded Looock.

ENDS

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Note to editors:

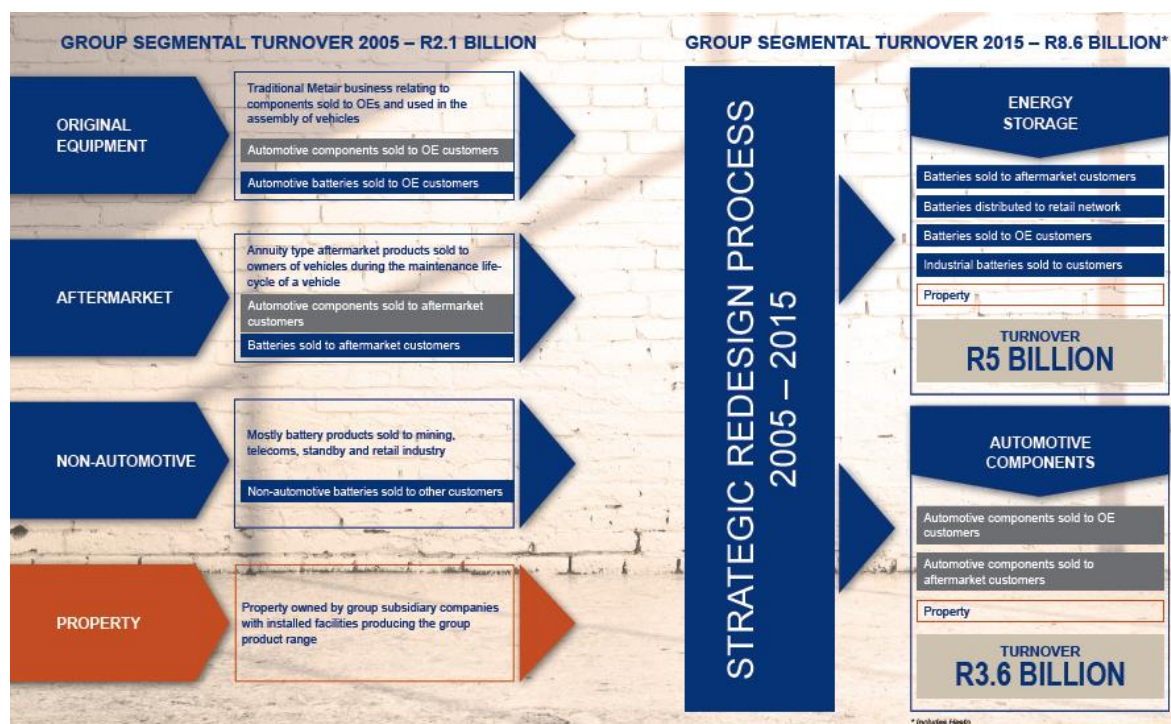
Metair Investments Limited (Metair) is a publicly owned company listed on the Johannesburg Securities Exchange. Headquartered in Johannesburg, it encompasses a portfolio of companies manufacturing and distributing products predominantly for the automotive industry.

Metair started life more than 30 years ago as a supplier to Toyota SA, then a sister company. Today, the group produces and supplies components to all of the major Original Equipment Manufacturers (OEMs) in South Africa, as well as Renault Dacia in Europe through its Romanian subsidiary, Rombat.

The group also manufactures and distributes spare parts for use in the motor vehicle aftermarket, and non-automotive products for various other sectors of industry.

In 2012 Metair acquired a majority interest in Rombat, a battery manufacturer in Romania. In 2013 it added a majority stake in Mutlu Akü, Turkey's largest battery manufacturer and distributor. Rombat and Mutlu Akü sell products to aftermarket customers in Romania, Turkey, Europe and the Middle East, as well as to OEMs in Romania, Turkey and Russia.

The redesign of the group over the last ten years has resulted in two distinct business verticals – energy storage and automotive components. In prior reporting periods, segmental information was disclosed in the then dominant market segments – original equipment, aftermarket, non-automotive and a property segment. From 2015, segmental information will be presented according to the two new verticals, which better aligns with the way Metair manages its business.



For more information on Metair and the Group's subsidiaries please visit the website at: www.metair.co.za

VWSA BLACK-OWNED SUPPLIER'S DAY

5 May 2016



Volkswagen

CALL FOR EXPRESSIONS OF INTEREST FROM BLACK SUPPLIERS

Volkswagen Group South Africa (VWSA) invites suppliers in the automotive, defence, mining, agriculture, aerospace, railways, IT, engineering, renewable energy and service sectors to submit an application to participate in the inaugural VWSA Black-Owned Supplier's Day.

On this occasion successful applicants will have the unique opportunity of displaying their products and services to VWSA, its suppliers and other automotive OEMS, towards the real possibility of securing significant contracts.

This process stems from VWSA's determination to increase its business with black-owned suppliers in order to continue our support for the transformation process in South Africa.

The company views the issue of procurement from black-owned suppliers as a **priority** from both a moral and legislative compliance perspective.

Organisations that supply manufactured components or services and non-automotive related products and services, including organisations in the Defence/Military, Agricultural, Mining, IT, Services and other related manufacturing industries, that would benefit from diversification, are also invited to apply.

Successful organisations would possess some or all of the following:

- A minimum of **51% black ownership** (incl Coloured, Indian and Chinese as per Codes)
- A minimum of **30% female** ownership
- Ownership or Management by disabled person/s
- Level 1 and 2 B-BBEE contributors
- Organisations willing to acquire or in process of acquiring significant black/female ownership
- Ownership or management by war veterans
- While VWSA is seeking primarily component manufacturers, non-manufacturing suppliers are also welcome to apply.
- Black-Owned QSE and EME* organisations are particularly encouraged to apply.

**An Exempted Micro-Enterprise (EME) is a business that has an annual turnover of R10 million or less OR a business that is less than 1 year old. A Qualifying Small Enterprise (QSE) is a business with an annual turnover between R10 Million and R50 Million.*

About the VWSA Black-Owned Supplier's Day:

The VWSA Black-Owned Supplier's Day will take place at the VWSA PeoplePavilion in Uitenhage, on May 5 2016.

All costs of participating in the VWSA Black-Owned Supplier's Day, except all travel, transportation and accommodation, will be covered by VWSA.

All applications will be reviewed and both successful and unsuccessful applicants will be notified.

Successful applicants will be allocated an exhibition booth at the VWSA Black-Owned Supplier's Day, where procurement teams of VWSA, our suppliers, and other automotive OEMS will engage with you regarding the eventuality of becoming a supplier.

How to apply

To apply for selection to join the first VWSA Black-Owned Supplier's Day, please press Ctrl and then click here for the [VWSA Black-Owned Supplier's Day Application Form](#) and complete the required fields.

Applications close on April 4, 2016.

For enquiries contact Inkanyezi Events at 0861 101 475 or email support@inkanyezi.co.za



Automotive Incentive Scheme Interpretation - Note 01/2015

Subject: Introduction of B-BBEE Compliance Requirements for the Automotive Investment Scheme (AIS) and its sub-programmes

Effective Date: 04 December 2015

1. PURPOSE

This interpretation note serves to address the below mentioned additional provisions (number 2 below) on the Automotive Investment Scheme (AIS) and its sub-programmes, the People-carrier Automotive Investment Scheme (P-AIS) and the Medium and Heavy Commercial Vehicles Automotive Investment Scheme (MHCV-AIS).

2. INTERPRETATION

2.1 Sections 4 and 12 of the AIS guidelines have been amended to include compliance to Broad-Based Black Economic Empowerment (B-BBEE) as follows:

Section 4.4 of the AIS guidelines has been amended as follows:

2.1.1 *"The applicant must submit a business plan with a detailed marketing and sales plan, a production plan, budget and projected financial income statement, cash flow statement and balance sheet, for a period of at least three (3) years for the project and **a valid B-BBEE certificate of compliance (i.e. B-BBEE levels 1 to 8).**"*

Light motor vehicle manufacturers and component manufacturers who are considered as exempt micro enterprises (those with a turnover of R10 million and below) as per Section 4 of the Broad-Based Economic Empowerment Amendment Act, 2013 (Annexure C), must submit the latest financial statements verified by an independent external accredited person.

Applicants that are non-complaint will only be considered under special circumstances if they submit a plan on how they will achieve compliance by March 2017.

2.1.2 Section 12.4.3.4 on claims submission has been amended as follows:

*“A valid B-BBEE verification certificate **reflecting compliance to the B-BBEE Codes of Good Practice (i.e. B-BBEE levels 1 to 8).**”*

B-BBEE certificates indicating non-compliance to B-BBEE Codes of Good Practice will result in the cancellation of the claim.

2.2 Sections 4 and 12 of the P-AIS guidelines have been amended to include compliance to Broad-Based Black Economic Empowerment as follows:

2.2.1 Section 4.3.1 of the P-AIS guidelines has been amended as follows:

*“The applicant must, in addition to the information supplied in 4.3, submit a projected financial income statement, and balance sheet for a period of at least three (3) years of the relevant division, cost centre or branch where the project is located, if applicable and **a valid B-BBEE certificate of compliance (i.e. B-BBEE levels 1 to 8).**”*

People-carrier motor vehicle manufacturers and component manufacturers who are considered as exempt micro enterprises (those with a turnover of R10 million and below) as per Section 4 of the Broad-Based Economic Empowerment Amendment Act, 2013 (Annexure C), must submit the latest financial statements verified by an independent external accredited person.

Applicants that are non-complaint will only be considered under special circumstances if they submit a plan on how they will achieve compliance by March 2017.

2.2.2 Section 12.4.3.4 on claims submission has been amended as follows:

*“An original valid tax clearance certificate of the entity **and a valid B-BBEE certificate of compliance (i.e. B-BBEE levels 1 to 8).**”*

B-BBEE certificates indicating non-compliance to B-BBEE Codes of Good Practice will result in the cancellation of the claim.

2.3 Sections 4 and 12 of the MHCV-AIS guidelines have been amended to include compliance to Broad-Based Black Economic Empowerment as follows:

2.3.1 Section 4.4.1 of the MHCV-AIS guidelines has been amended as follows:

*“The applicant must, in addition to the information supplied in paragraph 4.4, submit a B-BBEE certificate, ITAC Registration certificate, projected financial income statement, cash flow statement and balance sheet for a period of at least three (3) years of the relevant division, cost centre or branch where the project is located, if applicable and **a valid B-BBEE certificate of compliance (i.e. B-BBEE levels 1 to 8).**”*

Medium and heavy commercial motor vehicle manufacturers and component manufacturers who are considered as exempt micro enterprises (those with a turnover of R10 million and below) as per Section 4 of the Broad-Based Economic Empowerment Amendment Act, 2013 (Annexure C), must submit the latest financial statements verified by an independent external accredited person.

Applicants that are non-complaint will only be considered under special circumstances if they submit a plan on how they will achieve compliance by March 2017.

2.3.2 Section 13.4.3.4 on claims has been amended as follows:

*“An original valid tax clearance certificate of the entity **and a valid B-BBEE certificate of compliance (i.e. B-BBEE levels 1 to 8).**”*

B-BBEE certificates indicating non-compliance to B-BBEE codes of good practice will result in the cancellation of the claim.



Automotive Industry Development Centre Eastern Cape SOC Ltd
Your partner in becoming globally competitive

MEDIA RELEASE

10 February 2016

AUTOMOTIVE INCUBATOR OPENS IN MDANTSANE

With potential to facilitate township revitalisation, a first of its kind, automotive aftermarket incubator opened for business in Fort Jackson, Mdantsane in Buffalo City Municipal area yesterday (Tues 9 February).

With the partnership of big automotive aftermarket brands, including Powertech Batteries, Sharwoods Tyres, Universal Safety Glass and Grandmark Glass, the incubator has equipped and trained entrepreneurs and their new staff to service customers in one of South Africa's largest townships.

Additional businesses will also be added to the 700sqm facility, making the incubator a quality and accessible hub for automotive glass, battery and tyre sales and repairs.

The Automotive Industry Development Centre in the Eastern Cape (AIDC) says the incubator is not only servicing a growing robust and economically viable market, but will develop the economy within Mdantsane, where formal business development has lagged.

Considered to be the first incubator of its kind in the country, it is being established by the Automotive Industry Development Centre (AIDC), Eastern Cape - an agency of the Eastern Cape Development Corporation in partnership with Buffalo City Municipality and the Eastern Cape Province.

AIDC Eastern Cape acting CEO, Gordon Brink says the incubator, which also includes a food kiosk was a "stunning model for true public private partnership."

"Powertech Batteries, Sharwoods tyres and other brands are investing into community with the prospect of later returns while the AIDC Eastern Cape, on behalf of the Eastern Cape government, has developed a vacant mini warehouse for the five businesses that would operate from the location and will mentor and support the entrepreneurs in their new businesses to ensure sustainability."

AIDC Eastern Cape Project Director Fred Weatherall-Thomas said the level of support in areas such as financial controls and procedures, procurement, stock taking, marketing and compliance with respect to company and tax laws were "essential for long term success."

"The idea is that after three years of trading the new businesses will stand on their own, with the resources provided to them now released to assist in the creation of other new businesses," Weatherall-Thomas said.

Brink said the AIDC EC sought to replicate the incubator model in other Eastern Cape Towns "as a means of tangible and sustainable job creation, skills development and socio-economic development in under-developed areas, which are government priorities."

Powertech Batteries Regional Manager Steven Venter said the Fort Jackson outlet would cater for "all requirements in automotive battery market, but envisaged the bulk of the trade will emanate from the large taxi sector."

Venter said Powertech Batteries will support the incubator with the right to trade with their brand, state of the art technology for battery testing and charging as well as support with training and promotions.

Sharwoods Director, Richard Sharwood, whose outlets account for a dominant share of the Nelson Mandela Bay tyre market said the company "consider it good business practice to contribute to socio-economic development, while extending its brand."

"The tyre centre at the incubator will employ current technologies and best practice operations to ensure a satisfactory level of service and quality product for a wide range of vehicles," Sharwood said.

Speaking at the launch, Buffalo City Executive Mayor Alfred Mtsi, said the project was part of the Metro's responsibility to create an environment conducive to economic growth.

"The incubator's launch co-incides with the recent Growth and Development Strategy Summit where commitments were made to contribute to economic growth for the benefit of citizens.

Referring to the previous derelict state of the building, which now proudly houses the businesses, Mtsi said the development was the "beginning of more things to come."

"The dream to revitalise old buildings and business in our towns can come to fruition."

"Well managed incubators are the best tools to create sustainable jobs and develop SMEs which are critical in diversifying the economy, creating competition in the marketplace and lowering consumer prices," he said.

Mtsi hailed the occasion as a "special moment for those who are interested in the economic growth of the city. We are aware of the challenges but inspired by the potential."

ends

ends

Issued by Deon Engelke

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