

Executive Update



News

Issue 50
May/June 2017



Renai Moothilal
Executive Director: NAACAM

It is with a tinge of sadness that I greet you in this edition of the NAACAM Newsletter.

By now many of you would be aware of the recent passing of Gary Keen, a member of the NAACAM NEC and also the Regional Director: UK & SA for Tenneco Automotive SA. Gary was a visionary leader in our sector and was instrumental in leading several initiatives as delivered by NAACAM. He was the head of the HR/Transformation subcommittee, as well as the main contact person for issues related to the catalytic convertor sub-sector. The NAACAM programme of action around transformation was conceptualised under Gary's guidance, and we also remember his role in several rounds of wage negotiations, including being part of the team that delivered a strike free settlement in our sector last year. Our deepest condolences and thoughts during this difficult time go out to Gary's wife, his two daughters and the host of loved ones, friends and colleagues whose lives he touched.

We should not lose sight of the foundations that Gary set for the NAACAM membership in an area of work that is becoming increasingly important in our sector, that of Transformation Strategies. June saw the culmination of the NAACAM workshops entitled "Optimising B-BBEE" with the final priority element of Ownership being presented. The NAACAM preferred model of fund management and structure was outlined as a relatively cost effective and long term value adding model, both for company and sector. We also appointed our first NAACAM endorsed black fund manager to deliver this solution and Engeli Enterprise Development are profiled on page 8. NAACAM members are urged to contact the NAACAM office if further information is needed, however, more importantly, members should be interacting with the full set of recorded videos available through the members only part of our website (www.naacam.co.za).

Towards the end of May the automotive industry in SA received the concerning news around the exit of General Motors SA from the country, both as an assembler and a brand for sale. The information on page 4 gives more background, however it bears mentioning that whilst NAACAM is obviously worried about the impact this decision has from a current assembly volume perspective and spill over impact on supply chain, we remain hopeful that the accompanying announcement of Isuzu acquiring the local GM assembly facilities will realise benefits for domestic suppliers.

It is opportune at this point to advise members that the NAACAM AGM 2017 will take place on 7 September in Durban. Further details will be forthcoming from the NAACAM office, however we advise you to pencil in the date in the interim.

Best wishes until we can meet again.

Renai



Tel: +27 (0)11 392 4060/5748
Fax: +27 (0)86 659 0494

e-Mail: info@naacam.co.za
GPS Co-ordinates: S26°08'13" E28°11'23"

A background image of a busy port or customs area with numerous shipping containers stacked in rows and several gantry cranes in the distance under a clear sky.

Have you unlocked all the potential savings in your customs account?

Having peace of mind that you are 100% Customs compliant and realising all the potential savings available is essential for the success of your business.

Contact BCE Global now to find out how we can help you.
info@bcglobal.co.za | www.bcglobal.co.za | Tel: 0860 BCE 222

Tenneco introduces Monroe® OESpectrum® Shocks for Customers who prefer Superior Ride Characteristics

Tenneco has introduced a comprehensive offer of advanced-technology replacement shock absorbers for consumers who want their vehicles to provide superior ride characteristics in a wide range of driving situations. The new, premium range – Monroe® OESpectrum® shocks – is offered with the brand's first five-year product quality and performance limited warranty.



Monroe OESpectrum shocks feature the revolutionary, patented Monroe R-TECH®2 Rebound Valving Technology™, which provides virtually instantaneous feedback and response to changing driving conditions for exceptional road-holding capability, a smoother ride and increased driver control and confidence. This technology is combined with Tenneco's new high-speed Impact Control Valve. This, in turn, helps each OESpectrum unit deliver a unique blend of world-class control and reduced noise, vibration and harshness.

"Monroe OESpectrum shocks allow workshops and technicians to eliminate the compromise that has traditionally existed between precise vehicle control and unwanted ride harshness," explained Bruce Ronning, vice president and general manager, Tenneco Europe Aftermarket. "By choosing this advanced technology, our aftermarket partners will be able to offer a superior driving

experience." The patented Monroe R-TECH Rebound Valving Technology utilizes two sets of precisely calibrated disks separated by an eccentric "helical disk" to eliminate unwanted, abrupt changes in damping force. The more precise transition between damping control phases helps ensure more consistent control characteristics across a broader range of driving situations and conditions.

Other enhancements featured in Monroe OESpectrum units are premium chrome plating on the piston rod; a new, advanced-design oil seal; internal coil spring rebound stop on many units; new, closed anti-friction PTFE piston band; and premium semi-synthetic oil formulation.

In keeping with the premium technologies featured in the new range, Monroe OESpectrum shocks are offered in a high-quality, full-color package designed to appeal to quality-conscious customers. The new packaging also is engineered to better resist damage associated with shipping and handling.

To learn more about revolutionary new Monroe OESpectrum shock absorbers, please visit: www.monroe-oespectrum.com



NEW NAACAM MEMBER
- Since publishing the 2017 Directory



COVA ADVISORY & ASSOCIATES (Pty) Ltd

Contact: Duane Newman, Joint Managing Director
e-mail: dnewman@cova-advisory.co.za
Contact: Tumelo Chipfupa, Joint Managing Director
e-mail: tchipfupa@cova-advisory.co.za
Contact: Jacobie van der Westhuyzen, Financial & Administration Manager
e-mail: JvanderWesthuyzen@cova-advisory.co.za
Tel: +27 (0)11 568 3340
Website: www.cova-advisory.co.za
Physical Address: Building 1, Magwa Crescent West, Maxwell Office Park, Waterfall City, Midrand, 1682
Postal Address: PO Box 503, Kyalami Estate, 1684
Employees: 15
B-BBEE Rating: Level 2

- Government grant and incentives consulting (e.g. AID, APDP)
- Advisors on energy
- Policy consultancy
- Customs and Excise Advisory (including APDP)
- DFI Finance Raising

AIS Claims and B-BBEE Compliance

Kindly note that the dti has issued a revision to its stance on the pay out of claims being held up due to applicant not having B-BBEE compliance certificates by 31 March 2017.

Earlier this year NAACAM became aware of several members being in such a position and not having made plans for compliance by 31 March.

It was decided that we would request dti for an extension on this period of leniency to allow for members to have sufficient time to put in place proper measures to get to compliance in line with the various activities that NAACAM had rolled out in line with its strategy to help members get to compliance.

We also requested the dti to change its rules that saw a full application approval being withdrawn if one claim was forfeited. Our request was to allow valid claims subsequent to the one forfeited being allowed if the applicant had addressed its compliance issues by the time of subsequent claim becoming due.

Both these positions were approved by the Director-General Lionel October.

Please note that this concession only applies to claims on hand and not new applications.

Also this is the final concession NAACAM will request on the matter. Affected companies are urged to get compliant before the end of September 2017 to ensure they do not find themselves in the position again. We have a number of associate members who can be engaged in this respect, so if you need assistance please get in touch with them.

Feel free to contact the NAACAM office for any further information.

Accelerate growth with automotive industry solutions.

sasfin Commercial Solutions
beyond a bank

Sasfin Commercial Solutions (Incentives) (Pty) Ltd
 Reg No. 1999/028606/07
 Member of the Sasfin Group

Kevin Burke
 Head: Group Marketing - Sasfin Commercial Solutions
 Tel: +27 11 531 9151 Cell: +27 82 573 0328 Kevin.Burke@sasfin.com

In Memoriam

Gary Keen worked at Tenneco for a period of 21 years, having joined the company on 1 May 1996. In 2011 he became Plant Manager and, in January 2015, he became Regional Director for UK and South Africa. Gary passed away Saturday 17 June 2017 at the age of 47. He is survived by his wife Lyn-dene, daughters Charne and Michaela, his mom and dad (Trish and John) and siblings.



SATMC-NAACAM collaboration will strengthen the Auto Industry!



2017 is a big year for both NAACAM and the South African Tyre Manufacturers Conference as they embark on a collaboration agreement designed to add significant momentum to the activities of both Industry Associations.

“The SATMC has seen a massive trajectory in successful Industry and government engagement in the last 2 years,” said Nobuzwe Mangcu, Executive Manager of the SATMC. “We’ve changed how we talk to the Industry and to government and have moved away from what was previously a very siloed approach to finding solutions to Tyre Industry specific issues and challenges. The results have been phenomenal,” she added.

Nobuzwe believes that there is great strength in numbers especially where similar solutions are being sought by Associations operating in the same Industry. “I realised when I joined the SATMC two years ago that the Industry really didn’t know how to engage the various players within it, such as the Tyre Importers and the Tyre Dealers and, as a result, did not leverage nearly enough to deliver a collective approach to government. Collective engagement is now the norm and so it made perfect sense for us to take this approach further and engage with

our neighbours, NAACAM, on existing topics of common interest.”

There is a palpable energy and drive to this powerhouse, supported by a strong knowledge of the Automotive Industry. “I have spent most of my working career to date in the Motor Industry, having spent 11 years working for Mercedes-Benz South Africa prior to joining the SATMC,” she says. “The perspective that this has provided me in my current role has been invaluable, allowing me to cut right through the noise to get to the real issues and find lasting solutions,” she further adds.

NAACAM is entering a significant new phase and the successful inaugural NAACAM Show which took place in Durban in April gave a taste of an organisation with an increasing value proposition for support to the Automotive Components Industry, including Tyres. “Tyres are the third largest component group by volume sold in South Africa and yet the Tyre Industry was not an active member of the Component Industry Association. We were, in fact, not a member of NAACAM at all,” says Mangcu. “The opportunity to collaborate is immensely valuable to us. It provides us with the opportunity to improve efficiencies on both the big topics and the little things!”



Nobuzwe Mangcu
Managing Executive



Nomsa Malinga
Office Co-ordinator



A provider of **returnable packaging solution**, you have come to rely on.

We are the industry standard for superior quality returnable packaging solutions.

0860 TrenStar | www.TrenStar.co.za | info@trenstar.co.za



General Motors and Isuzu Motors Announce Future Plans for Operations in South Africa

18th May 2017: Port Elizabeth, South Africa

General Motors and Isuzu Motors today announced their respective future plans for the Isuzu, Chevrolet and Opel brands in South Africa, subject to local regulatory requirements.

With this announcement, Isuzu Motors intends to purchase GM's South African light commercial vehicle manufacturing operations and strengthen its presence in the market. GM intends to cease local manufacturing and selling Chevrolet vehicles in the domestic market by the end of 2017.

"After a thorough assessment of our South African operations, we believe it is best for Isuzu to integrate our light commercial vehicle manufacturing operations into its African business," said Stefan Jacoby, GM executive vice president and president of GM International. "We determined that continued or increased investment in manufacturing in South Africa would not provide GM the expected returns of other global investment opportunities."

Isuzu announced it intends to:

- Purchase the Struandale manufacturing plant and GM's minority shareholding in Isuzu Truck South Africa (Pty) Limited to continue manufacturing the Isuzu KB and medium- and heavy-duty commercial trucks in Port Elizabeth. This is subject to competition regulatory approval;
- Assume control of GM's Parts Distribution Centre and Vehicle Conversion and Distribution Centre;
- Set up its own dedicated dealer network to market, distribute and service light commercial vehicles for existing and new Isuzu customers.

"We are committed to the South African market," emphasized Haruyasu Tanishige, senior executive officer for the Sales Division of Isuzu Motors Ltd. "The integration of our light commercial and medium- and heavy-duty commercial business will strengthen our base to grow here. We will do this through our focus on providing outstanding aftersales and customer support, establishing close relationships with our local partners and expanding our business.

"Isuzu is building a strong base to grow on the African continent in the long term. Evidence of this is our recent purchase of GM's 57.7 percentage shareholding in its East African operations, which has given us management control of the company. Integrating the South African light commercial vehicle operations into our business is the next step in laying the foundation for our growth plans in the future."

Isuzu vehicles have had a presence in South Africa since assembly began over 44 years ago. For the past four years, Isuzu has occupied the number one position in the medium- and heavy-duty commercial truck segment of the South African market.

GM South Africa announced its plans to:

- Cease the manufacture and supply of Chevrolet vehicles to the domestic market by the end of 2017, subject to consultation with employees and unions;
- Continue to provide service and parts support for Chevrolet customers.

Following the recent announcement of the sale of Opel/Vauxhall to the PSA Group, GM continues to work with PSA to evaluate future opportunity for the Opel brand in South Africa. Importantly, existing Chevrolet and Opel customers will continue to be supported in the market.

GM South Africa President and Managing Director Ian Nicholls

said: "These decisions were not made lightly. We appreciate the support that our employees, customers, dealers, suppliers, the government and other key stakeholders have given us over the many years that we have operated in this country. We will manage the transition as smoothly as possible.

GM South Africa informed employees and unions of the announcements this morning and will begin the formal consultation process with them immediately. GM South Africa has established support centers for employees.

GM South Africa will also work closely with affected dealers on a robust transition plan. Customer support center resources will be expanded and all warranties and service agreements as well as ongoing service and parts requirements for all vehicles will continue to be honored.

Letter to Suppliers to GM

Dear supplier partner

Today General Motors and Isuzu made announcements regarding the futures of their respective operations in South Africa.

Isuzu announced that it intends, subject to regulatory approval, to invest in South Africa to continue to build the Isuzu KB and medium and heavy commercial trucks by purchasing the GM Struandale Plant, the remaining 30% shareholding in the Isuzu Truck South Africa joint venture, and the Vehicle Conversion and Distribution Centre. Isuzu will also take over the operations of the Parts Distribution Centre.

GM has decided to cease manufacturing and sale of vehicles in South Africa by the end of 2017, subject to consultation with employees and their representatives.

Today marks the start of the transition period for these changes, and our focus will be on ensuring that they are handled as smoothly as possible. GM's production operations will be closed for 4 working days, commencing 18th May with resumption of normal production on 24th May. Thereafter, Isuzu LCV and Truck production will continue in line with published releases for the balance of 2017. Updated Chevrolet Spark and Utility production releases reflecting the proposed wind-down will be issued to you during CW22. We will be in touch with you to discuss what these mean for you, but in the interim please make adjustments to your production and material plans in line with the updated releases. We will also engage with all non-production suppliers and service providers during the next few weeks to discuss the situation and potential implications to your contracts.

Please also refer the attached GM press releases for additional information.

We know that this will be a challenging period for all of us, however, we ask for your understanding and continued dedication and support as we work through these changes.

Please contact your Buyer directly should you have any urgent queries relating to these developments.

Signed by:

Ian Nicholls,
President and Managing Director, GM Sub-Saharan Africa

John Astbury,
Vice President – GPSC, GM South Africa



Prime Location in Gauteng's Automotive Hub

www.supplierpark.co.za



Host companies benefit from Jobs Fund-supported Engineering Graduate Development Programme

Fifteen manufacturing related companies have benefitted from a unique Jobs Fund-supported Graduate Development Programme, from which 62 engineering graduates have been recruited.

The AIDC EC is inviting additional companies to take advantage of the benefits of this program - titled the Programme for Manufacturing and Industrial Excellence (PRIME) - supported by National Treasury's Jobs Fund.

As a host company to a single or several graduates, benefits include:

- A qualified, mature resource/s for a year at the host company with no salary cost to the host.
- The resource/s will be given high quality, relevant training that will be an asset to any company, paid for by the programme.
- The host pays no recruitment fees.

The host is required to commit to employ the resource, beyond the Host Agreement, for a minimum of a further year. Through the programme, graduated, unemployed engineers are up-skilled by the AIDC EC and placed into industry at host companies, with a view to possible permanent employment.

The host is also required to:

- Assign a company mentor to the graduate.
- Work on a development plan for the graduate.
- Sign off on a jobs Fund sponsored training plan.
- Commit to offer a minimum of 12 months employment to the graduate after the year's internship has been completed.

The disciplines of currently available graduates - the average age of whom is 24 - are:

- Industrial Engineers
- Mechanical Engineers
- Electrical Engineers and
- Logistical Engineers

These graduates have undergone a technical exam as well as a panel interview process and according to the AIDC EC are equipped to be developed as valuable members of company payroll which will be enhanced with the quality training plan that the AIDC as put in place.

As part of the process of the Jobs Fund program collective review presentations of the work undertaken by graduates at their host companies are held quarterly.

Participating hosts currently, include: Benteler, De Jagar Plastics, Ebor, Qplas, Lumotech, Formex Engineering, Dana, GUD Holdings (Port Elizabeth, Durban, Pretoria and Pietermaritzburg plants), NRG, Foxtex Ikhwezi, SMA, Adient, Faurecia, 3D Consulting and Ceva Logistics.

For information about becoming a host company, please contact Mr Hoosain Mahomed at the AIDC EC
041 3932100 | hmahomed@aidcec.co.za | www.aidcec.co.za

When the road less travelled calls, call us to keep your commercial requirements on track.

If you're in the business of putting wheels in motion, you can bank on us to help you with your business automotive needs.

sasfin.com

business | wealth | banking

Kevin Burke
 Head: Group Marketing
 Sasfin Commercial Solutions
 Tel: +27 11 531 9151 Call: +27 82 573 0328
 Kevin.Burke@sasfin.com

Our service solutions.

- APPR PI Claims and PRCC Sales
- Incentives Automotive Investment Scheme (AIS)
- Import Duty Recoveries
- Fines
- Warehousing and Logistics
- Short-term Insurance
- REI Verification Services

Sasfin Commercial Solutions (Incorporated) Pty Ltd
 Reg No: 1990200007
 Member of the Sasfin Group

sasfin Commercial Solutions
 beyond a bank

PASSENGER							Vehicle Exports: 2014 - 05/2017 (incl)						COMMERCIAL							
	2014	2015	2016	Into Africa	Out of Africa	05/2017		2014	2015	2016	Into Africa	Out of Africa	05/2017		2014	2015	2016	Into Africa	Out of Africa	05/2017
AMH	58	0	21	0	0	0	AMH	9	0	12	0	0	0	AMH	9	0	12	0	0	0
BMW	60 234	63 680	51 970	0	14 476	14 476	Chevrolet	0	97	0	0	0	0	Chevrolet	0	97	0	0	0	0
Chevrolet	0	291	0	0	0	0	DAF	0	39	0	0	0	0	DAF	0	39	0	0	0	0
Chrysler	408	3	95	57	0	57	FAW	22	110	155	83	2	85	FAW	22	110	155	83	2	85
Datsun	0	20	0	0	0	0	Fiat	22	25	29	29	0	29	Fiat	22	25	29	29	0	29
Fiat	9	3	9	6	0	6	Ford	45 263	38482	43 457	417	18 016	18 433	Ford	45 263	38482	43 457	417	18 016	18 433
Ford	0	0	1	5	0	5	GMSA/Isuzu	1 509	3042	1 421	1 389	15	1 404	GMSA/Isuzu	1 509	3042	1 421	1 389	15	1 404
GMSA/Isuzu	559	0	115	85	0	85	GWM	0	43	44	0	0	0	GWM	0	43	44	0	0	0
Honda	355	384	218	220	0	220	Iveco	245	146	180	95	0	95	Iveco	245	146	180	95	0	95
Jeep	0	316	0	0	0	0	JMC	0	0	0	5	0	5	JMC	0	0	0	5	0	5
Mercedes-Benz	32 767	93 435	91 967	102	41 308	41 410	Mahindra	0	5	7	0	0	0	Mahindra	0	5	7	0	0	0
Mitsubishi	123	118	169	13	0	13	MAN	426	227	61	54	0	54	MAN	426	227	61	54	0	54
Motus	0	0	0	0	1	1	Mercedes-Benz	0	0	30	7	0	7	Mercedes-Benz	0	0	30	7	0	7
Nissan	145	56	0	0	0	0	Mitsubishi	262	218	78	69	0	69	Mitsubishi	262	218	78	69	0	69
Porsche	8	11	1	1	0	1	Nissan	14 400	9004	4794	3 030	0	3 030	Nissan	14 400	9004	4794	3 030	0	3 030
Renault	4	0	0	0	0	0	Powerstar	37	20	0	2	0	2	Powerstar	37	20	0	2	0	2
Subaru	0	4	0	0	0	0	Renault	12	18	0	0	0	0	Renault	12	18	0	0	0	0
Suzuki	0	0	3	9	0	9	Scania	318	159	177	56	0	56	Scania	318	159	177	56	0	56
Toyota	7 267	4 968	1 739	650	494	1 144	Tata	28	4	3	0	0	0	Tata	28	4	3	0	0	0
Volkswagen	54 619	66 368	59 940	139	26 698	26 837	Toyota	57 522	52202	37 718	2 625	13 337	15 962	Toyota	57 522	52202	37 718	2 625	13 337	15 962
VolvoCars	14	18	14	6	0	6	UDTrucks	182	116	0	0	0	0	UDTrucks	182	116	0	0	0	0
Other	0	16	1	0	0	0	Volkswagen	0	48	0	0	0	0	Volkswagen	0	48	0	0	0	0
TOTAL	156 570	229 691	206 263	1 293	82 977	84 270	Volvo Group	39	77	231	103	0	103	Volvo Group	39	77	231	103	0	103
							Other	4	29	1	7	0	7	Other	4	29	1	7	0	7
							TOTAL	120 300	104 111	88 398	7 966	31 370	39 336	TOTAL	120 300	104 111	88 398	7 966	31 370	39 336

Source: NAAMSA/Lightstone Auto

BIG

on Global Supply Chain Solutions for the Automotive industry

Bidvest Panalpin Logistics

To find out more please contact:
 Lodi Borstlap
 +27 11 570 6261 / +27 84 580 4492
 Email: lodib@bpl.za.com
 www.bpl.za.com

AUTO INDUSTRIAL GROUP TRANSFORMS ITS HIGH-VOLUME MOULD, SHOTBLASTING AND SAND HANDLING SYSTEMS

Source: Castings SA

When you are supplying a range of safety critical components to all of the automotive OEMs in South Africa your attitude towards your production operations and systems has to be progressive and inefficiency is not an option.

That is why the Auto Industrial Group has spent over R50 million in the last two to three years on new equipment and systems for its two cast iron foundry operations that are situated in Isando and Wadeville, Gauteng. The number is even more impressive – R375 million over the last 10 years – when you take into account what has been spent at its machining operation in Spartan. And capital expenditure for the foundries and machining operations is not destined to stop there. Already in the advanced stages of planning is the installation of a third automatic moulding line that could be up and running by 2019, depending on whether the company wins future projects from the OEMs and the government commits to an extension of the Automotive Production and Development Programme (APDP) beyond 2020.



“These investments in plant and equipment were made with assistance from the dti’s Automotive Production and Development Programme (APDP), more specifically the Automotive Incentive Scheme (AIS). The AIS provides for a cash grant of up to 30% of the value of qualifying investment in productive assets by component manufacturers. The planned investment in a new foundry line would only be possible if the dti continues to assist component manufacturers through the AIS or a similar programme when the APDP programme comes to an end in 2020,” said Andrea Moz Managing Director/CEO of Auto Industrial.

The foundry industry in South Africa is at best struggling to survive and the success of Auto Industrial is in stark contrast to this precarious situation. Moz is convinced that by continuing to invest in new technologies and processes, Auto Industrial has been able to keep running costs at a manageable level and has reaped the rewards of incremental increases in volumes.

“Investing in new technologies and processes is vital when you are running factories at maximum capacities. You cannot afford the excessive down time and the incurring of significant additional running costs by trying to extend the life of old obsolete plant and equipment.”

As the name of the company suggests, auto parts manufacturing has always been the primary focus of the company with a significant local market share for its product offering. Today it is a leading supplier to most of the auto OEMs in South Africa. In fact virtually 100 per cent of the company’s output is supplied to the local OEMs including Nissan, BMW, Ford, Toyota, Mercedes Benz, GM and VWWSA.

Established in 1968 as Auto Industrial by Dean Fragale the company manufactures steering knuckles, brake discs, brake drums and wheel hubs as its core products. However, Auto Industrial also manufactures many other products like differential components, gearbox covers, flywheels, clutch plates, wheel carriers, pinions, brackets and ball joint attachments among others.

The company has had various owners and partners during the course of its history. These included ZF Lemfoerder and Brembo with ZF being the owner since 2006. However, in 2013 ZF Friedrichshafen AG, the holding company of ZF, decided to realign its business and sell its South African subsidiary. Local private equity investment company, Trinitas Private Equity, purchased a 70% stake in the Auto Industrial Group with the remaining 30% of the business sitting in the hands of a management equity pool. Although Trinitas do not get involved in the day-to-day issues of the business, they are fully aware of and support the strategic direction management has put forward.

“Trinitas Private Equity has since increased its exposure in the automotive arena when in November 2016 it purchased Powertech Industries a subsidiary of Allied Electronics (Altron) Battery Group. The Powertech Battery Group manufactures and distributes a wide range of automotive batteries for the South African market, including Willard and Sabat batteries.”

Castings and forgings

The company has for a long time had the philosophy of being in control of its own destiny, and the key components to feed the numerous machines are castings and forgings. The company acquired the first of its two foundries in 1984 and added the second one to the asset list in 2009.

Complete solution

Since a number of final components supplied are first forged and then machined before being assembled, the company acquired Hubco Forgings in 1985.

However, post-casting the foundries is very similar and this is where the majority of the investment has taken place.

“It’s a combination of many factors that have driven us to investing. We continually invest in the latest technology and always put in the required capacity as and when needed. Additionally, we are always looking at continuous improvement in our manufacturing processes to avoid mechanical damage, eliminating waste, cutting manufacturing costs, increasing productivity and improving workplace safety,” said Moz.

**WE HELP YOU ACCESS
MAXIMUM
BENEFITS!**

APDP • Duty Refunds • Tax and Customs



Tel: 0860 BCE 222
info@bceconsulting.co.za
www.bceconsulting.co.za

OEM market. The difference lies in the volumes. In South Africa we generally quote for thousands of units while elsewhere they quote for hundreds of thousands of units or even millions. However, we still have to achieve the same quality standards and supply performance,” explains Moz.

Inspection and quality

Equally important to Auto Industrial is tolerance inspection of its cores and cast components. In view of the growing complexity of shapes and functions, the scanning, analysis and inspection is carried out with 3D measurement systems. In this department the company has invested in a GOM 3D scanning and inspection system and a Mitutoyo Crysta-Apex S, a CNC coordinate measuring machine.

Briquetting

Auto Industrial's machining plant processes over three million components a year that results in a huge amount of metal shavings and swarf. The two foundries are now benefitting as a

result of the company investing in a briquetting machine.

"The Group has seen a healthy growth of 20% over the last three years and we reached the significant figure of R1 billion aggregated turnover in 2016, and are looking to grow this by another 10% in 2017. We offer a value added production chain, from the foundries and forge to machining and assembly. In addition, we have been very successful in controlling our costs through investment in new equipment and technologies, which is paramount in the motor industry," concluded Moz.

For further details contact Auto Industrial Group on Tel: 011 922 5600 or visit www.autoindustrial.co.za

Above is an extract from full document on <http://www.foundry-planet.com/news/corporate-news/detail-view/auto-industrial-group-transforms-its-high-volume-mould-shotblasting-and-sand-handling-systems/?cHash=726e80be07595080c57edddeab8c5e77>

Vehicle Sales: 2013 - May 2017 (incl.)

Source: NAAMSA/Lightstone Auto

	2013	2014	2015	2016	05/2017
Passenger Cars					
Abarth	85	67	45	70	32
Alfa Romeo	447	297	157	117	112
Audi	19 336	18 375	14 950	11 600	4 197
Bentley	0	0	0	42	23
BMW	24 793	24 521	21 580	20 355	7 035
Chery	1 996	1 259	746	429	154
Chevrolet	23 328	21 615	14 387	7 847	2 632
Chrysler	621	389	275	9	0
Citroen	1 583	802	789	437	8
Daihatsu	947	456	47	0	0
Datsun	0	1 573	5 645	4 664	2 247
Dodge	1 304	832	900	110	25
FAW	169	604	778	273	84
Ferrari	125	82	91	95	33
Fiat	3 491	2 120	1 317	691	344
Ford	37 724	40 862	43 063	39 965	14 456
GWM	1 881	993	1 121	100	0
Honda	12 904	10 169	11 064	8 070	3 307
Hyundai	45 104	40 863	36 443	32 894	12 408
Infiniti	194	371	526	84	38
Jaguar	1 086	954	758	971	585
Jeep	7 343	7 420	6 308	2 891	777
Kia	20 320	17 341	13 954	14 197	4 949
Land Rover	6 917	5 828	5 375	4 099	1 302
Landwind	0	0	17	62	37
Lexus	986	1 344	1 027	1 031	404
Mahindra	1 219	1 028	917	1 749	1 105
Maserati	51	26	64	115	68
Mazda	3 173	2 563	7 729	11 388	5 205
Mercedes	23 520	28 993	25 228	22 331	8 452
Mini	2 878	2 126	2 078	2 230	765
Mitsubishi	3 030	3 665	3 130	2 181	548
Nissan	19 436	15 781	10 105	9 401	3 734
Opel	2 603	3 598	6 483	4 098	1 548
Peugeot	3 596	2 166	1 313	982	241
Porsche	2 436	1 145	1 468	1 409	519
Proton	266	86	9	0	0
Renault	12 107	18 566	19 952	18 525	8 106
Smart	95	60	74	1 042	640
Ssangyong	215	105	92	18	4
Subaru	1 153	1 263	1 101	905	403
Suzuki	4 865	6 402	6 354	5 366	2 785
Tata	3 921	887	688	972	454
Toyota	66 805	66 653	66 102	58 188	28 190
Volkswagen	83 628	82 093	75 707	67 168	29 160
Volvo	2 876	2 863	2 710	2 034	802
Other	4	4	3	0	0
Total	450 561	439 210	412 670	361 205	147 918

	2013	2014	2015	2016	05/2017
Commercial Vehicles					
Changan	0	0	124	17	0
Chery	0	0	0	18	4
Chevrolet	18 330	16 726	16 685	12 578	4 334
Citroen	210	98	108	3	0
DAF	115	247	156	162	115
Datsun	0	0	0	176	83
Daihatsu	1 202	991	44	0	0
FAW	355	613	806	918	420
Fiat	852	605	404	545	263
Ford	20 925	30 026	35 403	33 891	14 177
Foton	686	763	113	93	25
Freightliner	1 417	1 243	1 127	498	0
Fuso	1 233	1 176	1 107	1 219	412
GWM	4 979	1 825	1 397	516	0
Hino	3 461	3 423	3 601	3 047	1 189
Hyundai	4 571	4 270	3 951	3 860	1 505
International	207	0	0	0	0
Isuzu	18 328	19 541	20 865	16 344	6 714
Iveco	1 327	1 444	1 098	1 346	496
Jimbei	0	611	439	234	0
JMC	831	700	725	398	133
Kia	2 360	2 961	3 362	2 003	966
Land Rover	582	440	473	223	33
Mahindra	2 501	2 481	2 188	1 990	887
MAN	1 768	1 880	1 605	1 611	619
Mazda	2 528	2 376	1 337	661	186
Mercedes	5 673	5 486	5 169	4 584	2 102
Mitsubishi	1 456	978	557	43	240
Nissan	27 521	28 642	31 637	26 874	12 993
Opel	154	140	9	0	0
Peugeot	415	185	199	147	21
Powerland	0	0	16	9	3
Powerstar	522	474	483	384	161
Renault Trucks	518	518	182	271	15
Scania	1 626	2 031	2 505	2 356	907
Ssangyong	52	30	53	4	0
Suzuki	0	67	27	262	72
Tata Cars	0	0	1 419	1 191	412
Tata Trucks	4 043	3 053	1 221	983	446
Toyota	55 497	56 114	52 298	54 805	21 433
UD Trucks	3 079	3 365	2 566	2 078	722
VDL Bus/Coach	19	7	6	4	0
Volkswagen	9 067	7 524	7 767	7 959	2 823
Volvo Bus	0	0	64	60	17
Volvo Trucks	1 774	2 120	1 783	1 816	791
Total	200 184	205 174	205 079	186 181	75 719



Together we supply components and accessories to all OEMs in South Africa.

INTEGRATED INTO EVERY DAY . . .

INTRODUCTION TO ENGELI ENTERPRISE DEVELOPMENT (PTY) LTD

Engeli was established by a group of individuals who have extensive experience in Enterprise Development, Supply Chain Development and Private Equity Fund Management, both locally and abroad. Engeli focuses on developing and supporting businesses operating within a technological business environment, i.e. developing the productive sector (manufacturing) of the economy to stimulate wealth, meaningful employment creation and innovation.

Engeli's key enablers:

- Engeli is a Level 2 B-BBEE Qualifying Small Enterprise (QSE) with 51% Black Ownership and 51% Black Woman Ownership
- Multi-disciplined, skilled and experienced team
- Engeli is a verified Black Fund Manager, with the requisite FSB accreditations
- Engeli has a 12J Venture Capital Fund, duly registered with SARS and FSB
- Multiple Business Incubation and Development initiatives – physical and virtual
- Vast network of strategic partners - listed and unlisted Funds, professional firms, local international development individuals and institutions, etc.

Engeli is focussed on addressing the primary needs of Small and Medium Enterprises (SMEs), which are pre-requisites to the establishment and growth of these entities, namely:

- Access to Markets (Engeli assists the SME in its existing supply/value chain)
- Access to high-level business support, mentorship and shared infrastructural services (Business Development Services/Mentorship and Incubation, both virtual and physical provided by Engeli)
- Access to Finance (Private Equity Funds, Enterprise & Supplier Development Loan Funds, Section 12 J Venture Capital Funds, Funds available to Black Industrialists, other Loan and Grant Funding from various local and international development institutions)

Business Development is provided in the context of B-BBEE, with the key objective being to optimise the B-BBEE Levels and Equity profile of the companies developed, to the extent that they afford their customers maximum B-BBEE procurement recognition – this in turn assists their customers with arguably the most challenging element of the scorecard, without sacrificing on cost, quality and delivery.

Engeli's divisions and service offerings are highlighted (right) – all

operating within the context of Transformation and Localisation.

Engeli is proud to be associated with NAACAM's efforts to proactively transform the automotive manufacturing industry to the mutual benefit of all stakeholders. We operate throughout South Africa and deliver services to a number of Corporates and Multi-Nationals in all major centres.

Engeli have implemented various ownership solutions (Section 3.10 and Statement 102 – Sale of Assets) in numerous companies (including multi-national automotive companies) and has first-hand knowledge and experience in conceptualising, designing and implementing highly technical and relevant solutions.

Engeli's role in the NAACAM initiative will be to:

- Analyse and agree the most appropriate B-BBEE ownership opportunity, and if appropriate
- Identifying the potential asset/business which could be sold, and the associated modelling thereof - considering ownership and preferential procurement requirements
- Evaluating business opportunities for the SME, including localisation, collaborative procurement and manufacturing, etc.
- Assist in evaluating and selecting the most appropriate Black Entrepreneur in conjunction with the Measured Entity and other developmental partners (for e.g. ASCCI)
- Play a leading role in designing a developmental plan for the SME and/or Entrepreneur
- Implementing a M&E system to ensure Investment Portfolio performance, thereby facilitating proactive performance management
- Evaluating and facilitating various funding opportunities
- Defining the material risks and researching/implementing potential risk mitigators
- Facilitation of legal and statutory requirements, contractual obligations and agreements

Supply Chain Development Entrepreneurial and Business Incubation	Skills Development and Training	Corporate Finance, Private Equity and Venture Capital
Business Analysis and Assessment Product and Process Innovation Supply Chain/Sector Research	Development Needs Assessment Development and Delivery of Accredited Training Programmes	Enterprise and Supplier Development Loan Fund Strategic Private Equity Investments
Design and Implementation of Supply Chain Interventions Physical and Virtual Business Support/Incubation Local Economic Development	Management Skills Training Computer Training New Venture Creation Training (Up to NQF Level 4) Coaching and Mentoring (direct as well as via on-line system)	Innovative Supplier Development Interventions Triple Bottom Line ESD Intervention Flexible and Cost Effective BBBEE Ownership Solutions
BBBEE Solutions Strategy Formulation, Marginal Cost Analysis, Implementation of BBBEE interventions (Ownership, Skills Development, Enterprise and Supplier Development, Procurement and Socio Economic Development)		

