

24 April 2020

Honourable Ebrahim Patel

Minister of Trade and Industry

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PRETORIA 0001

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By Email

Dear Minister Patel

APPEAL FOR AUTOMOTIVE AFTERMARKET SECTOR TO BE DESIGNATED IN LEVEL 4 TO SUPPORT RESTART OF ECONOMY

The Retail Motor Industry Organisation (RMI) and its eight constituent associations representing almost 8 000 businesses and 329 000 employees in the automotive aftermarket sector, recognise and fully support the State Presidents phased approach to restart the economy.

We urgently appeal for the Retail Automotive Aftermarket Sector to be included as part of the level 4 relaxation of restrictions. Much confusion currently exists as to whether the retail automotive aftermarket (retail and wholesale) is recognised under the Automotive sector which appears to be focussing on manufacturing only. It is critical that the entire value chain from manufacturing to retailing is kept together given the inter-dependency of these two sectors and its joint 6.9% contribution towards the GDP.

In order for the economy to function efficiently, it relies on various forms of crucial mobility services, including the repair and maintenance of private and public transport, parts availability, and the sale and supply of vehicles and motorcycles. This critical sector is a key component in getting all economic sectors operational and can proactively provide the necessary maintenance and support required for the phased mobilisation of different sectors.

The Automotive Aftermarket represents the backbone of our economy with its ability to maintain or repair the vehicle car parc from passenger and commercial vehicles, to food trucks and transport, busses and taxis and emergency service vehicles with a national footprint across all districts, cities and provinces. It plays a critical support role in getting people, products and services to market.

The economy in SA is heavily dependent on an effective automotive repair and maintenance sector. It makes sense for this sector to be given priority so work in process (thousands of vehicles are currently locked up in workshops /repair shops) can be proactively completed and our critical sector can restart parallel to the phased restart of other key sectors. The economy cannot succeed without an efficient transport and mobility system.

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Reg. No: LR 26345



Currently this work is performed by both franchised and independent workshops throughout South Africa. The same applies to tyre, parts and accessory retailers, motor body repair shops, vehicle body builders (responsible *inter alia* for the manufacturing of emergency vehicles) and roadworthy testing stations which are required to provide an uninterrupted supply of both service- and safety critical components for motor vehicles, especially for the public transport sector that includes busses and minibus taxis.

The impact of the Lockdown has been felt across all our businesses from the micro and small enterprises through to the medium and larger businesses. There is an urgent need to protect this 'essential' sector and ensure it not only continues to function, but also maintains its significant apprenticeship and trainee programmes. Approximately 80% of the automotive aftermarket tyre, parts and accessory retailers, repair and maintenance servicing outlets for motor vehicles and motorcycles are small to medium sized businesses employing less than 20 employees. In the current economic slowdown, these are the businesses that have the greatest potential not only to retain, but to generate employment post lockdown.

We are inundated with calls from the industry who are attempting to keep their businesses afloat and avoid retrenchments. If there are any further delays we anticipate a 20% or more loss in employment.

Our businesses are ready to start operating and we can confirm all businesses will strictly comply with:

- The provisions of the Regulations, current and new, to be published to navigate the gradual phasing in of the sectors according to the different levels, such as registration on the CIPC site for certification, enforcement of social distancing and stringent hygiene measures. Workplace readiness would be very high on the priority list as well in the interest of all employees and customer interface that will follow.
- The provision of sanitisation products for staff and customers use in the stores.
- Maximum number of people in store requirements.
- Restriction of consumer access

Business owners will ensure that they employ a risk adjustment strategy and business continuity plan for their business, to ensure compliance with the regulatory requirement the Department of Health may publish from time to time.

We urge you to give this submission your favourable consideration.

Sincerely



Jakkie Olivier
CEO Retail Motor Industry Organisation