

## Battle for the car park continues

Recent commentary on the proposed Automotive Code of Conduct has seen the car park getting spliced into in-warranty, out-of-warranty cars, those that can be serviced versus those that can't and who should be allowed to service which vehicles.



Gunther Schmitz, chairman of Right to Repair South Africa (R2RSA)

"We believe these are all diversion tactics. Essentially what should be being addressed is if you buy a car, you own it, right. So surely you should be able to choose who services it," says Gunther Schmitz, chairman of Right to Repair South Africa (R2RSA).

Representatives of dealerships are leading the public to believe that only around 20% of the entire car park in South Africa consists of in-warranty vehicles and it's this small portion that the Code is addressing. "That is incorrect," says Schmitz.

*"The code is addressing 100% of vehicles, in- and out-of-warranty, not just vehicles under warranty. The section in the Code about not voiding the warranty when a vehicle is serviced by an independent repairer makes up less than 20% of the Code. But we believe that even that market should not be captivated."*

The dealers also say that they believe a significant focus should be placed on developing the other 80% of the industry, predominantly made up of out-of-warranty vehicles.

"So, are manufacturers and dealers saying that they want a monopoly on the most profitable 20% segment of the market in terms of servicing and high parts prices? Surely, we should all as South Africans be advocating for broad-based

competitiveness in all industries,” he adds.

South Africa, being the most unequal country in the world measured by its Gini Coefficient, is a country that more than anything needs to disperse economic concentration and support Small Medium Enterprises (SME), believes Schmitz.

“This is key to job creation in economies globally. Part of the reason the South African economy is where it is today is because of economic concentration and this is being perpetuated by the manufacturers in our sector.”

“Also, given that our public transport is not well developed in South Africa, consumers need affordable repairs. Right now, many people can't afford repairs because of the cost. Resulting in more unroadworthy vehicles on our roads. It is a fact that greater competition drops prices. We need this to happen in our country,” says Schmitz.

### **Bring about change**

All these facts aside, Schmitz says we need the Code to bring about change because consumers should have the right to choose what happens with their vehicles and the industry needs to be sustained.



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“If things continue as they are there's a very good chance that in less than ten years the independent aftermarket will be significantly reduced due to no access to repair information, tools and training. What we do now will directly affect the sustainability of the SME portion of this sector as well as new empowerment businesses opening their doors in the years to come,” he says.

“Whatever the car park is made up of is irrelevant. All vehicles need to be serviced and no entity should be denying consumers their right to have their car serviced at a workshop of their choice. That's the bottom line,” he concludes.

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