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ON TRANSPORT AND LOGISTICS

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SINOTRUK SA
aims to replicate African success

CLEAN FUEL II:
will it ever happen?

USED-VEHICLE BUYERS:
more and more demanding

Update: bridging the water
AT KAZUNGULA

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TOUGH TIMES ahead

This year is going to be challenging for everyone, but especially for "the little guys". That's according to Craig Uren, Isuzu Truck South Africa's director and chief operating officer...

CHARLEEN CLARKE

Uren was addressing the media at his annual "State of the Nation" address. It's something I always look forward to, because he generally has his finger on the pulse (Uren's predictions are normally spot on). He also "tells it like it is" – hence the sidebar on this page, listing some of his "quotable quotes".

Like many other people, he's predicting a tough 2017 for us all – but especially for "the little guys". He warned: "The medium commercial vehicle (MCV) market was hardest hit in 2016, because these operators could not get finance. The big hit has been at the bottom end of the market. Until such time as the economy gains traction, the little guys will continue to struggle."

Uren is expecting a total South African commercial vehicle market of 27 500 units in 2017, meaning growth of around 1,8 percent. He's not expecting an easy ride for Isuzu Truck South Africa (ITSA).

"Since the inception of our company in 2006, we have had a clear objective: being the number one Japanese original equipment manufacturer (OEM) in South Africa. This first became a reality in 2013," Uren recalled. This (2013) was also the first year in the company's history that over 4 000 Isuzu trucks were sold in South Africa – 4 019 units to be precise –

HE SAID IT

The press conference was full of quotable quotes by Craig Uren. Here are some of my favourites:

On 2016: "The biggest factor in our industry in 2016 was a reluctance to commit to purchases. However, that changed after the municipal elections, when we saw optimism return to the market; 2016 was a year of change – a year of the bull in the China shop."

On Fees Must Fall: "Fees Must Fall won't go away because there is no plan to deal with the issue."

On economists: "A lot of economists may think they are in the wrong game, because they have lost the plot in the last year. The world is full of embarrassed economists, because their predictions of late have been so wrong."

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SCANIA

which moved the then market leader into second position.

"We remained focused once we achieved the number one position, but we were aware that staying at the top was not going to be an easy task," Uren said.

Will ITSA be the top Japanese OEM for a fifth year in a row in 2017? "This is not going to be an easy year. With product, parts and aftersales service back-up, there shouldn't be a reason not to, but time will tell," he noted soberly.

Uren is reasonably optimistic about the outlook for truck operators.

At least the company is working off a solid base. "Despite certain challenges, ITSA held onto its number one position for a fourth consecutive year and ended 2016 with a 14,6 percent market share. With 1 971 units sold across the 19 N-Series model derivatives (totalling 50 percent of total ITSA volume for 2016), we claimed 23,3 percent of the total MCV market. That sector closed on 8 451 units, including Associated Motor Holdings," Uren revealed.

In the heavy commercial vehicle (HCV) sector, Isuzu sold 1 545 out of 5 460 units, achieving 28,3 percent of this market. The extra-heavy commercial vehicle (EHCV) sector remains the biggest segment within the commercial vehicle market, with 11 860 EHCVs out of 27 047 total unit sales. ITSA achieved a 3,5 percent share of this sector, and a 1,8 percent share of the bus market.

Uren obviously wants to see more of the same this year. "As usual, we will focus on the bigger picture. We're a long-term business, not a short-term business. Our responsibility doesn't stop at the factory gate," he stressed.

He said that the fortunes of his company and of other OEMs would, however, depend on the economy as a whole. He was reasonably positive about the outlook for truck operators.

"It's unlikely that rail will be a big threat going forward. I hope that rail gets its act together, because it would be good for the country as a whole, but, based on the recent past, that's probably not going to happen," he predicted.

Surely there are tough times ahead for operators as a whole? "It won't be easy. The fuel price will probably rise by R2 per litre fairly soon, for instance. Having said that, the truck operators in South Africa are damn good when it comes to dealing with adversity," he pointed out.

On the role of a truck: "A truck is an economic enabler. It employs people wherever it goes. On the continent of Africa, you cannot move people and goods without a truck or a bus."

On South Africa: "We have an unbelievable country, full of resources and talent. We just don't harness them well."

On the Automotive and Production Development Programme: "The intention of the APDP is not wrong. We are trying to create jobs in this country. Going forward, talking and communication will be critical."

On car drivers: "I drove trucks over the festive season and I was appalled at the bad behaviour of car drivers. They don't respect trucks!"

On cyber attacks: "You cannot see or feel anything in business any more. You just know when you are in trouble."

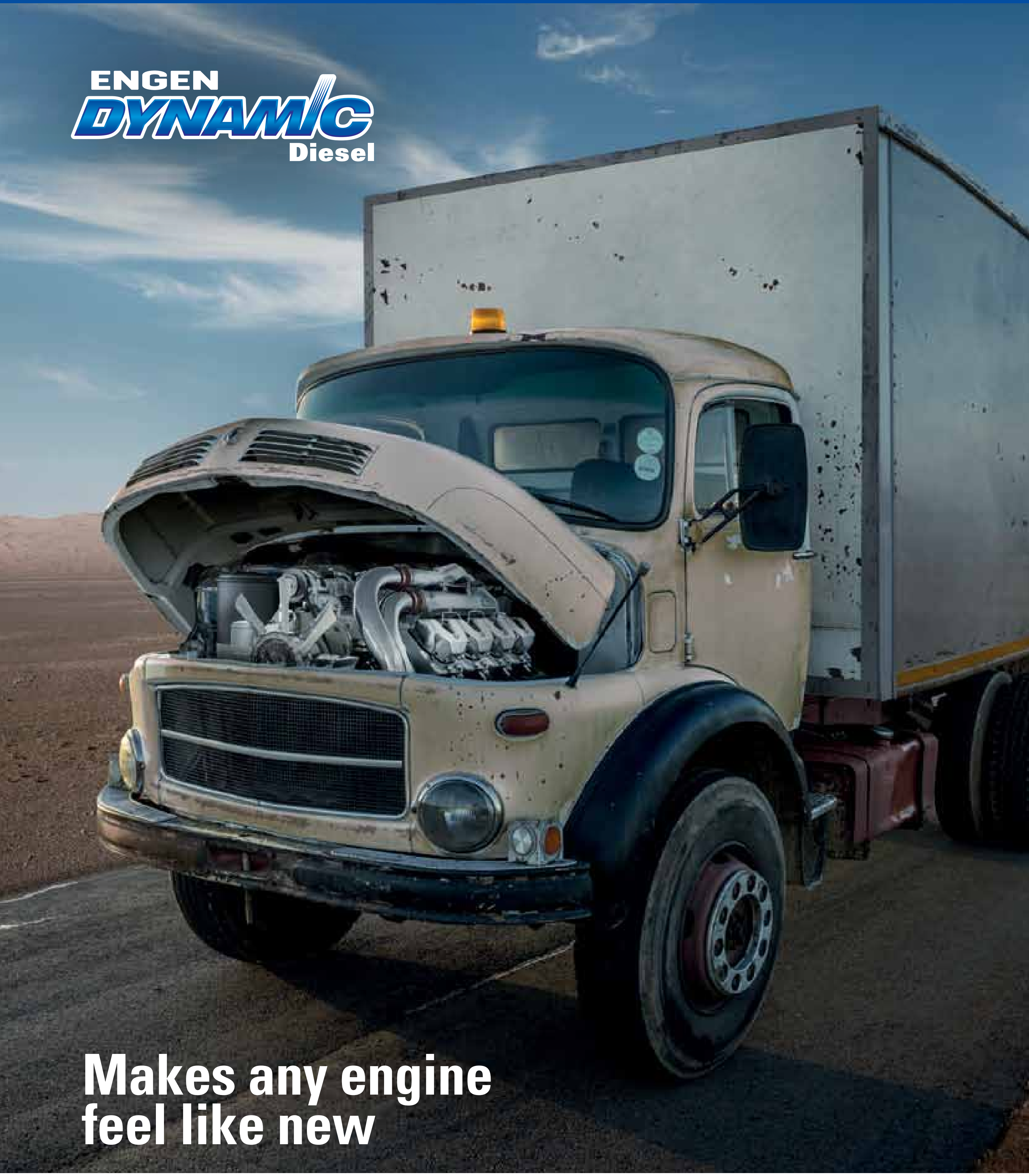
On ITSA: "In ten years we have not retrenched one single person! That's because this business is sustainable."

On pricing: "Truck prices have risen dramatically, by up to 15 percent in the past year."

On Donald Trump: "The first 100 days of Trump will see things being undone."

On South Africa's economy: "We are running out of time. It needs to be fixed – sooner rather than later."

On Brexit: "We have seen a lot of talk, but no actual plan."



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A refreshing CHANGE

I recently attended the annual UD Trucks Southern Africa press conference where some thoughts on how to "reignite" and "kick-start" the South African economy were shared

GAVIN MYERS

It was so refreshing to attend this briefing and hear Gert Swanepoel, acting vice president, and Rory Schulz, marketing director, share their thoughts and vision for the next year. Over the past few years, we journalists have become accustomed to mentally preparing ourselves for yet more news of doom and gloom, and predictions of things getting worse…

Not so this year at camp UD – as you'll read on page 38, the men from UD Trucks predict the commercial vehicle market will grow by around three percent in 2017. Similarly, they predict the country's fixed investment rate and gross domestic product (GDP) to increase a couple of percent over the next 12 months.

Sure, we need to remain wary of some issues, but the picture they painted is still better than the one to which we've become accustomed.

The two most encouraging observations, though, were made by Schulz…

"We get the distinct impression from our customers that they have recovered from the paralysis of recent times and are going to start running their businesses again; doing what is necessary to grow again. I find that very encouraging," he began.

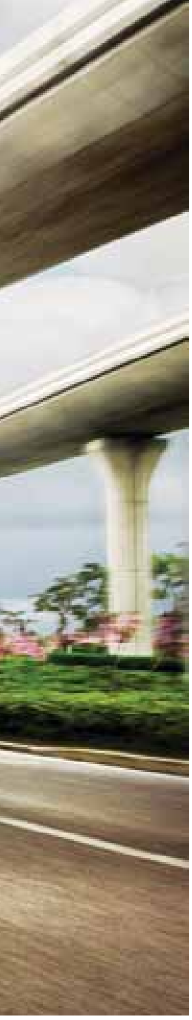
Schulz then detailed how much the private sector really can do to give the South African economy a kick start.

"Why is the most sophisticated economy in the region lagging behind? Why are the GDPs of other countries growing at three, four or five percent and ours is growing at 0,1 percent?" Schulz questioned. "What is it we can do from a South African business perspective?" he continued, specifically referring to the transport industry.

"The road-freight industry might play a very small part of this, as it employs only about 3,8 percent of the country's workforce, but it has a critical role. Cost-effective and high-quality transport systems are key in modern logistics, and there is a lot, in terms of road transport, that the local industry is doing very well.

"The services around road transport are becoming more important, as is understanding diversity; we cannot treat the road-transport industry separately, we have to integrate it into the total economy."

Schulz suggested: "There is a very good programme written by The World Bank called the



> We get the distinct impression from our customers that they are going to start doing what's necessary to grow again.

Road Services Reform. According to this, there is no off-the-shelf solution; the objectives for reform should be clear. The identification of the relevant stakeholders is key and institutions are important for sustainability. We need some political will, individual businesses must be able to participate and there must be a balance between regulation and cost," he explained.

An important consideration is for the regional authorities to assist with some of these reforms, with the balance between regulation and cost being critical. "In the Southern African Customs Union, duties are being added upon duties, for example. There are, however, opportunities for companies to start small and grow bigger, providing we get the balance right with the correct levels of regulation."

There is much that can be done by operators. "Good drivers are so important; they are central to an operation. They are the ambassadors and multitaskers. Safety is also becoming a very big issue. If safety is compromised and if the vehicle is not fuel efficient, the whole operation is compromised.

"There must be a balance between the internal and external cost of transport. There is, however, another 'cost' of transport to the public – the environment. We all pay when the environment is polluted.

"I also think an awareness of the full and total cost of ownership of vehicles is needed. For a long time we've been saying that understanding this is vital to planning and becoming more efficient," said Schulz.

"Only a mix of tools specific to the region will change the situation," Schultz explained.

He concluded: "We need to start somewhere, in spite of what's happening in terms of politics. We, too, are going to be positive this year. We'll focus on our customers and on doing the job that we need to do in order to contribute to this industry."

Let's hope that, this time next year, his 2017 recap will reflect just that. F

MEETING OF MINDS

I was surprised when I picked up your December magazine to see the article on pages 48 and 49, which is based on the paper that Johan Brink and I delivered at the 2016 Southern African Transport Conference.

In a way it is a pity we did not prepare the article together, but I should say thanks for the publicity (and recognition). We have received interest – even from Germany – and are considering to expand this a bit.

Obviously, it is not so easy to predict exactly where we are going, but it is an interesting subject. One issue that we could try to expand on is the matter of freight movement, so some cooperation with **FOCUS** would be useful. I trust you might be interested?

Hein Stander, Transportation Planning and Operations, AECOM

We would love to cooperate going forward, Hein. You are always most welcome to send through articles – ed.

A PUBLIC TRANSPORT DEBATE

My friend Vaughan Mostert writes as sharply as ever in his November 2015 column. As usual, he is hankering after a past golden era of public transport when bus (and trolley-bus!) schedules were set in stone and passengers could not only get to work reliably without private cars, but set their watches by the arrival of their faithful bus.

In this particular **FOCUS** article, Vaughan picks on Uber for "having limited impact in developing countries – including South Africa"; the Gautrain for pretending that Gauteng has a 25-year Transport Plan and making up non-existent economic benefits to hide the fact of its low benefits; and eThekwini for dreaming about an untested fast-rail line linking King Shaka Airport to the city centre.

Here is another take on each of these items:

- Globally, Johannesburg is Uber's fastest growing market. It is creating thousands of flexible jobs for people previously in dead-end employment. It is allowing hundreds – maybe thousands – of suburbanites to leave a car at home, or even sell their second car, because of the incredible flexibility and reliability that the Uber service offers.

  Housewives and working mothers are being liberated from the daily grind of interrupting their productive activities to undertake the dreaded afternoon school run. International visitors now find that Johannesburg is being transformed from a place where you (sometimes literally!) took your life in your hands when you rode in a taxi, to becoming a normally functioning, easily accessible international metropolis.
- Gauteng DOES have a 25-year Transport Plan, even though it doesn't meet Vaughan's criteria of being a set of cast-iron, fully funded, no-go-back institutional commitments. It is a plan that seeks to progressively bring land-use planning and transport planning into alignment over the long term.

  It provides a framework for a future in which unrestricted expansion of the road network gives way to a better balance between private and public transport modes.

  Yes, it is going to need courageous commitments to make it work. It may require that road-pricing (tolling) be revisited in order to enable bold public transport investments to realise more viable patronage levels. (His comments about Cape Town wanting to have its cake and eat it with regard to un-tolled roads AND good public transport, shows that we are potentially in agreement on this point at least.)

- Yes, making the Gauteng 25-year Transport Plan work will require finding ways of placing real economic value on the concept of sustainable urban form – value that conventional cost/benefit analysis cannot envisage, let alone capture in ways that will help motivate the sort of public transport investments that will change our low-density urban deserts into proper functioning cities.
- Last, Vaughan's criticism of the plan to spend R23 billion on a fast-rail line to King Shaka airport fails to note that the proposed study of this project is briefed to first test the demand, then advise what transport technology fits the bill; and only if the answer is a rail link, to see if a Gautrain-like PPP might work.

Looking forward to our next dinner debate, Vaughan!

Andrew Marsay
Transport Economist

Thank you for your letter Andrew! There is always more than one viewpoint on any given topic and we do enjoy it when readers challenge the thoughts put forward in the content we publish. So, in fact, does Vaughan. Turn to page 43 for his riposte – ed.

TRUCK TEST
on the horizon

The final meeting for the preparation of Truck Test 2017 has taken place and excitement is in the air!

FOCUS and our Truck Test 2017 partners – Engen, Ctrack, TruckScience, Afrit and Sephaku Cement – are poised and ready to conduct yet another exciting Truck Test event this March.

The best news is that we've received a few last-minute entries (the more the merrier), which makes the test even more significant. It allows us to highlight many of the vehicles available to local buyers, who are looking for 6x4 truck tractors and are keen to find out what the various options have to offer.

Spoiler alert – we've even received an unexpected entry from a yet-to-be launched contender...

Those details will, however, have to wait for a future issue, because, this month, two of the country's most important original equipment manufacturers in the 6x4 arena give us some insight into their plans for Truck Test 2017.

The first is MAN Truck & Bus South Africa, which is entering two significant models from its long-haul catalogue, both of which have been introduced subsequent to the previous Truck Test in 2015.

"MAN will enter a TGX and a TGS model, with tautliner interlink trailers. This is a common application, for which both models are well suited," explains Ian Seethal, head of network development, marketing and communication, at MAN Truck & Bus SA.

A major drawcard is the fact that the TGX is a Euro-5 vehicle, which will allow customers the opportunity to compare the merits of both models. "For the first time in the history of Truck Test, MAN will be entering a TGX with Euro-5 selective catalytic reduction technology, which will be beneficial in that it will enable us to get a first-hand performance benchmark under local operating conditions," Seethal explains.

Undoubtedly a force to be reckoned with in the local 6x4 long-haul market (if its rising sales performance is anything to go by), Scania South Africa plans to use the platform provided by Truck Test 2017 as a basis for continuous improvement of the performance of its vehicles.

This year, these will be some of the most common Scania long-haul combinations on the market – the G460 CA 6x4 "fleet tractor", with an interlink trailer, and the R500 LA 6x4 "long-haul V8", also with an interlink.

Nomonde Kweyi, marketing and communications manager at Scania South Africa, reiterates the importance of the test: "Truck Test provides the readers, and our customers, with an objective view of statistics on the operational value each of the truck brands may bring to their business, by testing key variables. We are happy to see that Truck Test has made a return in the same successful format that was used in 2015, and we look forward to participating in the event!" F

SINOTRUK
aims high

With one of the strongest market shares in its home country, success in Africa and partnerships with multiple international organisations, Sinotruk is now ready to tackle the South African market

The South African trucking industry should expect to start seeing the name Sinotruk become more prominent, as the Chinese brand has launched itself into what is currently a hotly contested, but stagnating, market.

Sinotruk South Africa was, in fact, originally incorporated as a local company in 2014 as the first overseas subsidiary of the Sinotruk Group; wholly owned by Sinotruk (Hong Kong) International Investment.

"The company's main task is to deal with Sinotruk vehicles and spare parts, and especially to better serve the South Africa market," says Zhong "Jeff" Qirong, sales manager at Sinotruk South Africa.

While many readers may simply dismiss Sinotruk as yet another Chinese entity with visions of capturing a piece of the African pie, the brand is actually an exceptionally strong performer in its own country. It sold more than 200 000 commercial vehicles in 2016, which represented a growth of more than 28,4 percent over 2015.

The sales volume of the brand's heavy-duty trucks was 123 000 units, 25 percent more than 2015. It also sold 75 000 light-duty trucks in 2016, which is a 35 percent year-on-year growth. The sales volume of buses and coaches was more than 2 500 units, which represents a 48,6 percent growth over 2015.

In Africa, Sinotruk's sales volume has progressed significantly, with 15 000 vehicles sold in 2015. Even during the economic downturn in 2016, 14 000 units were sold.

The history of the brand can be traced back to 1935, and it began developing heavy trucks in 1956. Over the years many international partnerships have been entered into to enable Sinotruk to accumulate extensive experience and improve product quality.

In 1983, for example, Sinotruk signed a contract with Austrian Steyr-Daimler-Puch to introduce manufacturing technology of the Steyr 91 series heavy-duty truck. This was the first time the Chinese government approved a technology-sharing project for heavy-duty trucks.

In June 2003 a heavy-duty truck joint-venture project was entered into between Sinotruk and Volvo, while 2009 saw Sinotruk and the MAN Group enter into partnership. With MAN holding a 25 percent plus one share in Sinotruk, this led to the introduction of the TGA series and D20, D26 and D08 engines from MAN.

Other international names associated with Sinotruk include ZF, Allison, Voith, Wabco, Bosch, Knorr Bremse, Alcoa, SKF and Michelin.

The company has set up representative offices in 72 countries. Sinotruk has managed to sell 40 000 heavy-duty trucks in more than 90 countries and regions annually, making it the top Chinese heavy-duty truck exporter for 12 years running.

On the African continent, knocked-down assembly of vehicles has been established in Nigeria, Morocco and Ethiopia, with another plant being built in Algeria. Sinotruk has been involved with numerous governmental projects, such as in Angola, and assembly in Nigeria is through a joint-venture company with the Dangote Group.

The name Sinotruk is clearly well known – and well supported – throughout the African continent north of our own borders. The brand is, therefore, now poised to offer a range of vehicle solutions to the local market.

"As stipulated in the rules of the South African Bureau of Standards and the Department of Roads and Transport, Sinotruk South Africa has already gained vehicle homologation certificates and NATIS documents for more than 81 models," explains Qirong.

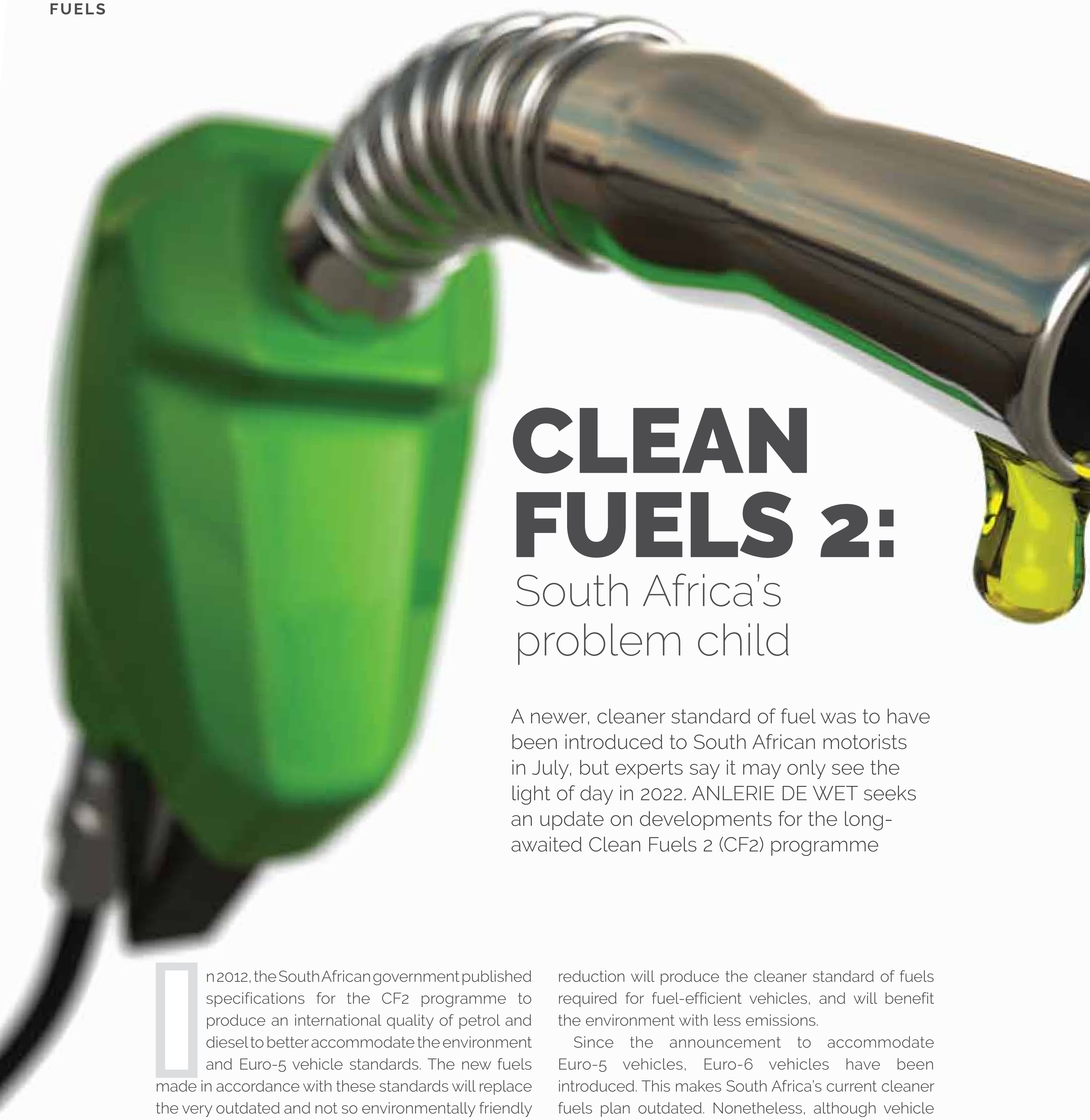
Among others, these include a truck tractor, drop side, tipper, mixer, mining dumpers and all-wheel-drive military vehicles.

"Sinotruk South Africa has also gained an importer and exporter certificate to qualify to distribute Sinotruk vehicles and spare parts in South Africa, as well as in neighbouring countries," Qirong adds.

With its head office in Sandton, Johannesburg, the preliminary Sinotruk South African sales and service network has been set up. There are more than four dealers in Johannesburg, Pretoria and other cities, with the sales ability to distribute in all the main cities in South Africa.

A key focus area for the brand has been aftersales service, which begins with a parts centre in Boksburg with the inventory to supply southern African markets. "Contracted after-sales service stations have been signed up all over the country, especially along the main transport lines; including the cities of Durban, Harrismith, Bloemfontein, Port Elizabeth, Cape Town, Johannesburg, Pretoria and East London," Qirong concludes.

The Sinotruk South Africa website is currently under development. In the meantime the company can be contacted on: 079 043 3861 or sinotruksa@sinotruk.com.



CLEAN FUELS 2:
South Africa's problem child

A newer, cleaner standard of fuel was to have been introduced to South African motorists in July, but experts say it may only see the light of day in 2022. ANLERIE DE WET seeks an update on developments for the long-awaited Clean Fuels 2 (CF2) programme

In 2012, the South African government published specifications for the CF2 programme to produce an international quality of petrol and diesel to better accommodate the environment and Euro-5 vehicle standards. The new fuels made in accordance with these standards will replace the very outdated and not so environmentally friendly Clean Fuels 1 (CF1) programme of 2006, which is still being used today.

The programme is the second phase of CF1 – which is the jump from Euro-2 to Euro-5 vehicle standards. It was first scheduled for 2010, but was then moved to 2017. After years of delay, a new launch date for the programme has still not been confirmed.

The programme seeks to cut out the high levels of sulphur found in South African-produced fuels from 50 parts per million (ppm) to 10 ppm. This reduction will produce the cleaner standard of fuels required for fuel-efficient vehicles, and will benefit the environment with less emissions.

Since the announcement to accommodate Euro-5 vehicles, Euro-6 vehicles have been introduced. This makes South Africa's current cleaner fuels plan outdated. Nonetheless, although vehicle manufacturers and the liquid fuels industry agree with government that CF2 is necessary, they just can't seem to see eye-to-eye on the matter of how to finance the upgrades.

More specifically, the arguments have been, between the liquid-fuels industry and government's Department of Energy (DoE) and the National Treasury. The South African Petroleum Industry Association's (Sapia) refining members want a cost-recovery mechanism from government to facilitate payment

for the upgrade of their refineries to produce the new fuels.

"The programme will require significant investment at refinery level in order to configure these plants to make clean fuels," says Kevin Baart, head of projects at Sapia.

The Treasury proposed an accelerated-depreciation model to support the upgrades, but Sapia refused the proposal saying the incentive was too low to enable its members to earn acceptable returns. Although the total cost of the refinery upgrades can only be determined after a cost-recovery model has been chosen, experts estimate it may amount to R40 billion.

The two parties came to a stalemate in 2015, but decided to establish a joint task team to give the matter some attention. The task team was supposed to release a final report at the end of 2016, but this has now also been delayed. "The task team has to all intents and purposes completed its work, but there are differences of opinion on key aspects that are delaying the release of this report," says Baart.

He says: "Government has made changes to the proposed CF2 regulations since 2012, which undermine the South African Bureau of Standards' (SABS) process in finding common ground among interested parties."

According to the 2012 regulations, the olefin specification was 21 percent for petrol, which the DoE changed to 18 percent in the draft regulations. "If this new olefin specification is mandated by the DoE, it will set back the CF2 process significantly, since redesign of the refineries will be required to accommodate this," says Baart.

Stuart Rayner, chairman of the fuels and emissions committee at National Association of Automobile Manufacturers of South Africa (Naamsa), says that government has also indicated that it will reverse its previous decision to separate metal-containing and metal-free petrol by July 2017 – specifically to allow the use of manganese additives in unleaded petrol.

"Such additives are not approved by any vehicle manufacturer, and will further compound issues raised by the delay in the CF2 programme," says Rayner.

"Our members are concerned about the threat of metal additives and the product restrictions it will bring, plus issues in the field, noting that such fuel-related failures are typically not covered by manufacturer's warranties. This will cause conflicts with customers at dealer level."

A new draft for the CF2 regulations was released for comment in June 2016, but hasn't yet been gazetted as final. Baart says he expects this to happen in the first quarter of this year.

In the meantime, some refineries are making plans to produce cleaner fuels without the regulations from government. Since 2013, BP has announced that it and Shell had sanctioned a Clean Fuels 2 upgrade of the South African Petroleum Refineries (Sapref) joint-venture refinery in KwaZulu-Natal, while Sasol and Total are pursuing their own multibillion-rand project at their National Petroleam Refiners of South Africa (Natref) refinery in the Free State.

Baart says: "Sapia's members have accepted the rescinding of the implementation date, since this will allow further time for the industry and government to come to a mutually acceptable solution with respect to the necessary refinery upgrades required."

> Such additives are not approved by any vehicle manufacturer, and will further compound issues raised by the delay in the CF2 programme.

Alex Hime, MD at the industrial and automotive lubricant specialist, Viscol, is not happy with the situation and says the delay in the programme is causing many companies in the industry to shut their doors.

"We have ten plants on hold in South Africa, which can't open until government makes a decision. We are talking about thousands of jobs, which will help the economy, that are just not happening," says Hime.

He says the company is only keeping its head above water because of one motoring company in the country that requires the diesel emission fluid, AdBlue, which Viscol produces. Other than that, the company is having to export its products.

Hime explains: "Cleaner fuels bring a whole new industry to create jobs and consequently strengthen the economy – but government is just not utilising this opportunity."

He adds: "It has been shown that fuels can be efficient, environmentally friendly and cheaper – all at the same time. It's a win-win situation."

Nonetheless, Sapia and the DoE are continuing their discussions and negotiations in order to come to an agreement that is acceptable to all parties – including Naamsa.

At this stage the question still remains – will CF2 ever see the light of day? And if it does, will it be too late?

Woe is trailer MAINTENANCE

It is often forgotten that the trailer is just as important a part of the vehicle as the horse. GAVIN MYERS speaks to Hans Theunissen, founding member of preventative maintenance specialists Healthy Transport, as well as Billy Theunissen, operations director, to find what operators are – and aren't – doing with their trailers

The news is not good … trailer maintenance does not seem to be taken as seriously as that of the truck tractor – and the neglect is on the increase.

"Trailers are often just seen as a chunk of metal that is dragged behind a truck tractor," the men suggest. "The cost of trailer repairs is often a reason to 'let it go until a later stage', as the downtime and loss of revenue does not 'allow' for the unit to be pulled off the road for repairs or maintenance."

The unfair result of this is that these operators "who do not really have a road safety conscience" tend to acquire tenders because their prices are lower…

"Companies that put out their transport/distribution needs on tender should be able to prove that trailers are properly maintained and have records of quality servicing readily available. Not many transport operators could meet this requirement," they say.

Other than unscrupulous dealers winning contracts, poor trailer maintenance has a number of knock-on effects. Wear on the fifth wheel (including loose and/or dry fifth wheels and dry trailer skid plates) has a direct impact on the components within the truck-tractor driveline and steering system. "Dry fifth wheels and trailer skid plates cause the truck and trailer to run out of line," they add.

Furthermore, poor maintenance of suspension components and wheel alignment increases tyre wear as well as fuel consumption – which is also impacted by air leaks. "In fact, insufficient compressed air could lead to brake inefficiency on the trailer," they note. "Compressed-air brake leaks are most often not seen as a critical defect and are overlooked, and far too often repairs that are undertaken are of a poor quality."

Finally, poor maintenance on axles and axle components could lead to total axle failure, resulting in breakdowns or accidents.

What can be done to improve the situation? The most important aspect is a renewed focus on diligent, high-quality maintenance. "The excuse 'just one more trip' and running for ridiculous periods before a service – never mind a lack of scheduled maintenance intervals and records – result in un-roadworthy trailers on the road … which creates a major accident risk."

The men suggest that drivers need to play an integral role in fixing this situation, but often do not

RIGHT: With a lack of commitment to the task, poorly trained mechanics and pressured drivers, trailer maintenance is severely lacking across local fleets.

have mechanical appreciation or the knowledge to identify and report defects. They may also not have the authority to ensure these defects are attended to before going on the road.

"Drivers must be taught to be diligent, to the point of being a pain in the backside, when they do truck and trailer pre-trip and on-road inspections. Somehow drivers need to be protected when they report defects and no action is taken … they are sometimes threatened with their jobs if they don't go out on the road…"

Finally, trailer workshops must be considered. "Trailer mechanics are not sufficiently trained to identify defects and fix them in time and on time … plus, there is a general lack of supervision and quality control! Trailer workshops are sadly lacking properly qualified staff," the men note.

So, the news is definitely not good at all. However, kudos must go to those operators who take the task of trailer maintenance seriously as, without them, the situation would surely be far worse. F

Time to streamline your

MEALS ON WHEELS

Companies in the food and beverage industry that have outdated transport systems (think manual logbooks and hastily scribbled addresses) are at risk of falling behind. ASTRID DE LA REY points out that optimising transport logistics isn't just about getting things done faster – it can have a significant impact on brand value

The efficient transport of goods is one of the cornerstones of the food and beverage industry. Companies that can't deliver quality goods on time will quickly lose out to competitors.

One way for companies to get ahead of the game is to invest in the technology required to optimise their fleet. This comes mainly in the form of telematics units that provide all the required data. Fleet-specific software helps operators to make sense of the data. Alternatively, an experienced fleet management company can work wonders for a business.

These are the four main reasons why transport optimisation should be on the "can't-wait" list:

BRAND VALUE

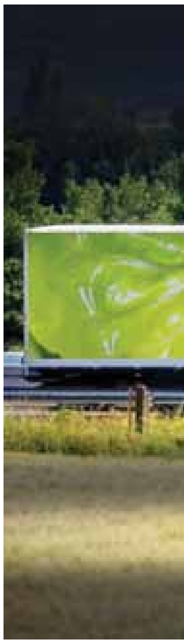
Brand value has never been as important, or as difficult to maintain, as it is in this age of social media. Food and beverage companies that think that social media is solely the domain of the Kardashians, and has nothing to do with transporting goods, are in danger of falling behind.

One photograph or video of a company's truck being driven dangerously, or in an accident, is all it takes to cause damage. Large companies may be able to weather the storm, but smaller food and beverage companies could lose everything as a result of a single incident.

Transport optimisation helps prevent such incidents, while collecting and storing all data so companies have instant access to the facts.

A sure way for food and beverage companies to raise their brand value is by lowering their carbon footprint. Consumers are much more aware of each industry's effect on the environment, and in the food and beverage industry they're starting to demand efficiency. People want to know where and how their food is produced and how it got to their local shop or restaurant.

In general, South African consumers don't demand as much detail as those in the United States or



Europe, but they will in future. Food and beverage companies that build a solid reputation for efficient transport will reap the rewards.

ROUTE OPTIMISATION

Route optimisation is crucial to ensure food and beverages get to their destination on time and in perfect condition. It is important to bear in mind that the shortest route isn't always the fastest – heavy traffic, poor road conditions, or roadworks can cause massive delays. The only way to avoid these is by having access to up-to-date information on all potential routes.

Routes can also be planned to suit the type of cargo. Perishable goods may require the fastest route, but trucks carrying an extremely heavy load may need to avoid roads where they are at risk of getting stuck or damaged.

A proper fleet management system provides access to all the latest information. It can update routes when road conditions change. This will save a lot of time and drastically reduce the rate of late deliveries.

SAFETY AND QUICK RESPONSE TIMES

It goes without saying that transport companies never want a shipment of fresh produce standing next to the road in the sun. Even if the transport unit is refrigerated, it will stand idling next to the road for extended periods in the event of a tyre blowout, accident or breakdown.

Food and beverage clients are demanding (with good reason) and one too many unfortunate incidents will see them moving elsewhere. Those companies that outsource their transport logistics need to make sure they're working with a reputable and reliable supplier.

Driver and cargo safety is always a big concern, and by installing the latest fleet-monitoring technology companies can get reliable up-to-date information. Tracking units allow companies to track all their cargo in real time so they can react immediately if an incident occurs.

These systems also supply data that will highlight speeding, erratic driving and the duration of stopovers. This way companies can keep track of driver performance and there's no need to rely on people filling in logbooks – it's all automated and instantaneous.

Food and beverage cargo is a very popular hijacking target. Alcohol, tinned or packaged food, sweets, bread and even pastries are all frequently hijacked. Transport optimisation allows food and beverage companies to avoid high-risk areas by constantly updating information on hijacking activity around the country. Real-time monitoring and panic buttons mean help can be sent immediately if there's a problem and drivers know that their safety is always top-of-mind.

> Brand value has never been as important, or as difficult to maintain, as it is in this age of social media.

COST SAVING

Transport optimisation can provide big cost savings for savvy food and beverage business owners. The initial cost of optimising transport logistics – whether it's in-house or by appointing a fleet management company – will quickly be offset by reduction in unnecessary costs.

An optimised fleet means lower fuel cost and a higher and more accurate delivery rate. Companies with all the right data-tracking and safety systems in place will also save on insurance. Optimised routes mean fewer accidents and reduced vehicle damage expenses and will greatly reduce the risk of hijackings or spoiled cargo.

In addition to the more obvious savings, an optimised transport system will expose and reduce many "hidden" costs such as speeding fines, fuel-card fraud and extended or unauthorised stopovers.

All cargo in the food and beverage industry is time sensitive. A delay on a shipment of shoes might still be acceptable, but it's a big concern when it's a shipment of "just picked" fruit or farm-fresh eggs. In this highly competitive industry there's little room for error and transport optimisation is one way to stay in the game.

USED VEHICLES
gaining favour

The used-vehicle market is set to continue the positive sales performance it presented in 2016. Here is what some used-vehicle specialists have to say about it

It was an interesting year, 2016. Poor economic performance across the board meant that companies cut back on spending and fleet expansion, instead opting to replace vehicles only as needed. The market for new vehicles was thus down, but not below expectation.

What effect did this have on the used-vehicle market?

A good one ... according to some key representatives of the local used-vehicle market, sales of used vehicles were up markedly across the board.

"Prices were under pressure in 2016, due to the economic climate, which caused a decline in used-vehicle prices. This benefited first-time buyers and increased sales of the lower-priced vehicles. The deterioration of the exchange rate also opened up export markets with increased sales," says Gert Fourie, head of MAN TopUsed, MAN Truck & Bus SA.

Bruno Palma, general manager of TruckStore, the used trucks and services division of Mercedes-Benz South Africa, agrees. "Locally, the poor economic growth in South Africa; the weakening of the rand, which resulted in price increases in new vehicles well above inflation; as well as the increase in interest rates, all played a role in putting stress on consumer affordability, which favoured the used commercial-vehicle market.

"From an export point of view, the market for used commercial vehicles in the southern African region remained strong, with the weaker rand contributing towards the success in 2016."

In short, suggests Fourie, customers are looking for more value for their money and used vehicles are being considered as an alternative to new vehicles. Despite an improvement in the forecasted economic growth, this trend is expected to continue throughout 2017.

According to Palma: "The current view is that uncertainty around economic and political issues will prevail. This could constrain growth, which could heighten consumers' risk aversion and lower confidence levels.

"This will continue to have a negative impact on commercial vehicle sales in 2017. Sustaining activity levels in these conditions would, however, be positive," he adds.

Fourie agrees that this is so considering that, in an increased number of cases, fleet sizes are actually shrinking. "In general, customers are not growing their fleets, but are replacing vehicles. In 2016, the increasing number of trade-ins caused an oversupply of used vehicles and added corresponding pressure on prices."

That said, Palma notes that a downward trend in the trading in of used commercial vehicles has been evident. He agrees that numerous fleets have been downscaling.

It's obvious, then, that the demand for used vehicles is not going to abate any time soon. "The demand for good-quality used vehicles will increase and customers will expect more for their money," says Fourie, offering some tips to customers to ensure those are just the types of vehicles they choose.

"Customers should look more towards refurbished vehicles and used vehicles that still carry warranties from the manufacturers. Buying from a dealer that can provide the peace of mind of a vehicle warranty is advised," he says.

> Customers are looking for more value for their money and used vehicles are being considered as an alternative to new vehicles.

"It is critical to one's success as a used-vehicle dealer to have the correct vehicles in stock to satisfy the needs of all customers. We are a business partner that helps grow our customers' businesses.

"Buying from a dealer that assures its customers transparency, and provides reliable confirmation of the age of the vehicle, as well as its condition, mileage and service components, means the customer can find the most appropriate transport solution," concludes Palma. F

Selling HEAVY COMMERCIAL VEHICLES

A career in heavy commercial vehicle sales can be exciting and rewarding if one is prepared to master all the necessary skills, writes VIC OLIVER

Today's truck buyers want to deal with sales people who are professional and knowledgeable in all the facets of road transportation. They want to deal with sales people who can select the right vehicle for the job and add value to their business by being able at act as a transport consultant.

Marketing and selling commercial vehicles can be a very attractive and rewarding career, provided that the sales person is prepared to master the required skills and possesses the passion and drive to become professional in his or her job.

Most of the truck manufacturers (and some dealers) provide basic training for their sales staff, but this is not normally sufficient to equip the sales consultant with adequate knowledge to be successful.

The sales person must be prepared to put in additional effort, by undertaking self-study, attending industry meetings and reading all the relevant trade magazines and training literature that is available. They should not wait for the manufacturer to provide all the required training.

To be successful, the truck sales consultant requires some elementary technical knowledge related to the product and industry that he or she represents. In addition, they need to be able to master the following skills:

- Be able to determine the correct vehicle for the job, and calculate vehicle performance and operating costs;
- Understand the fleet business, fleet management and how to sell to corporate fleets;
- Be able to prepare monthly sales forecasts;
- Know the South African Road Traffic Act and Regulations;
- Know how to register and license a vehicle, and how to deliver and hand over a vehicle in a professional manner.

In addition to mastering the basic skills of actually selling the vehicle, the sales consultant must be able to attract and retain a strong core of highly satisfied customers, by meeting and exceeding their expectations and needs in terms of heavy-vehicle transport solutions. This is done by focusing on customer satisfaction and truck dealer profitability.

Good product knowledge is essential. With the strong competition that truck and bus manufacturers and dealers face in the South African new-vehicle market, it has become an absolute survival necessity for all sales executives to know their product and be a master of all the relative technology.

With well over 20 different brands of medium, heavy and extra-heavy commercial vehicles being sold in South Africa, in a relatively small market, the competition is extremely tough. This is especially so when the vehicles that they offer can all do the job, provided that they are correct for the application.

Often the sales person who wins the order is the one who knows the product and possesses the knowledge and skills to advise the client correctly.

There is a great opportunity for truck and bus sales executives in South Africa to enjoy a rewarding career in this industry, provided that they know their product and are a master of all the relevant skills that are needed to correctly advise and consult to the customer. F

One of this country's most respected commercial vehicle industry authorities, VIC OLIVER has been in this industry for over 50 years. Before joining the FOCUS team, he spent 15 years with Nissan Diesel (now UD Trucks), 11 years with Busaf and seven years with International. Do you have a comment or thought you would like to share based on this column? Visit www.focusontransport.co.za and have your say!

Going LIGHT

GAVIN MYERS samples Suzuki's first entrant into the local light commercial vehicle arena

I'll bet that not many people knew Suzuki makes a light commercial vehicle. Well, this is it – the Suzuki Super Carry – and it's actually been around since 1961! That makes this model, the first to be launched in South Africa, the 11th-generation of the Super Carry.

The Super Carry competes in a segment that currently has only one other entrant: the Tata Super Ace, which we reviewed favourably in the September 2015 issue of **FOCUS**. However, while both share a similar cab-over design with raised load bed (737 mm load height on the Super Carry), the Super Carry caters to an even lighter-duty target market.

As such, its payload weighs in at 750 kg, while its load compartment (accessible only from the rear tailgate – the bin sides are fixed) measures 2 183 (l) x 1 488 (w) x 300 mm (h).

Like the Tata, the Super Carry is aimed at cost-conscious buyers, who may own small businesses, or need a lightweight delivery vehicle with which to tackle the city. Suzuki has engineered the Super Carry with just that in mind, keeping the vehicle as basic as possible and endowing it with an efficient drivetrain.

And as basic as possible is exactly what it is… Convenience features extend to height-adjustable headlamps, a 12V socket and a digital odometer with a clock. Door locks, windows and mirrors are all manually operated, while there are no airbags, anti-lock brakes or electronic driver aids.

However, it must be said that the most surprising omission from the interior is a heating and ventilation system. Only two narrow vents below the dashboard allow fresh air to enter the cab at the occupants' legs.

Nonetheless, the Super Carry is made to work and on the road its light mass and enthusiastic little engine makes navigating the city easy. The engine is a 1,2-litre, four-cylinder petrol unit, which produces just 54 kW of power and 101 Nm torque. This modest output is sent to the leaf-spring rear axle via a five-speed manual that has a satisfyingly positive throw.

Under most circumstances the Super Carry doesn't want for oomph and even manages well with a load on the back. Suzuki's own long-distance test, with a fully laden vehicle, saw the Super Carry return an average fuel consumption figure of just 6,7 ℓ/100 km.

With the engine's positioning below the cab and its stacked intake right behind the driver's head, cabin noise is a little on the high side. The fixed-back driver's seat is only adjustable for reach, but the driving position is fine. Power steering is not fitted, which is really only noticeable in low-speed manoeuvring.

In aiming the Super Carry at cost-conscious businesses or entrepreneurs, Suzuki has priced it at just R135 900, which includes a three-year/100 000 km manufacturer's warranty and six-year, anti-corrosion warranty. A comprehensive roadside assistance plan is included as well.

However, while the price is appealing, the lack of features and a service plan might put off some buyers. Maybe Suzuki could consider a version with a higher level of spec for those who demand it.

STOPPING
with confidence

Brakes are one component on which no vehicle owner or operator can afford to skimp. How do you know the replacement items you buy are the real deal?

There is a plethora of braking component suppliers in the South African aftermarket, with many different products at different price points and quality levels. While some buyers don't mind buying a cheaper item that "does the same job for less", there are those for whom quality is a non-negotiable and who believe "you get what you pay for".

For these buyers, knowing they are purchasing a quality product, which has undergone the relevant testing procedures and received the correct certification, means good business practice.

Suppliers of quality aftermarket original equipment (OE) parts, such as Federal-Mogul, implement stringent testing procedures to ensure their components are of the highest quality.

During 2016, the Federal-Mogul Motorparts – Braking Division Test Centre in Prospecton, Durban, received ISO/IEC 17025:2005 accreditation, for Performance and Safety Testing, by the South African National Accreditation System (SANAS).

SANAS was established to satisfy the need for testing laboratories to achieve national and global recognition, as well as to conform with international standards.

Having achieved this accreditation means that the Prospecton-based Test Centre is recognised as a SANAS-accredited test laboratory for the testing of light-vehicle brake pads and commercial-vehicle linings to the South African Regulatory Braking Standards (SANS 20090:2010).

The Automotive Brake Test Institute (ABTI) Testing Centre is manned by technically proficient engineers and supported by Federal-Mogul's Global Technology and Braking teams. The centre is fully equipped with dynamometers to meet various customer needs.

"The main driver for pursuing the accreditation is to further the interests of safety in the South African automotive braking sector, as all friction materials have to comply with local braking regulations (SANS 20090:2010)," says Test Centre general manager Mervin Paideya.

"These have been established by the National Regulator for Compulsory Specification (NRCS), which is affiliated to the Department of Trade and Industry."

The Prospecton Test Centre now joins the top league of similar Federal-Mogul facilities globally, as well as representing a significant expansion of the company's local testing capabilities. "It also creates additional local capacity, as there are only two test centres in South Africa accredited to ISO/IEC 17025," Paideya explains.

Paideya also highlights that the flood of imported automotive components has raised questions about the certification and accreditation of these international manufacturers. "It is the mandate of the NRCS to ascertain if all these imported products conform to all of the necessary requirements. We therefore decided to take the lead by extending our own testing capabilities in this regard..."

While the main aim of the Prospecton Test Centre is to ensure that Federal-Mogul itself is compliant in terms of all the regulations, it will also commence testing for the open market in the near future. This will enable an efficient compliance testing process that could be of great assistance to the NRCS teams based at the Test Centre.

"While we still have to investigate what standards are applicable in the Southern African Development Community (SADC) region, our long-term goal is to introduce this testing capability into the broader southern African market," Paideya concludes.

Hopefully, with this type of initiative in place, "getting what you pay for" will be the non-negotiable most buyers subscribe to.

Global
HIGH FIVE

As Nissan embarks on a drive to become a global player in the commercial vehicle arena, JARLATH SWEENEY of Irish magazine, *Fleet Transport*, sends the brand a hearty high five

The number five seems to be prominent in Nissan thinking and strategy these days, as the Japanese brand is working on a five-point plan to become a global player with a worldwide reach in its passenger car and commercial vehicle divisions.

On the product side, in its light commercial vehicle (LCV) business, the offering of a five-year warranty and the development of the unique five-link rear suspension on the award-winning Navara pickup is already paying dividends.

According to Paolo D'ettore, head of marketing at Nissan LCV in Europe, the Nissan Vision is the platform for the five-point plan, with zero road fatalities backed up by zero emissions from its vehicles.

"Intelligent mobility will initially put these building blocks in place, while Intelligent Drive – which is available in the Navara already – installs confidence with its all-round camera monitoring and emergency braking system," he explains.

Intelligent Power and Intelligent Integration are the other two elements involved, with the Nissan Leaf and e-NV200 electric car and van/people carrier making their mark (silently) in the affordable, viable alternative energy marketplace – while the Navara AvantGuard concept pickup creates new excitement and shows what can be done with existing vehicles from a redesign prospective.

In essence, Nissan's philosophy is to meet customers' needs in each region with its diverse range of commercial vehicles (D'ettore is keen to emphasise that "every Nissan sold in Europe is made in Europe", for example). That is the case now and will be in the future.

The company's sales growth strategy is to have available a broad, recently revamped and completed commercial vehicle line-up, together with investment at dealership level in order to have the best infrastructure in place in terms of experienced salespeople and customer aftermarket care.

A strong commitment on the marketing side is also planned, which will be linked to Nissan's successful sponsorship of the UEFA Champions League. An engaging TV advertising campaign has featured football stars in action on board Nissan's commercial vehicles, with the new NV300 as the latest signing.

"LCV advertising does not have to be boring," claims D'ettore.

He confidently adds that Nissan LCV is the fastest-growing brand in Europe, with a 40 percent year-on-year increase in sales, resulting from the successful introduction of the Navara and the five-year/160 000 km warranty across the range.

Now that the new NV300 has arrived in most markets across the European Union (EU), consolidation on this progression is possible.

By re-entering this medium-sized van segment, Nissan Europe is coming around from the back of the field to make its mark. It has effectively been out of the race for two years or more as the Primastar, based on the Renault Trafic, has not been replaced with a newer model until now.

Since then, Renault has regained a foothold in this segment, as has Opel with the same model, badged as the Vivaro. Now Fiat Professional is also offering a vehicle based on the Renault Trafic, which it calls the Talento. Serious competition indeed, and that's just between these four brands!

Nissan is well aware of the challenge that lies ahead, but as the European medium-van market is the most vibrant presently, commanding 27 percent of the LCV market, it is important to be in the mix.

Its main target is small to medium enterprises (SMEs). By offering a wide line-up of models, engine choices and comfort levels, together with low running costs, backed up by the extended warranty, the NV300 will quickly restore lost volumes at dealership level and with fleet sales.

In terms of speed, well, if James Bond is looking for a quick getaway car to escape villains across the sand-dunes, the Navara is the vehicle that comes highly recommended.

The Navara excelled in the tough terrain during dawn to dusk drives in the Sahara Desert in southern Morocco and won the International Pick-up Award (IPUA). Every element of the well-designed drivetrain was thoroughly tested over rocky surfaces, dry river crossings and soft sand dunes.

Most of the time we were in four-wheel-drive low-range gearing, with some time also spent in two-wheel-drive low-range gearing when required. Over the dunes, a calculated approach and speed was necessary, as was the combination of the available 141 kW (190 hp) and 450 Nm from the 2,3-litre engine.

It worked admirably with the newly developed seven-speed automatic, not forgetting the strength and flexibility of the innovative five-link rear suspension.

“

The Navara excelled in the tough terrain during dawn to dusk drives in the Sahara Desert in southern Morocco.

It was a stern test, just like the IPUA trials in the Norwegian forests, in which the Navara showed its true colours, before receiving the prestigious accolade.

Whether ploughing through soft or hard sands, the Navara, with its Continental Cross tyres, coped amazingly well with what was presented by the terrain. Even when slip-sliding when approaching the peak of the dunes, the all-wheel-drive system somehow managed to find some traction.

Christian Meola, head of product planning at Nissan Europe, claims that the Navara, with its five-link suspension, performs better at high speed, and he was proved right! Being 80-percent stiffer than conventional leaf spring systems, it is more durable.

Dakar Rally veteran, Roman Villa – who has 11 cross-country raids under his helmet as driver and navigator – laid out a route to challenge and excite the invited press, which was in keeping with the theme from Nissan for the event – “Push the Limits”.

As a result of its impressive performance, the new Navara is ready to compete in the Dakar Rally, even in its current, non-race-prepared state! In fact, we took part in some of the special stage routes of the world famous cross-country marathon (when it was held in the African continent before moving to South America).

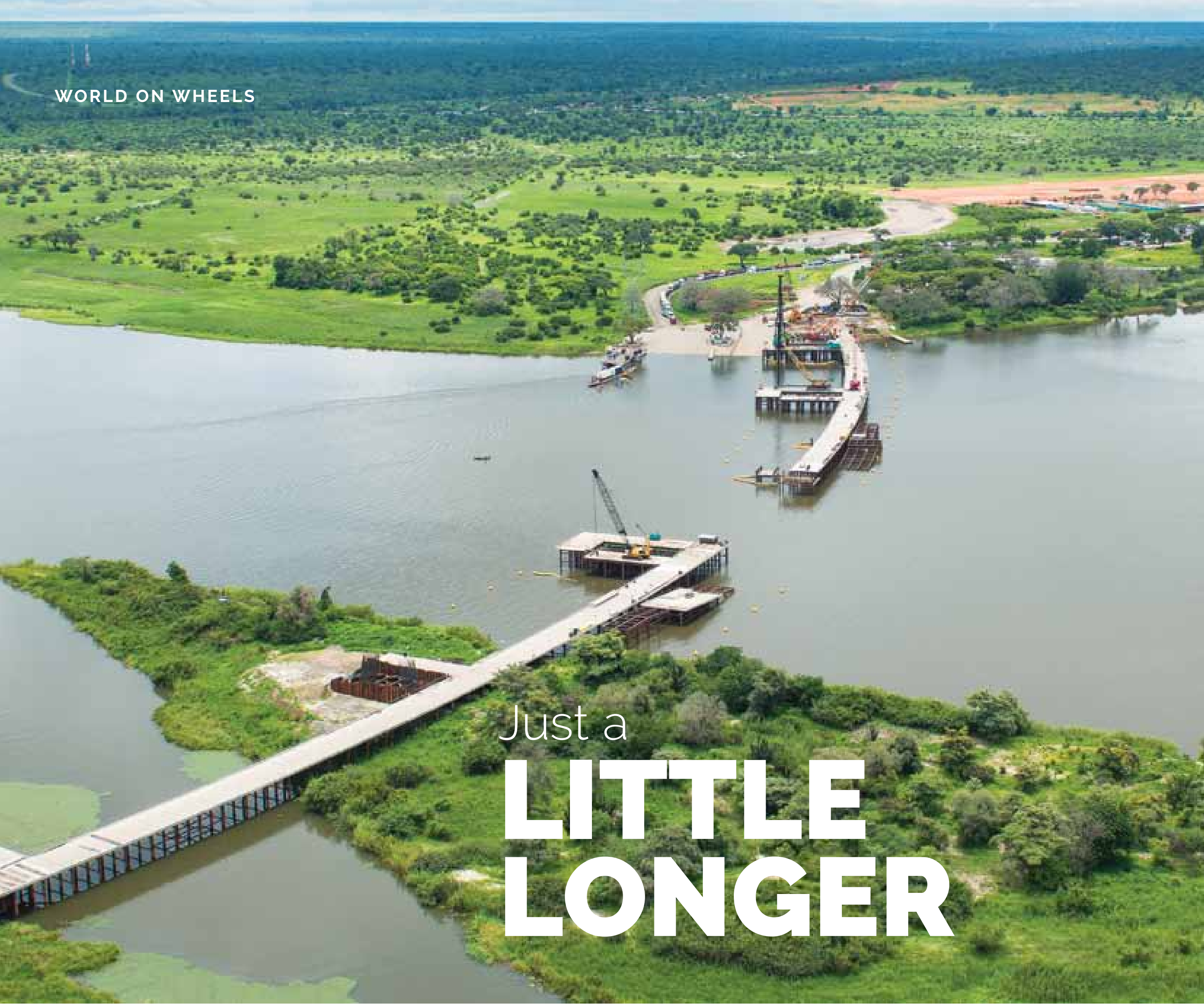
Although a full Nissan works team competed in the Dakar from 2003 to 2005, there are no immediate plans to return to the event in the near future.

The James Bond name drop was intentional as the famous Jbel Medouar gateway was used in a sequence in the *Spectre* blockbuster. It's majorly thick-walled entrance, to what once was a slave prison, also featured in *The Mummy*.

It was here that the Navara's Around View Monitor (AVM) camera system came in handy. It was necessary when ascending and descending the narrow, hilly and rocky pathway up to the peak of the canyon, which revealed breathtaking wide open landscape.

As the competition in the pickup segment increases over the next year or so, with Renault (Alaskan) and Mercedes-Benz (X-Class) entering the scene, with what is effectively the same model under different badging, Nissan must be cock-a-hoop that its advanced technology developed with the Navara, has been acknowledged in this way.

According to Nissan South Africa, the new Nissan Navara will launch locally during the first quarter of 2017 and will be offered with a six-year/150 000 km warranty. While the company is in constant discussions with its parent company regarding the introduction of new product, the e-NV200 and the NV300 are not planned for local introduction in 2017 – ed. F



Just a LITTLE LONGER

Finally, there is a light at the end of the "bridge" for truck drivers who have spent days on end waiting to cross the Zambezi River, at the Kazungula border between Zambia and Botswana. ANLERIE DE WET looks at the progress that has been made in constructing the 923-m rail and road bridge at this very busy and crucial border

For years truck drivers have had to sit in long queues at the border to cross the river on a ferry, while motorists got to use the ferry first.

Richard Malinga, an engineer at the African Development Bank (AfDB), who wrote the appraisal report on the project, says the governments of Zambia and Botswana discussed the necessity of this project for many years, but it could be implemented only after proper funding became available in late 2014.

"This is not a small project. It has been a work in progress for many years, but, fortunately, we are now at the last stretch before it is completed," says Malinga. The estimated total cost of the project is approximately US$ 259,3 million (R3,5 billion).

The Japan International Cooperation Agency (JICA) was planning to invest more than US$ 110 million (R1,5 billion) into the project, but pulled out its support in early 2014 over a tender dispute for the construction of the bridge, leaving gaps in the funding.

However, JICA didn't have any problems with the other components of the project and made a co-financing arrangement with the AfDB and EU-Africa Infrastructure Trust Fund.

The multinational project is based in the North-South Corridor (NSC) in the Southern African Development Community (SADC). It forms part of the corridor's infrastructure improvement programme aimed at boosting regional transport integration.

The Kazungula border crossing is the key link between the port in Durban, South Africa and

Botswana, Zambia, Zimbabwe, Malawi, the Democratic Republic of Congo, Mozambique and Tanzania.

In September, 2014, a South Korean company, Daewoo Engineering & Construction, was awarded the US$ 162 million (R2,2 billion) contract to build the rail and road bridge. Construction started in December 2014 and is due to be completed December 2018.

Construction on the One Stop Border Post (OSBP) facilities on the Botswana side of the border, which was awarded to Zhon Gan Engineering and Construction, started in July 2016. The construction of offices and staff accommodation is progressing well, with some of the offices already being occupied.

In October 2016, Anhui Foreign Economic Construction Group Company Limited of China (AFECC) was awarded the contract to build the OSBP on the Zambian side of the border.

"We are hoping that the construction will start in February this year. It will take about 30 months to complete," says Malinga. This phase consists of ten main buildings, 800 m of circulation roads, parking areas and 2,4 km of the main bridge road.

Malinga says the two countries are still discussing the details for the tolls that will be placed at the border. "The collected toll fees will directly cover the operational and maintenance costs of the border crossing and it may indirectly cover costs for the loans used to build the crossing," says Malinga.

He explains that the two countries, and subsequently the rest of the SADC region, will benefit economically from this project. Malinga predicts that border transit time will be reduced and procedures related to trade facilitation and border management operations will be improved once the bridge is complete.

"Where some users had to wait four or five days to cross the border, they will now be able to do so within a day or two. This will, in turn, reduce time-based transport and trade costs," says Malinga.

The reduced transit time at the border crossing will also decrease the chances of some truck drivers engaging in illicit sex when they are stuck at the border for a number of days, which could assist in decreasing HIV infections among and from truck drivers.

Malinga anticipates that this project will directly benefit communities and businesses engaged in the mining, agricultural and service sectors, which contribute 60 to 80 percent of the region's gross domestic product (GDP).

Jobs have already been created for citizens of Zambia and Botswana at the Kazungula border crossing, as the governments insisted that the contractors employ and train people from the local communities.

"Everything is currently on track. I am sure that the different contractors will complete their tasks within the times that were agreed upon," says Malinga.

ABOVE AND RIGHT: The 923-m bridge and new border facilities will make crossing the Kazungula border by ferry a thing of the past.

11 YEARS
of fascinating industry development

In his final review of global news for local truckers, FRANK BEETON revisits some of the key issues that have been covered over the past 11 years, and discusses possible outcomes for these subjects going forward

In this, the final Global Focus, we will be revisiting some issues that have most occupied our minds over the past 11 years, and venturing some comments on how we see things panning out in the years immediately ahead.

Writing this column has been a real labour of love, as it has allowed me to continue an interest in trucks and buses that first commenced in 1958, and dominated my working life from 1968.

During the intervening almost half-century, I was privileged to work in many areas of the commercial-vehicle and road-transport industries; including operating, sales, marketing, bodybuilding, vehicle engineering, assembly and consultancy. This has given me a unique perspective from which to comment on events and strategic direction in the industry, much of which has provided the content for Global Focus.

I hope you have enjoyed it!

THE VOLKSWAGEN SAGA

In our opinion, the single most important topic that will be discussed in the industry in the years ahead will be the unfolding of Volkswagen (VW) AG's global strategy for its now very substantial interests in the commercial vehicle field of activity.

Not that many years ago, mention of "VW" and "commercial" in the same breath would only have conjured up an image of a Kombi/Microbus van variant with no side windows, which was about as far as the German manufacturer went in the truck and bus business.

The major shift in corporate direction first became evident in 2000, when VW purchased a stake in Swedish heavy truck and bus manufacturer Scania. By 2014, both it and German rival MAN were firmly under VW's control.

Since then, there has been some reorganisation of the group's assets, which also include the MAN-controlled Volkswagen Caminhöes e Önibus in Brazil, and the Indian operation which builds MAN's CLA Series trucks.

The formation of the "VW Truck and Bus Division" was announced in May 2015, and the following month VW's CEO, Matthias Müller, announced details of the group's latest long-term corporate strategy, which included the goal of making VW Truck & Bus "the most profitable company in the sector, with a significant presence in all key regions of the globe".

These were strong words indeed, and a definite indication that the foray into commercial vehicles was deadly serious stuff. At that point, the global coverage was still an ambition, but the announcement, on September 6, 2016, that VW Truck and Bus had agreed to acquire a 16,6-percent stake in Navistar International Corporation, at a cost of approximately $US 256 million (R3,38 trillion), added a very important additional dimension.

We had first heard, as early as 2012, that VW AG was showing interest in Navistar International,

MAN will spearhead VW's light-to-medium truck campaign.

in an effort to gain access to the North American heavy-duty truck market. Neither its Scania nor MAN truck operations had any substantial presence there, nor manufactured the conventional cab (bonneted) models that would be necessary to make any realistic inroads.

Important new directions

With Navistar in the family, the potential for VW to participate in a significant chunk of the North American truck market has grown substantially, with a ready-made domestic product range, manufacturing base and distribution/product support structure.

Another important announcement had been made earlier, in December 2015, when MAN Truck and Bus announced that it was to introduce a new light-commercial range, dubbed the MAN TGE, at the 2016 IAA exhibition in Hanover.

Predictably, this turned out to be a rebranded derivative of VW's highly impressive new 5,5-t gross vehicle mass (GVM) stand-alone Crafter "heavy" van family. The 2016 version is the first edition to emerge following the dissolution of the VW-Mercedes Benz van-building joint venture that had been running since 1995.

However, the TGE launch was doubly significant in signalling a market position adjustment for MAN, which previously had not sold anything lighter than a 7,5-t GVM light-duty truck. (Please note that in this discussion, we are using global parameters for light, medium and heavy trucks, which would approximate to medium, heavy and extra-heavy categories, respectively, in the South African context.)

During September 2016, details also emerged of a new strategy to deepen integration of component and powertrain development within the VW Truck and Bus family. The main element of this strategy was the decision that Scania and MAN were to share development and platforms under a "lead engineering" principle, with teams consisting of engineers from both brands together developing core drivetrain components.

Scania would take leadership of the development of the heavier engines, gearboxes, and exhaust after-treatment systems, while MAN would give direction on light- and medium-category equivalents. The components that come out of this process would also be shared with group entities VW Caminhöes e Önibus in Brazil, and Navistar in North America

New arrangements

More specifically, Scania is to lead in the development of a common 13-litre engine platform, together with the associated exhaust after-treatment system, while MAN will coordinate development of engines between five and nine litres displacement, plus their respective emission-mitigation equipment.

Gearbox development will be similarly divided between the two manufacturers, according to the payload category of vehicle into which the transmissions are to be installed. On a broader front, generic responsibility for all group driven and non-driven axles will be entrusted to MAN, while Scania assumes responsibility for all group engine management systems.

The opportunity will also be taken to integrate group supply chain logistics and distribution arrangements. The increased volumes of components that are to flow between numerous production locations within the group will initially impact on logistics and production arrangements at Scania's Södertalje

gearbox plant in Sweden, and MAN's axle plant in Salzgitter, Germany.

Russian production of MAN and Scania products is to be consolidated in St. Petersburg, while MAN and VW truck and bus production will be rationalised in Mexico and South Africa. Disruption of workforces will be kept to a minimum, but it is inevitable that some reallocations of responsibilities and staff redeployments will be necessary.

Discussion – Heavy trucks

As initially constituted, VW Truck and Bus is already a very substantial global business, but the cardinal rule of group consolidation is to ensure that the whole should end up being greater than the sum of its parts, and that any existing marketing "cake" should not just be cut into smaller slices. At first glance, the new strategy appears completely rational, but that does not suggest that there will not be challenges.

In particular, markets where MAN is traditionally strong as a heavy-truck contender may not take kindly to increased Scania influence, so the retention of a clear MAN identity will need to be carefully orchestrated.

This is likely to become more of an issue once the current generation of cabs needs to be replaced, as Scania styling is very distinctive, and not conducive to "badge engineering".

The future insertion of Scania major components into Navistar International products, notwithstanding their undoubted quality, will also require clever marketing input. The Swedish brand is little known in North America north of the Mexican border, and confidence in the integrity of its aggregates will need to be built, before they can be expected to measure up effectively to the likes of Cummins, and Navistar's own MAN-derived "big bore" engine series.

However, with Navistar now "in the VW family", all the necessary promotional facilities exist for this to be possible, and, as we have said before, we would not be surprised if VW elects to further strengthen its 16,6-percent equity holding in the US truckmaker.

Discussion – Light/medium trucks

The most important area of opportunity for the group will be to move more strongly into the global light- and medium-payload truck arena, which is located between the 3,5 and 16 t GVM parameters.

MAN's TGL, TGM, TGH and TGE families will cover most European opportunities (VW's Crafter van falls, surprisingly, outside of the Truck and Bus area of responsibility). VW's Brazilian Constellation and Worker families compete effectively in the Latin American market, while Navistar has a strong presence in the mid strata of the North American market.

However, Constellation's export performance has proved to be unspectacular in highly competitive markets such as South Africa, presumably because of uncompetitive pricing. This situation may improve with the recent weakening of Brazil's currency, but consideration could be given to building Constellation-derived vehicles at a more cost-effective Asian location such as India, which would also open up additional volume opportunities on the subcontinent and neighbouring markets.

This may require a change in the Constellation component-sourcing strategy, which is presently heavily geared to Brazilian suppliers, and necessitate increased inputs from VW's in-family sources.

Discussion – Buses

We are not aware of any specific strategic announcements, as yet, regarding the group's bus and coach brands, which include Scania, MAN, Volksbus, and, by implication, Navistar's IC Bus line-up. However, we cannot think of any good reason why the modus operandi described above should not be successfully carried over into the passenger arena.

With particular reference to ladderframe and "buggy" bus chassis types, the interchange of components is a relatively simple task, with no considerations being necessary for differing cab sheet metal, for example.

We still believe in our earlier assertion that an opportunity exists for consolidating all group production of front-engined bus chassis in Brazil, where there is a continuing demand for this

ABOVE: The VW Group has chosen Scania to lead its assault on the global heavy-duty truck market.
LEFT: Will MAN-VW's South American products be globalised to increase the Group's medium-duty market footprint?

configuration, and both Scania and MAN/VW are already active in manufacturing.

There are many other directions in which VW Truck and Bus can potentially grow its business. For example, MAN has an existing joint venture with China National Heavy Duty Truck Corporation (CNHTC), and Scania has a long-running coachbuilding relationship with Chinese specialist Higer Bus Company.

Further expansion into the massive Chinese market must, inevitably, be on the group's strategic agenda. We have written before about discussions that took place between VW and Isuzu Motors, which, if resumed, could bring benefits to both parties, and it should also be remembered that VW and FAW have cooperative light-vehicle ventures in China.

All of these could make a significant contribution to filling gaps in VW Truck and Bus's product line-up. We would advise readers to keep a close watch on the media for developments as they materialise.

ELECTRIC VEHICLES – HOW FAR WILL THEY GO?

During the lifespan of this column, we have regularly reported on developments in the area of alternative vehicle driveline technologies. These have ranged from fairly gentle "mild hybrids", consisting of an alternator adapted to augment the internal combustion engine with stored electrical energy once the vehicle's batteries were fully charged; to science fiction-like hydrogen fuel cells, which can provide the means for motive power, while emitting nothing more harmful than water into the atmosphere.

There was plenty to keep the technical buffs interested, but would any of these ultimately lead to the downfall of the traditional diesel engine, multispeed transmission and mechanically driven axles?

We must admit to a degree of initial skepticism on that possibility, or at least we thought that most of the new gadgets would be too expensive for universal adoption in the road-transport industry. Would it turn out that hybrid driveline and all-electric vehicles were merely means of enabling fuel saving and emissions mitigation for a percentage of the world's fleet of otherwise conventional cars, trucks and buses?

During 2006, we read that this opinion was partially held by Nissan's then supremo and heir to the Renault throne, Carlos Ghosn, who reportedly said that petrol-electric hybrid vehicles made little sense because of their high initial cost.

However, when the same Carlos Ghosn revealed Nissan's Leaf all-electric car in August, 2009, we were obliged to sit up and take notice. What he had apparently seen was the obvious appeal of a zero-emission vehicle in an era when developing fossil-fuelled engines to comply with increasingly stringent emissions legislation was becoming progressively more difficult and expensive.

There had also been a sudden recent surge in battery development, spearheaded by the increased adoption of lithium-ion technology that would address the historic operational range, cost and mass limitations of electric vehicles.

Since then, there has been a rapidly growing number of all-electric vehicle launches by the world's manufacturers. A whole raft of electric commercial vehicles was on view at the 2016 Hannover Truck Show, ranging from way-out concepts to eminently practical real-world designs. These were comprehensively covered by Charlene Clarke in a recent **FOCUS** article.

We have also noted that the Chinese, with their legendary city pollution problems, have embraced electric traction – particularly in buses – with alacrity. Another very persuasive argument in favour of electric vehicles has been Germany's call for the European Union to permit only the sale of zero-emission vehicles from 2030.

If this call is supported, it will effectively rule out internal-combustion engines, and while by no means being a fait accomplice, Germany's position as a major vehicle manufacturer will add tremendous credence to its request.

Add to this the growing manufacturer support for Formula E electric-car racing from the likes of Renault, Jaguar, BMW, Audi, Peugeot-Citroën, Mahindra and possibly Mercedes-Benz, and we can only conclude that the global motor industry intends going electric, in a big way.

What about electric trucks?

Clearly electric trucks work very well in short-distance metropolitan applications, as amply illustrated by Daimler's comprehensive demonstration of its Fuso Canter e-cell prototypes. However, the revelation of the Nikola One concept, as fully described in the July 2016 issue of **FOCUS**, suggested that the start of a whole new ballgame was imminent.

This concept manifested as a sleek semi-forward-control, three-axle prime mover (intended for line-haulage duties) powered by a series-hybrid drivetrain working through six individual electric wheel motors, delivering 6x6 drive and a prodigious collective output of more than 1 490 kW (2 000 hp), coupled with 5 016 Nm (3 700 ft lbs) of torque.

Electrical power, said the launch blurb, would be drawn from a liquid-cooled, 320-kWh lithium-ion battery pack, which is recharged by a 400-kW gas turbine charger, plus regenerative power returned from the wheel motors when they are employed in the retardation mode. Much was made of the turbine's ability to accept petrol, diesel or natural gas as fuel.

This concept was terrifyingly logical, and seemed to tick so many boxes. The only problem was that it only existed on paper at the time of the announcement, so we waited with baited breath for the prototype to be revealed at the beginning of December 2016.

However, we were surprised to see that the power-generation system had changed from the initial gas-turbine charger to a hydrogen-fuelled fuel cell, and that hydrogen production and supply had become an important part of the Nikola Motor Company business case.

This seemed to reduce the potential for rolling out the concept, particularly to offshore areas where hydrogen production is not yet contemplated, but we suppose that the multi-fuel option can still be developed. We still believe that the electrical nature of Nikola One's systems would fit well with the thinking behind autonomous vehicle and truck platooning, both of which are subjects receiving so much attention at present.

Nobody doubts the fact that self-driving vehicles are possible. In fact, they already exist. The main question concerns their ability to co-exist on roads shared with fallible human beings. Once the methodology has been fully accepted, the world can move on to truck platooning.

Truck platooning

In our view, this methodology has the potential to make many of the world's railway systems obsolete. It offers similar benefits to rail operation in linehaul hub-to-hub applications, but at a fraction of the investment costs associated with new rail infrastructure. Platooning recognises that, by running a convoy of rigs together, head-to-tail with very little separation, considerably improved fuel efficiency can result.

However, "tailgating" by drivers at high speed is extremely dangerous, and illegal in most civilized countries. In platooning, only the human being in the lead vehicle is actually driving, while the following autonomous vehicles conform to the leader through electronic communication and control technology, which ensures safety at high operational speeds.

When the platoon reaches a destination "hub", it can be split up and individual drivers then take their mounts on to diverse offloading points. In April 2016, this technique was successfully demonstrated by Daimler Trucks, DAF Trucks, Iveco, MAN, and Scania, while participating in the European Truck Platooning Challenge, which was organised by the Dutch government. The platoons converged on Rotterdam,

in the Netherlands, using public roads and crossing national borders.

Electric buses

We have been recording the re-emergence of electric traction in public road transport for some time in the sister "Global Bus" column. "Re-emergence" because electric trams and trolleybuses were ubiquitous in the first half of the 20th century, and never really went away completely.

However, even the most vociferous advocates of trolleybus operation, such as our esteemed colleague Vaughan Mostert, would concede that their connection to, and total reliance on, overhead power supply, was an operational disadvantage.

The advance of technology in recent times has made electric buses increasingly independent of fixed infrastructure, so their appeal through silent, clean and smooth operation has been able to once again regain prominence.

Chinese acceptance levels are high, compared to other major market areas, but this is understandable, given that country's legendary pollution problems. Urban bus operation on fixed routes and adjacent to technical support also provides an ideal operational environment for new and developing technology.

An emerging American electric-vehicle manufacturer, Proterra, has predicted that all urban vehicles (including transit buses, refuse trucks, delivery vans and food trucks) will be of the all-electric type in the next decade, because of the rapidly reducing cost, price and mass of batteries, and the fast-charging technology that is currently being developed.

ABOVE: Chinese trucks are still relatively unknown in the First World, but international partnerships, such as Foton's relationship with Daimler, may ultimately change that.
LEFT: The addition of International's products and distribution network to the VW Group should ensure substantial participation in the North American market.

We can also see a substantial benefit in the reduced technical complexity of the all-electric solution, which, through individual wheel motors, eliminates the need for a mechanical driveline and, in the case of city buses, enables ultra-low-floor saloon layouts without requiring portal or drop-centre axles.

Cynics may argue that, by building vehicles that draw electricity from a national grid, manufacturers are passing the emissions ball on to power producers, and not addressing the problem themselves. However, it may be more practical to implement renewable power solutions at fixed generation venues, rather than on countless millions of vehicles running around the countryside.

To answer our own question, we think that electric vehicles will go very far!

THE CHINESE CONUNDRUM

For our final topic, we have chosen to discuss the future of the Chinese truck and bus industries in a global context. Technology and environmental issues aside, the main elephant in the room, as far as the global motor industry is concerned, has got to be the role that China will play in the future as a participant in, and supplier to, the international market.

Until now, Chinese manufacturers have largely chosen not to take on their foreign competitors – who are also sometimes their domestic joint-venture partners – in the world's more developed markets, such as North America, Europe, Australasia and Japan.

They have, instead, concentrated their efforts in their own domestic market, which has grown rapidly to become the biggest in the world with total sales of 24,6-million vehicles in 2015, and certain export markets, principally in Asia, Latin America, the Middle East and Africa.

Anyone who thinks that this situation will continue indefinitely, is clearly not thinking at all. Recently, we have seen signs of growth in the Chinese market flattening out, and that is sure to be a trigger for increased interest in international participation.

Casual observation also reveals the bewildering selection of makes and models now being manufactured and sold in China. Some of these are legitimate license-built versions of well-known international models, some are not so legitimate clones of other iconic international models, and others are totally unique, but very modern, and appear to be highly marketable.

However, recognising the main area of interest of our readers, we will break away from a general discussion on the Chinese automotive industry at this point, and concentrate on trucks and buses.

In 2015, the Chinese market absorbed no fewer than 2 855 881 trucks, and 595 302 buses. These volumes were actually lower, by margins of 10,3 percent and 1,9 percent respectively, than the equivalent 2014 totals, which is noteworthy given our comments above.

The truck market was made up of mini trucks (less than 1,8 t GVM), light trucks (1,8 to six tonnes GVM), medium trucks (six to 14 t GVM) and heavies (over 14 t GVM) which took shares of 19,1 percent, 54,6 percent, seven percent and 19,3 percent respectively.

The bus market is divided into three size sub-categories, these being large (over ten metres in length), medium (seven to ten metres) and light (less than seven metres), which accounted for market shares of 14,2 percent, 13,2 percent and 72,6 percent respectively. There were more than 19 participants in the total truck market, and more than 18 players in the total bus market.

Buses lead the way

Chinese bus manufacturers have shown a greater appetite for competing internationally than most of their counterparts in the light-vehicle and truck sectors. During 2014 and 2015, no fewer than 125 Yutong and King Long buses were sold in the United Kingdom, while, as pointed out earlier, Higer is continuing its long-running coach-building association with Scania.

Scania's coach-building relationship with Higer is undoubtedly an image-booster for the Chinese bus industry.

Electric bus manufacturer BYD has been active on a wide global stage and now has a substantial number of its products running in London, while Chinese manufacturers such as Higer, King Long and Yutong have been making regular sales to private operators in Australia.

Undoubtedly, these successes will help in establishing generic credibility for Chinese products in important international markets.

The trucking fraternity has not been as overtly bold, but it must be remembered that a number of Chinese truck manufacturers already have potentially powerful joint-venture arrangements with iconic global brands.

These include Jiangling Motors Corporation's association with Ford; Dongfeng Commercial Vehicles' membership of a potentially world-leading grouping revolving around Volvo; the partnership between Sinotruk (CNHTC) and MAN and, by extension, the VW Truck and Bus grouping; Beiqi Foton's links with Daimler; and the multi-faceted relationships that already exist between Iveco and Naveco Nanjing and SAIC-Iveco Hongyan.

None of these partnerships have, as yet, made a highly visible impact on the global market, although individual model ranges have found their way into some export territories, sometimes carrying the nameplates of the non-Chinese partner.

Logically, shared distribution and support channels would facilitate the acceptance of Chinese products over a wider geographic footprint, but it is questionable whether the Chinese principals would want to accept foreign leadership of their export efforts.

The local perspective

The South African market, while miniscule by world standards, remains highly competitive. It plays host to many global brands, and also provides a springboard into much of the African market.

It is significant, therefore, that Chinese manufacturers FAW and Powerstar (Bei Ben) have established consistently successful businesses here. It is true that they have not chosen to take on the market leaders with leading-edge technology, but rather to play in a space that emphasises value for money within targeted applications, such as construction.

Our perception is that they have been proportionately more successful in South Africa than their light-vehicle compatriots.

It has been said that the Chinese industry needs to improve technology and quality, adopt an international mindset, and develop clear brand identities. This latter point has been discussed before in this column, and we believe it is particularly important if indigenous Chinese brands are to become important players in the global firmament.

Any tendency to grant offshore agencies to organisations that are primarily interested in making a "fast buck", and have no intention of developing adequate infrastructures to build and support the brand, will not work in the commercial vehicle arena.

FAW and Powerstar have closely guarded their brands, and supported their products, thus ensuring a measure of consistent local success. This is an important lesson that needs to be absorbed by their compatriots as they aspire to broader global participation.

Global Focus is a monthly update of international news relating to the commercial vehicle industry. It is compiled exclusively for **FOCUS** by Frank Beeton of Econometrix. Do you have a comment or thought you would like to share based on this column? Visit www.focusontransport.co.za and have your say.

A NATURAL FIT

The newest member to join Scania South Africa's expanding team is Anders Friberg, general manager: new vehicle sales and exports

There is a special kind of member of the commercial vehicle industry: the person who joins a company where they stay indefinitely, because the fit is so natural. This applies to Friberg and Scania.

Friberg joined the trucking industry ten years ago – switching from the light commercial vehicle side of the business to heavy trucks and buses, when he joined Scania in 2007.

In 2012, Friberg was asked to take the role of MD at Scania Tanzania. "In Dar es Salaam, the position of MD was very hands on, and I was able to learn every part of the bus and truck market," Friberg explains.

"We were part of the sub-Saharan unit reporting to South Africa. I worked very closely with Scania SA and would travel here up to ten times a year."

This relationship fostered another natural fit when Friberg was asked to join the local team last year. "It was easy for me to come to South Africa and take on my current role," he explains.

Since January, Friberg has been responsible for truck and bus sales in South Africa, and the neighbouring Scania export regions (Botswana, Namibia, Mozambique, Zimbabwe, Zambia and Malawi). His vision – one he shares with the company – is to grow Scania's market share while closely aligning to key focus areas; placing customers first and understanding their operations and, further, that of the customer's customer.

In 2016, Scania achieved the second-highest market share of extra-heavy trucks and buses. Friberg notes that one of the successes of the company is that it is able to provide a total solution for any customer's operation, so they can focus on other pertinent areas of their operation and benefit from minimum downtime.

"Our sales department does not work in isolation. At Scania we work as a unified team and all departments are cross-functional," Friberg says.

"Scania is a lean organisation, which enables it to adapt to market situations rapidly. The estimation is that the local market will show minimal growth during 2017, but we anticipate stability at the 2016 level. In 2018, sizeable growth is predicted," he continues.

Scania's goal is to grow in other segments such as construction and distribution. It will also focus on sustainability solutions. Friberg proudly notes: "We have the widest range of 'green solutions' in South Africa, and many of our customers are already purchasing gas buses and other alternative fuels for trucks."

Sales in Scania's export markets, supported from the regional headoffice in South Africa, are showing a positive growth, and Friberg notes that used trucks from South Africa are the perfect tool to enter export markets "where non-Scania customers can experience the quality and the reliability of a Scania vehicle".

Friberg explains: "I try to listen to a customer's problems and see the whole picture. I also do my best to keep a positive customer relationship, even if it is just calling the customers; not to sell, but to check on how they are and how their vehicles are performing."

"Scania understands its customers' businesses," he elaborates. "We find solutions for them. It's their source of income and ours, too, so if they are not profitable, neither are we," he says.

This natural fit seems to be an ideal one for Scania and its customers in South Africa.

UD LOOKING FORWARD TO A POSITIVE 2017!

If the men at the helm of UD Trucks Southern Africa are to be believed, the brand is set for a very exciting 2017. The near future will include a customer-centric strategy that emphasises the best support for customers, as well as entry into African growth markets … and the introduction of new vehicles is on the cards as well.

Gert Swanepoel, acting vice president of UD Trucks Southern Africa, elaborates: "The visit last year from Volvo Group CEO Martin Lundstedt is testament to UD's commitment to the southern- and eastern-African hub. He made a clear decision that this region must be brand focused.

"The direction is clear: to look after our customers, increase uptime and support the aftermarket. Our customers are happy; they can feel the support," he says.

Swanepoel continues: "We are very positive about 2017 – it will be an exciting year for our products. Kenya has been identified as the next priority market and plans are well advanced with a new partner there. Our overall objective is to sell vehicles, as well as increase sales on service and maintenance contracts."

Rory Schulz, marketing director of UD Trucks Southern Africa, suggests that the South African commercial vehicle market is expected to grow marginally during 2017, by an estimated three percent to around 28 998 units.

"When you consider that the fixed investment rate is expected to grow by around 2,2 percent in 2017, it is a good indicator that companies will invest in new assets like trucks. In addition, a slight increase in the gross domestic product is also expected – all of which should have a more positive impact on the local truck industry," explains Schulz.

However, ongoing political tensions, the persistent risk of credit rating downgrades, as well as an expected increase in taxes that are set to erode real purchasing power still lurk and could negatively affect the industry, he says.

At the end of 2016, total truck sales were down by 11,4 percent to 27 010 units, compared to 2015 – the lowest local sales total for commercial vehicles in five years. Domestic sales were down 11,3 percent and only the bus segment showed growth of 8,2 percent.

In the heavy commercial vehicle (HCV) segment the UD brand gained a 19-percent share (ending in second position), while in the extra-heavy commercial vehicle (EHCV) segment 8,9 percent was gained (which resulted in fifth spot).

"The medium commercial vehicle (MCV) segment is a sad story for us, but watch this space … new products are also expected in the HCV segment," Shulz alludes.

UD Trucks Southern Africa is also responsible for 18 markets in Africa, and Kenya has been identified as a priority for knocked-down assembly development within the next year. The planned facility is aimed at addressing the growing need for trucks as these countries continue to develop and grow.

"With a well-developed international support structure and strengthening region-wide dealer network, we are able to offer the best customised and relevant support to our local fleet owners," says Swanepoel. "With a versatile product range and more models to be introduced this year, UD customers are able to utilise the right truck for their specific business requirements."

"The passion and expertise within UD Trucks remains, and the local team is ready to take on the challenge and go the extra mile for our customers across southern and eastern Africa, through unrelenting support and service excellence," concludes Swanepoel.

COMMERCIAL VEHICLE SALES REPORT FOR NOVEMBER AND DECEMBER 2016

Note: For the time being, Great Wall Motors SA (GWM) and Mercedes-Benz SA (MBSA) will only report aggregated sales data. The GWMSA and MBSA commercial vehicle market split volumes are estimates based on historical trends and forecasting techniques. The totals listed below do not include MBSA figures.

Light Commercial Vehicles < 3 501 kg	November Total: 15 632	December Total: 11 303
AMH	415	325
Fiat Group	45	42
Ford Motor Company	3 810	2 716
GMSA	2 729	1 442
JMC	21	16
Mahindra	153	92
Mazda South Africa	47	27
Mercedes-Benz SA – estimate	14	11
Nissan	3 080	1 817
Peugeot Citroën SA	6	1
Renault	51	14
Suzuki Auto	18	8
TATA	86	64
Toyota	4 384	4 178
Volkswagen SA	773	550

Medium Commercial Vehicles 3 501 – 8 500 kg	November Total: 830	December Total: 713
AMH	15	8
Fiat Group	1	1
Ford Motor Company	13	11
GMSA	178	245
Iveco	55	54
JMC	10	5
Mercedes-Benz SA – estimate	158	148
Peugeot Citroën SA	12	5
TATA	20	11
Toyota	252	148
Volkswagen SA	116	77

Heavy Commercial Vehicles 8 501 – 16 500 kg	November Total: 433	December Total: 360
FAW	59	16
GMSA	121	148
Iveco	12	10
MAN	20	44
Mercedes-Benz SA – estimate	44	39
Powerstar	-	2
TATA	40	40
Toyota	82	62
Volvo Group Southern Africa	99	38

Extra-Heavy Commercial Vehicles > 16 500 kg	November Total: 836	December Total: 506
Babcock DAF	34	7
FAW	17	-
GMSA	32	62
Iveco	37	26
MAN	111	122
Mercedes-Benz SA – estimate	244	229
Powerstar	25	26
Scania	237	143
TATA	17	2
Toyota	33	22
Volvo Group Southern Africa	293	96

Buses > 8 500 kg	November Total: 43	December Total: 143
GMSA	3	6
Iveco	-	58
MAN	22	45
Mercedes-Benz SA – estimate	17	15
Scania	11	29
TATA	4	2
Volvo Group Southern Africa	3	3

*Source: National Association of Automobile Manufacturers of South Africa (Naamsa).

30-PERCENT FUEL SAVING? YES!

Westfert Logistics – which produces and distributes fertiliser either in one-tonne bags or in 34-tonne bulk loads – does for its clients exactly what they ask, when and where, thanks to its fleet of FAW 28.380FTs, says the company's Jakobus de Wet.

At present the five Wertfert FAW 28.380FTs stand neatly parked, every night, clean and ready in the fleet yard, next to the Westfert's fertiliser plant. With their tri-axle trailers fully loaded the farm drops can be as short as 50 minutes. Fleet management systems from Ctrack provide clear data on idling time, geofencing, driver behaviours and load/unload data.

"Our best fuel consumption across the fleet of five trucks, based on my calculations of seven full 34-tonne loads delivered in a one-day cycle, compared to our previous fleet doing the same job cycle, is 31 percent on fuel alone," says De Wet.

Further adding to the favour that the FAWs are gaining in the Wertford fleet is the ease with which they can be driven, with the simple manual gearbox.

De Wet also gives credit to the FAW dealer representative, Dawie Naude, based at the FAW Welkom dealership, "especially for his willing involvement in the concept of continuous improvement, always looking out for ways to enhance savings and improve performance constantly".

"Dawie is also on call should we need any additional service or maintenance support – virtually 24/7. This over and above the excellent maintenance and servicing we already enjoy from FAW.

"These FAW 28.380FTs are so good – affordable, good performance, exceptionally low cost of operation and truly rugged enough to deal with the potholed roads in the region. No difficult or over-complicated electronics, simple and easy," smiles De Wet.

READY FOR AN EXCITING YEAR

At its recent celebration of 70 years on the African continent, the new Cummins MD, Thierry Pimi, commented on his tenure so far and what he has planned for the local company's immediate future. It would seem that Pimi has joined the local operation as its customers' activities reach an upswing.

"Our customers involved in mining are optimistic and are ramping up new projects. This means they will need more support from us. We are optimistic about this sector. One of our power-generation solutions is to fill the gap between demand and production with diesel and natural-gas power generation.

Pimi and his team are optimistic about the future of cummins in Africa.

"The west coast of Africa is one of the most active areas for us in terms of commercial marine and we need to provide support through highly skilled technical experts. Transport infrastructure is also being built throughout Africa, which means there will be a huge inflow of vehicles powered by our equipment.

"The fundamentals of our group, driven by those key markets, are very strong in Africa. In southern Africa, we have a hub with the right infrastructure and people to provide the right support to our customers," Pimi comments.

Creating infrastructure and nurturing talent is important to Pimi. "South Africa is a very dynamic market for the workforce. Bringing in talent, coaching them and then allowing them to go out and do things for Cummins is what I enjoy the most," he comments.

"We are a 100-percent entity of Cummins Inc. Our 600 employees in Africa are part of the global Cummins Inc. workforce of 55 000. We are only in our sixth year as an area business organisation: our goal is to drive the company culture so that the DNA of Cummins here is the same, but without losing the regional flavour."

Pimi comments on the future: "This is going to be an exciting year for us. Our key goal is to make sure we continue to meet and exceed the expectations of our customers. Our hypothesis is that customers will remember when we were there for them in the tough times.

"We need to check the challenges we deal with against the opportunities they provide. Cummins is a company of integrity, so it's easy for us to make a call on the right thing to do," Pimi concludes.

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Suing the
ROAD ACCIDENT FUND

The recent case of Lategan versus Jansen van Vuuren; Intercape Ferreira Main Liner and others, ZAECDHC 2016 September, involved a straightforward-enough matter: Is a passenger in a bus, injured in a motor accident, entitled to sue the person who is alleged to have caused his injury?

Why has this matter arisen only now? After all, motor vehicles have been around for over a century and there have been accidents from the beginning. The answer is simple: after the Motor Vehicle Insurance Act 29 of 1942 was passed, persons injured in motor accidents sought compensation from the fund, which was established in terms of the legislation.

The current legislation is the Road Accident Fund (RAF) Act. One would thus have expected that the injured passenger would seek compensation from the RAF. In this case, the injured passenger was the co-driver of the bus, and thus could claim workmen's compensation.

If he is entitled to compensation, why the need to sue? This is most likely because the RAF compensation is becoming increasingly limited.

The accident took place more than six years ago, in April 2010. The bus collided with two horses allegedly belonging to the defendant, Jansen van Vuuren. Lategan was sitting next to the driver when the accident occurred.

It has been accepted for a long time that an accident involving a collision with an animal constitutes a motor vehicle accident for purposes of the RAF Act. The defendant argued that, even if he was found negligent, the driver was also negligent and thus becomes liable to contribute towards the claim.

CLAIM AGAINST THE RAF

The liability of the RAF to compensate victims of motor-vehicle accidents is governed by the RAF Act, which provides that the RAF shall be obliged to compensate any person for damages suffered as a result of bodily injury caused by any person driving a motor vehicle, if due to the "negligence, or other wrongful act, of the driver, the owner of the motor vehicle, or of his or her employee, in the performance of the employee's duties as employee …".

If the driver was held to be negligent, then the passenger would be entitled to compensation from the RAF, and therefore not need to sue the owner of the horses. Since Lategan was both a passenger and an employee, section 18 of the RAF Act is also applicable.

Section 18 states that when someone is travelling in the vehicle concerned, which is controlled by the owner of the vehicle or an employee and there is an accident, and they are liable for compensation, that the RAF need only pay the difference between the RAF compensation and the other compensation – not the whole amount for which the RAF was originally liable.

This would indicate that Lategan is entitled, in the first instance, to compensation from workmen's compensation and the difference is to be paid by the RAF. In terms of section 21 of the RAF Act, neither the driver, nor the owner, can be liable to pay compensation.

Both parties are protected from liability as the legislation of the RAF mandates a contribution from every driver in exchange for having no liability towards death or injury caused by the operation of a motor vehicle throughout South Africa.

CLAIM FOR WORKMEN'S COMPENSATION

Assuming Lategan was entitled to workmen's compensation, then, in addition to section 18 of the RAF, section 35 and section 36 of the Compensation for Occupational Injuries and Diseases Act (COIDA) 130 of 1993 becomes applicable.

Section 36 of COIDA provides that "if an occupational injury – in respect of which compensation is payable – was caused in circumstances resulting in some person, other than the employer of the employee concerned being liable for damages in respect of such injury ... the employee may claim compensation in terms of this Act, and may also institute action for damages in a court of law against the third party".

THE OUTCOME

At this stage of the court case, the only issue in dispute was raised by the bus company. Lategan attempted to join the bus company as a co-defendant. The bus company objected, arguing it had no liability towards Lategan.

The reasoning behind joining the bus company was probably because of the possibility of any action mandated through vicarious liability being cancelled by the absence of the bus company in court.

The bus company, however, persisted with its defence, first by arguing that, by virtue of Section 21 of the RAF Act, it was excluded from liability, and second, in terms of section 35 of COIDA, no action could be brought against it.

The court agreed. In law, no basis exists to hold the bus company liable. The court thus (correctly it is submitted) dismissed the case against the bus company.

In coming to this conclusion, the court came across an important point: The RAF is substituted as the wrongdoer in the place of the bus company. So, the wrongdoer is, in fact, before the court. Thus, any action will proceed as normal in the court.

Where does that leave Lategan's innovative action? That is for the parties to settle between themselves, and if they are unable to do so, to return to court. How this should proceed is not spelt out. However, there are some foreseeable problems.

First, assuming the argument is upheld that both the farmer and the driver were negligent, then what? The court clearly took the view that if the farmer is sued and held to be liable, then the farmer would be entitled to a contribution from the RAF.

For example, if the farmer and driver were both found negligent, the court could order the farmer to pay 70 percent and the fund to pay 30 percent. There are, however, several problems with this approach.

First, the apportionment is usually done against a plaintiff who is partially negligent, not against an innocent party.

Second, if a contribution is to be paid by the RAF, the obligation would have to be written in the statute, as it is unlikely that the common law of contribution can be imputed against the RAF.

Third, the obligation of the RAF is no longer the common-law basis of delict. Also, Lategan is entitled to workmen's compensation. Any court, in making an award to him, would have to take into consideration the amount he is entitled to receive from the workmen's compensation scheme.

What would be the position if he never claimed from workmen's compensation? It probably would make no difference – he is only entitled to the difference between what the RAF would have paid and what workmen's compensation would have paid him had he claimed.

These matters are currently unclear, but no doubt this will not be the only case of this nature. We await clarity from future cases. F

Professor Robert W Vivian and Albert Mushai are both in the school of Economics and Business Sciences, University of the Witwatersrand. Robert W Vivian is a leading authority on insurance and risk management. He has written a number of books on South Africa's business history. Albert Mushai holds a master's degree from the City University, London, and was the head of the insurance department at the National University of Science and Technology in Zimbabwe before joining Wits University as a lecturer in insurance.

Difference of OPINION

VAUGHAN MOSTERT responds to Andrew Marsay's letter (page 8)

In his CV at *sbs.co.za*, Marsay describes himself as "passionate about improvements in the quality of transport infrastructure investment decision-making in Africa". My passion is a lot simpler – "fixing public transport" – so we are probably talking past each other here...

Marsay was also a transport and economic development adviser with Arup, the same company that "certified" the Gautrain. In *Business Day* of November 5, 2005, both he and the Gautrain's boss, Jack van der Merwe, wrote articles loaded with construction industry "sound bites" supporting the scheme. His article included this: "A successful Gautrain project will ultimately be a success for all public transport".

At the time I had no idea what that meant – I still don't – but 11 years later, a good cartoonist should draw a picture showing happy Gautrain passengers looking out of the windows while the train flies through the air "rising above the existing challenges", while, on the road below, a minibus has just crashed; with crying children, bodies under sheets and ambulances on the scene. Further along the road sits an old man (me?) at a bus shelter, both are covered in cobwebs waiting for a bus that will never arrive.

During the last decade, the South African economy has been wheeled into the intensive care unit (ICU) partly because of the questionable relationships between government, parastatals and others. Sadly, Marsay's comments contribute little to the subject.

IN RESPONSE TO HIS COMMENTS:

- I do not hanker after a past golden era ... there has never been such a thing in South African transport history. Until about 1970, the minority white population enjoyed reasonable public transport, while the black majority had to put up with the fourth-rate conditions that apply to everybody today.

  I do, however hanker after a future golden era. None of the many suggestions I have made to improve the situation require new road or rail construction, or even new vehicles. They simply involve better use of existing resources, which should be national transport policy in an economy on life support.

  That seems to irritate some people in the infrastructure business, who would rather build wider freeways, fast rail and bus lanes than more worthy things like houses.
- I did not "pick on" ride-sharing. I did, however make it clear that millions of low-paid workers in South Africa cannot rely on ride-sharing and cycle paths to get to work. (One plus for ride-sharing – now that it is freely available, how about cancelling the licences of bad drivers instead of imposing Mickey Mouse fines?)

  Marsay's vision of happy liberated housewives and tourists scooting around in hired cars is quite touching, but I suggest that readers visit the websites *humantransit.org* and *whosdrivingyou.org* for a more realistic view of ride-sharing worldwide.

  Let's fix our overtraded minibus-taxi industry first, before an overtraded ride-sharing industry also starts exchanging gunfire. Try suggesting to the Passenger Rail Agency of South Africa (Prasa) and those at the Gautrain that ride-sharing can do the job as well as they can!
- Marsay is a Bible-quoting supporter of e-tolling (*The Star*, January 14, 2014), so I'm surprised that he uses capital letters to repeat the falsehood that "Gauteng DOES have a transport plan".

There WAS one, but it was vague, unimplementable and contradictory to itself. That is what happens when a transport plan is signed off by a compliant committee chaired by the same person who heads the Gautrain. No ethical problems there Marsay?

To its credit, the plan DID say that the best way to serve low-density urban deserts is with good road-based public transport. Throwing fast rail at the problem, without first fixing road services, will help to keep the South African economy in ICU for a long time.

- As for King Shaka Airport, the gridlock north of Durban is, like almost everywhere else in the country, due in large part to the complete absence of decent scheduled (yes, boring old schedules set in stone) public transport.

Let's start with a half-hourly bus service from the Durban central business district to Gateway shopping centre, with every second bus continuing to the airport. Like my suggested service from Stellenbosch to Cape Town airport, it won't contribute much, but it will be a start. Even Prasa's head of planning, Hishaam Emeran, would half-agree with me (*Engineering News* December 16, 2016). He wants a "dedicated" bus service – for now I'd settle for an all-stops one.

I would urge Marsay to consider whether platitudes like: into alignment, provides a framework, courageous commitment, bold investments, see if a public private partnership will work, aligning financial cost, and so on, take us anywhere nearer a solution. I don't think so.

Vaughan Mostert lectured on public transport issues at the University of Johannesburg for nearly thirty years. Through Hopping Off, Mostert leaves readers with some parting food for thought as he continues his push for change in the local public transport industry.

BUS STOPS

BUS FIRES UNDER FIRE

The United States' Federal Motor Carrier Safety Administration (FMCSA) working with the centre of transportation and logistics expertise National Transportation System Center (Volpe) in Cambridge, Massachusetts, updated and expanded on the FMCSA's 2009 Motorcoach Fire Safety Analysis. It found that 77 percent of motor-coach fires and 68 percent of school-bus fires were related to engine, running-gear or wheel-area functions.

The study also recommended ways to prevent or reduce the severity of bus fires. Recommendations included better reporting and data capture, strategising for long-term maintenance, enhanced safety procedures, training for staff and design changes. It also recommended certain inspection standards, such as identifying critical inspection items associated with fire risk, increased frequency of inspections and better training for inspectors.

The Volpe report recommendations, according to an article by marketing manager at RISE Safety and Transport, Fredrik Rosen, are in line with Statens Provningsanstalt Technical Research Institute (SP) in Sweden's P-certification for vehicle manufacturers, operators and service centres. Certification will depend on whether SP's requirements are met in

regards to a systems ability to extinguish different fire types.

"It is not the actual vehicle itself that will obtain a P-certificate but the manufacturer, as proof of having certified their fire risk-mitigation process," Rosen writes.

The certification will be awarded based on experience, knowledge, fire investigations and other industry professional services.

In July last year the United Nations Economic Commission for Europe published an amendment to Regulation 107, which included a fire-testing procedure for engine-fire suppression systems. With the amendment, it is possible to issue approval certificates.

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