

Dispute continues over SA SsangYong distribution

South Korean car maker SsangYong Motor Company has confirmed Mahindra SA as sole South African distributor of its products in SA, Namibia, Botswana, Mozambique and Zimbabwe.

But this continues to be disputed by Twin Dragons Automotive (TDA), a subsidiary of diversified South African industrial services and retail group, Imperial.

"Mahindra SA took over responsibility for sales, service and parts supply of SsangYong products in these southern African countries on 1 April 2012," Jong Sik Choi, vice president of SsangYong, said yesterday, 20 June.

"The distribution contract with the previous distributors, TDA, a company in the Imperial group, expired on 31 March 2012, he said.

Mahindra SA is South African and the southern African subsidiary of the multinational Indian automotive company, which bought a 70% stake in an ailing SsangYong in 2010.

However, TDA legal representatives today said the company did not agree with Choi's comments.

"We reiterate that all the SsangYong vehicles which have been sold and those that will be sold by TDA were bought by TD from SsangYong Motor Company ("SsangYong") under TDA's distributorship agreement with SsangYong and are new vehicles," Anabela Da Silva of TWB attorneys said.

"TDA's position is that it is entitled to sell these vehicles with a valid manufacturer's warranty. Customers should be assured that the warranties on the SsangYong vehicles purchased from TDA will be honoured," she said.

She also said on behalf of TDA: "Clearly this is a matter best dealt with through the offices of our attorneys and if the dispute persists between the parties, in court."

However, Mahindra SA CEO Ashok Thakur today told I-Net Bridge the group had issued a press release on 2 April, a day after it was made official SsangYong distributor, and again on 24 April, when Choi visited the SA operations.

Thakur said these releases had been "covered well in Business Day" at the time.

"It was covered by the whole media, at the Pretoria Country Club, in front of 50 dealers, all our dealers - Mahindra and new SsangYong dealers," Thakur said.

"I don't know what (TDA) are disputing," he said. "We must ask them."

He said this matter was confusing customers who had SsangYong vehicles, as the sole distributorship agreement stipulated TDA would stop all such sales by 31 March.

On Monday, Mahindra SA said it had appointed 19 dealers in SA, and would now be selling 2012 models of both SsangYong's refreshed Korando SUV and the new Actyon Sports Double Cab, effective since 1 April.

It also said it had taken over responsibility for sales, service and parts supply for SsangYong products since 1 April in SA, Namibia, Botswana, Swaziland, and Zimbabwe, but not Zambia, as stated in a press release.

"Mahindra SA would like to inform potential SsangYong customers that the agreement between TDA and SsangYong is no longer valid," Thakur said on Monday.

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