

# FOCUS

ON TRANSPORT AND LOGISTICS

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## TATA HITS THE TRACK TO A NEW FUTURE



### IAA BUMPER REPORT:

A transport industry in flux!

### CHEAP TYRES

don't make cents

### AUTOMOTIVE CODE OF CONDUCT: a death sentence?

### WILL BUS COMMUTERS

be left stranded?



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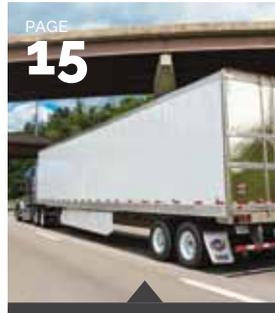
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# NO GETTING RID OF THE BS AT BORDERS...

**WHEN WILL THE DELAYS, CORRUPTION AND LOOTING AT AFRICAN BORDERS BE DEALT WITH?**



GAVIN MYERS

N

ot in our lifetime, probably... Not a month goes by without some report of delays, inefficiency or corruption at one or more borders in the Southern African Development Community (SADC) region.

The latest culprit is Kasumbalesa, the border between Zambia and the Democratic Republic of Congo (DRC).

I was alerted to the situation on October 17 by Mike Fitzmaurice, CEO of the Federation of East and Southern African Road Transport Associations (Fesarta), who explained: "Trucks cannot move because of the congestion and the DRC just cannot cope with the volumes of traffic.

"This is largely due to the fact that most of the revenue authorities and other government agencies at the border only arrive at work between 08:00 and 09:00 and stop working by 17:00 to get home; as most of the staff live in Lubumbashi, some 100 km away. As a result, nothing happens before 09:00 and very little can be done in the seven-hour working day."

Fitzmaurice notes that the situation started towards the end of 2017 and has got progressively worse since then. It has become so bad, in fact, that trucks going to the DRC are now queuing all the way back to Chililimbombwe, Zambia, some 20 km away. It is taking four to five days to clear the border and trucks are queuing for up to three days before they even get to the border.

"The border post is now fully congested on both sides and trucks cannot move as there is just no more space to park trucks. There is total chaos at the border: corruption is rife and there is a lot of criminal activity taking place with local touts demanding protection money from drivers.

"If drivers don't cough up, they attack and rob them of everything they can lay their hands on, stone their vehicles and, in some cases, even threaten to burn drivers alive inside their trucks," he says.

This is undeniably shocking and unacceptable. Fitzmaurice forwarded me a WhatsApp message from one of the drivers caught in the chaos: "I was driving that Truck last trip they Attacked me day light around 12:30hr they break tha Window but I did stop because when ever u stop they will attack u for them to take everything from your truck [sic]."

Fitzmaurice is worried that there is no plan by authorities to try and fix the situation, which gets worse each day.

"The situation is now untenable and nobody seems to be able to do anything about it. Governments and authorities are just turning a blind eye, probably because they have some hidden interest in the situation. As we all know, corruption is rife when there is chaos and this is organised chaos without a doubt. The situation is just totally unacceptable and there is little or no policing taking place," he notes.

What hope is there for initiatives like the African Continental Free Trade Agreement, if this is how cross-border trade is conducted, and drivers are treated? Not to mention the continual issues in the SADC region that Fitzmaurice writes about in his column, *Driving Africa*, each month.

No region in the world is perfect, but it seems African leaders do not realise just how great our continent could be if they would just put their own interests aside and work at fixing the basics. What, in fact, is worse is that it seems they don't care. **F**



**ABOVE:** One of the trucks attacked at the border (left). A sea of trucks on the DRC side waiting to be processed for transfer to Whiski Dry Port for final clearance (right).



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Haven't yet seen **FOCUS** on social media? Not to worry, here are some of our most popular posts from the last month.

**FOCUS on Transport**

This year Mitsubishi celebrates 40 years of pickups as it gears up for the official launch of the sixth-generation Triton in Thailand later this year. Have a look at how the brand has evolved over the years here:

**Mitsubishi celebrates 40 years of pickups - Focus on Transport and Logistics**  
 As it gears up for the official award launch of the sixth-generation Triton (set for November) in Thailand, Mitsubishi Motors is also celebrating 40 years of success in...

**FOCUS on Transport**

Hino South Africa has set new records in customer satisfaction - achieving a stellar 99,25-percent overall score in the most recent Scott Byers Comparative Customer Satisfaction Monitor!!!

**Hino is a hit with customers - Focus on Transport and Logistics**  
 Hino South Africa has achieved new heights in the quarterly Scott Byers Comparative Customer Satisfaction Monitor (CSM), achieving a 99.25 percent overall score in...

**FOCUS on Transport and Logistics**

Last month, GWM unveiled the new Steed 7 in China. The latest model has been positioned as premium product with the goal of becoming one of these top pickup brands in the world. #G2019 #Steed #GWM

**Nigeria Kanana Ford ranger with a stellar grille and a mercedes X bumper...well!**

**Washaba @Savisa Wow That is a beautiful pickup!**

**FOCUS on Transport and Logistics**

This is the brand new BMC truck that was launched to the world at the #IAA. It hails from Turkey. What do you think of the styling? We're not mad about it.

**Amos Khoso Headlights appear too small for their auto make. Unless if they are really powerful. The front appears like it will burst into laughter.**

**Phiso Nkhomo Looks like Roman's total roads.**

**Roberto Soares Looks disruptive.**

**FOCUS on Transport**

Today the #FOCUS team used the new @MercedesBenz\_SA #Vito 9-seat Tourer to deliver a van-full of waste paper to Casa do Sol school in Linden. The school will recycle the paper in aid of fundraising.

**FOCUS on Transport and Logistics**

**BREAKING NEWS:** It is taking up to four days for trucks to clear the congested Kasumbalala Border Post in the DRC. Corruption is rife, and crime is high with local hoodlums demanding protection money from drivers. #Corruption #Inefficiency

**Tim Twissley I have always thought that the best way to deal with DRC is to deliver Cargo at Ndaba, Zambia side and leave those Congolese alone. same problem all time with producer people always being threatened and getting hurt. Such a sad honestly.**

**FOCUS on Transport**

The new Opel Combo Cargo has received the International Van of the Year (IVOTY) Award, and will be available to South Africa in March 2019. Fleet managers will appreciate the new "overload alert system" that will help ensure compliance and enhance safety.

**2019 IVOTY COMBO**

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# CELEBRATING 150 YEARS (AND SOME MIGHTY FAST TRUCKS)

**TATA GROUP DIDN'T START OUT AS A VEHICLE-MANUFACTURING COMPANY. HOWEVER, THIS IS PERHAPS WHAT IT'S BEST KNOWN FOR IN SOUTH AFRICA. IT HAS ALSO DONE SOME FANTASTIC THINGS FOR TRUCKING IN ITS NATIVE COUNTRY, INDIA, LEARNS GAVIN MYERS**

**I**ron and steel, hotels, hydroelectric power, locomotives, trucks, cars, aviation, information technology, insurance, chemicals, beverages, and telecoms are just some of the industries the Tata Group has entered into since its inception by Jamsetji Nusserwanji Tata in 1868.

A 29-year-old entrepreneur and philanthropist, whose business savvy was formed working in his father's banking firm, JN Tata laid the foundations for a global conglomerate that today holds more than 100 companies and employs more than 660 000 people.

Since the early days, employee wellbeing and community development have always been part of the way Tata Group operates. For example, Tata employees were among the first – in the world – to benefit from the likes of provident schemes and maternity leave.

Having created numerous trusts and established the Indian Institute of Science during 1911, 66 percent of the company's shares are today held by Tata Sons, a charitable trust and the holding company of the group.

The Indian trucking industry, too, has benefited from the Group's community involvement. When it was realised that "old school" trucking was no longer meeting customer expectations, and that younger generations didn't see entering the industry as a respectable career choice, the Prima T1 Racing Series was established to celebrate the drivers and promote trucking in India.

The Prima has proved to be the natural fit for use in the racing series. When it was launched, it marked the arrival of a completely modern truck that met the best global standards.

Based on Tata's "world truck", the Prima racing trucks has enabled Tata Motors to connect to its national and international customers. The trucks are adorned in all manner of global sponsorship livery. Those lucky enough might have even seen the One World Racing vehicle lapping the Kyalami Grand Prix Circuit at the South African Festival of Motoring during September.

It will be in South Africa for a while longer, before heading back to India – once again, doing its part to raise the profile of the trucking industry on Tata Group's home soil. **F**

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# A DIFFERENT TATA

**TATA MOTORS CELEBRATED ITS 21ST ANNIVERSARY IN SOUTH AFRICA THIS YEAR AND, IN THAT TIME, THE BRAND HAS GROWN AND EVOLVED TO OFFER A VEHICLE SOLUTION FOR EVERY CUSTOMER'S NEEDS. GAVIN MYERS FINDS OUT WHAT'S NEXT FOR THE BRAND**

**W**hen Tata Motors started operations in South Africa with Tata Automobile Corporation South Africa during 1997, it offered customers just a couple of models. However, the brand carefully established its operations and steadily increased its rate of business.

"It was a modest start, but from 2004 the company began to expand its range of products. There was massive expansion up to 2008," comments Sreenath Punathil, general manager, sales and marketing, Tata Automobile Corporation South Africa, adding that the 2008 global recession didn't hold the company back.

During this time, it reengineered its products and made some key introductions to keep volumes up, launching the EX2 range between 2009 and 2011. The company has expanded so much since those early years that it now ranks among the leading original equipment manufacturers (OEMs) operating in the South African market.

During the recession, the company designed new-generation platforms and began to prepare to introduce the Prima and Ultra. It also used the opportunity to begin manufacturing locally; opening the semi-knocked down plant in Roslyn, Pretoria, which was also symbolic of its commitment to the local market.

Today, the Roslyn plant caters to more than 80 percent of the total volume of trucks and buses sold by Tata in the Southern African Customs Union. It now produces ten different vehicle ranges; from four- to 75-t gross combination mass.

"Tata strongly believes that different customers have different needs – some want the lowest costs, others want finesse and style. We need to understand these needs and cater to all of them. However, every vehicle we sell is built on the foundation of low cost of ownership," Punathil says.

This approach has been no more apparent than with the most recent addition to Tata showrooms; the Ultra, which was revealed at the 2017 Futuroad expo. In fact, the Ultra story goes back to 2011. Since then, many prototypes have been put through development to get the product just right for South African consumers.

"After being unveiled at Futuroad, the Ultra was put into a seeding phase of controlled sales. This was done because we needed to gather customer feedback, which we download on a daily basis though our central office to see how they are performing," explains Vivek Acharya, senior manager, sales and marketing, trucks and buses.

So far the feedback has indicated that the South Africanised Ultra (it may look similar to the models in other markets, but underneath it's very different) is delivering on its four pillars of style, comfort, safety and performance – all while delivering the ultimate goal of low cost of ownership.

An altogether new range with vehicles available in the 4,5-t category, the Ultra offers three- and five-litre common-rail diesel engines that generate 104 and 134 kW, respectively, driving through a six-speed gearbox. Among its key features, the Ultra boasts full air brakes; a 2,2-m wide, walk-through cabin; mechanical suspended seats; dash-mounted gear shift; tilt and telescopically adjustable steering (power assisted); standard air-conditioning and radio; a hydraulically tiltable cab; and a panoramic-view windscreen that makes driving easier.



Tata is adamant that it will not launch any product without thorough local testing – and the Ultra range has already been expanded with the 1014 model that is designed specifically for customers who need to move high-volume cargo.

While the 500-mm extra length and 200-mm extra width (it has the widest track in the segment) of the standard Ultra returns 13-percent more capacity volume while still offering nimble manoeuvrability (validated by those customers who tested the vehicles over the past year), the 1014 model offers an extended wheelbase and longer load body, which allows for even more volume. The standard extra-length, micro-alloyed chassis also means that no aftermarket chassis extension by the customer is required.

The 1014 boasts a six-tonne payload, making it ideal for customers for whom an eight-tonne truck might be “overkill”.

While we can expect to see the Ultra range grow further in time (as well as a few other key vehicles in the Tata range, but more on those another time), Harneet Luther, executive director, Tata Automobile Corporation, reiterates that the strategy of Tata Motors remains clear: to address all customer needs and all segments of the market – all while enhancing uptime.

“It’s all about uptime” is the basic theme the organisation is working towards by creating infrastructure to support

customers. For this we are ensuring we have a well-entrenched and prompt after-sales support for each customer through intensive parts and service reach,” says Luther.

“Tata’s vision is of customer centricity. We have been present in this country for more than 20 years and we understand the South African market as well as those of neighbouring countries. We have close to 91 touch points across South Africa, Namibia, Botswana and Swaziland. In addition to this, through our sister companies, we have outlets in Mozambique, Zambia, Malawi, Zimbabwe, Tanzania, Kenya, Uganda, Nigeria, Ivory Coast, Ghana and Senegal – and thus long-haul trucks can be serviced at any of these outlets.”

Luther adds that the parts stockholding is extensive and the company has a first-pick rate of 92 percent.

Enhancing uptime are the standard two-year/120 000-km service plan and enhanced service intervals of 20 000 km (minor) and 40 000 km (major) on the Ultra, as well as the extended five-year/500 000-km warranty on the LPT 813 and 1518 four- and eight-tonne models.

Indeed, it would seem that Tata Motors is as ready as it’s ever been for any challenge the market can throw at it. There’s little doubt that customers can expect to experience a different Tata going forward. **F**



READ OUR IN-DEPTH REPORT  
ON THE ULTRA





**MIKE FITZMAURICE** is the CEO of the Federation of East and Southern Africa Road Transport Associations (Fesarta). He has 42 years of experience in the transport and logistics industry with several major companies in South Africa, as well as overseas exposure with some of the leading transport companies in six European countries. Since 2004 he has established and run Transport Logistics Consultants. In May 2015 he became CEO of Fesarta.

## WANDERINGS IN THE DESERT

### SOUTH AFRICA'S CURRENT REGULATORY WOES ARE, IN FACT, NOTHING NEW

**T**he road-transport regulatory system evolved from the National Transport Policy Study (NTPS) in 1987, which recommended deregulated road freight, but left ports and railways (and the airline) as state owned enterprises (SOEs).

The SOEs are "self-regulated", within the Department of Public Enterprises, which has also lacked technical appreciation of the role of transport and the principles of effective management in the commercial world.

Apart from the obvious restrictions to business caused by parastatal inefficiencies and mismanagement, nowhere in the current dispensation is there a more obvious lack of competence than in the arena of road-transport regulation and enforcement, with the plethora of unworkable and impractical regulations as evidence of total misunderstanding of the role of a regulator.

There are ten regulations currently in limbo, or stalled for practicality of implementation, as well as the many recommendations from the National Transport Master Plan (NTPS), the National Freight Logistics Strategy and the Road Freight Strategy (approved by Cabinet in 2017).

Meanwhile, the costs of our shocking national road-safety situation and the externalities and inefficiencies caused by bureaucracy are a huge drain on the economy.

The Organisation for Economic Cooperation and Development defines eight principles of "good regulation" and, when viewed against these, the current South African road-freight and passenger-transport policies and regulations in many instances show clear evidence of practical misunderstanding of the "unintended consequences" of the legislation.

The transition from provincial to national road-freight regulation in the 1980s included many inefficiencies, such as ineffective coordination between different levels of government and, at the national

transport operations in many areas.

The failure to design workable road-transport regulation has been primarily due to the bureaucratic processes by which legislation has been developed, and the lack of coordinated input from the transport industry.

The problem and its solutions are identified and addressed in the Road Freight Strategy, which says: "It is recommended that the government should take the initiative to establish formal effective, active and continual liaison with the industrial users and service providers in the road-freight sector."



level, a lack of understanding of the principles, or competence, in the development of transport regulation.

The result has been failure to achieve the Road Transport Quality System (RTQS), which was originally proposed by NTPS, and severe problems with the quality of road-

"In the current situation, the governmental decision processes are based on the premise that the official pronouncements will result in change, whereas the reality is that the commercial world makes its own decisions, based on the policy pronouncements from the government.

"In the current South African situation, it is critical that the private-sector decision-makers are given reason to support official policies, and for that reason they must be party to the decision-making process.

"An effective communication structure will prevent some of the impractical proposals for interventions and ensure that planning is based on the realities of the commercial undertakings.

"The range of negative perceptions is fuelled by stalled, recently proposed legislation, issues such as cross-border permit charges, perceived failures to

manage parastatals, and the continual realities of bribery and corruption.

"The current process – of limiting consultation and coordination to departments, provinces, parastatals, agencies and quasi-official structures – insulates the entire process from the commercial and industrial sectors, which are the recipients and payers for all the results of the governmental decision-making.

"It further fosters litigation. Recommendations for a consultative structure were made in the National Freight Logistics Strategy (NFLS) 2016."

No further action has been initiated to implement the NFLS, but it is still being discussed and promoted, so there is still hope for change.

It is to be hoped that the next restructuring of transport in South Africa will result in a framework that provides for logical integration of modes under one authority, scope for private-sector investment in all modes, revision of regulatory and enforcement systems, and reorganisation of the Department of Transport into a lean, focused, and professionally competent entity. **F**



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

## HOPPING OFF

# HERE'S YOUR CHANCE, GAUTRAIN!

## HERE'S AN IDEA FOR A PROSPECTIVE DOCTORAL THESIS

**T**he latest twist in the saga at the Passenger Rail Agency of South Africa (Prasa) is that during the most recent 12-month financial period, annual passenger levels have fallen from 448 to 370 million (my guess is that it will now be even lower at 340 million), while the subsidy is now over R5 billion.

This means that every day since 2016, 320 more people have switched from electrically powered (rail) to fossil-fuel-powered transport.

It gets worse if we go back to 1982,

when the railway carried 707-million passengers. Since then 500 000 people, who could be travelling by rail (supposedly a national objective), are now travelling in oil-burning minibus taxis and cars.

The implosion at Prasa makes a mockery of the planning profession in South Africa. Documents which should be thrown in the dustbin include:

(a) The integrated public transport plans, which for decades have routinely assumed that the number of people using rail transport will continue to grow at one percent a year;

(b) The financial plans that fail to measure the consequences for

workers, who now have to pay higher taxi fares, or buy cars; and

(c) The energy plan, which fails to quantify the extra energy that will be required when rail transport collapses.

Is anyone measuring the hammer blow to our balance of payments, since a lot of money goes out of the country to pay for imported fuel, rubber and spares? Are we really serious about becoming a fossil-fuel-free South Africa? I don't think so.

Fortunately, at least two people are on the case. The first is DA spokesman Manny de Freitas, who "will be asking the minister questions about what he plans to do".

Second, is the interim chairperson of Prasa, Khanyisile Kweyama, **>**

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## HOPPING OFF

who plans to focus on training new drivers, appointing qualified executives (whatever that may mean) and improving passenger safety on trains. She hopes that the new coaches (now being built) will reduce overcrowding and thereby reduce crime.

While I have some (temporary) sympathy for Kweyama, who is new to the job, the DA representatives on various councils, portfolio committees and in parliament have sat in a collective coma for decades

see whether they might be willing to take 40 percent of your problems off your hands!

My advice to the DA would be – start working for your salaries. Get your coalition councils to start running bus services between Johannesburg and Tshwane. Ask your sleepy members of the provincial transport portfolio committee to find out from the province what happened to the 25-year integrated transport plan for Gauteng.



now, and it needs to take a lot of the blame for the current mess. If any political party wants to govern the country one day, at least it should have some ideas of its own.

But wait, here comes the cavalry – in the form of the Gautrain, whose promoters have made a science of reinforcing their bases in legal concrete. The latest of the many Acts of Parliament giving legitimacy to this questionable scheme, is known as the Gautrain Management Agency (GMA) Amendment Act, no 2 of 2017.

Section 1(f) gives the GMA powers to undertake any "project for the planning, design, construction, financing, operation and maintenance of any ... rail transit system in the province".

Since Gauteng makes up about 40 percent of Prasa's national operations, my advice to Kweyama would be to go over and have a chat with the people at the Gautrain, and

Some short-term suggestions for the government – flood the stations with police and soldiers. Offer far more substantial rewards for cable theft and arson convictions. Put all the subsidised public-transport operators under one authority. Pay 50 percent of that board's fees in the form of transport vouchers. (Ms Kweyama, that's a quick way to sift out "qualified" people.)

I'd like to hear from our dozy business schools and universities why every loss-making public transport company needs its own board of directors. Here's a long-winded topic for a prospective doctoral thesis in Business Administration:

*How we managed to mix oil and water – by allowing a company (Gautrain) that loses R90 on each customer, to take over a business in the same industry (Prasa) that loses R13 on each customer.*

Any offers from academics to promote that thesis? **F**



@EconometrixZA

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# OF GDP AND THE STIMULUS PACKAGE. OH, AND THE RAND

## THE PICTURE IS LOOKING PRETTY BLEAK

**D**espite Christmas being around the corner, I am sure that October crept up suddenly for many a consumer. Economists and other industry analysts, or really anyone who owns a vehicle, would have noticed a hole burning through their wallets as October progressed.

With the tumult of everything currently happening in the South African economy, my thoughts were to break down the events of the last few weeks and months and draw out the risks going into 2019.

Before looking at the events around October, it would be critical to first look at the state of the economy...

Gross domestic product (GDP) figures were released in September and came as a massive shock as South Africa entered a technical recession with a second consecutive quarter of contraction.

Markets were surprised by this, although it was always going to be inevitable that agriculture would drag down the overall number – following the drought, the double-digit growth seen throughout 2017 was never going to be sustained.

Second, with Easter falling in April once again this year, there is reason to believe that the way statistics account for holidays may have distorted the number. Ultimately, numbers aside, the picture remains the same. Domestic output remains too weak to significantly lift growth.

October, then, brought about

the wave of announcements in the economy. The first was that of the record increase in the fuel price. While it was not unexpected, given the performance of the rand and the climbing oil price, it could not have come at a worse time as President Ramaphosa was gearing up for his Jobs Summit.

A stimulus package had already been announced by the president the previous month, so the fuel price increase would have placed tremendous strain on the goals of both.

Placing the events of October into context for the transport industry, the continued fall of the rand and rise of the fuel price landed a double blow. For one, the increase in running costs on both fuel and components was exacerbated by the rise in the cost of imported components. For vehicles requiring more frequent maintenance, the cost cycle suddenly increased significantly.

There is also a dark cloud lurking over the horizon... While the South African Reserve Bank (SARB) refrained from raising rates in September, the direction of monetary policy of the United States of America, and the expected tightening of European rates, will inevitably force the SARB to hike rates, either sooner than previously expected, or more frequently.

The overall impact on the freight industry is that profit margins will be squeezed, and finance may become more difficult to come by in the next three years. **F**



For vehicles requiring more frequent maintenance, the cost cycle suddenly increased significantly.



 @NLawGlobal

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# MOVING FREIGHT FROM ROAD TO RAIL CONTINUED

## WE CONTINUE OUR DISCUSSION ON CREATING DEDICATED HUBS FOR MOVING FREIGHT FROM ROAD TO RAIL

**U**nder the right circumstances, rail transport has the potential to be a cost-effective freight transport option. It could assist in making the economy more efficient, provide access for freight and passenger movements, and be an environmentally sustainable transport solution.

However, as Transnet Freight Rail has observed, rail transport has its limitations. The main disadvantage is its limited flexibility in terms of destinations located off main freight and passenger movement corridors – especially non-corridor movements in rural and metropolitan areas.

As discussed in the last issue, hubs dedicated to moving freight from road to rail (R2R) are a possible solution. These hubs would serve as collection points for bulk and break-bulk cargo, serving both import and export functions. Their focus should be collection and distribution of rail-friendly and competitive freight, including bulk and large break-bulk commodity-based freight.

In the last issue, we discussed the location and infrastructure as the first two factors that must be considered to make the hubs effective. Here are three further factors to consider:

### OPERATOR

- Would the rail operator itself operate each R2R Hub or create a separate R2R Hub operator?
- Would this operator build and



operate the hub, or simply operate it?

- There are a number of options requiring careful consideration given the number of hubs required, and their ability to generate independent revenue so as not to increase the costs of moving goods from road to rail.
- There may be advantages to having a neutral body develop and operate the hubs, but we would caution against over complicating the model.
- The operator would need to manage not just the logistics relevant to the receipt, storage and despatch of the goods, but also the shunting and other operations relevant to rail.

### BENEFICIATION

- R2R Hubs have the potential to allow for product beneficiation opportunities, which is an ongoing policy imperative in commodity-rich countries such as South Africa.
- The opportunities for the beneficiation of the goods is not limited to the goods themselves –

there may be options associated with services related to the movement, sorting, packaging or storage of those goods.

- When developing the R2R Hubs, beneficiation ought to be considered and provided for.

### WORKFORCE

- Most studies of intermodal connectivity point out the importance of locating hubs in areas where there is a suitable, stable workforce with the appropriate skills.
- While basic skills would no doubt be available locally, specialist skills may initially need to be imported, and such a skilled workforce adequately accommodated.
- In creating this accommodation, we would recommend that an attractive satellite residential area be created rather than the workforce being settled within the hub.

Rail transport, properly implemented, has many advantages. We need to find creative ways to make it work. **F**



**VIC OLIVER** is one of this country's most respected commercial vehicle industry authorities, and 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](http://www.focusontransport.co.za) and have your say!

# COUPLING OLD TRAILERS TO NEW TRUCK TRACTORS

## THERE ARE MANY ITEMS TO CHECK ON OLDER TRAILERS TO ENSURE THAT THEY ARE IN A ROADWORTHY CONDITION AND WILL NOT DAMAGE A NEW TRUCK OR TRUCK TRACTOR

I was prompted to write this article following a recent call from an accredited used-truck dealer, who had sold a used 6x4 truck tractor to a customer. Two weeks after taking delivery of the vehicle, the customer contacted the dealer complaining that the truck that he had bought – with a warranty – had developed a brake shudder on the front brakes. He demanded that the vehicle be repaired by the selling dealer.

The used-truck dealer immediately dispatched one of his technicians to go and investigate the problem and found that the trailer brakes were not working. The dealer called me, wanting to know if this could be the cause of the brake shudder on the front brakes of the truck tractor.

In my opinion the trailer brakes not working would have resulted in the truck tractor doing all the braking – and the cause of the problem.

It is important that an old trailer is not coupled to a new or reconditioned truck tractor before checking that the trailer, itself, is in a roadworthy condition, and that all safety-critical items and components are thoroughly checked:

- Brakes need to be checked to ensure that they are working, in a good condition and in harmony with the truck's braking system.
- Brake linings and brake drums must

be carefully checked.

- The slack adjusters on the trailer need to be the same as the slack adjusters on the truck. (Don't mix automatic slack adjusters with manual ones.)
- The trailer load-sensing valve needs to be checked to ensure that it is in good working order and that the connecting linkage is properly secured.
- Brake boosters must be the same on all axles of the trailer and correctly fitted and adjusted.

will very quickly damage a new and expensive fifth wheel, which will have to be replaced.

- Faulty trailer wheel alignment affects the rolling resistance of the rig, which, in turn, increases fuel consumption, and therefore the operating costs of the unit.
- Poor electrical couplings, fittings and wiring can lead to serious damage on the truck tractor, especially on the modern trucks that are fitted with advanced electronics.
- Trailer landing gear must be checked



- All moving parts in the brake system need to be well lubricated and in good condition.

Other components on the trailer that must be checked are the trailer kingpin, rubbing plate, wheel alignment, electrics and landing gear.

- The trailer kingpin must be checked for wear and replaced if worn.
- If the semi-trailer rubbing plate is scored, buckled or badly worn it

to ensure that it is in proper working order and that all the securing bolts are fitted and properly tightened.

In conclusion, always check that there is sufficient swing clearance behind the cab to allow the trailer to swing without hitting the cab. Also check that the fifth wheel is in the correct position to ensure that the mass distribution of the rig is correct and that none of the axles on the rig are overloaded or underloaded. **F**



# FACE TO FACE WITH RAIMO LEHTIÖ

**EACH MONTH, WE CHAT TO ONE OF THE CAPTAINS OF INDUSTRY ABOUT PRESSING ISSUES. THIS MONTH, CHARLEEN CLARKE GOES FACE TO FACE WITH RAIMO LEHTIÖ, MD OF SCANIA SOUTH AFRICA**

**P**

lease provide our readers with some background about your career – you have worked all over the world ... Finland, Russia, the Far East, Estonia, Latvia and Lithuania to name but a few. What roles have you held and what were your greatest achievements during these times?

I started working in Norway, at the age of 19. I was responsible for the plumbing team at a paper mill. Then I joined ABB and spent 20 years with the company. I went through some interesting times; at one stage I was

responsible for a market bigger than South Africa. I was travelling 170 days a year and I was also studying for my MBA!

During my time with ABB, I spent time in all the Nordic countries and also in Russia and Libya. The latter was especially interesting, because it was my first time in an Arab country.

Then, 17 years ago, I joined Scania, starting as the MD in Finland. I ran the Finnish company for three years and then I took over the Russian company. I was there for four years. So, in total (taking into account my five years with ABB in



Russia), I spent nine years working in Russia. It was enough hardship (lots of laughter). It was really tough when I arrived there the second time around – but we enjoyed massive growth.

When I joined Scania Russia, we sold 1 400 vehicles a year. By the time I left, we were selling 5 800 vehicles. Then I was appointed regional director for the Eastern Europe and Northern Asian region. I was also sitting on the boards of Scania China, Korea, Hong Kong, Taiwan, Russia, Ukraine and Kazakhstan.

That was one of the most interesting times in my career, because I was still MD in Russia. It was a really busy time; it involved a lot of hours, a lot of travelling and a lot of positive stress.

#### **Was that the most challenging time in your career?**

It certainly was. It was incredibly challenging to be both MD of Russia and regional director.

I did both jobs for one year and four months. I need to say a big thanks to my wife. Incredibly, we are still married! (Lots of laughter.)

When I moved to Russia I could not take my family with me because my boys were going to university ... so I had to make some big sacrifices. I also had to learn how to prioritise. I could not have done this without the support of my wife. When you have a job as demanding as mine, you really rely on team playing within the family environment...

I have been extremely lucky to have a wife who supported me while working on her own career at the same time. She is a dentist and a very successful one at that; I am very proud of her.

#### **You experienced various different cultures during this time. That must have been interesting?**

It certainly was. I learnt about the Arab world in Libya. While there I came to realise the importance of Arab people leading companies. Even a foreign company needs to be led by an Arab. That is very important in their culture.

I also learnt about the Russian way of doing business (luckily, I was moderately fluent in Russian at the time); they are very direct. I also learnt about doing business in Asia, where it is very important not to lose face.

Each country is unique. In South Africa, for instance, it is quite informal. People are frank, informal and very nice.

#### **When the opportunity arose for you to come to South Africa, were you keen, and, if so, why?**

South Africa was always a dream for me. I knew the South African nature. I like the bush and I am a huge fan of motorcycles (I have three BMW off-road bikes and one Harley). I knew that I would be able to ride here!

In Russia, I did 30 000 km on my bikes and I have used them a great deal in South Africa, too; I have been on two long road trips, mainly off-road. I have also been to Lesotho and visited the Golden Gate National Park.

The best thing, however, is that my wife has now retired, and she is living in South Africa with me! I'm really happy about that.

#### **What were your main business goals/objectives for your time as MD of Scania South Africa? Do you feel that you have achieved these thus far?**

I came to South Africa at a time when little growth was expected – so I came here to consolidate the business (after some years of extremely fast growth). I turned my attention to improving all aspects of the business.

Just one was in the area of used trucks. We had more than 800 used vehicles in stock when I arrived; we now have 250. I focused on growth within the services aspect of our business and I am delighted to report that this division has grown by 15 to 20 percent each year during my time here!

Furthermore, we had too many demo trucks and there was insufficient control of these vehicles. I am pleased to

report that our balance sheet is much cleaner now and we are more profitable.

**But you're not only focusing on profitability, right?**

Definitely not. My goal is also on higher customer satisfaction; this is far more important than market share. My focus has been on building the brand rather than getting rubber on the road.

I focus on the market share of souls. We want to offer the customer the right vehicle, with the best fuel consumption and the right carrying capacity. Some of our competitors sell the rubber that they have in the yard, without considering exactly what the customer actually needs. That is not how we do business.

**I believe that you have also concentrated on growing other parts of the business (as opposed to just focusing on new-vehicle sales). Is this correct?**

Yes. We have been concentrating on used trucks and I can happily report that we sold 1 700 used vehicles last year. We have been focusing on developing Scania Finance, and we are now financing two thirds of new-vehicle sales and 40 percent of used sales (versus 20 percent in the past).

Growing the market share in services is very important. This business is not just about new vehicle sales. It is about offering a total package and making our customers more profitable.

**Harking back to your days in Siberia, I have noticed that you are also growing your dealer network here in South Africa. Please tell us more.**

We have opened a dealership (that we own) in Port Elizabeth. There was a private dealer in Port Elizabeth previously, which was not professional enough.

We have also opened a new dealership (which we also own) in Walvis Bay. In Windhoek, we have invested in a panel, paint and accident-repair facility, which is unique within our industry. Previously the vehicles were actually towed to South Africa for repairs.

We are now opening a dealership in Musina (we have a strong BEE partner there). We have also opened a new dealership in Nelspruit and one in Maputo.

We are not only growing our network, however; we are making better use of current facilities. For instance, since the beginning of this year, we have offered extended servicing hours at our biggest dealerships (from 07:30 to 22:00).

At our Harrismith dealership, servicing is offered until 23:00. It is also possible to pre-schedule a service later than that (even 02:00 is no problem). I am confident that our service network is ready for the growth that will come.

**You mention Maputo. How are you performing in Mozambique and other export markets?**

Well, I am responsible for seven countries: South Africa, Namibia, Botswana, Mozambique, Zimbabwe, Zambia and Malawi. We are the market leader in Namibia, Botswana and Mozambique. Our success in Mozambique is quite extraordinary because we only started the company there three years ago! Recently, we delivered 50 new vehicles to Grindrod in Mozambique, which was a real coup.

**Based on your experience, how do South African transport operators compare to Scania customers elsewhere in the world?**

There are many professional transport operators in South Africa. Normally, outside of Europe, only about a quarter of the transport operators are truly professional. This statistic does not apply to South Africa. This is a mature market, where at least 40 percent of the operators are really professional.

It's very nice to work with them. South African customers are open and honest – much more so than in any other markets. Here, if you are open, we can work together as partners quite fast. This takes far longer in other markets.

**Connectivity is a big thing in the Scania world. Is it a big deal here in South Africa too?**

Absolutely. We have thousands of connected vehicles. This has allowed us to offer flexible maintenance plans. If an operator has good drivers, service intervals can be extended as a result.

**You have previously spoken about sustainability, which is one of Scania's main global focus areas. What does sustainability mean for Scania South Africa and for local operators?**

I believe that there is potential for us to sell gas- and



biodiesel-powered vehicles. Ethanol is not really of interest in this market. In the short term, electric vehicles are not of interest although hybrids may work. Long term, electric vehicles will be a must.

**I am glad to hear this, because I have been writing a lot about electric trucks lately. When do you think South African operators will be ready for electric trucks?**

That depends on costs. According to a Scania study, biofuels are an appropriate bridge technology in the transition to a fossil-free commercial-transport system. We believe that electric vehicles should become popular by 2031, when the average total cost of ownership for electric vehicles in all segments should be level with diesel.

**Your company has a strong record of success. Six years ago, you had a seven- or eight-percent share of the extra-heavy market. By 2017, you had a 16-percent share – and a 22,5-percent share of the bus market. What is the current market situation? What were your market-share aspirations for 2018? Are you on track to achieving them?**

The first thing that I must stress is that we look at market share differently. We also take into account the market share of services. That's more important than market share of units, but we will take more market share at the end of this year.

We had a tough start to the year. We had volume restrictions due to a lack of stock. We could easily have sold hundreds more vehicles. Despite this, we will maintain our 16-percent share of the extra-heavy truck market.

When it comes to buses, we are keeping our share. We are number two in this segment, and in many export markets we are number one. We are doing very well in



front-engine sales to rural areas, but our Touring is also taking off (we will sell 30-percent more than last year and we are expecting further growth of another 30 percent next year).

We will end up with around the same share of the bus market – about 22,5 percent. Importantly, there will be a sustainable balance between volume and market share.

**Studying the Naamsa statistics, at face value it may seem as though Scania South Africa is losing market share to Volvo. Is this a fact? If so, is there a particular reason for this that the market may not be aware of?**

Definitely not. Other manufacturers may be losing market share to Volvo, but we are not.

**South Africa is officially in a recession. How are you reacting to this?**

We are cementing our relationships with existing customers and developing new relationships with others. We are especially excited about the relationships we have formed with smaller black-owned companies with whom we are working.

We are focusing on the positive aspects of the business – driver training, for instance, which benefits our customers. We are also doing more training internally, so that we can deliver even better service.

**Some of the European truck manufacturers are battling to meet demand. Is this the case with Scania?**

Yes, we battled with stock in quarter four last year and quarter one this year. Hopefully this is now a thing of the past.

**Has Scania South Africa been affected by the strike at one of its main casting suppliers, which caused massive delays in V8 production?**

No, fortunately not. That only affected Europe. The shortage only pertained to Euro-6 engines, which is why we were not impacted. We could source as many Euro-3 V8s as we needed.

**There is talk of a new Scania truck range to be launched in South Africa very soon. Is this the case? If so, do you have further details that you can share around the expected date of arrival?**

I can only mention that Latin America (from where we get our kits) is moving its production to the new range. We will get the new truck in 2019 or 2020; we don't know yet. We are not in a hurry – because we have a really good vehicle presently.

**Finally, you've been here since mid-2016. How much longer will you stay in South Africa?**

Well that is hard to say. According to my contract I should retire next year, but you never know! I have had a busy and enjoyable two years. I hope that I can stay here for a couple more years.

Of course, the economy is not good, but we are doing well, and we have great people in the company, and so I am very pleased with the current situation. **F**

# WHEN BIGGER REALLY IS BETTER



**THE EXTRA-HEAVY COMMERCIAL VEHICLE (EHCV) SEGMENT IS THE BACKBONE OF THE SOUTH AFRICAN TRUCKING INDUSTRY. GARETH GREATHEAD EXPLORES THE DYNAMICS OF THE SEGMENT**

**A**ccording to the latest results released by the National Association of Automobile Manufacturers of South Africa (Naamsa), Associated Motor Holdings (AMH) and Amalgamated Automobile Distributors (AAD), by the end of September this year a total of 19 939 new trucks and buses had been retailed.

Despite tough economic conditions, the overall sales in the South African commercial vehicle market increased by 2,3 percent year-on-year at the end of the third quarter in September. Unfortunately, not all sectors have experienced equal growth with some doing better than others.

Sales in the medium commercial vehicle segment were down by 2,3 percent by the end of the third quarter with a year-to-date total of 5 730 units.

Heavy commercial vehicle sales were up 1,7 percent year-on-year to 4 039 units, while the EHCV segment increased by 5,9 percent to 9 391 new vehicles sold. Bus sales declined to 779 units, a 1,9-percent decline.

As such, the positive results can be attributed, at least partially, to strong sales of EHCVs, which continue to defy market trends and a sluggish economy.

## WHY EXTRA HEAVIES?

Whether it's the transport of mining commodities from the mines to export harbours, fast-moving consumer goods from harbours to re-distribution hubs, or passenger cars from assembly plants to retail dealerships – the vast distances between South Africa's collection and distribution points creates a demand for long-haul transport solutions.

Dave van Graan, head of special projects at MAN Automotive, says: "The EHCV sector is what the industry refers to as the 'premier league' of commercial vehicles. It is also an extremely demanding sector to satisfy, as operators continuously seek to improve and professionalise themselves to offer a better and more efficient solution.

"To stay on top of the megatrends of future transport solutions requires massive investment by the original equipment manufacturer (OEM) in product development.

"Two thirds of the EHCV segment is made up of long-haul truck tractors – mainly 6x4 prime movers. As the saying goes – without (long-haul) trucks, South Africa stops."

## LOCAL ASSEMBLY AND EXPORT

Through its Automotive Investment Scheme (AIS), the government aims to promote investment, boost production and stimulate economic development. Part of this initiative included establishing favourable trade agreements with neighbouring countries in an effort to provide a larger market for manufacturers.

In September, South Africa exported a record number of vehicles into sub-Saharan Africa. At the same time, year-on-year exports of commercial vehicles went up by one percent, or 565 units. Surprisingly, cross-border sales of EHCVs decreased by 23 percent (321 units).

Anders Friberg, general manager of truck sales and exports at Scania South Africa, says: "It has been a rather challenging year when it comes to the export of EHCVs. There are many different reasons contributing to

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these challenges; one would be based around politics and the lack of hard currencies. However, Scania South Africa does see potential for resolution and subsequent growth in our export markets. Today, approximately 20 percent of our total sales go to export."

In July 2014, FAW provided the first large-scale investment by a Chinese company in the Coega Industrial Development Zone, in the Eastern Cape. Total FAW exports reached 159 units in 2016, which rose to 212 units in 2017, establishing FAW as the second-largest exporter of commercial vehicles in South Africa.

"This is further testament to the brand's promise to build quality vehicles in South Africa for Africa. Customer demand for locally built FAW trucks has increased exponentially in the last three years, primarily due to their quality and speed to market. As such, the brand set a new total sales record in 2017, despite the tough economic environment," says FAW South Africa.



Unfortunately, the market is too small to justify the existence of almost 20 OEMs. Some players will probably be forced to seek other greener pastures.

"Friberg says: To date the construction segment has dropped by as much as 30 percent in comparison with last year. We can also see that other lower-price OEMs have entered this segment that has previously been dominated by one brand for a long time."

Looking at the broader market, Ernie Trautmann, vice president of Hino South Africa, says: "Although there was a lot of positive sentiment at the beginning of 2018, specifically owing to the election of President Cyril Ramaphosa, the new-truck market had a disappointing performance in the first six months of the year.

"In the normal cycle, the second half of the year is usually better than the first, and if this happens we'll see a market result similar to last year."

Friberg also makes mention of the economic optimism that prevailed at the start of the year. "In addition, a large number of customers were in a replacement cycle that helped the EHCV sector to steadily grow. I do think



**MARKET TRENDS**

Gert Swanepoel, MD of UD Trucks Southern Africa, says: "The long-haul segment remains stable, supported by the slight growth in demand for transport on the back of increased trade figures. However, a decline in the mining, agricultural and manufacturing industries are still stifling sales in this segment.

"More specifically, sales to operators in the distribution industry, including long-haul, are driving growth. The distribution segment, which includes waste, remained strong as new vehicles were acquired to satisfy tenders, while the demand for construction vehicles has declined slightly."



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that there is likely to be a gradual slowdown in this segment as we near the end of the year.

"Looking forward, our analysis is that the total market for EHCVs could possibly drop by up to five percent in the coming year with a recovery to 2018 levels occurring in 2020. From 2021 and onwards, a growth of two to three percent per year is estimated," he says.

Van Graan says: "MAN Automotive South Africa will sell around 2 500 commercial vehicles in 2018. Of these, 1 800 will be from our extra-heavy truck stable. At present, we forecast a market similar to 2017.

"Unfortunately, the market is too small to justify the sustainable existence of almost 20 OEMs. We predict that some players will probably be forced to seek other greener pastures..."



The long-haul segment remains stable, supported by the slight growth in demand for transport on the back of increased trade figures. More specifically, sales to operators in the distribution industry, including long-haul, are driving growth.

## CAPTURING THE MARKET

While EHCV customer numbers are down, they certainly aren't out. Friberg says: "With the release of the new Mining Charter this segment has slowed down for the whole industry, not only for EHCVs. We still see big potential for the future of mining."

Scania has created a unique support structure for the mining and construction sectors. "We have welcomed a dedicated group of expert staff that can educate not only our sales teams, but also the customer on how to achieve the best 'Total Operation Economy'," says Friberg.

Van Graan explains that the extra-heavy, long-haul segment remains MAN's primary target market.

"MAN understands the trend for operators to sweat assets, and that penetration of this market requires a solid long-term value proposition."

While sales of passenger motor vehicles continues to decline, growth in the sale of commercial vehicles proves the existence of a resilient industry willing to do what it takes to maintain and grow sales. **F**

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# IAA 2018: DRIVING TOMORROW!

**MUCH IS ALWAYS EXPECTED OF THE IAA AND, ONCE AGAIN, THIS YEAR'S EVENT DID NOT FAIL TO DELIVER. CHARLEEN CLARKE DASHED FROM HALL TO HALL DURING THIS FEAST OF COMMERCIAL VEHICLES AND RELATED TECHNOLOGY. THESE ARE JUST SOME OF THE EXHIBITS THAT CAUGHT HER EYE**

**T**he numbers at the IAA – which takes place in Hannover, Germany, at the end of September every second year – are always simply staggering. Two years ago, for instance, a whopping 332 world premieres took place. That paled into insignificance this year though – because visitors were treated to no fewer than 435 world premieres from the 2 174 exhibitors, who occupied 282 000 m<sup>2</sup> of exhibition space.

Despite sweltering heatwaves, storms and rain (the weather really was crazy this year) around 250 000 people trudged through the halls. There was certainly a lot for them to see and buy (one logistics company bought 2 500 trucks from three manufacturers during the show; another purchased 1 000 trailers).

However, as Bernhard Mattes, president of the German Association of the Automotive Industry (VDA), noted in the final conference, there were a number of broad themes to the stands this year: electric mobility, digitisation, connectivity, automated driving and urban logistics.

It was interesting to see that e-mobility was not the exclusive terrain of commercial-vehicle manufacturers only. "It is especially noteworthy that at many stands clever electric cargo bikes have been on display for the first time, which provide a new answer to the question of the last mile. They are flexible, fast and environmentally friendly. So, the range of applications for commercial vehicles with electric propulsion is expanding all the time," Mattes pointed out.

Digitisation came to the fore everywhere – at the stands of truck and bus manufacturers, trailer companies,

many suppliers and, of course, telematics providers. "It is remarkable to see the great commitment of the makers of trailers and bodies to driving digitisation forward. There is even an app for digital departure checks. That means the driver receives data from the trailer, and, if necessary, warnings too," Mattes noted.

Connectivity and automated driving go hand in hand and it was great to go for a ride in the Continental Urban mobility Experience (CUBE); a driverless people carrier. This technology was also brought to the fore when the Truck Innovation Award went to MAN for its aFAS – a level-4 automated safety truck.

It was also very much under discussion on the Daimler stand, where the star of the show (no pun intended) was the new Actros, with its fabulous cameras that replace mirrors. The Actros is a level-2 autonomous vehicle, and its safety features are extraordinary.

It was furthermore evident that the booming online trade is pushing urban mobility onwards and upwards. Urban solutions are required that are connected, electric, fast, green and quiet – and there was much evidence at the IAA that the industry is well on its way to achieving these goals.

"The commercial vehicle industry and its partners are redefining transport in towns and cities – with a high level of customer benefit for both the transport business and for consumers," Mattes confirmed.

With these trends as a background, let's move on to the actual exhibitors. It was obviously impossible to visit all 2 174 stands – so here are some of our highlights:





**ALLISON TRANSMISSION**

Allison Transmission announced that it will offer its medium-duty, fully automatic nine-speed transmission globally, and that it has developed an electric hybrid system with purely electric extended range.

With its deep first-gear ratio and industry-leading ratio coverage, the Allison nine-speed transmission provides significant fuel savings as the highly efficient geartrain allows the torque converter to lock up early in first gear.

In addition, the nine-speed includes an optional integral engine stop-start system that provides immediate transmission engagement and vehicle hold while the engine is restarted. The nine-speed transmission is ideal for distribution trucks, rental and lease trucks and school buses.

**BMC**

Turkey was the talk of the town at this year's IAA, with Ford Trucks winning the coveted International Truck of the Year award. There certainly was a lot of Turkish product on show, not least of which being the vehicles from BMC.

**LEFT:** A media feeding frenzy at the Scania press conference. The IAA is characterised by about 30 similar media events.

**BELOW LEFT:** The E-Fuso Vision One concept truck, an electric vehicle with a range of 350 km.

**BELOW RIGHT:** Ford's F-Max celebrated its global debut at the IAA.



**CUMMINS**

Cummins unveiled its PowerDrive electric-hybrid utility truck housed in a Kenworth T370. PowerDrive refers to an advanced suite of plug-in, hybrid-electric powertrain solutions spanning light, medium and heavy-duty applications. Said to be the most versatile hybrid system on the market today, the Cummins PowerDrive offers both parallel and series capabilities.

The flexible hybrid architecture seamlessly shifts between pure electric for environmentally sensitive areas with an 80-km range and hybrid for jobs requiring more than 480 km. Emissions can be reduced by up to 80 percent, while fuel savings of between 40 and 80 percent are possible.

The PowerDrive system has travelled more than 9.6-million kilometres in fleets in the United States and China, and Cummins plans to introduce it to the European market soon. Its flexible architecture means the PowerDrive system can be combined with various sizes of diesel or natural-gas engines and battery-pack outputs.

**DAF**

While DAF is a relatively small player here in South Africa, its heavy-duty market share in Europe grew from 15.3 percent in 2017, to 16.5 percent in the first half of this year. And it is currently the heavy-duty market leader in the United Kingdom, the Netherlands, Belgium, Poland,

Many **FOCUS** readers won't know the company, but it is quite a big deal in Turkey. Established in 1964, BMC exports to 80 countries and is one of Turkey's largest manufacturers of commercial and military vehicles.

The big news at its stand was the launch of the Tuğra range of trucks (which, incidentally happened in very theatrical fashion, with models, smoke and Turkish flags galore). This cab-over truck is offered in seven configurations, from construction to long-haul. Just in case you were wondering, Tuğra means "seal of the emperor" in the Oghuz language and "seal of the sultan" in the Ottoman language.

The Tuğra is powered by Cummins engines, features ZF gearboxes and comes in 4x2, 6x2, 6x4 and 8x4 guise.

Romania, the Czech Republic and Hungary.

This year, DAF celebrates its 90th anniversary. Accordingly, it showed the striking DAF XF 90th Anniversary Edition at the fair. This highly exclusive truck commemorates the founding of DAF in 1928.

The vehicle features a premium options package, exclusive striping and exterior design elements, as well as the most powerful 390 kW (530 hp) Paccar MX-13 engine. DAF's famous historic logo is proudly displayed on the front of the truck, on the sides and back of the cab, as well as in the luxurious, fully leather upholstered interior.

On display on the DAF stand were the new LF, CF and XF. The LF is ideal for distribution transport. The CF is suited to



a wide variety of applications, while the flagship XF is ideal for heavy and on-highway transport. Of special interest was a new lightweight CF 8x4 mixer chassis and a unique 6x2 CF with a frame accommodating demountable bodies.

Alongside the LF, CF and XF, DAF showed one of its Innovation Trucks: the DAF CF Electric. The CF Electric is a 4x2 tractor unit developed for up to 40-t gross vehicle mass (GVM) distribution applications within urban areas.

The vehicle uses VDL's advanced E-Power technology for fully electric operation. The centre of the intelligent powertrain is the 210 kW electric motor drawing energy from the 170 kWh lithium-ion battery pack. The CF Electric has a range of approximately 100 km. Fast charging of the batteries can be performed in 30 minutes. The CF Electric will be put

new Active Drive Assist, with which Mercedes-Benz Trucks puts partially automated driving into series production. The new Active Drive Assist can brake, accelerate and steer independently.

Unlike systems that operate only at certain speeds, Active Drive Assist enables the truck to drive partially autonomously in all speed ranges for the first time in a series-produced truck. While the driver remains responsible for monitoring the traffic situation, the system significantly reduces his workload and makes an important contribution to increasing safety on the road.

In celebration of the start of production of the new Actros, Mercedes-Benz has launched a blinged up Edition 1 model. Only 400 of these trucks will ever be produced and, judging

The Mercedes-Benz Actros Edition 1. Only 400 of these trucks will ever be produced.



into field test operation with customers this year.

However, the vehicle that probably attracted the most attention on the DAF stand was a 1967 DAF A1600. It is just so damn cute!

**DAIMLER**

Halls 14 and 15, traditionally known as the "Daimler halls" at the IAA, are always a feast of commercial vehicle technology, and this year was no exception. This year's stand was all about electrification and automation and, while all the vehicles on display were mighty impressive, two stole the show: the new Actros with its fancy cameras (that replace mirrors) and the Urbanetic mobility concept.

Much has been said and written about the new Actros. However, it would be remiss of us to leave it from our special IAA report, because it really did get the tongues wagging at the fair.

The most important and spectacular new feature of the truck (apart from the cameras, of course) is the

by the attention that the Edition 1 got at the show, those will be snapped up in record time.

One of the most visionary vehicles at the show, the Vision Urbanetic from Mercedes-Benz Vans was most certainly one of the most-photographed vehicles on display. A revolutionary mobility concept that goes way beyond existing ideas on autonomous vehicles, it also looks utterly amazing.

The Vision Urbanetic reflects the future direction of Mercedes-Benz Vans, which is clearly both electric and autonomous. Designed to move people or transport goods, the Vision Urbanetic can carry different interchangeable bodies for people moving or goods transportation.

As a ridesharing vehicle, the Vision Urbanetic can carry up to 12 passengers, while the cargo module can accommodate up to ten EPAL pallets. It offers a load length of 3,7 m and an overall vehicle length of 5,14 m. Thanks to full connectivity, the Vision Urbanetic can



shorten waiting or delivery times and avoid traffic jams. It is a massively clever and impressive concept.

Of course, the Vision Urbanetic was not the only electric vehicle on the Daimler stand. From the battery-electric eCitaro city bus to the all-electric heavy-duty eActros, the electric eVito and eSprinter and the E-Fuso Vision One concept truck (a stunning three-axle truck for distribution transport, which has a range of up to 350 km), the stand was crawling with all things electric. Incidentally, customer deliveries of the electric eVito will commence at the end of the year, with the eSprinter following in 2019.

Speaking of the Sprinter, it enjoyed a strong showing – and the wide range was emphasised (panel van; tourer; chassis cab; front-wheel, rear-wheel or all-wheel drive;



**ABOVE:** The innovative Iveco Crealis Electric Bus, which boasts In-Motion Charging technology.

**LEFT:** One of the focus points of the Daimler stand was the fuel efficiency of its vehicles.

**BOTTOM:** Crowds throng at the entrance to the fair. Around 250 000 people attended this year's exhibition.



low-emission diesel engine, all-electric or Concept Sprinter F-CELL with fuel-cell drive).

The new Sprinter was flanked on the exhibition grounds by the Vito, V-Class, Citan and X-Class, which celebrated its IAA premiere. The Vito boasts a new infotainment system with touchscreen and integrated navigation.

Daimler Trucks is also working hard on electric vehicles for the North American market. Accordingly, the all-electric Saf-T-Liner C2 Electric Bus, also known as "Jouley", was on display, as were two completely new all-electric Freightliner trucks: the heavy-duty eCascadia and the medium-duty eM2. These are not just concept trucks; customer testing is commencing as you read this report.

Another notable display was that of the Mercedes-Benz Citaro hybrid bus, which received the Sustainable Bus Award 2019 for rural-service buses at the IAA. This bus offers fuel savings of 8,5 percent versus conventional diesel-powered units.

One other important bit of news emerged on the Daimler stand. At the press conference, the company announced that it was investing in Proterra, a company based in California that is a leader in the design and manufacture of zero-emission heavy-duty buses. This gives an indication of Daimler's future intentions, which are clearly green and electric.

### FORD TRUCKS

The big news at the Ford Trucks stand was the reveal of the F-Max, which is the 2019 International Truck of the Year. We have driven and reported on the F-Max (see **FOCUS** issue 10/2018), so we will not repeat ourselves.

However, it is perhaps significant to note that the truck has been tested in 11 countries on four continents using 233 prototype units. This involved 15 500 hours of lab testing and five-million kilometres of road testing. It is going to be really interesting to watch market acceptance of this truck, which is surprisingly good and a most deserving Truck of the Year winner.



Also on the stand was the fabulous F-Vision Future Truck concept vehicle. Electrically powered, of course, this level-4 autonomous truck is a clear indication of the company's thinking when it comes to electrification, autonomy and connectivity. It was apparently inspired by Marvel comic books, and it sure is one good looker!

**GAZ**

GAZ, the biggest manufacturer of commercial vehicles in Russia, is renowned for serving vodka and displaying some superb new vehicles at the IAA. We had no time to partake in the vodka this year, but we did inspect the vehicles enjoying their world premieres on the stand.

These included the GAZelle Next Euro-6 light commercial vehicle (which features a Euro-6 Volkswagen diesel engine, six-speed gearbox, airbags and ESP) and Sadko Next right-hand-drive off-road truck (which has a payload capacity of three tonnes and will be available in both right- and left-hand drive). It was also interesting to see a Ural 6x4 road truck on display (Ural trucks are normally used off-road).

Not to be left out from the electric vehicle party, GAZ exhibited the GAZelle Next electric vehicle, which was exhibited in minibus guise (with a passenger capacity of 16).

It features a Siemens AC induction motor, range of 100 km and fast charging time of 30 minutes.

GAZ also demonstrated its GAZ Connect digital telematics platform, which allows for the monitoring of over 50 different parameters of vehicle systems and live vehicle tracking.

**HYUNDAI**

Hyundai trucks powered by hydrogen fuel cells are about to go into service on European roads for the first time! That was the big news on the Hyundai stand this year. The company signed a Memorandum of Understanding with Swiss hydrogen technology company H2 Energy at the IAA.

Together, they will manufacture 1 000 heavy-duty fuel-cell electric trucks for the Swiss commercial vehicle market between 2019 and 2023. The truck features two 190 kW hydrogen fuel-cell systems coupled in parallel, and has a range of around 400 km.

**IVECO**

Well, absolutely everyone was talking about Iveco at this year's IAA following the company's startling decision to have a diesel-free stand. We were lucky enough to score an exclusive interview with Pierre Lahutte, Iveco brand president, as our last issue was going to press. Read all about his progressive, bold thinking in issue 10/2018 of **FOCUS**. What then DID the company display?

One of the most startling vehicles was the Crealis Electric Bus, which was named Sustainable Bus of the Year at the exhibition. The bus also enjoyed its world premiere at the IAA.

**LEFT:** Daimler occupied Halls 14 and 15, as is always the case at the IAA. There were dozens of extremely innovative vehicles on its stand, with many featuring electric propulsion.

**BELOW:** For the first time in the history of the IAA, Traton had a stand at the fair. Formerly Volkswagen Truck & Bus, Traton's brands include MAN, Scania, Volkswagen Caminhões e Ônibus and Rio.

**BELOW RIGHT:** The big news on the Scania stand was the launch of a plug-in hybrid-electric truck and a hybrid-electric truck.

**RIGHT:** Turkish manufacturer BMC launched its Tuğra range of trucks in very theatrical fashion, with models, smoke and Turkish flags galore.



This is a very clever vehicle; its on-board batteries have been reduced to a minimum thanks to its In-Motion Charging technology. The vehicle combines electric overhead lines with a small on-board battery, thereby allowing new electric-bus routes to be deployed, at no extra cost, even if there are sections without overhead lines.

Operating time is maximised as the vehicle's batteries recharge automatically when running on roads with overhead lines. The Crealis In-Motion Charging is also capable of running on batteries for 25 to 40 percent of the route.

A total of 17 other vehicles (all completely diesel free) were also on the stand. These included the zero-emission Daily Electric Minibus, Heuliez GX ELEC full-electric city bus, the compressed natural gas (CNG)-powered Iveco Crossway low-entry bus, the Daily Natural Power and two Eurocargos for municipal applications (both powered by CNG).

There were lots of Stralis NP models on the stand,

components and offers a higher payload and thus higher trailer efficiency thanks to its low weight.

It is available in all three plate positions and four different mounting heights and conforms to the market-standard mounting dimensions. The landing gear will be available from the second quarter of 2019.

Just also showed its Modul E-Drive electric landing gear, which is said to offer significantly higher comfort, work safety and efficiency.

### KARSAN

Karsan Automotive Industry and Trade Anonymous, another Turkish company, launched its new Atak Electric bus at the IAA. We were very interested to discover that the company is developing its electric buses with the help of BMW.

The eight-metre-long Atak has a BMW battery system of 5x44 kWh, which can be recharged fully in 2,5 hours. The



including the first 343 kW (460 hp) liquefied natural gas (LNG) truck for swap body applications equipped by SDG/Spier; the first 6x2 LNG tractor with 750-km autonomy; a 4x2 LNG tractor with 1 600-km autonomy; and a low tractor in LNG version with 1 150-km autonomy.

### JOST

Jost presented the JSK 34 sensor coupling version of the ultralight JSK 34 fifth-wheel coupling, which the company developed specifically for tankers and silo trucks. For the first time, Jost showed a biodegradable high-performance lubricant for its fifth-wheel couplings.

Jost offers one of the most comprehensive portfolios worldwide for landing gears and exhibited highlights from the Jost Modul series, including its newest member, Optima. The ideal solution for long-distance transport applications, it is based on the highly reliable Modul

range is an impressive 300 km. Features include a ramp for easy access, ergonomically designed seats, USB ports and a powerful air-conditioning system. It has a capacity of 57 passengers.

This is the second collaboration between Karsan and BMW. The first yielded the Jest Electric, which carries 26 passengers and has a 165-km range.

### KÖGEL TRAILER

The big news on the Kögel stand was the new Novum generation of trailers, which took first place in the 2019 Trailer Innovation Awards (concept category).

Kögel claims that its Novum trailers are setting new benchmarks thanks to their new external frame and body; new, optimally designed Kögel modular system with optimised uniform modules, and an extremely high level of individualisation.



In future, all Novum generation vehicles will have a sturdy, torsion-resistant welded frame with full-width cross beams for high payloads and concentrated loads. Even more stability is provided by a new, slimmer, yet stronger, rear cover plate, as well as the new air and lighting console on the front wall, which transfers forces along the side member to the frame.

Also on the Kögel stand was a concept vehicle featuring the new Kögel Box Light in its three-axle version with plywood walls and a lightly insulated roof. With a low tare weight of 6 100 kg and up in the basic version, the Kögel Box Light boasts up to 730 kg of extra payload compared to the standard model.

### MAN TRUCK & BUS

Everyone raved about the MAN press conference at the IAA, because the company pulled a rabbit out of the hat in the form of an incredible concept vehicle called the MAN CitE. When the vehicle suddenly appeared on the stage, the applause it received was nothing short of rapturous. An electrically driven city truck full of new ideas and creative solutions, the 15-t vehicle (which was developed in just 18 months) was designed for inner-city distribution transport.

Due to the fact that delivery drivers in urban areas can enter and exit their vehicles up to 30 times a day, the CitE has an unusually low entry height and especially wide doors; the co-driver's door opens at the press of a button. The cockpit affords the driver an excellent panoramic view, due to a low seating position and large side windows; we sat in the driver's seat and you really can see forever...

Additionally, the CitE employs a 360° camera system to provide the greatest possible level of safety and to eliminate dangerous blind spots. A panoramic view is shown on the

large central display of the integrated entertainment and navigation system.

The CitE is purely electrically driven. The e-motor has up to 290 kW peak performance; a lot of power for a six-tonne payload with a permissible gross weight of 15 t. The battery capacity of 110 kWh allows for a range of 100 km – more than enough for delivery transport in the city. It can be fast charged in 45 to 60 minutes. The lithium-ion batteries are located under the vehicle frame.

The chassis is completely cladded, which increases safety for other road users and guarantees better protection of the batteries in the event of an accident.

The MAN CitE is equipped with specially designed Continental tyres, which have a specially manufactured tread and distinctive blue stripes on the sidewall. They are seriously cool (like the rest of the truck, actually).

The CitE was only one of a plethora of electric vehicles on the MAN stand (the company is one of the first to present fully electric solutions for the entire field of city logistics between three and 26 t). Also on display was the MAN eTGE; a battery-electric version of the new MAN van; and its fully electric distribution truck, the MAN eTGM.

The electric avenue at MAN was not limited to trucks... A close-to-series prototype of the MAN Lion's City E also made its début at this year's IAA. The electric bus is driven by a central motor on the driven axle, which allows space for an optimised seating area in the rear, providing the bus with up to four additional seats. The crash-proof batteries are located on the roof to save space. The bus has a range of up to 270 km and it can be charged in just three hours.

A demo fleet of electric buses will be tested in different European cities in everyday use in 2020. Thereafter, series





**LEFT:** MAN launched a sensational concept vehicle called the MAN CitE. An electrically driven city truck full of new ideas and creative solutions, the 15-t vehicle (which was developed in just 18 months) was designed for inner-city distribution transport.

**TOP:** The first-ever Innovation Award went to MAN. MAN Truck & Bus CEO, Joachim Drees, accepted the award from Gianenrico Griffini, president of the International Truck of the Year jury. The award was presented in recognition of the company's aFAS driverless level-4 safety truck.

**MIDDLE:** Pauli Johannesen, vice president and general manager for truck, trailer and bus at Thermo King in Europe, Middle East and Africa, poses with the new 24-V Thermo King ThermoLite solar panels, which can power a truck's batteries.

**BOTTOM:** The all-new F-Max from Ford Trucks was named 2019 International Truck of the Year at the IAA. The company's management team accepted the trophy from Gianenrico Griffini, president of the International Truck of the Year jury (centre).

production of the battery-electric version of the new MAN Lion's City will begin.

## NISSAN

Nissan had such a flipping cool concept vehicle on its stand! It was called the Nissan Navara Dark Sky, and it was developed in collaboration with the European Space Agency. The concept, according to Nissan, proves that the sky is never the limit (pun most definitely intended; you will soon see why).

The Nissan Navara Dark Sky is a mobile astronomy lab, featuring an ultra-high-power PlaneWave telescope on a bespoke off-road trailer. Once at its destination, the trailer module's mechanised roof can be opened to focus the telescope on the night sky. Using a 40-cm primary mirror, it has the ability to give detailed views beyond the rings of Saturn, to distant galaxies, nebulae and supernovas.

Naturally, the Navara – powered by a 2.3-litre, twin-turbo diesel engine – is the perfect way for astronomers to conduct observations of the universe from hard-to-reach, so-called "dark sky" locations – away from the night-time glow of urban areas.

It comes with portable battery packs utilising electric-vehicle technology from the Nissan Leaf to ensure auxiliary power supply, no matter how remote the location.

There are so many clever features in this concept vehicle. Just one is the reflective orange piping on the seats, which provides visibility inside the vehicle while negating the need for white lights that would disrupt the astronomer's night vision. Since red light affects human night vision least, both the vehicle and trailer exclusively use red lighting to avoid visual disruption during observations.

The trailer incorporates a special refrigerated atmosphere, allowing the telescope to remain stable and calibrated at the optimum temperature in transit to any location. Additional smart features include Wi-Fi, a laptop station and UHF transmission to relay data instantaneously, anywhere in the world.

## PIRELLI

Pirelli launched so-called "renewed" versions of Cyber Fleet Smart and Cyber Fleet Gate at the fair.

The Cyber Fleet Smart system is a plug-and-play solution, composed of sensors (fitted to the inner liner of the tyre) that communicate directly to a free Smart App, which can be installed onto the smartphone of the fleet manager, vehicle driver, or owner.

Whenever the tyres are checked, sensors send information about pressures and temperatures directly to the Smart App and alarms are triggered when there is an issue. Tyre checks are conducted in seconds! The tyre-status data is then transmitted to the Pirelli cloud and shared with any devices the customer has authorised. Customers receive a monthly tyre-usage report.

Cyber Fleet Gate is an evolution of the Smart App and includes remote tyre-monitoring activities. A "traffic light" fitted at the warehouse captures data from the sensors and analyses it in real time. A green light comes on if all the tyres are in good nick and a red one comes on if they are not. Pretty clever huh?

**RENAULT**

The spotlight was on electric mobility on the French constructor's stand, as Renault Trucks presented vehicles from its ZE range. As a pioneer in electro-mobility, Renault Trucks has just announced the launch of its second generation of 100-percent electric vehicles (we drove and wrote about them; see **FOCUS** issue 10/2018).

**SCANIA**

The big news on the Scania stand was the launch of a plug-in hybrid-electric vehicle (PHEV) truck and a hybrid-electric vehicle (HEV) truck. What was truly significant is that neither are concept vehicles; the HEV can be ordered right now and the PHEV will follow in 2019.

The new hybrid trucks are powered by Scania's DCO9, an in-line five-cylinder engine that can run on hydro-treated

vegetable oil or diesel, working in parallel with an electric motor generating 130 kW (177 hp) and 1 050 Nm.

recently acquired 33 percent of the shares in the South African trailer manufacturer.) The SmartTrailer concept is based on a new generation of the telematics hardware, which also includes optional sensor equipment. In the past, each individual component was generally treated as a stand-alone unit, dependent on its own sensor and transmission elements.

In the SmartTrailer concept, however, every component is directly linked to the telematics control unit – be it the tyre-pressure monitoring system, door sensors, door-locking system or temperature recorder.

**THERMO KING**

Thermo King and Frigoblock are synonymous with refrigeration. However, as we discovered during an exclusive interview with Pauli Johannesen, vice president and general

manager for truck, trailer and bus at Thermo King in Europe, Middle East and Africa, the companies are eyeing more than just refrigeration.

"Here at the IAA, we are launching our new 24-V Thermo King ThermoLite solar panels, which complement the ThermoLite family of 40 W and 110 W solar panels," he told **FOCUS**. These clever new solar solutions can power the truck's batteries.

Thermo King and Frigoblock also presented Thermotopia – a vision of a city of the future – and visitors were able to have a go at driving a refrigerated truck, using virtual-reality glasses.

Equally notable was the launch of the world's first gas-fuelled, long-distance coach. The new Scania Interlink Medium Decker coach is powered by LNG and has a range of up to 1 000 km. The launch of this vehicle is truly significant; while several options for carbon-conscious city and suburban bus operators have been available for some time, there have been fewer alternatives in the long-distance market.

We had a bash; it was both informative and great fun. Thermotopia is a city where the transport refrigeration industry ensures the safety of transported foods and goods for rising populations, while eliminating smog, congestion and excessive noise.

Naturally, Thermo King and Frigoblock presented a comprehensive range of technologies that could be put to work in Thermotopia (or, in fact, today ... since they are all market ready).

LNG-powered vehicles can reduce CO<sub>2</sub> emissions by 20 percent while also substantially reducing nitrogen oxide and particulate matter emissions. Additionally, noise levels are significantly lower.

These included the new E-200 full-electric refrigeration unit (for both electric and engine-powered vans and trucks below 3,5 t); modernised SLXi trailer refrigeration units (now featuring the upgraded, lower-emission and quieter GreenTech engine) and a new self-powered T-560R

**SCHMITZ CARGOBULL**

There were big celebrations on the Schmitz Cargobull stand when news broke that the company had won the Trailer Innovation 2019 prize for its SmartTrailer concept.

Schmitz Cargobull, the European market leader in the trailer sector, is represented in South Africa by GRW. (It



refrigeration unit with 20-percent more capacity and better pull down.

Also on the stand, we spotted a new Prisma S-4.2 low-height dual-discharge evaporator for T-Series and SLXi multi-temperature truck and trailer refrigeration units, and the new Thermo King Tracking connectivity services. The latter is said to enable customers and the Thermo King dealer service network to leverage the era of digitisation to increase uptime, operational efficiency and move from reactive towards proactive maintenance.

**VOLKSWAGEN**

Volkswagen had a lot of cool stuff on its stand, but we really liked the Cargo e-Bike and ID Buzz Cargo concept van. The former is a tricycle, which can carry up to 210 kg – including the driver – and can handle a cargo volume of 0,5 m³.

Equipped with a 250 W mid-mounted motor with an automatic gearbox, it has a small turning circle and innovative tilt-compensating technology, which always keeps the load platform horizontal.

**RIGHT:** The Vision Urbanetic from Mercedes-Benz Vans is designed to both move people or transport goods with different interchangeable bodies.

**BELOW:** Nissan presented the Navara Dark Sky concept vehicle, a mobile astronomy lab that was developed in collaboration with the European Space Agency.

it was hard to get close to this futurist and radically different mode of transport.

Unlike other driverless trucks, Vera has no cab. Instead, it is a flat pod, which accommodates a 300 kW, lithium-ion battery pack that gives it a range of up to 300 km. Able to pull loads weighing up to 32 t, Vera can be attached to any standard trailer.

Volvo also unveiled its all-new platform for tourist and line-haul coaches at the IAA. With a striking design, fuel-saving aerodynamics and safety of the very highest level, this is another leap forward for the premium coach manufacturer.



The ID Buzz Cargo concept van, on the other hand, is a funky retro electric van, which boasts a clever electrified shelving system. All items on the shelves can be tracked. If someone needs an item, they can have it delivered automatically. The doors can be opened electrically, and the shelving system can be customised. It could be sold by 2022 in North America, Europe and China. (And please, Volkswagen, South Africa too?)

**VOLVO**

Vera, an autonomous, electric concept vehicle that can operate with significantly less exhaust emissions and low noise levels, was one of the most popular exhibits at the IAA;

The range encompasses two models: the luxurious Volvo 9900 and the versatile Volvo 9700.

**ZF**

E-mobility and autonomous driving are very important for ZF and, at the IAA, the company announced that it intends investing more than €12 billion (about R271 billion) in these areas over the next five years.

Of course, it is already doing so much in these areas, as we have previously reported in **FOCUS**. For instance, it announced at the IAA that it has already received orders for more than 1 000 of its AxTrax AVE electric portal axles. These will soon be contributing to 60-million, zero-emission passenger kilometres each year in cities such as Los Angeles, London or Stuttgart.

ZF is accelerating the electrification of the drive in other commercial vehicle segments, too. For example, it has received a volume production order for its new CeTrax electric central drive, which is suitable for both buses and trucks, for deployment in shunting vehicles. The electric axle-drive system for light commercial vehicles will go into volume production in mid-2019.

ZF is also proving to be a pioneer in the electrification of heavy-duty trucks. For instance, it has conducted a field test of the TraXon Hybrid commercial vehicle transmission in conjunction with DAF. With its all-electric manoeuvring, as well as numerous hybrid functionalities, a potential fuel saving of between five and seven percent is up for grabs.

Well folks, that's it from us in terms of the 67th IAA. The 68th IAA takes place from September 24 to October 1, 2020. The **FOCUS** team will see you there! **F**



# MERCEDES-BENZ FLIES THE SA FLAG AT THE IAA!

**WHILE THE LAUNCH OF THE NEW MERCEDES-BENZ ACTROS AND A CONCEPT VAN ATTRACTED THE ATTENTION OF INTERNATIONAL VISITORS AT THE IAA, IT WAS THE DISPLAY OF A SOUTH AFRICAN ACTROS AND THE PRESENCE OF THE SOUTH AFRICAN MERCEDES-BENZ MANAGEMENT TEAM THAT CAUGHT CHARLEEN CLARKE'S EYE**

**A**s is always the case at the IAA, Mercedes-Benz stunned visitors with a huge display of world-class vehicles. This year, the new Mercedes-Benz Actros (with its fancy cameras instead of mirrors) and an incredible concept van got the tongues of the international visitors wagging. (Read more about both in our special IAA report, which starts on page 26.)

However, there were two even more important aspects to the Daimler stand this year: the presence of a South African

Actros and the South African management team. The local company was very well represented, with Jasper Hafkamp, executive director, Daimler Trucks and Buses; Maretha Gerber, head of Mercedes-Benz Trucks and Christo Kleynhans, marketing manager for Mercedes-Benz Trucks, all attending the fair.

I was fortunate to get an exclusive interview with all three people, and to gain a real understanding of where the local company is heading.

The good news is that Mercedes-Benz South Africa is

mimicking the mindset of its German parent company exactly, in that it aims to deliver innovations to customers that will make them both more efficient and profitable.

Hafkamp looked as though his chest would burst with pride when walking around the massive and hugely impressive Daimler stand. "As you can see, this stand is all about innovation. Everyone is talking about electrification and autonomous driving, but, here at the IAA, we are delivering," he pointed out.

As he noted, the company is well ahead of the pack. "Incredibly, the new Actros is delivering stage-2 autonomous driving. Furthermore, it comes with some incredible features, such as cameras instead of mirrors. These cameras – known as MirrorCams in the Daimler world – are great news for safety and fuel efficiency. Safety is improved, because visibility is outstanding. This is especially important in South Africa, where road safety is a real concern.

"Furthermore, operators can enjoy one-percent fuel savings just by using these cameras instead of conventional mirrors – and, given the ever-escalating price of fuel, this is something that will be welcomed by South African operators. The improved Predictive Powertrain Control (PPC) also allows significant fuel savings, and it relieves the driver's workload on overland routes," he pointed out.

to establish if the autonomy will work in South Africa, where infrastructure is challenging in terms of the road markings. We cannot predict an exact date – because there is still a lot to do," he explained.

However, according to Gerber, we won't have to wait nearly as long as we did for the new Actros. "We see real benefit in many of the innovations on the latest Actros. Take



**OPPOSITE PAGE:** Pictured in front of the South African Actros is the South African management team. From left: Christo Kleynhans, marketing manager for Mercedes-Benz Trucks; Maretha Gerber, head of Mercedes-Benz Trucks and Jasper Hafkamp – executive director, Daimler Trucks and Buses. **ABOVE:** Maretha Gerber, head of Mercedes-Benz Trucks, says that Mercedes-Benz Uptime will be introduced in South Africa next year. It will offer massive advantages to local operators. **LEFT:** Actros upon Actros drew the crowds to the Mercedes-Benz stand.

Indeed, those two benefits – safety and fuel efficiency – will no doubt have South African transporters beaming, but how long will they have to wait for the incorporation of features such as MirrorCam? After all, the new Actros was launched internationally in 2011 – and it only arrived in South Africa in May this year...

At this stage, we cannot reveal exactly when these features will arrive in South Africa, because there is still much work to be done, as Kleynhans explained. "We will look at all the features of the latest Actros and decide which will add value. We are not going to add options just for the sake of it. Some of the options will require homologation in South Africa, and this will obviously take time, too.

"We will need local testing in our environment to see how the various systems perform in our country, taking our unique road conditions into account. For instance, we need

Active Brake Assist 5, for instance; it is an amazing safety feature that will save lives. Then there is Active Drive Assist (ADA), which makes semi-automated driving possible..." she pondered.

Operators are expected to welcome these safety features – when they do become available. "South African operators were previously known for putting profitability first ... but things are changing. Lots of our customers are now insisting on safety equipment in the trucks.

"One reason is the challenges that we have with drivers. Accordingly, the easier you can make it for the driver to keep the truck on the road, the better. Also, improved safety drives costs down. We all know the high cost of accidents – not only in terms of human lives, but also in terms of the bottom line," Kleynhans commented.

Of course, the Mercedes-Benz team is mindful of the cost elements. "With our global approach, all these innovations will not only be available in Europe but also in export markets.

"Do we need and want the digital dashboard, the MirrorCam, Active Brake Assist 5, PPC, ADA...? These features are all available to us; we will be able to pick

and implement the features that we want. We now need to decide which innovations could be most beneficial in South Africa," said Hafkamp.

"We also need to hold focus groups with drivers and operators," added Gerber. "Take the interactive digital dashboard, for instance; it is quite futuristic, but we are living in the age of connectivity. We are in the digital age, but will local transport operators see the value in such a fancy dashboard? That question still needs to be answered. There will be mixed opinions. We will ask the drivers and operators for their opinion – and then introduce it if they want it."

It is clear that this management team is passionate about meeting (and, if possible, exceeding) customers' expectations. "We operate in a demanding environment. This means that we always have to change, re-evaluate and improve. This is a constant and ongoing process.



**ABOVE:** The new Actros, with its cameras (instead of mirrors) was the star of the stand ... for the international visitors, that is.

"One of the changes we are making is the introduction of Mercedes-Benz Uptime next year. This is a program with a clear objective: we want to continuously minimise unscheduled vehicle downtime and to make it predictable – thereby further increasing vehicle availability for customers.

"Thanks to Uptime, we will be able to foresee faults on vehicles, and we will then be able to inform a client that he needs to bring in his truck for repairs. This will prevent costly damage from taking place," Gerber revealed.

Thanks to Mercedes-Benz Uptime, the vehicle, coupled trailer, Mercedes-Benz dealer and transport operator are in constant communication. The truck's on-board systems generate several gigabytes of data per truck per day, which is used for a variety of vehicle diagnostic functions. The operator is told that the truck has a fault and the dealership knows exactly what the problem is – long before the truck even arrives.

Mercedes-Benz Uptime was introduced in Europe last year, and it has been massively successful there. "With the majority of Mercedes-Benz Uptime vehicles, unscheduled workshop visits have already been reduced by over half thanks to early fault detection," Hafkamp reveals.

Coupled with the introduction of Uptime is an ongoing emphasis on total cost of ownership (TCO). "We are striving to educate operators. This is our responsibility. They need to understand the significance of TCO – and not buy a truck just because it happens to have a low purchase price," stressed Kleynhans.

This is especially important with newcomers to the industry. "We are seeing more and more emerging operators enter the industry, often initially via pre-owned trucks. They need to understand TCO, uptime, fuel efficiency, service contracts and service support...

"Our sales force is crucial in this situation. They need to advise customers when it comes to buying the right truck for a particular application. In a situation like this, the sales person is actually a fully integrated business partner for these clients," explained Gerber.

The company is also stressing the importance of driver training. "Yes, trucks are becoming more autonomous, but a well-trained driver can still save 10 to 15 percent on fuel. This can mean a cost saving of R400 000 to R500 000 during the life of a truck. It is very important for our customers to invest in training. Our FleetBoard system also offers terrific driver support – because it provides feedback," Hafkamp stressed.

So, going into the future, it will be a case of marrying exceptional technology to a world-class service offering. "As a brand, we are the leader in innovation and in the transport industry. The South African vehicle on our stand proves that we are not that far behind. Yes, Europe is ahead of us, but we are constantly introducing new technology," pointed out Kleynhans.

Hafkamp agreed: "We are not bringing innovation for the sake of it. It is not an objective on its own. We are fighting for the benefit of our customers. We want road efficiency, the lowest possible cost of ownership, improved safety and maximised uptime. All our innovations contribute to this, so we are offering tangible benefits to our customers."

Accordingly, the vehicle will be only a part of the total offering. "We are focusing on the full package. Yes, the vehicle, with its fuel-saving features and extended service intervals, is obviously important, but it is about more than that.

"It is about the full end-to-end solution that we offer, from the service we deliver and the footprint of the dealer network, to the tracking functionality through our FleetBoard system and all of the added features that we bring to the deal," insisted Gerber.

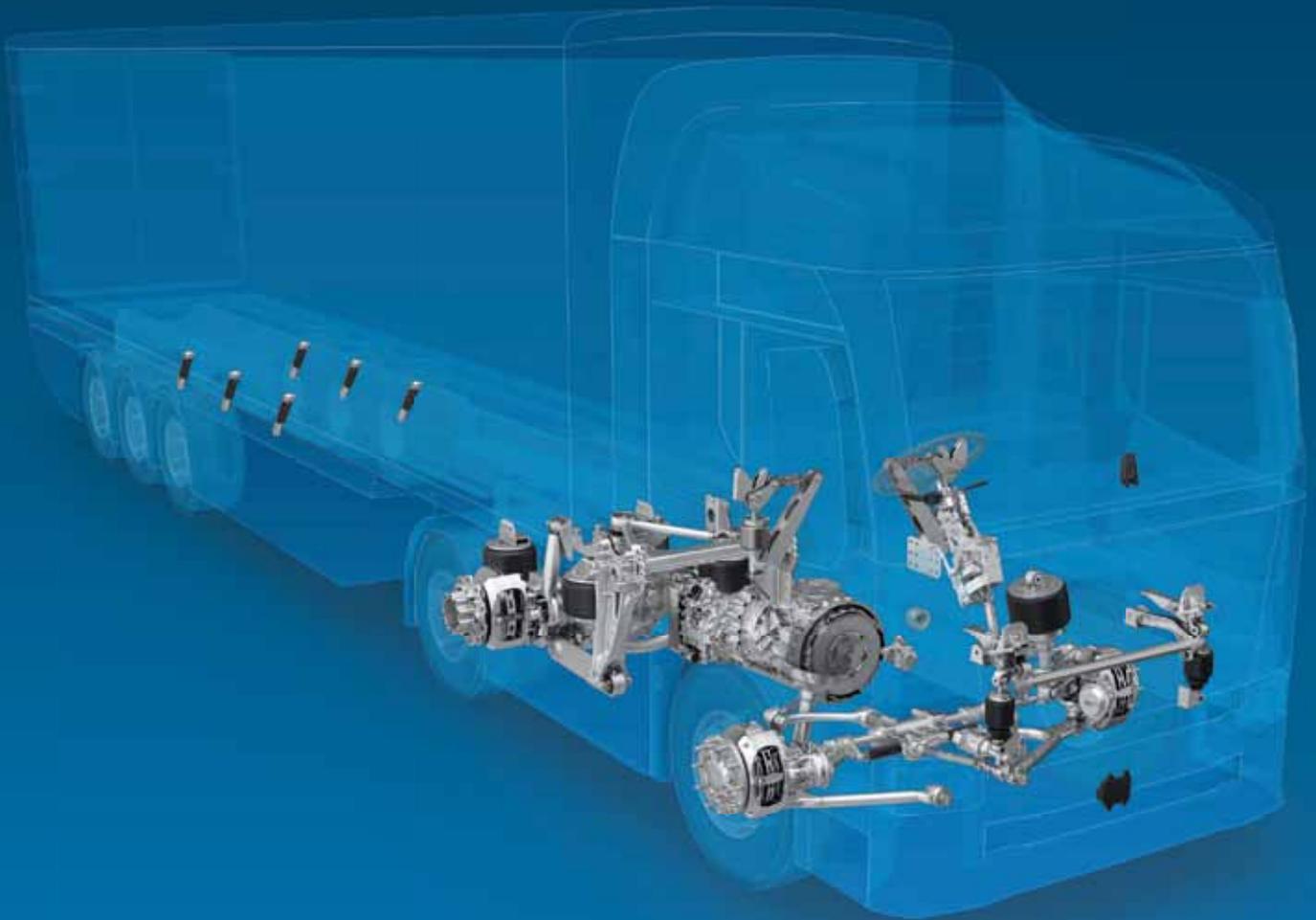
Most of all, Mercedes-Benz will continue to be the leader in innovation. "An example of our approach is this stand. Everyone talks about innovation and fuel efficiency. Now we are delivering both. That is what makes this show and this stand so unique: no one expected this from us so soon," she concluded. One thing is certain: the company is full of surprises that are sure to delight customers – both all over the globe and here in South Africa... **F**

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# A DEATH SENTENCE FOR THE AUTOMOTIVE INDUSTRY

**THE VOLUNTARY AUTOMOTIVE CODE OF CONDUCT ALLOWS UNREGULATED PARTS TO BE FITTED ON VEHICLES, POTENTIALLY COMPROMISING SAFETY, WITHOUT BREACHING THE VEHICLE WARRANTY AT PARTICIPATING DEALERSHIPS. MARISKA MORRIS INVESTIGATES THE IMPACT THIS WILL HAVE ON THE AUTOMOTIVE INDUSTRY**

## T

he National Automobile Dealers' Association (NADA) believes that the voluntary Automotive Code of Conduct – which was implemented by the Competition Commission in October – will be catastrophic to the vehicle industry.

This code proposes that vehicle owners can service a vehicle at any workshop, using equivalent parts that have not been subjected to strict standards, without breaching their warranty at participating dealerships.

This puts vehicle owners at risk of sub-par parts being fitted by unskilled mechanics. Up to this point, only approved dealerships could supply and install parts that had been approved by the original equipment manufacturers (OEMs) as defined in the agreement for dealers to represent OEMs.

NADA says: "The approved dealer is obliged to perform all maintenance, repair and service work as prescribed by the OEM. This doesn't cover any failures attributable to non-genuine parts."

Dave van Graan, head of special sales projects at MAN Automotive South Africa, says that reputable OEMs need to conform to standards linked to the National Regulator for Compulsory Specifications (NRCS) and vehicle

homologation requirements before their vehicles are sold, licensed and registered.

Parts supplied by OEMs might come at a premium price, but they go through rigorous testing to comply with very exacting quality standards. Van Graan notes: "Very often we find that customers use inferior parts that may 'look' similar, but have a much lower life expectancy and need to be replaced more frequently."

NADA echoes Van Graan: "All OEM parts are required to meet exact design requirements. These parts undergo stringent testing to maintain the required durability and safety standards. It is unlikely that OEMs will wilfully lower standards, or put any customer at risk by approving components that have not been thoroughly tested."

Quality parts give customers peace of mind, while the warranty ensures the vehicle is serviced to the exact standards of the OEM.

"During the warranty period, the customer has the assurance that the OEM stands behind the quality and safety of its vehicles and will repair defects at no additional cost to the customer. It ensures that vehicles are maintained in line with the standards," NADA notes. The fitment of parts and servicing of the vehicle is just as important. A genuine part fitted incorrectly could cause great damage.



Van Graan points out: "OEMs make ongoing improvements to their products and the components. The professional technicians and engineers who work with these manufacturers are kept abreast of these technological innovations and are trained to specifically integrate these parts into the vehicles to exacting standards."

A third-party technician might not have the necessary skills, resulting in an incorrectly fitted part that could cause the permanent failure of components, or more serious damage to the vehicle. If the market is flooded with non-genuine or equivalent parts, NADA warns that OEMs will not be able to back their vehicles.

Equivalent parts are not required to comply with standards set by the South African Bureau of Standards (SABS). There only needs to be a warranty on the part, of which the minimum period in South Africa is six months.

NADA states: "These parts may look the same, or similar, but the internal design, materials and performance can, and often does, differ vastly. Where such differences exist, these could impact on vehicle safety, durability and reliability." Safety-critical parts must comply with standards, but non-critical parts can still have an impact on important areas of the vehicle.

"Vehicles are integrated devices with linked components.

It is highly likely that a non-critical part can cause catastrophic failure or damage to critical areas. Non-critical, unregulated 'equivalent' parts pose a serious risk," the Association points out.

It uses an example of poor adhesive used on windscreens, which could impact the windscreen's ability to perform its function. Van Graan adds: "Failure of non-genuine parts of a non safety-critical nature could result in the 'death' of your vehicle – prematurely and at great cost."

It is important for consumers to gain more knowledge and a better understanding of the potential impact of the Code. If a customer unknowingly fits a non-genuine part, they will most likely suffer the most.

"Ultimately, the OEM is responsible for the vehicle. In an effort to establish any problem, the OEM will have to appoint someone to inspect the vehicle if there is a dispute. There are bound to be numerous claims that will result in a situation that is unmanageable in terms of ensuring compliance," NADA says.

OEMs will not agree to a warranty of a non-genuine part, which means the consumer might need to turn to the manufacturer of that part. NADA further notes that the manufacturer of the non-genuine part might not come forward.

"In the event of an accident or consequential damage, the manufacturers of these products may not voluntarily own up and take responsibility for their products," it states. OEMs have invested a lot more in their customers, products and brands. It is important for them to keep their customers happy.

"Customers are exploited when unscrupulous individuals, who are not thinking about long-term consequences, claim to offer the same parts and service at a much cheaper price. Frustrated customers then often return to the manufacturers that have supported them over the long term, to plead for assistance," he says.

Van Graan adds that if manufacturers are faced with the loss of customers in the short term and the cost of customer support or brand protection in the long term, they might be forced to withdraw from the market. He adds that this could impact on transport operators.

"The professional logistics operators who support the international brands will also re-look at their futures. This is very dangerous for any country that is serious about its long-term economic and employment outlook," Van Graan notes. However, he believes that most transport operators will continue to service their vehicles with the OEMs.

"Professional transport operators set very high standards to ensure up-time and cost efficiency. These standards go in hand with making sure that legal and quality standards are conformed to throughout the life of the vehicle. MAN is confident that those professional companies are as serious about these matters as we are," Van Graan says.

If ever the voluntary Code becomes law, customers will be able to protect themselves by sticking with dealers that stay committed to complying with the OEM standards. "One can look up the part code online and ask the OEM if the retailer is approved to sell those parts," the Association says. **F**

# CHEAP JUST DOESN'T ADD UP

**IS EXPENSIVE BETTER, OR CHEAP CHEERFUL? WHEN IT COMES TO TYRES, YOU HAVE TO BE WARY OF YOUR UPFRONT COSTS TO SAVE DOWN THE ROAD**

**A**

s is often the case when revenue is down and budgets are cut, more weight is given to the here and now, instead of thinking about the long term. Save a little now, worry about the rest later...

In transport, the three little letters of cost per kilometre (CPK) can be so easy to ignore in such a scenario. However, it would undoubtedly be ignorant to do so – especially when it comes to buying new tyres for a vehicle.

Riaz Haffejee, CEO of Sumitomo Rubber South Africa (manufacturer of Dunlop, Sumitomo and Falken tyres), explains: "CPK determines the real cost of the tyres on a vehicle and it is influenced by many factors including tyre position, load, condition of the vehicle, condition of the trailer, road condition and other external factors like the weather.

"Finding the CPK figure within a fleet is a unique calculation, although some generalisations can be made with regard to certain tyres and certain positions. It's always better to work this out for a fleet given the specific variables involved. CPK can differ between different tyres, depending on the performance of the product in a certain application."

Bridgestone SA small, medium and large fleet executive, Vernon Slack, notes: "In the transport industry, success or failure can be the result of whether operational costs are managed properly. With large volumes and big fleets, just

a few rand saved can directly affect returns and, ultimately, profits.

"A slightly higher capital spend on quality tyres is likely to deliver a great return – in terms of lower operational costs – over the full lifetime of the tyre."

Why is it, though, that some tyres might work out to be cheaper in the long run, despite being more expensive to purchase? It all begins with the design and manufacture of the tyre.

“

Most often, cheaper tyres are produced to perform in the global market; and not necessarily the hot and robust African conditions.

"To produce quality tyres, manufacturers have to do more than just churn out rubber. They need to invest in research and development, as well as in the materials that go into a tyre. They also need to investigate better ways of tracking performance in the field and delivering support when and where it is required," Slack begins.

Haffejee points out that there can be major structural differences between cheaper and premium tyres.

"In some cheaper tyres, a radial breaker belt will be



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removed to make the tyre lighter, with the aim of saving costs. The downfall of this is that the casing integrity may be compromised, as strength and rigidity are now missing. With the protector belt missing, the tyre has less resistance to penetrations, which could mean more downtime and an increase in the breakdown costs for the transporter," he says.

Because its casing integrity is usually better, due to better construction methods and superior materials being used in the manufacturing process, a premium tyre's casing can be re-treaded far more often than that of a cheap tyre. "Statistics from our retread partners show that a premium



Premium tyres will outperform cheap tyres on mileage, due to superior compounds being used, and because they are constructed with performance in mind.



tyre's retreadability is, on average, 66 percent higher than that of a cheaper imported tyre," Haffejee comments.

Finally, testing is a large factor in determining a tyre's performance and overall costs. "Premium tyres are developed and well tested for specific regions, or countries, to ensure the best performance for the application in which they are going to be used. Most often, cheaper tyres

are produced to perform in the global market; and not necessarily the hot and robust African conditions," Haffejee continues.

At the end of the day, it all comes down to performance. "It isn't just a question of the longer life you can expect from premium brands," adds Slack. "It is also a question of the performance of that tyre over its lifespan. Quality tyres will

deliver better grip; they will handle repeated loads and the stresses of the road better; they will retread better; and they contribute to a safer fleet," he reiterates.

"In most cases, premium tyres will outperform cheap tyres on mileage, due to superior compounds being used, and because they are constructed with performance in mind," Haffejee notes.

Slack reiterates that it is crucial to bear in mind that the invoice price is just one component of tyre cost. "Operators are facing major



## HOW TO CALCULATE CPK

CPK is calculated by dividing the cost of the tyre by the total kilometres travelled. For example:

### Price point 1

Tyre cost: R3 500  
 Total kilometres done: 250 000 km  
 CPK:  $3\,500 / 250\,000$   
 = 0,014 x 100 (format to rand)  
 = 1,4 cents/km

### Price point 2

Tyre cost: R2 850  
 Total kilometres done: 180 000 km  
 CPK:  $2\,850 / 180\,000$   
 = 0,016 x 100 (format to rand)  
 = 1,6 cents/km

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budget pressures, but must consider the total CPK, which should also factor in the supplier's value-added services and support network that help to keep vehicles on the road."

Haffejee agrees: "In many cases, transporters buy the cheapest tyre without thinking of the CPK cost. Although this might be a good cash option, the long-term benefits of managing a fleet according to professional methods and CPK are lost.

"Consistency with a tyre brand is also important, as

it helps to highlight where changes have occurred in performance over time. The proverbial saying that 'you get what you pay for' is often true."

Slack concludes: "Cost cutting on equipment that is essential to the safe operation of a vehicle is never advisable. There is always a higher price to pay later. The best case would be that the tyres wear out prematurely. It could be, however, that a vehicle has left the road, leaving a load undelivered and potentially far more serious consequences." **F**

## GOODYEAR AND CONTINENTAL AMONG SA'S TOP EMPLOYERS

Each year, the Top Employers Institute of the Netherlands conducts international research and recognises leading employers around the world for providing excellent employee conditions, nurturing and developing talent, and striving to continuously optimise employment practices.

The recent Top Employers 2019 awards recognised Goodyear South Africa as a Top Employer for excellence in employee conditions, as well as Continental Tyre South Africa as a Top Employer for its commitment to creating a positive working environment for its employees. These are the companies' fourth and second Top Employer accolades, respectively.

Darren Hayes-Powell, group MD of Goodyear South Africa, commented on what it means to be a Top Employer for Goodyear: "Goodyear has built a reputation as a customer-focused, agile leader in the South African tyre industry. This is only achieved through high-performing, capable associates. This award is recognition of the team and associates' performance."

Top Employer Institute CEO, David Plink, said: "We believe that the 2019 certified organisations demonstrate exceptional employee conditions and encourage the development of these practices by putting their people first. These companies help enrich the world of work with their outstanding dedication to HR excellence and because of this, they are recognised as an employer of choice."

Attie Higgs, general manager of human relations at Continental Tyre SA, commented: "Having a well-established culture within the company, where employees are encouraged to explore and further their career paths, creates a high level of engagement

and motivation throughout the business. In turn, this helps create a working environment where employees make meaningful contributions to the company and are invested in the success of the organisation as a whole."

The Top Employers Institute Programme provides certified organisations with the ability to leverage their employer branding, benchmark their practices against other top performers and globally align their policies.

"Top Employers are organisations of the highest calibre that have worked hard to create, implement and progress their people strategies. They provide an outstanding experience through strategic and thoughtful workplace programmes, which create an environment that empowers and develops employees," Plink concludes.



**LEFT:** Flanked by the Goodyear South Africa team is Goodyear South Africa group MD, Darren Hayes-Powell (right), and Samantha Crouse (left) from the Top Employers Institute.

**BELOW:** Representing Continental Tyre South Africa are, from left: Samuel Berkatt, labour relations and employee engagement manager; Jiminy Bosman, PR and communications manager; Genevieve Naidoo, TMOD manager; Graziella Guida, GM Finance and IT; Monica Ramsunder, general sales manager CST.



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# USED AND OUT OF WARRANTY – AN ACCEPTABLE RISK?

**TOUGH ECONOMIC CONDITIONS, COMBINED WITH THE POTENTIAL TO SAVE AS MUCH AS 50 PERCENT ON THE SALE PRICE OF A NEW VEHICLE, MEANS THAT SALES OF USED TRUCKS ARE BOOMING. FOCUS INVESTIGATES WHETHER IT'S WORTH BUYING OUT OF WARRANTY, AND WHAT TO EXPECT AND INSPECT**



**J**

ust as in the automobile sector, trucks are sometimes sold privately, or through smaller independent dealerships. One reason for this is that a seller is sometimes able to get a better price from a smaller dealership.

Buying used and out of warranty can be risky, but it is a risk that some smaller owner-operators have to take. Basically, getting the best deal will depend on knowing what to look for and getting the right vehicle at the best price.

## WHAT WILL THE TRUCK BE USED FOR

The application for which the truck will be used is an important aspect of buying any truck, whether it's new or used. Will it be used as a flat bed with drop sides, a tanker, or a freight carrier?

For example, an owner-operator may have a temporary contract, and fulfilling it doesn't warrant the purchase of a new vehicle. In this instance, a suitable used truck can be obtained for the specific purpose and sold on when the contract expires.

Ryan Pretorius, MD of Rhino Truck Sales, offers a word of advice: "When sold as new, cabs are normally sold without a body. Once a truck body has been fitted, the description on the licence disc must change. If the description on the disc does not match the truck, it is very expensive to change and the traffic department may impound the vehicle."

It is equally important to know the weight, volume and density of the merchandise the truck is expected to carry. Will the truck be doing long or short trips and what mileage will it do over the term of use?

## WHAT'S IN BUDGET

After determining what kind of truck is needed, compile a short list of vehicles that match the criteria.

Manufacturers will provide a book value for any vehicle sold by them in the past. Service providers like TransUnion also keep a detailed record of vehicles and their respective trade values represented at wholesale and retail level.

Since the vehicles are likely to be several years old, problems with particular models would have shown



themselves by this stage. Research should be undertaken on aspects such as common failures, or life expectancy, on the models within a particular price bracket.

If there are a lot of vehicles of a particular model continuously available on the market and they are all priced cheaply, this may be an indication that this model is troublesome.

### TRUCK INSPECTION

Before going any further, look at the licence disc to see if all information matches that on the truck.

"It used to be the case that outstanding licence disc fees remained on the seller's name when sold. This changed in November 2017 and outstanding fees, along with penalties that can amount to tens of thousands of rand, are now transferred to the new owner.

Ask for the service history of the vehicle and check that all the routine maintenance has been carried out. Also, check for any unscheduled maintenance and note the millage at which this was carried out.

If the dealer has no service record, this can sometimes be obtained from the original operator in the form of a logbook. It is also possible to call the service department of the vehicle manufacturer to get details on the most recent service.

Pretorius says it is not uncommon for sellers to turn back the odometer. "By the time a truck gets to around one million kilometres the paintwork should be littered with stone chips. If this is so, and you open the cab to find 300 000 km on the clock, this should sound alarm bells," says Pretorius.

Check for signs of accident damage like body filler and poorly aligned panels. Look underneath the truck for bent or worn steering and suspension components. While down there, look for patches of oil on the ground or on the inside of the tyres or engine bay.

Check all lubricants – these can be sent away for testing if necessary. Pretorius says: "You can check that the piston rings are in a reasonable condition by running the truck up to temperature, opening the oil filler cap and checking for 'blow-by', or puffs of smoke escaping the engine block. Also, check the radiator cap for oil residue which may indicate a blown head gasket."

When buying a used vehicle out of warranty, it serves the buyer to identify problems and negotiate for these to be fixed or subtracted from the sale price.

### IN TERMS OF THE CONSUMER PROTECTION ACT

There is a belief among some that if a vehicle is purchased and something goes wrong soon after purchase, the buyer is entitled to a refund. This is not necessarily true, and applies only in very special circumstances that may be difficult and time-consuming to prove in court.

Within the used-vehicle motor industry a dealer must disclose any known faults on the vehicle. The buyer is also entitled to request a list of what the dealer has done to the vehicle in terms of reconditioning.

The dealer must also disclose the year of first registration and the code status of the vehicle: new, used, imported, stolen and recovered, or rebuilt. The buyer is allowed to inspect the vehicle and conduct a road test.

As a final means of achieving peace of mind, the buyer can request that an inspection be carried out on the vehicle. One option is to take the truck to an inspection centre that conducts multi-point checks.

Pretorius says: "If I have a consumer who is unsure, I encourage them to take the vehicle to the manufacturer for a full report. Normally they charge around two hours' labour to do this."

Buying used and out of warranty is not for everyone, but it offers the opportunity to save the owner-operator a lot of money upfront. The final decision comes down to finding the right vehicle at the right price and accepting a level of risk that isn't inhibiting. **F**

# REDEFINING VEHICLE FIRES

**WITH HIGHER LEVELS OF ELECTRIFICATION BEING INSTALLED INTO MODERN VEHICLES, AND WITH THE INCREASED USE OF ALTERNATIVE POWERPLANTS, FIGHTING A VEHICLE FIRE NEEDS TO BE HANDLED WITH EXTRA CARE**

**R**

andolph J. Harris, a certified vehicle fire investigator with over 500 vehicle-fire investigations to his name, has found that the most common cause of truck fires is an electrical short in the engine compartment.

"An electrical short occurs at over 2 760°C (hot enough to melt iron). This overheating can ignite the insulation and any nearby combustibles. The shorted wire (typically unfused) can overheat completely back to the batteries, cause additional arcing, and ignite any combustibles along its path, including diesel hoses. However, a fire from another source can damage these wires and cause them to arc," he explains.

Interestingly, Harris has found that arson contributed to 20 percent of the fires he has investigated (the second most common cause); with trailer fires caused by overheating brakes, bearings or flat tyres the fourth most common; accidents the fifth most; fluid leaks the seventh most and human carelessness the ninth most common.

Michael P. Daley, an instructor with the Middlesex County Fire Academy, comments on *Firehouse.com* that vehicle fires pose considerable safety risks to responding units and firefighters, and that commercial-vehicle fires compound these risks significantly.

"Fuel loads, flammable and hazardous material exposure, coupled with limitations in accessibility and resource deployment can make these incidents very perilous," he states.

As vehicles running on battery power, hybrid systems or alternative fuels, such as natural gas or (to a lesser extent) hydrogen, begin to enter the market, these risks and hazards are compounded. Very often, dealing with these types of vehicle fires requires firefighters to ignore years of training.

Steve Smith, retired lieutenant with Arvada Fire Department in Colorado, writes for *Fire Engineering* magazine: "Commercial compressed-natural-gas vehicles are very safe and significantly reduce emissions

and pollution. When they are on fire, however, special precautions and altered firefighting techniques must be used for everyone's safety. As firefighters, we are trained to put the water on the fire, but we cannot in these situations. Knowing how to identify these vehicles is the first step in protecting oneself and the public."

Swedish vehicle fire suppression specialist, Dafo, is one company participating in a new research project on electric- and hybrid-vehicle fire risks. The company adds that, while a growing number of electric and hybrid vehicles are taking to the roads, knowledge on the risks associated with these vehicles is limited.

It is therefore contributing to a new research project funded by Sweden's innovation agency, Vinnova, where risks posed by lithium-ion (li-ion) vehicle batteries will be addressed and investigated on how they should be managed.

"With this new project we will map the fire risks associated with li-ion batteries and mitigating the consequences of fires in electric and hybrid vehicles. The big increase in electric vehicles and the transition to renewable fuels means that this is a very important and exciting project," says Johan Balstad, business area manager, Dafo Vehicle Fire Protection AB.

Balstad continues: "Fire risks related to battery spaces, including procedures for handling electric vehicles and batteries after a crash, bearing in mind the risk of fire at a later stage, will be studied. This work will lead to future safety solutions, including system design and battery placement.

"The focus of this project will be to investigate the extent to which fixed and/or integrated fire-suppression systems, that are widely used to protect engine compartments on heavy vehicles, can be applied to vehicles powered by li-ion batteries, as well as how the systems should be designed."

Interestingly, 94 percent of all public-transport buses in Sweden already have fixed fire-suppression systems installed. **F**



# X-CEPTION TO THE RULE?

**GAVIN MYERS DRIVES THE ENTRY MODEL INTO THE NEW MERCEDES-BENZ X-CLASS RANGE – THE X 220 d 4x2 PROGRESSIVE**

## A

round the time you read this, **FOCUS** will be joining Mercedes-Benz South Africa for the local launch of the V6-powered X 350 d flagship of the X-Class range. This, it's currently rumoured, could be South Africa's first R1-million bakkie!



That said, it's hard to imagine that, at R646 071, the X 220 d Progressive is only the "entry level" X-Class... Granted, that's a long way off the R824 205 of the current top of the range model, the X 250 d Power 4x4 – and that new V6... Point is, once most bakkies reach the R600 000 echelon, they really are nearing the top of their respective ranges.

Which begs the question – is Mercedes-Benz on the right track with the X-Class?

Well, there's not much to mark the X 220 d Progressive as the entry model. As with other Progressive models, it sports black front and body-colour rear bumper treatment, and it rides on the same 17-inch wheels.

Inside, the comfortable, supportive seats are definitely

a highlight – they are possibly the best to be had in a double-cab bakkie, as is the driving position. The rear accommodation is a bit tight, though.

Not as impressive is the interior design and quality of materials used. Mercedes-Benz positions the X-Class as a premium bakkie, which means that the hard plastics and bland design of the dash, while sturdy and fit-for-bakkie purpose, are a bit of a let-down.

Practically speaking, more convenient storage spaces could've been dotted around, and, aesthetically speaking, I'd happily pay for one of the optional interior trim finishes over the standard, sombre black plastic dashboard inserts.

Nonetheless, what's the X 220 d like on the road? It's single-turbo, 2.3-litre, four-cylinder diesel engine produces 120 kW and 403 Nm; figures that are respectively 20 and 47 points down on the twin-turbo X 250 derivatives.

You don't really notice it though, as the transmission of the smooth power delivery and low-down torque to the rear wheels, is eased by the smooth-shifting, six-speed manual gearbox (the only option with the 4x2 models).



Much has been made of the X-Class's five-link rear suspension, and in this regard its comfort levels are good, but not class leading. The same can be said for the overall levels of ride refinement of the X 220 d. Handling wise – despite its bulk and 20-mm raised ground clearance – the X 220 d responds positively to driver inputs, offering a good amount of chassis control and feeling planted on the road.

Fuel consumption over our test week was better than expected; the X 220 d returning 9,7 l/100 km, with Mercedes-Benz claiming a combined figure of 7,5. (It's Euro-5 rated, incidentally.)

There is one more elephant in the room that always needs to be discussed when it comes to German vehicles of any sort – the standard versus optional equipment lists... All Progressive-spec models feature as standard: heated and auto-dimming exterior mirrors; a tyre-pressure monitor; leather-covered handbrake lever, gear knob and steering wheel; electric seats; rain-sensing wipers; cruise control; hill-start assist; trailer stability assist; and a handy load-securing rail system in the load box.

Setting you back extra will be a reversing camera (R5 649), navigation (R8 474), or Parktronic with 360° camera (R14 950). There are also five options packages to choose from, and you can kit out your X-Class with 24 individual accessories (or nine accessory packs).

The X 220 d you see here was fitted with the R27 600 Style Package, which adds the anodised roof rails, running boards, rear privacy glass, electric rear window, LED headlamps and partial LED taillamps, and larger 18-inch wheels.

So, again, we must ask: is Mercedes-Benz on the right track with the X-Class? Well, first, if you don't need 4x4 capability then the X 220 d is certainly the model to go for. It doesn't compromise much over its more powerful siblings and, personally, I feel the manual is a better fit for the X-Class than the seven-speed auto (even if the positioning of the gear lever is clearly set for left-hand drive markets). And those who like to be seen on the road will certainly enjoy the attention the X-Class grabs.

It's really not a bad bakkie. However, even with the standard PremiumDrive full-maintenance plan of six-years/100 000 km, it is hard to justify the premium when one looks at the competition in the R600 000 price bracket. **F**

SCAN TO LEARN MORE ABOUT THE X-CLASS



The Transport Manager's Handbook is in its 17th year and this annual publication for transport managers and fleet operators is as essential as ever!

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**DISCOVER THE INNER TRANSPORT AND LOGISTICS WORLD!**

# WHEN IT COMES TO INNOVATION, THINK OUTSIDE THE BOXER!

**WE HAVE ENTERED A NEW ERA OF THE RE-IMAGINATION OF COMMERCIAL VEHICLES, AND PEUGEOT IS AT THE FOREFRONT OF THIS INNOVATION**

**T**oday's passenger vehicles are designed to quickly, efficiently and comfortably get commuters from point A to B in sprawling urban landscapes.

Similarly, gone are the days when commercial vehicles were viewed as large, unwieldy and unfriendly modes of transportation.

The trend is to give the consumer the best of both worlds – vehicles that are luxurious, while being hardy enough to be categorised as business tools. So, with this in mind, let's focus on Peugeot's appealing and immaculately designed commercial vehicle – the Boxer.

Besides its "boxy" good looks, and superb handling, it was subjected to a multitude of important quality tests:

- 4 000 000 km of rolling on all types of terrain, including rough roads, to test the engine and ensure its optimum reliability;
- 500 000 shutter break cycles;
- 1 500 hours in a climatic chamber; and
- salt-water corrosion tests.

As a commercial vehicle, the Boxer is used for a range of applications in small, medium and large businesses. Regardless of its use, the Boxer is designed to be relied on and not to play around!

To maximise load space, Peugeot's designers haven't wasted a single cubic centimetre. The wheel arch, for example, is as small as possible, and its clearance has been optimised to offer the largest effective load width (a width of 1.422 m at the wheel arch and a maximum interior width of 1.87 m).

Even more impressive and convenient, the Boxer can be converted into a 19-seat taxi, an ambulance, a chassis cab

or simply remain as a panel van. The various configurations depend entirely on the operator's unique business requirements.

The Boxer offers a comprehensive range of active safety features including: ABS with EBD, ESP with Load Adaptive Control, power steering, hill assist and a driver's airbag.

The Peugeot Boxer is the perfect "out the box" commercial vehicle that fits seamlessly into virtually all business needs and plans.



There are two Peugeot Boxer variants:

Boxer L2H1 2.2 HDi BVM6 – 3,3 t, priced at R467 900

Boxer L4H2 2.2 HDi BVM6 PUMA – 4,0 t, priced at R497 900

In addition, the Boxer comes with a five-year/100 000-km service plan and a three-year/100 000-km warranty, with the option of a five-year/120 000-km extended warranty, proving Peugeot's commitment to excellence.

Peugeot's mobility programme and roadside assistance is included whilst the vehicle is under warranty, altogether making the Boxer an extremely cost-effective business tool. **F**

**SCAN HERE FOR MORE INFORMATION ON HOW PEUGEOT CAN HELP YOU "THINK OUTSIDE THE BOXER"**



# CONQUERING THE GLOBE WITH A SILK ROAD

**INDEPENDENT CHINESE TRUCK DRIVERS ARE STRUGGLING DESPITE GROWTH IN THE GIG ECONOMY, WHILE THE GOVERNMENT PLANS TO REVIVE ITS ANCIENT SILK ROAD TRADE ROUTE. MARISKA MORRIS INVESTIGATES THE SITUATION IN CHINA**

In March 2015, Chinese Premier Li Keqiang unveiled the Internet Plus plan. According to *China Daily*, its purpose is “to integrate mobile internet, cloud computing big data, and the Internet of Things with modern manufacturing, to encourage the healthy development of e-commerce, industrial networks and internet banking, while getting internet-based companies to increase their presence in the international market.”

The plan encouraged freelance work in a response to the slowing of the Chinese economy, which resulted in the growth of a gig economy – an environment in which temporary positions are common and organisations contract with independent workers for short-term engagements.

Today, China has one of the biggest gig economies with over 110 million people. It accounts for about 15 percent of the entire labour force and is expected to quadruple by 2036. It indirectly contributed 8.1 percent to the Chinese gross domestic product (GDP) in 2016.

However, Viola Rothschild, in an article for *Foreign Policy*, notes: “The growing pervasiveness of the gig economy has raised serious and pressing concerns within China about workers’ access to social insurance, compensation, pensions and health care.”

The Chinese transport and logistics industry has also been impacted with an estimated 90 percent of commercial transport vehicles being individually owned. The industry handles around 220 trillion yuan (R465 trillion) of goods with logistics costs accounting for 15 percent of the Chinese GDP, yet the majority of transporters stand idle for 40 percent of the day.

Anjani Trivedi, in an article for *Bloomberg*, writes: “Every morning, Chinese drivers gather at hubs, waiting out an offline, auction-like process that matches shippers and truckers. Then they travel to logistics parks to pick up the goods – which sometimes aren’t there.”

Manbang is a platform that connects shippers with truckers. It brokers agreements and takes 20 percent of the commission. It has signed up 5.2-million truck drivers and 1.2-million shippers.

“A big wrinkle in Manbang’s valuation is costs. In June, truckers went on strike to protest rising fuel prices and other expenses like tolls, fines, and the app’s impact on haulage rates. The fragmentation in the industry means drivers don’t have much bargaining power,” Trivedi writes.

Manbang’s dominance in the industry has resulted in independent truck drivers reducing fees and accepting longer trips with increased fuel prices eating into their small profit margin. However, Manbang faces its own cost concerns. The company loses an estimated one billion yuan (R2.1 billion) a year on capital expenditure and payroll.

Executive chief editor of *CVzone*, Shao Zitong, notes that if the estimated population of 30-million truck drivers is phased out completely, it will have a disastrous effect on the country.

“Everyday life in China will be in total chaos. Road transportation made up 78 percent of all the transport in China in 2017. It will especially affect the popular e-commerce industry. Online retailers depend on truck drivers and couriers,” Zitong says.

To ensure that drivers continue their work, Zitong suggests: “More regulations are needed to ensure the

welfare and health of truck drivers. With the Non-Truck Operating Common Carrier (NTOCC) mode coming into play and spreading, the competition is not healthy. The freight transport price is much lower than before, which makes it hard for drivers to earn money."

She adds that even though apps that are used to manage drivers had a good goal initially, they place too much pressure on the drivers. "Drivers cannot even stay at the service station for more than 20 minutes before they are contacted; despite the need for them to rest after several hours," she explains.



### The initiative will see the revival of an ancient trading route dubbed the Silk Road.

Zitong notes that truck drivers need more respect in China. It is not a well-known or respected job. There are fewer young people interested in truck driving as a career.

However, this could be a blessing in disguise as China implements its Belt and Road initiative, which will move some road transportation to rail and waterways. The initiative will see the revival of an ancient trading route dubbed the Silk Road. Zitong argues that the transport and logistics industry will greatly benefit from the initiative.

"With the support of the national Going Out policy (a strategy to encourage Chinese enterprises to invest overseas), more investments will come from the government

and some cooperation platforms will be established between construction and operations," she explains. Increased investments will provide more opportunities for original equipment manufacturers (OEMs) and logistics companies to develop their businesses overseas.

Sales of heavy-commercial vehicles in China are suffering, Zitong notes: "In September, the total sales volume of heavy-duty trucks was 76 000, a slight increase of six percent from August, but a sharp decrease of 25 percent since 2017."

A statement by the Chinese government, which was shared with **FOCUS** by Zitong, notes that the three-year Belt and Road plan aims to push the restructuring of the transport industry to reduce pollution, increase efficiency and lower logistics costs.

"The country will witness a 30-percent increase in transportation by rail, (or 1.1-trillion tonnes) and waterway transportation will increase by 7.5 percent (or 500-trillion tonnes) by 2020. The road transportation volume for bulk cargo will see a reduction of 440-billion tonnes," the statement reads.

While the initiative threatens the livelihood of many independent transport operators and could see further sales declines for Chinese OEMs, it does promise to further boost the Chinese economy, which might create more employment opportunities and empower businesses to expand their companies to various other countries. **F**

READ MORE ABOUT THE PLANS ROLLED OUT FOR THE BELT AND ROAD INITIATIVE



#### SALES VOLUME OF HEAVY-DUTY TRUCKS BETWEEN JANUARY AND SEPTEMBER 2018, UNIT

Brand	Sep 2018	Sep 2017	Year-on-year growth	Jan-Sep 2018	Jan-Sep 2017	Accumulated year-on-year growth	Market share of Jan - Sep 2018
Total	76 000	101 110	-25%	894 200	874 604	2%	100%
FAW	18 000	23 609	-24%	212 300	201 324	5%	23,7%
Dongfeng	15 000	19 327	-22%	163 000	164 510	-1%	18,2%
Sinotruck	12 500	16 150	-23%	147 800	148 001	0	16,5%
Shacman	10 600	15 968	-34%	130 800	134 246	-3%	14,6%
Foton	8 000	11 022	-27%	87 000	86 654	0	9,7%
SAIC Hongyan	3 290	3 610	-9%	47 027	30 666	53%	5,3%
JAC	2 700	3 147	-14%	34 244	41 023	-17%	3,8%
Dayun	2 679	2 658	1%	23 347	22 451	4%	2,6%
CAMC	1 508	1 337	13%	15 246	13 901	10%	1,7%
XCMG	1 106	1 317	-16%	12 729	9 825	30%	1,4%

# SHORT HAULS

## BUILDING IT WITH FAW PINETOWN

Build It Pinetown mixes paint, cuts glass and boards, reads business plans and, most importantly, provides home deliveries for its customers.

These deliveries are currently being performed by two FAW trucks, each bought from the FAW Pinetown branch.

Paul Nothnagel, sales executive at this full sales, service and parts dealership, has been the driving force behind the deals. Nothnagel proactively marketed the FAW brand by personally visiting Build It Pinetown, and leaving marketing brochures for the store's management to mull over.

This strategy worked. The first FAW the Build It Pinetown branch bought was a five-tonne 8.140FL, which was secured in October last year. This acquisition was followed a month later by another identical purchase, this time financed in-house by FAW Pinetown.

The popular FAW 8.140FL is a 4x2 heavy-duty truck with a body and payload allowance of 6 019 kg and permissible gross combination mass (GCM) of 14 t. It is powered by a 3.8-litre Cummins ISF engine.

Quintus van Rooyen, general manager at Build It Pinetown, explains that the busy home-improvement store wanted to buy its own trucks, as it had been outsourcing deliveries to subcontractors with mixed results. Ironically, a driver from one of these companies had also recommended FAW to Van Rooyen.

He adds that Build It Pinetown delivers a range of building materials up to 500 km away. "The FAWs have impressed us and we are now preparing to buy a third FAW. This will most probably be the larger 15.180FL, due to its 24-t GCM rating," he explains.



"The low fuel consumption recorded by the FAW trucks and the superb after-sales service offered by FAW Pinetown – and from Paul Nothnagel in particular – are the main reasons we keep going back to FAW. There hasn't been anything that they have not been able to sort out for us," Van Rooyen continues.

## SAFE MAN BUSES THIS FESTIVE SEASON

As it did in 2017, MAN Automotive is once again offering free vehicle health checks for bus and coach operators. With just over 400 vehicles checked and attended to prior to the December 2017 festive season, the MAN Automotive after-sales team is targeting more than 500 vehicle checks during October and November.

Checks on safety-critical components, and checks to ensure uptime, are undertaken by trained, senior MAN technicians against a predetermined scope of mandatory checks, which are over and above those that may be needed at the specific service mileages.



These checks include, but are not limited to: brakes, lights, windscreens, wiper blades, steering and suspension, fluid levels, batteries and door mechanisms.

Should the technician find anything out of order, or that has the potential for failure prior to the next scheduled service, the dealership staff will contact the operator and obtain authorisation to repair or replace the faulty component (with a new MAN genuine part – covered with a two-year warranty from time of fitment).

MAN staff offer a neutral, third-party report about anything needing special attention. According to MAN, many smaller operators in particular – that may not necessarily have the capacity of technical operational staff, who are trained to the latest recommended standard – have found these health checks to be advantageous.

According to Anton Fuchs, head of parts and service sales at MAN Automotive: "We are delighted to be running this campaign prior to the annual holiday season. Our bus and coach customers gave us fantastic support and feedback last year, and we are sure that this programme has supported them with peace of mind for better up-time reliability, and also demonstrated greater safety during the busy festive season."

## WHAT DOES THE CUSTOMER REALLY WANT?

What is customer centricity? "It is so much more than just great customer service," says Bruce Thoresson, international logistics director for Bidvest Panalpina Logistics (BPL). "It's about creating an experience from the moment we first engage with a client until after our services have been rendered. We put the customer at the heart of our decision-making and service delivery throughout that process, providing a service uniquely customised to their needs."

Customer-centric businesses typically start with assessing a customer's needs, rather than selling a service or product that may or may not have relevance. Services and products are then designed or adapted to meet those preferential needs.

Ideally, customer centricity allows a business to anticipate, at some point in the process, services or products that a client wouldn't have already thought of, and then delight them with these.

According to a 2018 survey by KPMG Canada, leading

added services tracked," he says. Customer feedback is, of course, vital, and BPL uses independent service providers to assess performance.

"Customers nowadays require enhanced flexibility



customer-centric businesses could see their projected profit growth rates increase from 5.3 percent this year to 7.4 percent in 2020. In 2014, Deloitte Ireland found that companies that are strongly customer centric are 60 percent more profitable than companies that aren't.

"It's important to measure customer centricity, so we do this on an annual basis," says Steve Smith, warehousing director at BPL.

Thoresson believes that while client engagement should be comprehensive, the administrative side needs to be simple and as automated as possible, to allow client engagement to remain problem-free throughout the transaction.

For a business such as BPL, which has a global reach through its partnership with Swiss-owned Panalpina Group, this requires additional special attention, as it's "impossible to shoehorn every customer into a fixed service offering without understanding their needs," says Thoresson.

"We continually urge our staff to remain aware of their actions that will impact customer service, with value-

and increased visibility into their supply chains, so we're introducing business-intelligence tools and integrating with customers' systems," comments Smith.

Customer centricity as a business philosophy only works when it's understood and embraced by employees at every level of a business.

"If a business is genuinely customer centric, then adherence to this philosophy needs to run throughout the organisation, from the exco to the lower operations or business units," says Thoresson. "A business isn't truly customer centric if some business units are making decisions with and for their customers, but others are doing this based on other criteria."



"In essence, a customer-centric business tailors its entire organisation, from services and products delivered, to the processes followed, and even to policies and culture within the organisation, to giving the customer a sense that their needs are being met every single step of the way," he concludes.

## ZF SCOOPS COMPANY OF THE YEAR AWARD

Independently measured against a list of criteria under the two key factors of "Visionary Innovation and Performance" and "Customer Impact", ZF Aftermarket beat off stiff competition to take the Frost & Sullivan European Automotive Aftermarket Company of the Year 2018 title.

"Within a competitive and challenging market, ZF Aftermarket's industry leading position and partnership skills in the field of advancing mobility make it a true and worthy winner of the title," explains Benson Augustine, senior research analyst, Frost & Sullivan.

Criteria that were measured included: addressing unmet needs; visionary scenarios through mega trends; implementation of best practice; financial performance; price and performance value; customer and service experience; and brand equity. ZF Aftermarket achieved a point score of nine out of ten across the board.



"With proven examples of being first to market with new solutions, we believe the business expertly combines delivery of best practice in terms of growth, innovation and leadership with the art and science of futureproofing its offer."

Frost & Sullivan noted a number of key areas in which it believes ZF Aftermarket excels. Of particular note was how it leverages value-added customer benefits from the ZF Group, and properly aligns its associated distributor partners in the aftermarket value chain to adapt to changing market trends.

In a competitive and crowded market, the forward-thinking ethos of the business was praised. The commentary explains how ZF Aftermarket has embraced a growing appreciation for, and acceptance of, shared mobility concepts, urban mobility platforms, rising hybrid technology, e-mobility and autonomous driving.

## COMMERCIAL VEHICLE SALES REPORT FOR SEPTEMBER 2018

Note: For the time being, Mercedes-Benz SA (MBSA) will only report aggregated sales data. The MBSA commercial vehicle market split volumes are estimates based on historical trends and forecasting techniques.

Light Commercial Vehicles < 3 501 kg	Total: 14 342
Fiat Chrysler Automobiles South Africa	50
Ford Motor Company	3 048
GWM	163
Hyundai Automotive SA	300
Isuzu Motors South Africa	1 193
JMC	46
Kia South Africa	98
Mahindra	296
Mazda South Africa	3
Mitsubishi	26
Mercedes-Benz SA - estimate	58
Nissan	3 055
Peugeot Citroën South Africa	3
Renault	4
Suzuki Auto	3
Tata	6
Toyota	5 498
Volkswagen SA	492
Medium Commercial Vehicles 3 501 – 8 500 kg	Total: 702
Fiat Chrysler Automobiles South Africa	3
Ford Motor Company	8
Hyundai Automotive SA	16
Isuzu Motors South Africa	133
Iveco	51
JMC	9
Mercedes-Benz SA - estimate	185
Peugeot Citroën South Africa	6
Tata	25
Toyota	214
VECV South Africa	2
Volkswagen SA	50
Heavy Commercial Vehicles 8 501 – 16 500 kg	Total: 524
FAW	50
Isuzu Motors South Africa	99
Iveco	3
MAN Automotive	6
Powerstar	3
Mercedes-Benz SA - estimate	60
Tata	62
Toyota	153
VECV South Africa	8
Volvo Group Southern Africa	80
Extra-Heavy Commercial Vehicles > 16 500 kg	Total: 1 183
Babcock DAF	32
FAW	38
Isuzu Motors South Africa	13
Iveco	37
MAN Automotive	197
Mercedes-Benz SA - estimate	286
Powerstar	20
Scania	214
Tata	8
Toyota	36
Volvo Group Southern Africa	302
Buses > 8 500 kg	Total: 133
Iveco	19
MAN Automotive	67
Mercedes-Benz SA - estimate	16
Scania	18
Volvo Group Southern Africa	13

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

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ON TRANSPORT AND LOGISTICS





# TARIFFS MUST RISE

**THE INCREASING COST OF FUEL, LABOUR AND INPUT COSTS IN THE COMMUTER-BUS SECTOR IS NOT BEING SATISFIED BY GOVERNMENT SUBSIDIES OR INFLATION ON TICKET SALES. GARETH GREATHEAD DISCUSSES THE SITUATION**

**I**n the first week of October, the price of fuel increased by 99 cents for petrol and R1,24 for wholesale diesel. According to the Automobile Association (AA), this is the largest fuel price hike in the history of the country, aside from months where taxes were linked to increases.

The AA states: "The impact inflicted on the economy by such increases may put pressure on President Ramaphosa's recently announced stimulus package. The cost of doing business will go up and consumers' disposable income will shrink. We don't believe the economy can grow meaningfully under such conditions.

"Furthermore, we estimate this increase could extract a further R2,5 billion a month in transport costs from an economy that is already on the ropes."

The AA has linked the increase to a weak local economy, an unstable global market and a rise in the price of crude oil internationally.

*Bloomberg* reported that crude oil is likely to hit US\$ 100 a barrel before the year is up.

Layton Beard, spokesperson at the AA, says: "If there is no short-term intervention to stimulate economic growth, resulting in a stronger rand to offset the price of crude oil internationally, the price of fuel in South Africa will continue to rise."

## AN INDUSTRY UNDER PRESSURE

In July, the price of diesel reached more than R14 per litre. At the time, President Cyril Ramaphosa called on transport providers to hold off on any tariff increases.

This is not the first time the commuter-bus industry has had to cushion the effect of rising costs over the past year.

According to the South African Bus Operators Association (Saboa), the price of diesel has gone up 34 percent, year on year, since September last year.

Thys Heyns, executive director at Putco, says: "The diesel fuel price increase of R1,24 per litre will cost Putco an additional R42 million per annum. Already, Putco's annual fuel bill has risen by R133 million since September 2017."

Eric Cornelius, executive manager at Saboa explains: "The typical bus company is already working on tight margins. Labour accounts for about 40 percent of total operating costs. Labour costs increased by nine percent this year and this resulted in a 3,6-percent overall rise in total operating costs.

"Ordinarily, fuel represents about 30 percent of total operating costs. Since fuel increased by 34 percent, it resulted in an overall upsurge of 10,2 percent. These two cost components alone caused an increase of 13,8 percent in total operating costs in the bus industry."

## SUPPORTING PUBLIC TRANSPORT

In South Africa, buses arguably provide the most stable form of mass public transport. When compared to trains and minibus taxis, buses provide a more reliable, clean and safe means of transport.

South African public transport caters for the most financially constrained groups in society. Without transport, people cannot access places of recreation, economic opportunity or social service.

According to Statistics South Africa's National Household Travel Survey, 10,2 percent of families use buses as a means of transport.

Currently, the Public Transport Operations Grant (PTOG) is the subsidy provided by government to the commuter-

bus industry. This year, this subsidy increased by only 3,2 percent. This is well below inflation and the government has not announced any plans to reassess the structure.

During a recent protest, the People Against Petrol and Paraffin Price Increase (Pappi) proposed that all pensioners, students and scholars be afforded free public transport, which may be implemented through a coupon scheme.

According to the organisation, the funds for its implementation could be sourced by cutting back on irrelevant and wasteful expenditure by government departments.

Beard says: "The AA will support any initiative that will benefit the mobility of people. It would be interesting to learn about the ins and outs of such a system, however."

consider restructuring the template used to calculate the basic fuel price in the short term. This may enable the government to adjust the price of fuel without making changes to taxes collected on fuel.

Most recently, the government has suggested the capping of 93-grade unleaded petrol at a set point. Government expects that this will be achieved through a reduction in the price of fuel sold wholesale.

At the time of writing, the petroleum industry had been given a deadline to respond to the proposal.

### **BUS TARIFFS MUST RISE**

Saboa demonstrates the effect a 13,8-percent increase in operating costs has had on bus operators by using a



### **FUEL PRICE MUST FALL**

Pappi also believes that fuel produced by Sasol should be sold for less than R10 a litre, because it is not dependent on the price of crude oil or the exchange rate.

Beard explains that there are two issues that inhibit this from happening. "First, fuel is a regulated commodity, so if one company sells fuel at a specific price, everyone must sell for that price. Second, if everyone were to buy their fuel from Sasol it would not be able to fulfil the needs of all users in South Africa."

In August, despite a weak rand and further increases in the cost of crude oil internationally, the price of fuel went virtually unchanged. This was due to a temporary intervention initiated by the government and the Central Energy Fund.

Beard says that in the future the government could

R10 bus ticket as an example. To maintain traditional cost structures and profit margins, a bus company would have to earn an additional R1,38 per ticket.

This year, the PTOG subsidy increased by 3,2 percent. This equates to only 16 cents per ticket, as only half of the ticket price is subsidised. The passenger tariff portion increased by around six percent, therefore 30 cents per ticket (again 50 percent of the ticket value).

The overall increase gained by the operators is 46 cents – leaving them short of 92 cents per ticket on subsidised journeys.

The most recent increase in the price of fuel will leave the commuter-bus industry with little option but to pass on the increase in operating costs to passengers. At the same time, most bus companies have already adjusted their fares for the year and further increases may lead to the loss of passengers. **F**



# BYD'S BOLD EUROPEAN EXPANSION

**IN LITTLE MORE THAN FIVE YEARS, A BATTERY AND VEHICLE MANUFACTURER FROM CHINA HAS GONE FROM NOWHERE TO TOP-SELLER IN THE EUROPEAN ELECTRIC-BUS MARKET. IT'S NOW TURNING ITS ATTENTION TO THE EUROPEAN TRUCK MARKET. TIM BLAKEMORE, MANAGING EDITOR OF *COMMERCIAL VEHICLE ENGINEER*, REPORTS**

**B**

attery-powered refuse-collection trucks made by Build Your Dreams (BYD), a huge and fast-growing multinational electric-vehicle manufacturer based in China, could soon be on sale in Europe for the first time.

Speaking last month at the group's global head office in Shenzhen, its European division's MD, Isbrand Ho, confirmed that the refuse-collection sector of the European truck market had been identified as a prime target for further European expansion.

Although cars, vans and trucks are included in its extensive product line-up in China, at its European base in the Netherlands (set up five years ago), BYD has concentrated solely on pure-electric (battery-powered) buses.

In a joint venture with Alexander Dennis (ADL), the United Kingdom's (UK's) top-selling bus manufacturer, BYD chassis and electric drivelines are bodied by ADL at its factory in Falkirk, Scotland. BYD's first wholly owned bus assembly plant in Europe (in northern Hungary) began operating in April 2017.

Speaking in September at the IAA commercial vehicle show in Hannover, Germany, Ho confirmed that construction of a second European bus-assembly plant in Beauvais, northern France, is now "well under way and will be commissioned very soon".

The Beauvais plant's main job, initially at least, is final assembly of BYD buses for the French market. The Hungarian plant in Komarom is much bigger, with the capacity to manufacture up to 400 vehicles a year. The site includes a battery test and maintenance centre and a paint shop, as well as bus and truck assembly lines.

This almost certainly is where production of European-specification BYD electric trucks will start, although Ho

emphasises that much depends on finding a joint-venture truck partner in Europe, not least to provide the after-sales support demanded by truck operators.

He will not be drawn on discussions that BYD is understood to have already had with potential joint-venture partners in the European truck market, but the UK's Dennis Eagle, based in Warwick and the UK's top-selling manufacturer of refuse-collection trucks, is thought to be a front-runner.

Typical domestic refuse-collection truck work patterns make BYD trucks more suitable than most for fully electric drivelines. BYD makes no secret of its ambitions to continue growing fast in both the European bus and truck markets.

Weiyue Lin is head of the company's newly established European e-bus research and development division, based at the European head office in Rotterdam, in the Netherlands. This division was set up six months ago with a team of ten engineers transferred from China. Now Lin is to "learn from European competitors, to support bids for tenders (from bus operators) and to find more suppliers in Europe".

BYD's presence in the UK bus market was strengthened two months ago with the opening of a purpose-built workshop and UK head office at Iver, Buckinghamshire. BYD electric buses first went into service in the UK five years ago.

Now, according to Ho, there are 227 either in operation or on order in the country, mainly in London. The company is seeking to recruit more engineers locally in Europe, mainly from Germany, Italy, the Netherlands and the UK.

As part of the latest Metroliner/Transport for London (TfL) order for 68 battery-powered, double-deck buses, BYD and ADL are preparing to deliver 37 by the second quarter of next year. The other 31 e-buses in this order will come



In the face of intensifying competition, we are delighted to win the largest first order for electric double-deck buses in London.

from Optare (which is a bus supplier to the Cape Town MyCiti integrated rapid transit system – ed).

The 10.9-m-long BYD/ADL Enviro 400EV double-deck bus is the result of cooperation between ADL's body-manufacturing base in Falkirk and BYD's research and development centre in Shenzhen. Metroline already runs a fleet of 23 BYD/ADL Enviro 200 single-deck buses.

"Our joint team has made tremendous progress in winning tenders for TfL routes across the capital with our 10.8- and 12-m single-deck buses," says Ho. "With 6 800 double-deck buses now on London streets, their full electrification is the key to making maximum beneficial impact on air quality for Londoners."

He adds: "In the face of intensifying competition, we are delighted to win the largest first order for electric double-deck buses in London, and to retain our position at the top of the electric-bus sales league."

Colin Robertson, ADL chief executive, says: "So far the Enviro 200EV single-deck buses have delivered in excess of 1.5-million miles of zero-emission transport in the UK."

"This new contract for double-deck buses takes the BYD/ADL collaboration to a whole new level in every sense. With this brand-new vehicle we look forward to continuing our journey of improving air quality, while responding to the operational demands of our customers and the requirements of their passengers."

There are no fewer than 35 000 BYD electric buses in service worldwide. The 600 sold in Europe to date gives BYD a 20-percent share of this market sector, according to Ho, which is way ahead of any rival manufacturer.

He is especially proud of recent successes in Scandinavia, not least because it is home to two of the strongest of those European bus market rivals: Scania and Volvo Group.

The latest BYD order in Sweden was announced at the IAA. It comes from Nobina, one of the biggest bus operating groups in the Nordic region. The 26-vehicle order comprises 12-m single-deck units (11), 18-m articulated units (ten), and 8.7-m midi-buses (five).

All these are expected to be in service by the middle of 2019, operating under the control of Västtrafik, the agency responsible for public transport in the Västra Götaland region of south-western Sweden.

Martin Atterhall, Nobina group fleet manager, says: "There is rapid growth in the Nordic e-bus market. Where new technology and electric solutions are enablers for a more attractive and sustainable public transport, offering cleaner, quieter and more comfortable traffic, we are determined to be in the forefront, developing and introducing smart and sustainable e-bus solutions to Nordic public transport authorities."

BYD sales are now growing faster in Scandinavia than in any other part of Europe, according to Ho. "This is remarkable, given both the tough climatic conditions and the strong competitors," he says.

Some European e-bus markets, such as Germany, are, however, proving harder nuts to crack than Sweden or the UK, Ho admits. "In Germany the e-bus revolution has had a slower start. We are, however, now seeing growing interest here in moving to the new technology, but it's not plain sailing yet, although we have been actively tendering for several projects. We're working hard to win the hearts and minds of all participants," he says.

He is confident that the extensive latest updates to the BYD bus range unveiled in Hannover will help win more hearts and minds in Germany and elsewhere.

BYD's core expertise is in battery development and manufacturing. This is how it started in business in 1995, before moving into vehicle manufacturing by acquiring a Chinese manufacturer. Ho is confident that his company continues to be ahead of all rivals in electric-vehicle battery technology.

He says: "As I visited other stands at IAA, I noticed that everyone is becoming a battery expert, but our battery energy density is unrivalled. And now we have an industry-leading battery thermal-management system, which will lessen degradation, extend battery life and increase vehicle range. Our buses now also have a smart monitoring and fault-diagnosis system, allowing operators to remotely control bus systems and diagnose any problems.

"As comfort and convenience are extremely important to our customers, these have been improved, with noise levels lowered through better sealing and one-piece wheel covers. In addition, our new modular manufacturing system cuts manufacturing time, lowers kerb weight (by around four percent), and reduces component numbers. Product quality has also been improved with components sourced in Europe.

"All this is part of a bright future for electric buses right across Europe. BYD is committed to playing a leading role in this. We aim to stay in pole position, even in the face of intensifying competition."

When are the first electric BYD trucks in Europe likely to go on sale? Ho is not quite ready yet to spill the beans on this, but confirms that "a team is being set up in our European headquarters to launch our new commercial vehicles" and that the trucks will certainly be on display two years from now, at the 2020 IAA Hannover show. **F**

# IN THE NEXT ISSUE

## CAPTAINS OF INDUSTRY

## FLEET MANAGEMENT

## BUSES, COACHES AND PUBLIC TRANSPORT

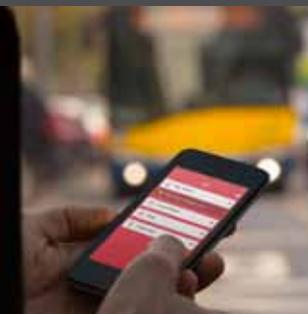
## LEGISLATION UPDATE



**FOCUS** meets the movers and shakers behind some of South Africa's leading companies in the transport and logistics industry.



In addition to keeping an eye on a driver's activities, in-cab monitoring can also be used in a more scientific way – we find out how body-language monitoring can improve a driver's skills.



Disruption is the buzzword that has dominated boardrooms during the second decade of the 21st century. Public transport is no exception.



**FOCUS** takes a look at what transport and logistics professionals will need to do in order to be compliant in 2019.

## WORLD ON WHEELS – UNITED KINGDOM



We explore the United Kingdom's transport and logistics industry.

## AFTERMARKET FOCUS



Brake pads are crucial to the safety of any vehicle and are under immense stress in commercial vehicles. We take a look at everything relating to brake pads.

## LCVs IN THE INDUSTRY



**FOCUS** takes a look at some of the new light commercial vehicles (LCVs) on the market and the important role they play in the transport industry.

## SHEQ IN THE TRANSPORT INDUSTRY



What does the law say about workmen's compensation and insurance for drivers, logistics professionals and workshop staff who get injured while on the job?

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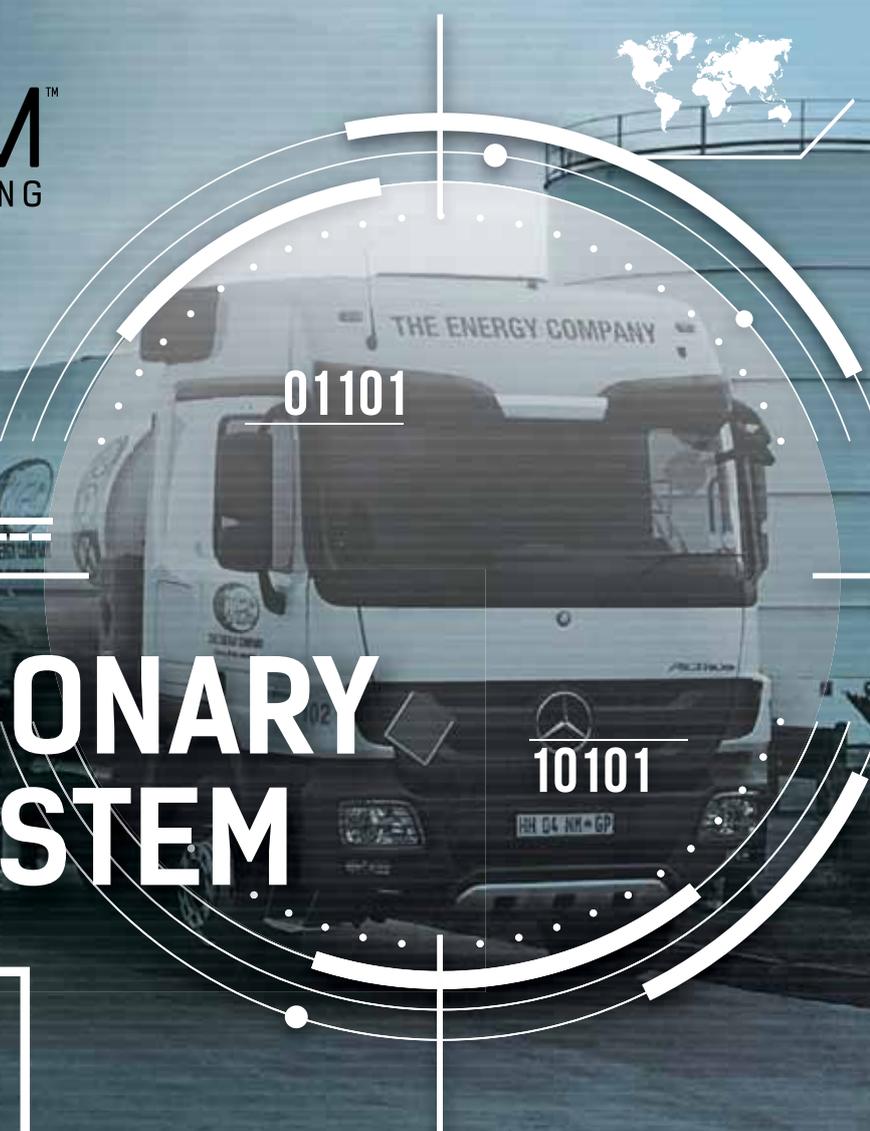
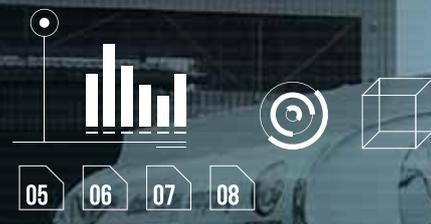


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