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BUSTING OPEN BUDGET 2019

“THIS WAS NOT THE BUDGET TO FIX SOUTH AFRICA. HOWEVER, IT WAS WHAT WE NEEDED AND INDICATES WHERE THE COUNTRY MAY BE MOVING,” SAID ONE OF THE PANELLISTS AT THE 2019 ECONOMETRIX BUDGET REVIEW



GAVIN MYERS

By now we all know what Finance Minister Tito Mboweni detailed in his 2019 budget speech and, by all accounts, he was conservative and managed to avoid any major fireworks. Indeed, as was noted by Andrew Holstead, tax and transactional structuring solutions specialist, the finance minister had a job to do in the lead up to the national elections on May 8...

“The 2019 Budget was supportive of where President Cyril Ramaphosa is trying to move the country. The South African Revenue Service (SARS) and Treasury have lost essential skills and this Budget needed to show that we have the skills to collect money; that we’re not living in la-la land; are undoing cadre deployment;

and moving back to a place of fiscal discipline,” he commented.

Azar Jammine, director and chief economist, Econometrix, noted that the 2019 Budget will not boost investment in the way President Ramaphosa would like. However, he repeatedly noted that fixing SARS and eradicating corruption will both unshackle funds and attract foreign investment in the years to come.

“If we get these aspects right, we won’t have a problem getting out of this mess by around 2021,” Jammine stated. ➤



This Budget needed to show that we’re not living in la-la land; are undoing cadre deployment; and moving back to a place of fiscal discipline.

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He outlined that economic growth in 2018 was estimated at 0,7 percent and that revenue collected was R42 billion short of what was expected. "SARS's tax statistics over the last few years show that tax buoyancy (growth in tax revenue relative to growth in the economy) has fallen from 1,37 three years ago to 0,91 last year. That means that if we had collected taxes as efficiently as we did three years ago, we'd have an additional R40 billion in tax revenue," he added.

Speaking of tax, Jammine noted that even though VAT has not been increased this year, the average man on the street should not be lulled into a false sense of security.



THE FUEL LEVY, CARBON TAX AND E-TOLLS

A fourth tax will be added to the cost of fuel in South Africa on June 5 – the carbon tax. Consumers can expect to pay an additional nine cents per litre on petrol and ten cents per litre on diesel (diesel refunds cannot be claimed against this tax).

From April 3, the general fuel levy will be increased by 15 cents per litre for petrol and diesel while the Road Accident Fund (RAF) levy will increase by five cents per litre.

According to Jammine, the carbon tax should not be scoffed at. "The estimated revenue will be R1,8 billion. There are currently no specific details, but we must look out for the draft regulations."

However, the Organisation Undoing Tax Abuse (OUTA) comments that introducing a new fuel tax without clarity is unacceptable.

"Introducing a carbon fuel levy without a clear indication that this will be ring-fenced for climate-change mitigation initiatives, and with no clear link to behavioural change, appears to be disingenuous," says Heinrich Volmink, executive head: OUTA National Division.

The Automobile Association (AA) of South Africa adds that it remains concerned that these levies are seen as the "go-to" taxes for easy increases by government.

"Besides being an additional line of tax on the fuel price, the inclusion of a carbon tax by government is grossly unfair given the fact that South Africans will now be paying an emissions tax on fuel of inferior quality, without having access to higher-quality fuels which are available in many other markets in the world," notes the AA.

From April, the total cost of the levies (including the new carbon tax) will amount to R5,63/litre for petrol and R5,49/litre for diesel.

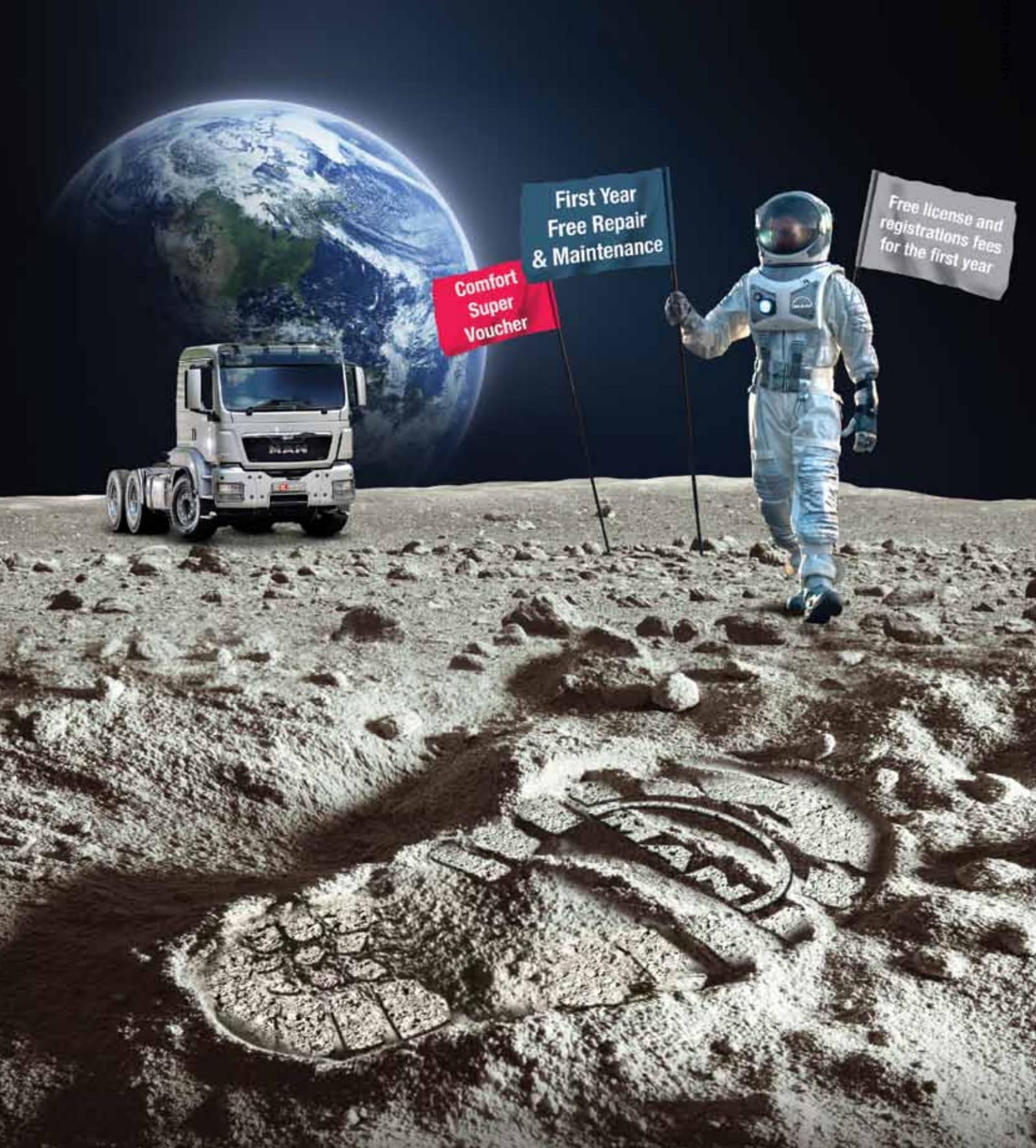
"These increases will comprise anything between 40 and 42 percent of every litre of fuel bought. This adds to the burden especially poorer consumers carry directly through paying these taxes, and indirectly through the costs passed on to them by manufacturers and retailers who also have to pay these taxes," says the AA.

The Association adds that while 2019 began relatively smoothly in terms of the fuel price – especially compared with the extreme variations seen in 2018 – there is no guarantee prices will remain flat.

Regarding e-tolls, OUTA CEO Wayne Duvenage comments favourably on Minister Mboweni's "changed narrative from a hard 'e-tolls is here to stay' stance last year to a clear indication that negotiations for solutions to resolve the e-toll matter are on the cards".

"We believe this softened stance may be a result of this being an election year and that sanity is starting to prevail on the failure of e-tolls," says Duvenage. "While Minister Mboweni does say that the user-pays principle should be borne in mind when finding a solution, OUTA points out that e-tolling is a failed user-pays scheme and that the fuel levy is a very efficient user-pays alternative..."

The question is, though, would South African motorists take kindly to an even higher cost of fuel – especially if it were in lieu of the much-maligned e-tolls?



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"We will still be worse off than last year, because there's hardly any adjustment for income going up in line with inflation and tax payers moving up the tax ladder. Projected inflation may be less than five percent in 2019, yet the



If we had collected taxes as efficiently as we did three years ago, we'd have an additional R40 billion in tax revenue.

projected increase in revenue from income tax is 11,1 percent, plus other taxes.

"In a depressed economy, without a major thrust in investment and a continuing squeeze on the consumer,

growth in gross domestic product (GDP) will be no more than one to two percent over the next few years," Jammine commented.

So where is South Africa left as it enters the 2019 fiscal year? While collection of excise duties takes increasing strain and the number of individual and corporate tax payers declines, the budget deficit sits slightly higher than expected, and the public debt to GDP ratio edges upwards, there are still some positive signs.

Mboweni emphasised the government's intention to fix SARS and its commitment to fighting corruption, while acknowledging that it needs the support of the private sector.

Let's hope we begin to see a tangible change in the coming years. **F**

WANT THE NUMBERS? HERE ARE THE 2019 BUDGET HIGHLIGHTS



THEY SAID IT

Azar Jammine

"Imagine how much money government would have available if it put a stop to corruption and state capture."

"Unfortunately, the actual Budget data showed that nothing really has changed."

"Local skills are silently leaving. This is a significant problem. In many cases it's because transformational objectives take precedence over retaining these skills."

Somadoda Fikeni, political activist and commentator

"The ANC is a majority party with a solid mandate and business is warming up to Cyril Ramaphosa... The sentiment is better the devil we know."

"Youth unemployment is a timebomb."

"We will not win the battle against corruption if we see it only as a public-sector disease – the private sector is an accomplice."

"One of the most important interventions will be to reduce corruption and patronage, and strengthen institutions. It will take a year or two before results are evident."

"If we neglect education, we can forget everything about the future. People need skills such that, should they not go all the way to university, they are still able to make a living."

"We have a common-sense deficit. We are so obsessed with complexity, we assume it's the same as sophistication. We have Gautrain to imitate countries like Japan, but we can't deliver textbooks to schools..."

"There's opportunity that we shouldn't lose from this crisis – a wakeup call. Our minds will come together to look for solutions. One day, we will become outraged when people are found to be corrupt."

Willem van der Post, CEO of X.Tech Capital

"We need to prepare to adjust to the new global landscape or we'll be left behind."

"We must not fall into a defeatist mindset, there is huge opportunity through entrepreneurship."

Andrew Holstead

"Hopefully the ANC is moving towards undoing cadre deployment and fixing what needs to be fixed."

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EICHER EXPANDS IN SOUTH AFRICA

HAVING UNVEILED ITS EICHER PRO 6000 SERIES IN OCTOBER LAST YEAR, EICHER TRUCKS, THE PRODUCT OF A VOLVO GROUP AND EICHER MOTORS JOINT VENTURE, IS NOW ON AN EXPANSION DRIVE TO HAVE A COUNTRYWIDE NETWORK FOR SALES AND SOLID AFTERMARKET SUPPORT

V

olvo Eicher Commercial Vehicles (VEVC), a Volvo Group and Eicher Motors joint venture, entered South Africa with a well-defined strategy of keeping aftermarket support at the nucleus of its entry into the market. This is something not to be underestimated

when it comes to South African customers and dealers.

Surender Singh, CEO of VECV South Africa, says that the Eicher management team is a firm believer of an aftermarket-driven strategy.

"This is very important in South Africa, which is a strategic market for Eicher. Huge investments have been made in the country to have an ample supply of spares parts, very efficient parts delivery and response time across the country and, most importantly, well-trained technicians across 20 key locations."

Eicher has joined hands with well-established dealership groups, such as: AAD Group, BB Motor Group, Billson Trucks, CMH Group, Croco Motors Group, Ermelo Truck & Tractor, Hoffeldt Motor Group, Imperial Group-Magnis Trucks, Morgan Group, NTT Group, Premier Truck & Bus, Shorts Commercial, and Thompson Motors.

"To further boost response time in the event of unforeseen breakdowns, we are geared up to assist customers with the support of a 24-hour call centre managed by Volvo Group Uptime Centre services," Singh adds, noting that the company is continually expanding into neighbouring counties, too.

Available at each of the 20 strategically located dealers, the Eicher Pro 6000 Series range of next-generation, heavy-duty trucks offers "class-leading fuel efficiency, superior uptime, enhanced driver comfort, safety and efficiency through various cabin features and intelligent systems".

"VECV brings together the Volvo Group's global expertise and world-class technology, and the innovative engineering and proven DNA of fuel efficiency from Eicher. The Eicher Pro series range of next-generation trucks is a result of the synergy between Volvo Group and Eicher Motors," Singh comments.

The Eicher Pro 6000 range currently consists of the Pro 6016 16-t, heavy-duty freight carrier (eight-tonne payload) and the Pro 6025T 6x4 25-t, heavy-duty 10 m³ construction tipper. The trucks are powered with VEDX engines, which were designed and developed in collaboration with Volvo Group.

The cab is adapted from Japanese design and meets AIS 029 safety standards. It is equipped with the Intelligent Driver Information System that provides live information to the driver on the truck's operational parameters as well as on-board diagnostics.

When the Eicher Pro 6000 Series was developed, customers' needs were central to the development, together with what had been learned from customers in real-world conditions. Singh notes that it is designed to meet the needs of most market segments across haulage, distribution, construction, industrial loads, courier and perishables.

The trucks have undergone rigorous endurance and performance testing over more than 100 000 km in South Africa. "Together with strong support solutions, the new series promises to deliver maximum lifetime profitability, which will fast track customers' business growth," says Singh.

"This new range of trucks is geared to revolutionise the levels of productivity in the heavy-duty trucking industry, with the infusion of global engine technology, cabin design and intelligent systems from the Volvo Group, and South African aftersales support," he concludes. **F**



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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.

THE LOST YEARS AND HOW TO RECOVER THEM

THERE IS CLEAR NEED FOR A BOLD “NEW DAWN” IN THE FIELD OF TRANSPORT, BUT ACHIEVING IT WILL NOT BE EASY

The recent disclosures of the attrition of competence at Eskom makes it clear that the policy of political deployment of managers, into businesses that require high

be resolved quickly, with 14 power stations and much reticulation suffering from lack of planned, quality maintenance.

Provincial and municipal technical services for roads, electricity, sewage and water reticulation are also in a parlous state in many areas, and a lack of adequate planning for sufficient water supply has created a looming disaster area.

The same processes are evident

planning of the national maritime import-export logistics infrastructure will be a definite barrier to effective development of the economy in the future.

Within the currently tangled political responsibilities, it will be difficult to solve the clearly identified bottlenecks in the infrastructure and operation of the different transport modes.

The regional freight-transport operations are in a mess, with major inefficiencies caused by the official systems on most corridors. In several areas, blockages of five to eight days occur, due to border processes that are aimed at extracting maximum revenue for both the authorities and for a range of other parasites in the systems.

Meanwhile, passenger rail is deteriorating into chaos, and road passenger systems are out of control.

Within South Africa, commercial road-freight transport has, to an extent, avoided the same fate, due to the existence of competitive private-sector transport operations, but there are warning signs that all is not well, and the current official systems for quality control of road transport are not effective.

This is evidenced by the levels of corruption in the vehicle fitness system, as well as the lack of managerial, driver and technician training systems, despite the Transport Education Training Authority (TETA) and other transport agencies.



There will be need for much change in order to create a regulatory framework of an international standard to control the quality of road-freight transport.

levels of technical competence, has been one of the root causes of the collapse of the organisation.

The process has continued for 20 years or more and is unlikely to

in railway operations for both passengers and goods, apart from a few divisions that have retained their experts.

The lack of international calibre

This situation is aggravated by the ineffectiveness of the monitoring systems, which should be provided by the road accident statistics, the National Traffic Information System (eNaTIS), National Freight Transport Databank, operator registration system and overload control systems. The imminent introduction of carbon tax is ironic, as there is no effective monitoring system of traffic pollution.

When road freight was deregulated in the 1980s, and it was abundantly clear that the industry would explode, the intention of the Department of Transport (DoT) was to ensure future quality control within a Road Transport Quality System (RTQS).

The system was commissioned by the DoT and designed at what was then the Rand Afrikaans University (today the University of Johannesburg) in collaboration with the freight transport industry associations.

It included Operator Registration, requirement for Competent Responsible Persons, a National Road Traffic Act, a Professional Driver Permit, vehicle fitness inspections, and an IT monitoring system such as eNaTIS.

The project was then "redeployed" to non-transport organisations and lost its focus on the internationally recognised principles of transport regulation.

Now, 30 years later, an attempt is being made to recover the situation with Cabinet having approved the Road Freight Strategy in 2016 and planning to start implementation in 2019. At the same time, the Southern African Development Community (SADC) Tripartite Alliance has approved and is working on the Tripartite Transit Transport Facilitation Project, which has the same framework.

As a result of the amount of mismanagement, deterioration and ineffective regulation that has

occurred over the intervening period, there will be need for much change in order to create a regulatory framework of an international standard to control the quality of road-freight transport for the future. It is absolutely essential for it to be professionally managed, despite many of the same limitations that are so evident in the Eskom saga.

There is clear need for a bold "New Dawn" in the overall field of transport and a focused, holistic, professional restructuring of the entire transport system to create effective, coordinated, competitive and efficient structures with the necessary expertise to reverse the slide.

In 2017 the National Freight Logistics Strategy (NFLS) described the issues in freight transport, but there is need for restructuring to place the entire transport system under one ministry and to equip it with qualified transport professionals in all modes. **F**

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TRAVELLING WITH EFFICIENCY

WITH INEFFICIENTLY DESIGNED CITIES A REALITY IN SOUTH AFRICA, CREATING AN ALL-ENCOMPASSING TRANSPORT SYSTEM IS EASIER SAID THAN DONE

In last month's issue of **FOCUS**, the design of South Africa's major cities was discussed within the context of historical inefficiencies that continue to manifest in our major transport systems, the design of cities and congestion issues.

As our cities developed, first according to social engineering, and then as a result of opening up movement of people in the 1990s, planning a city or provincial transport plan became difficult, and it remains difficult to this day.

The poor are forced to rely mainly on the taxi industry, while the middle and higher-income commuters use their own vehicles.

The monopoly the taxi industry holds over the low-income space means that taxi operators are able to dictate allocation of routes, setting of fares and infrastructure. While it contributes immensely to the movement of passengers, from an economic point of view, the market power of the minibus-taxi industry holds up integration of various modes of transport.

A solution could be found in a system in which all income groups are able to travel across a fast, integrated transport system for both work and leisure.



The strain on roads and highways will force commuters to turn to mass transport.

For this type of system to be viable, the cost of travel needs to be significantly increased. Currently, for those with the means to use other forms of transport, travelling in one's own car is far more convenient than having to rely on public transport.

Cape Town is ranked 29th in terms of cities with the worst congestion in the world (Johannesburg is ranked 46th), yet one is likely to find more citizens without cars in Cape Town than in other cities, as the cost of ownership (in terms of transit) forces commuters to find alternative means of transport. In other major cities, such as London and Paris, parking is also prohibitively expensive.

Eventually, with the growth of our metropolitan areas, the strain on roads and highways will force commuters

to turn to mass transport to move around successfully.

However, in a stagnant economy where profit margins are tight and the ability to pass higher costs on to consumers is limited, expanding several modes of transport is likely to create competition and disrupt established services such as buses and taxis. (Taxi operators were forced to raise fares, although this was met with resistance in the middle of last year.)

We at Econometrix expect difficulties if (or when) the Gautrain expands into main taxi hubs such as Randburg, Soweto and Diepsloot. It will be up to government and the private-sector players to come together to ensure the system is safe and cost-effective in order to drive growth into the future. **F**



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CLONED DATA AND THE COURTS

AS TECHNOLOGY BECOMES INCREASINGLY PERVASIVE IN THE TRANSPORT SECTOR (AND IN SOCIETY IN GENERAL), SOUTH AFRICAN COURTS NEED TO PRIORITISE THE ISSUE OF DATA CLONING AND ITS USE AS EVIDENCE

In Director of Public Prosecutions versus Kirwan [2015] IECA, the court held that CCTV footage was so novel at the time that an additional form of explanation and supplementary evidence in support of its usage was needed. However, CCTV cameras are now ubiquitous and the footage that is generated by the cameras is now used in the courts as real evidence.

In a similar way, as technology has evolved, the courts are now expected to deal with different forms of evidence such as cloned data.

This is crucial in this dawn of the age of autonomous (or remotely controlled) vehicles, which will also contain a significant amount of data. Take, for example, the autonomous ships and trains (such as Rio Tinto's high-tech train), which innately hold a large amount of data in a form that may be different to what has been seen previously by the courts.

At the State Capture Commission in 2018, an international expert was able to recover 99,9 percent of material in cloned hard drives that contained emails and other documents which may implicate a number of people.

The Chairman of the Commission ruled that the original hard drive containing the material, a cloned copy, as well as an extended version could be received into evidence.

A forensic clone is an exact replica of a hard drive. It allows for all the data to be accessible and includes deleted and partially overwritten files.

port authorities, (which is similar to air-traffic control for aircraft); VHF is used for voice and data radio communications on board vessels.

While the courts are progressively dealing with data cloning, legal practitioners commonly use cloning in the discovery process by preserving discovered documents in an



Cloned data is crucial in this dawn of the age of autonomous (or remotely controlled) vehicles.

Data cloning also affects the preservation of evidence where there has been a collision at sea. Data from the vessel traffic service (VTS) and very high frequency (VHF) information can be obtained in order to determine the sequence of events leading up to and causing the collision.

VTS is a marine traffic monitoring system established by harbour or

electronic format that is electronically searchable, readily accessible and usable.

This also serves as a backup of hard-copy documents that may be lost or damaged sometime in the future.

It is important, therefore, for the courts to develop a flexible approach on data cloning and its use as evidence. **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 and have your say!

THE DANGERS OF A FRONT TYRE FAILURE ON A TRUCK OR BUS

A BLOWOUT OF A FRONT TYRE ON A HEAVY-DUTY TRUCK OR BUS CAN BE EXTREMELY DANGEROUS, AS THE DRIVER LOSES ALL STEERING AND DIRECTIONAL CONTROL – ESPECIALLY IF THE VEHICLE IS LOADED. THIS OFTEN RESULTS IN A VERY SERIOUS AND SOMETIMES FATAL ROAD ACCIDENT INVOLVING OTHER VEHICLES

Although I have never had the misfortune of having a blowout of a front tyre on a vehicle that I have been driving, I have interviewed truck drivers who have been involved in an accident as a result of this.

One interview that remains strongly imprinted in my mind was with a very experienced truck driver who lost control of his heavy-duty soft-drink delivery truck after a blowout. As a driver who loved his job and truck, he was very upset about the damage to his vehicle.

He told me that, in spite of the power-steering assistance, he was unable to steer the truck. With no steering control, the vehicle veered off the road and eventually came to a stop when it hit a rock in a small river bed. Luckily, in this case no other vehicle was involved and nobody was injured in the accident.

As the tyre that had burst was reasonably new, in good condition and correctly inflated before the start of the trip, the driver and his

manager were puzzled as to why it had failed. On further investigation it was found that the front axle was overloaded, due to incorrect loading of the payload.

On the day of the accident, the forklift driver, whose job it was to load the palletised load onto the vehicle at the depot yard, was absent. An inexperienced forklift driver was then called in to load the vehicle.

Not understanding the importance of mass distribution on the vehicle,

many factors that cause tyres to burst.

Incorrect tyre pressure is another common cause of front-axle tyre failure. An underinflated tyre will quickly overheat and fail, especially when the vehicle is heavily loaded and travelling at speed on a hot day.

It is also important to avoid the poor practice of bleeding tyres after they have been running and warmed up and the pressure has therefore increased above their starting pressure.



and that the pallets loaded with product contained in small cans weigh far less than the product bottled in two-litre bottles, he loaded the vehicle incorrectly placing all the heavy pallets in the front of the truck body and the lighter pallets at the rear. This resulted in a front axle and tyre overload.

Incorrect mass distribution resulting in front-axle overload is only one of the

Many truck and bus operators disregard the importance of missing tyre valve caps. Without the tyre valve cap fitted, dirt can enter the tyre valve causing the tyre to gradually lose pressure and fail.

Tyre condition is obviously also an important factor. Tyres should be inspected regularly to ensure that the tread depth is sufficient and that no visible tyre damage has occurred. **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.

HOUSTON, WE HAVE A PROBLEM

...AND SO, TOO, DOES SOUTH AFRICA



Who would have thought that this well-known quote is now almost 49 years old? Back in April 1970,

Apollo 13 was on its way to land two astronauts on the moon when a malfunction forced the crew to abort. While the world held its breath, mission control in Houston worked with the crew to use the moon's gravity to "whip" the stricken craft safely back to Earth.

Today, Houston, itself, has a problem. Its 2040 public transport plan has come under fire from local observers, and their reasons should resonate loudly in South Africa.

In an article published on several websites, blogger Tory Gattis describes the US\$ 7,5 billion (about R100 billion) plan as throwing "mountains of good money on wasteful new light-rail extensions".

He also believes that rail "is at significant risk of technological obsolescence" as autonomous transit (AT) evolves. While conceding that AT might be slow to develop, Gattis recommends "concrete guideways with rubber-tyre vehicles that can evolve with the new technology".

He adds: "We don't need more high-capacity transit, but, instead, we need more routes that (reach) more destinations at high service levels. Houstonians need better basic bus service."

While I agree with Gattis, we should at least credit Houston for having a single transport authority as well as a proper plan, which is more than can

be claimed by any South African city.

Gauteng, in particular, is sitting on a growing pile of transport documents that are gathering dust.

In July 2014, Gauteng Premier David Makhura appointed a panel to look into the Gauteng Freeway Improvement Project and e-tolls debacle. It reported to him in November of that year; 199 pages long, not counting annexures, it got off to a naïve start as early as page 1 where it referred to a "Gauteng 25-year Integrated Transport Master Plan". The public transport component of this "plan" would disappear six months later, for reasons that have not been explained.

The panel's report made good points, such as lowering the toll fee while implementing a three-year programme of development of public transport, as well as retrofitting one or more lanes for high-occupancy vehicles. It also mentioned the "limited reach" of the Gautrain and the "limited size" of the bus rapid transit (BRT) schemes.

However, more than four years later, nothing has happened.

Getting back to light-rail transport, I would disagree with Gattis. In South Africa we should be using much more of it, but not by building new lines. We should rather convert a number of existing heavy-rail lines to light rail.

In Gauteng, how about Dube (Soweto) – New Canada – Booyens – Germiston – Tembisa?

In the Cape, how about Cape Town – Simonstown?

In KwaZulu-Natal, how about Durban – Greenwood Park – Kwa Mashu?

As for buses, I agree with him on the need for a better basic bus service. We got rid of trolleybuses because they were "inflexible". Why then does no one in South Africa seem to have a problem with rail transport, which is even more inflexible and more dependent on unreliable electricity?



We need to consider closing Metrorail down over weekends (until it sorts itself out) and running buses instead, covering far more areas than those currently served by rail. Many thousands of buses are running under contract in South African cities and can be reorganised to achieve this. They should run on these new routes on all other days of the week as well.

Unlike Apollo 13, which made it safely back to Earth, our public transport continues to spin aimlessly around the moon, trapped in a never-ending cycle of incompetence and mismanagement.

Does mission control have what it takes to get our stranded public transport assets to start functioning properly? I doubt it, but, as President Ramaphosa would say, "Watch this space." **F**

FACE TO FACE WITH SOPHIE PUNTE

SOPHIE PUNTE, EXECUTIVE DIRECTOR OF THE SMART FREIGHT CENTRE, HAS A DREAM. SHE WOULD LIKE TO "GREEN" THE GLOBAL SUPPLY CHAIN. CHARLEEN CLARKE WENT FACE TO FACE WITH HER AND ASKED HER HOW SHE PLANNED TO ACHIEVE THIS

H

ave you always been an environmental champion?

Yes, when I was 21, I travelled to India and I returned a changed person. I discovered that the environment needed to be protected and I decided to dedicate my life to this cause. I used to run a non-governmental organisation (NGO) called Clean Air Asia.

This NGO strives for better air quality and healthier, more liveable cities in Asia. It aims to reduce air pollution and greenhouse gas emissions in more than 1 000 cities in Asia through policies and programmes that cover air quality, transport, industrial emissions and energy use.

How and why did you start the Smart Freight Centre (SFC)?

Five years ago, I decided to start the SFC – because, while working at Clean Air Asia, I observed that a lot of the pollution in the cities was caused by transportation. We also discovered that only one out of ten vehicles in Asia was a truck – but that those trucks were generating more than 50 percent of the pollution.

I decided that something had to be done, so I approached the Shell Foundation in 2013 and suggested a global non-profit organisation that could address this problem. Luckily they agreed – and the SFC was born.

It's something I'm passionate about: minimising carbon is not only a "feel good" for the planet – our collective future as a human race depends on us dealing with the threat of climate change. My first day as executive director of the SFC was August 1, 2013, and my desk was my sister's kitchen table!

Your vision is "smart freight", and the transformation of the industry into an efficient and environmentally sustainable, global logistics sector. That's quite a mouthful. The challenges you're facing are quite enormous, not so?

Yes absolutely. The real challenge we face is that demand for freight transport is predicted to triple by 2050. Considering this growth, the total emissions from freight needs to reduce by up to 80 percent by 2050, compared to 2015 levels, if we are to meet the ambitions set out in

the Paris Climate Agreement, which came into force in 2016.

This is quite some challenge, considering that trucks currently use 17-million barrels of oil per day as fuel, which makes them the second-largest source of global oil demand.



How did you set about achieving change?

Well, the freight sector is a commercial sector, so we need to work through businesses to drive change. If you look at the freight sector, it is super fragmented – especially road freight and, because it is often outsourced, nobody takes ownership. So, what we did was to look for the logical owners. These are by and large the multinationals that want to get their goods shipped around the world.

Surely those companies were already focusing on “greening” the supply chain?

Not necessarily! We examined 100 multinationals with a global logistics supply chain and only 33 were reporting their outsourced logistics emissions in their annual or sustainability reports. Those that did were vague; all the companies reported their emissions very differently, so we developed a guideline on measuring emissions across all modes.

It was vital to have one methodology, so we could compare apples with apples. Accordingly, we formed the Global Logistics Emissions Council (GLEC). In 2016, we released the GLEC Framework, which is the only globally recognised, harmonised method for calculating and reporting emissions across the multi-modal logistics supply chain.

Do you encounter resistance from any of the companies with which you work?

No, not really. Companies are motivated to optimise their supply chain efficiency, because it saves fuel and money, and improves the quality of freight delivery. The good news is that carbon emissions are mostly generated by burning fuel, and therefore minimising carbon goes hand in hand with improving efficiency.

Are companies also motivated by a fear of carbon taxes?

Yes. It is only a matter of time before governments start putting a price on carbon to get businesses to manage and reduce their climate impacts.

Going forward, you will help companies to manage this risk, correct?

Yes we will. We are dedicated to a more efficient and low-emission global freight sector that contributes to staying within Paris Agreement targets. We’re bringing together the global logistics community to drive transparency and we’re mobilising multinational companies and their logistics partners to take action.

We’re developing global industry guidelines and then we play an advocacy role to get these guidelines adopted across industry. This is important for businesses that operate across borders. We also support businesses in their efforts

to calculate, report and reduce emissions through advice, assessments, training, events and recognition of what we call “Smart Freight Leaders”.

How successful has the SFC been to date?

Some 20 multinationals have adopted the GLEC Framework thus far. It is only a matter of time before using the GLEC Framework will become common industry practice.



Demand for freight transport is predicted to triple by 2050. The total emissions from freight needs to reduce by up to 80 percent by 2050.

We’ve also made lots of progress within individual companies. For instance, we worked with a carrier contracted to Tata Steel in India. The company has a fleet of 75 trucks.

It invested in driver training and enjoyed fuel savings of 20 percent as a result. The payback for the investment was less than half a year. There are many other similar success stories. **F**



LEARNING YO-YO TRICKS...

A VOLATILE MARKET MEANS USED-VEHICLE SALES IN THE SOUTHERN AFRICAN REGION WERE MUCH MORE STABLE THAN ON LOCAL SOIL DURING 2018. HOWEVER, IT WASN'T ALL GLOOM, AS GAVIN MYERS FINDS OUT

“The used market in 2018 was like a yo-yo; there was no pattern to it. Each buyer had a different request and it was very dependent on stock on hand at the time,” comments John Wolff, director of the established used-truck dealership Wolff Autohaus, in Krugersdorp.

“It was a tough year,” he reiterates, adding that factors affecting the used market include a shortage of good used stock, economic uncertainty and the pricing of second-hand vehicles. “Consumers are finding it difficult to get finance. We need to be ready for any given demand at any time,” Wolff notes.

Conversely, used-truck operations backed by original equipment manufacturers (OEMs) seemed to have fared better last year. Gert Fourie, head of MAN TopUsed, comments that high sales volume and an increase in the market prices of MAN TopUsed vehicles in excess of 15 percent year on year meant that 2018 was “excellent”.

He notes, however, that 2019 is off to a slow start. “Although we achieved our targets in January, the activity levels are still low. Customers are very price conscious at the moment.”

Similarly, Harold Donachie, Scania Used general manager, comments that in 2018 the Scania Used division ran at a third of its stock levels from 2017. “This means that we have been turning around our stock a lot quicker than in previous years. The quality of enquiries has also improved,” he suggests.

Donachie shares some of the trends he's noticed coming into 2019 – and a lot of them have to do with tough economic conditions.

“Customers are running their existing fleets a bit longer than in the past, and the chief reason seems to be the cost of buying new trucks in a tough business climate. This is compounded by the fact that the average monthly distances have decreased, due to the nature of contracts.



rate is the same whether running a new or used truck. If the cost of ownership of the truck can be lowered, there is an opportunity to earn a bit more money," he explains.

There also seems to be no specific reason behind the types of trucks favoured on the second-hand market. Donachie, Fourie and Wolff all cite long-haul trucks as being popular. Fourie and Wolff note that vehicles for tipping operations are doing well. Wolff also says that crane trucks remain popular.

"Long-distance taxi operators appear to be purchasing more 22 seaters rather than the conventional 14 seaters," he adds.

Speaking of long distance, export sales are cited by all three men as boosting the choppy local sales performance.

"Export sales are less volatile than local sales and the exchange rate is working very well in our favour," comments Donachie.

Wolff adds another reason for improved cross-border sales: "These customers seem to appreciate quality vehicles made for the South African climate."

With customers favouring clean, low-mileage vehicles and trying to find the best value for money purchase, it's not always easy for used-truck dealers to find a steady supply of the required stock.

"Naturally, vehicles with extended warranties are very popular among buyers, but they can't simply rely on these warranties should something go wrong," comments Fourie.

Donachie advises customers to gather every piece of information they can before signing on the dotted line.

"One of the most important factors to consider is the history of the truck. This should be detailed and include services, accidents, maintenance and repairs. For peace of mind one needs to consider the reputation of the dealership, as well as the future backup it can provide, such as service plans and warranties.

"The most important thing when buying any commercial vehicle is to understand that it is a mission-critical asset and uptime is of critical importance. When debating the downside and benefits of buying pre-owned commercial vehicles, the best weapon at a buyer's disposal is information," he concludes.

It seems that buyers need to be just as yo-yo savvy as the dealers... **F**

Therefore, trucks may be a bit older, but they are being replaced with lower mileages.

"We also see that, due to the tough economic conditions, rates being quoted by transporters have gone down significantly; operators have to be extremely aggressive to secure business. I believe this is one of the biggest contributors to fleet owners looking for used trucks. The

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TO LEASE OR NOT TO LEASE

FOCUS EXPLORES THE SPECIALISED FUNDING OPTIONS AVAILABLE TO DIFFERENT OPERATIONS AND HOW THESE CAN BE LEVERAGED FOR MAXIMUM BENEFIT

G

etting the best funding option is not only about securing the best interest rate; it's also about structuring a deal that aligns itself with the organisation's business objectives.

John Loxton, head of WesBank's fleet management and leasing division, starts by explaining the difference between a cargo owner and a transporter. He says this is important because their objectives differ and this could influence the funding option chosen.

"A transporter may view a vehicle acquisition as an investment in an income-generating asset. On the other hand, a cargo owner is more concerned with moving its own goods from point A to B," says Loxton.

For example, a company manufacturing furniture is a cargo owner. The vehicle is not the income generator, but its capacity is required to get the goods to the point of sale.

IN-HOUSE FINANCE

Nobody knows a vehicle better than the original equipment manufacturer (OEM) and, after years of partnering with transporters, many have developed a good understanding of potential challenges.

In essence, in-house financial services offered by OEMs provide a one-stop shop for customers. Also, having their own purse enables in-house consultants to be more creative when offering finance options.

In recent years, many operators have faced tough economic conditions, which have put their cash flow under strain.

Mike Honiball, vice president of sales and marketing at Mercedes-Benz Financial Services South Africa (MBFS), says: "MBFS offers a wide variety of financial products with innovative solutions, such as seasonal and skip payments, to suit our customers' revenue streams.

"Other financial products include leasing options, some of which potentially qualify as off-balance-sheet finance or residual values to keep the customers' monthly cash outlay manageable.

"Our ability to restructure finance agreements, and our commitment to work closely with clients to work out a suitable plan, has enabled us to keep many clients in their vehicles to operate and earn an income," says Honiball.

RENTING VERSUS OWNING

When a leasing (long-term rental) contract is written, the [▶](#)



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financier will develop suitable terms and conditions that stipulate exactly how the vehicle may be used, including the mileage parameters.

Leasing a truck means that costs are predictable and it may include maintenance, servicing and tyres. Loxton says this sometimes makes leasing an attractive option for cargo owners, since they do not view their vehicles as an income-generating asset.

“Cargo owners will need to ask themselves if leasing would facilitate the achievement of their business objectives without them having to make a direct investment in a depreciating asset.



“On the other hand, transporters traditionally don't want to be tied into a contract where they do not have the freedom to make changes at their discretion,” says Loxton.

For example, prevailing economic uncertainty could cause a transporter to sweat an asset for longer than originally intended. “Generally speaking, transporters are more inclined to select an asset-based finance option where the customer takes ownership of the vehicle after the last instalment is paid,” comments Loxton.

TOTAL COST OF OWNERSHIP

Loxton says the importance of working out total cost of ownership (TCO) is often underappreciated. “Before a funding option is chosen, an analysis needs to be done of the most optimal funding solution by means of a discounted cash flow analysis,” he explains.

He notes that the first item on the agenda is to determine whether the lowest cost of acquisition would be achieved by paying cash, through asset-based finance, or through renting (long term).

Loxton says that funding cannot be discussed without selecting the right vehicle through a TCO analysis. If an

organisation is looking for a vehicle to make local deliveries, from say Roodepoort to Johannesburg, its selection criteria will be totally different from those of a company operating a long-distance route.

Loxton warns that some organisations get stuck on the initial purchase price and lowest maintenance costs when, in fact, fuel is the most critical factor. If, for example, a truck is purchased for R1,5 million and its replacement is set at 850 000 km, and if the fuel consumption is 50 litres per 100 km, the company would have spent four times the original purchase price on fuel alone by the end of term. This example illustrates the importance of doing a proper

TCO analysis before the acquisition of a new truck.

Finally, it is necessary to determine the optimum replacement point for vehicles. Loxton says: “One vehicle might do 1 000 km a month, while another does 20 000 km a month. These vehicles will have different replacement points.” An ongoing and dynamic life-cycle analysis is the only way to determine the optimum replacement point for each truck. This is a critical aspect that could be determined in conjunction with a professional fleet-management service supplier.

Honiball states: “With our knowledge of the industry, we are able to offer tailor-made solutions to customers to match their cash flow and the life expectancy of the vehicle.”

Accurately defining a TCO is not a simple matter and getting it wrong can result in failure. Loxton suggests taking advantage of the skills and experience found at finance and fleet-management companies. “With our accumulated skills and experience we are able to protect businesses from the pitfalls associated with operating a fleet of trucks,” he concludes. **F**

DETERMINING TCO:

- Purchase price:** R1,5 million
- Fuel consumption:** 50 litres per 100 km at R14 per litre
- Fuel:** R5,95 million
- Replacement point:** 850 000 km
- Maintenance:** at 75 cents per km = R637 500
- Resale value:** R525 000

TCO: R7,56 million



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Business



FROM FARM TO FORK

THE WORLD OF SUPPLY CHAIN MANAGEMENT IS CONSTANTLY EVOLVING AS PLAYERS ENDEAVOUR TO GAIN A COMPETITIVE EDGE. FOCUS FINDS OUT HOW SUPPLY CHAINS HAVE CHANGED AND WHAT DEVELOPMENTS WE CAN EXPECT IN THE COMING YEARS

R

egent Business School describes supply chain management (SCM) as the movement and storage of materials, data, inventory, goods and finances from the point of origin to the point of purchase.

In other words, it encompasses all activities involved in the sourcing of raw materials, as well as manufacture and distribution of the final product to consumers.

According to Barloworld Logistics, in recent times SCM has grown further to include end-of-life functions such as reverse logistics, waste management and the circular economy, as well as data-driven functions such as payment solutions, data transfer and analytics.

It also includes functions such as supply, demand planning, procurement, manufacture and logistics.

BASIC SUPPLY CHAIN PRINCIPLE

Despite being different with regard to scope and objective, logistics and supply chain management remain interconnected. At its most simple, SCM is the integration of activities from multiple businesses to create competitive advantage within an industry.

Meanwhile, logistics refers to the physical movement and storage of goods within a single organisation to create customer satisfaction.

Grocery retailers provide us with a template for the efficient implementation of SCM. The process begins at the management company where office staff supply a directive after compiling extensive research and planning activities.

From there, buyers approach approved vendors (such as farmers and suppliers) to discuss terms and conditions. Items discussed may include brand packaging, the amount of product to be supplied or produced over a period of time, when it is to be delivered and at what cost.

Later, after the vendor has received the purchase order from the supply chain manager it will dispatch the goods for delivery at the distribution centre. Alternatively, the supply chain manager will arrange for collection and packaging.

After being received by the distribution centre, the goods will be stock piled and later pulled for delivery at stores.

The distribution centre must ensure that it communicates effectively with the buyers, so that it always has enough stock of a particular item to cater for the demand coming from stores.

If the warehouse has too much stock, it may ask its retailers to place certain products on promotion to drive sales. All of this is part of the distribution centre's demand-planning activities.

Part of SCM at individual store level involves order planning, so that the store doesn't run out of stock.

ALWAYS EVOLVING

In January, Barloworld Logistics published an article called: Through the looking glass. South African supply chains in 2019. While offering further comment, Kamogelo Mmuthana, chief executive at Barloworld Logistics, outlined some of the potential challenges and opportunities supply chains may face during 2019.

Mmuthana begins on a positive note by relaying his optimism for increased international investment, growth and stability in South Africa. However, 2019 is also an election year, so markets may be affected as the elections loom in May. Other economic impacts may include the United States versus China trade war and Brexit in Europe, he says.

MICRO-BUSINESSES

Barloworld Logistics is of the opinion that the growth of micro businesses may result in a shift in demand patterns. Mmuthana says: "This is likely to fundamentally challenge the distribution channels available locally, requiring supply chains to swiftly adapt to smaller loads, more frequent drops and sharply fluctuating demand.

"Alternative and micro solutions are adding diversity to the market but, at the same time, are eroding centralised demand. This means that the future of mega distribution centres and full-truckload transport may be in question."



SOCIAL RESPONSIBILITY

The era of social responsibility and corporate citizenry has arrived. "Customers expect organisations to take responsibility for more than their own manufacturing. They are, therefore, holding partners to higher standards of social and environmental responsibility.

"Furthermore, the carbon footprint, integrity and origin of products are becoming more and more critical when establishing competitive advantage," adds Mmuthana.

Barloworld Logistics believes that systems that offer traceability from origin to destination will result in the level of transparency consumers seek in order to buy responsibly managed products.

TECHNOLOGY

The adoption of technology not only provides a competitive edge, but is needed to give customers what they want. For example, business-to-business customers expect the same experience as those who purchase consumer goods.

Mmuthana explains: "Consumers want instant and accurate information about their shipment at their fingertips – on every device, at every hour of the day. There is no longer any doubt that digitisation and technologically driven processes can deliver the level of customer satisfaction and cost saving required to remain relevant in a modern economy."

Barloworld Logistics also identified artificial intelligence as another technology that is fast becoming the new source of advantage, as it allows supply chains to intuitively react to demand, to respond to customers without human intervention and to source and deliver as and when needed without complication.

DATA PROTECTIONISM

According to Barloworld Logistics, ownership and access to data will start becoming both a burden and privilege for organisations. The security measures necessary to ensure the safety of records, while necessary, may hamper collaboration and analysis.

However, it goes on to explain that any supply chain is, in itself, an active and accurate means of data collection. Mmuthana says: "Once organisations begin to utilise this data to match, understand and predict consumer behaviour effectively, they will discover a powerful weapon in their competitive arsenal."

The more supply chains strive ahead, the more they are expected to be environmentally and socially responsible. At the same time, the more tech-savvy the consumer experience becomes, the more personalisation is required.

In an industry where costs are increasing and customer expectation is peaking, SCM will need to be further optimised for maximum efficiency and customer satisfaction. Since technology has the capacity to satisfy both of these objectives, this is sure to remain a focus point going forward. **F**

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BRINGING ADVANCED TECHNOLOGY TO CONSTRUCTION

THE LONG-AWAITED REPLACEMENT FOR THE MERCEDES-BENZ AXOR HAS ARRIVED. GAVIN MYERS MEETS THE IMPRESSIVE NEW AROCS

A lot has happened at Mercedes-Benz in the past year and, to date, two specific developments have been rather significant. The first was in the middle of 2018 when the new Actros finally made its local debut. This was noteworthy for the brand, as the popularity of the new model allowed it to claim a 19,4 percent market share last year and move back into a market-leading position.

The second development took place on January 1, and saw Daimler Trucks and Buses Southern Africa (DTBSA) establish itself as a separate entity from Mercedes-Benz South Africa.

This is in line with Daimler's new corporate strategy, which has split the group into three independent companies – Daimler Mobility AG (financial and mobility service), Mercedes-Benz AG (passenger cars and vans) and Daimler Truck AG (commercial vehicles).

The thinking is that, when operating as independent legal entities, the three companies will be able to optimally serve their different customer bases. According to Jasper Hafkamp, CEO of DTBSA, the move will enable Daimler trucks to "become the biggest global specialist in trucks and buses, the largest global manufacturer, and a leader in commercial vehicle innovation".

This leads us to what is now the third significant development for the brand – the launch of the first new vehicle under the new DTBSA legal entity, the Arocs. While

the new Actros is dedicated to heavy-duty long haul, the new Arocs has been tasked with serving not only the construction segment, but also the heavy-duty distribution segment.

Specifically designed for customer needs in each of these individual segments, the rigid-frame Arocs will initially be launched with four variants: two for distribution and two for construction (which also have applications in timber and mining). While they may look similar, Mercedes-Benz has gone to great lengths to ensure each version of the Arocs is fit for purpose.

The distribution vehicles will include the Arocs 2636L/57 6x2 freight carrier, which is designed for city and regional distribution, and the Arocs 3345/48 6x4 freight carrier with its increased ground clearance, steel bumpers and swivel steps for on- and off-highway distribution applications.

Two distribution-oriented cabs are available: the M-Cab and L-Cab ClassicSpace featuring generous interior and storage space. The cabs also feature the newly developed seats that have wider seat cushions.

While the fundamentals need to be sound for any vehicle to be among the leaders in its class, it's in the on-board technology that the new Arocs for distribution shows its advantage. A comprehensive range of safety equipment is fitted as standard, including the likes of a driver airbag, Lane Assist and Attention Assist – a first for the segment, says the company.



Operating together, Attention Assist monitors the driver's level of alertness and automatically activates the Lane Assist function should it detect signs that the driver may be suffering from fatigue.

Distribution models are also fitted as standard with the Fleetboard telematics system.

Powering this range is the 12,8-litre, six-cylinder OM460 Euro-3 engine with either 265 kW (360 hp) or 330 kW (450 hp). It's combined with a direct-drive, 12-speed automated PowerShift 3 transmission and hypoid axles. Side-cab air deflectors on the Arocs 2636L/57 ensure aerodynamic efficiency by reducing wind turbulence between cab and body at high speeds.

The range of Arocs construction vehicles will initially include the Arocs 3336K/36 6x4 tipper chassis and the Arocs 3236B/51 8x4 mixer chassis. One cab variant is available: the S-Cab ClassicSpace.

Here, too, specific technology is employed to boost efficiency in typical off-road environments of the construction segment. This range features an "Off-road Drive" program that is optimised for the special requirements of construction-site traffic.

It supports economic driving and improved handling when pulling away or manoeuvring on building sites or when driving slowly along challenging terrain. Also aiding improved handling and stability are the 100 mm-wide rear springs.

The Arocs models for construction make use of the 256 kW (360 hp) version of the OM460 engine and 16-speed PowerShift 3 transmission.

lower fuel consumption and we expect savings of between three and five percent in the distribution segment," she says.

Fleet operators can also ensure their drivers aim for those savings thanks to the Fleetboard Eco Support system that's fitted across the range. This gives direct feedback to the driver, about his driving, for real-time operation optimisation.

"We've seen a swing in demand for safety features. Operators want their drivers and loads to be safe. Driver training will also be more and more important going forward. The driver fulfils an important role," Gerber comments.

Fleet operators will also be pleased that turnaround times for delivery of their new vehicles will be shortened thanks to the pre-installed mounting brackets for body and equipment fitting.

In another attempt to reduce TCO, the new Arocs for distribution comes standard with a one-year/unlimited kilometre warranty and a five-year/650 000 km powertrain warranty. While the standard warranty is the same, this powertrain warranty is set at three-years/250 000 km/ 5 000 hours on construction models.

Furthermore, service contracts are available per customer needs – and flexible service intervals are set at up to 50 000 km on distribution models, and up to 35 000 km on construction models.



Speaking of the OM460 engine, Maretha Gerber, head of Mercedes-Benz Trucks at DTBSA, says that the driveline has been tested for more than 16-million kilometres in South African conditions – and continuing.

"This new driveline has been developed to drive total cost of ownership (TCO). The aim was to contribute to

With the new Actros attracting more than 2 000 orders and a boasting a 23-percent conquest rate (new customers buying into the range), DTBSA hopes that the Arocs will be able to build on this success in its own right. And there are even more models to come. **F**



GOING ULTRA IN EVERY WAY

EXCEPTIONAL TOTAL COST OF OWNERSHIP GIVES THE TATA ULTRA CLASS-LEADING CREDENTIALS

In the South African truck market, the Tata brand is perceived to punch well above its weight – and no model more so than the recently launched Ultra, which competes in the 4.5- to 5.5-t payload segment.

Described by Harneet Luther, executive director and CEO of Tata Automobile Corporation South Africa, as the rational choice for discerning truck owners, the Ultra line-up consists of a range of business utility vehicles that was created following more than a year of trials with transport operators in South Africa.

The Ultra is one of the first trucks in this sector to offer a two-year/120 000 km service plan. This, together with its aerodynamic advantages, as well as modern, fuel-efficient common-rail diesel engines and long service intervals, makes the Ultra a class leader in terms of running costs.

"They are versatile and comfortable, featuring aerodynamic styling that makes them look great and reinforces the view that they are ultra-modern and ultra-competitive," says Luther.

Assembled at Rosslyn, near Pretoria (from knocked down kits imported from the Tata parent company in India) derivatives in the Ultra range are billed as efficient and economical utilities that have been fashioned to drive profitability for their owners. Test builds undertaken over the last year ensure optimum manufacturing quality.

ULTRA STYLE

Among the Ultra's attributes is a walk-through cab – styled by Italian design studio Bertone – that, with a width of 2.2 m, sets the benchmark for the class.

While the wide cabin and long wheelbase facilitate an

equally wide cargo deck – helping to extend volumetric capacity by up to 20 percent – other benefits are created, too. These include higher load-bearing capability over the vehicle's front axle, a lower centre of gravity, and, since cab and load body line up, smoother airflow along the flanks.

The stylish and elegant cabin accommodates three people and has been crafted for comfort. The multi-way adjustable seats boast mechanical suspension, while the ergonomically positioned gear lever is dashboard-mounted to reduce driver fatigue and the tilt-adjustable steering column can be varied for reach.

Air-conditioning and an audio system are standard features. The wide, panoramic windscreen offers excellent front visibility and better line of sight, while the large outer mirrors are styled to improve rearward vision.

Other important features include an information display in the instrument cluster that incorporates driver aids such as fuel efficiency and optimal gear-shift indicators, as well as a trip computer.

Mounted on hydraulic lifts, the cab can be tilted forwards to allow quick and easy access to the engine during service or maintenance procedures.

ULTRA SAFETY

In developing the Ultra, Tata spared no effort in ensuring that the truck meets Europe's top safety norms. The state of the art, full air-brake system includes ABS, helping to shorten braking distance and increasing the driver's ability to control the vehicle in emergency stops.

Fatigue-reducing power steering has been honed for precision as well as nimble responsiveness, while the new-generation headlights provide better illumination at night

and make the truck more visible on the road – a feature emulated at the rear, where integrated, high-intensity LED tail lamps make the back of the vehicle 40-percent more discernible.

Further, the battery cut-off switch has been mounted inside the cab rather than outside, while the battery box is protected by a lockable casing to deter theft.

ULTRA ENGINEERING

Two derivatives are the first offerings from the wide variety of products to be introduced from the Ultra platform – the Ultra 814 and the longer, extended-wheelbase Ultra 1014. The latter has been engineered to carry a 5.5-t payload and introduced to South Africa specifically for customers who need to move high volumes of cargo without having to resort to an aftermarket modification.

Each of the vehicles is built on a straight-frame chassis, which has been designed to balance the weight of load and truck. Milled from high-strength micro alloy (multi-layered for corrosion resistance) the chassis has proved in customer and other tests (both here and in India) to be tough, durable and adept at withstanding bad roads and varying load conditions.

Suspension on each of the derivatives consists of low-friction, parabolic leaf springs with a Henkel coating for better corrosion protection and reliability; supplemented by heavy-duty shock absorbers that have been tuned for a firm but compliant ride.

An anti-roll bar is incorporated at the front axle, while use of rubber bushes across the underpinnings has eliminated the need for repeated greasing, thus reducing maintenance costs.

A banjo-type rear axle incorporates lubed-for-life prop shaft joints with long-lasting, serrated flange shafts, again reducing maintenance costs while allowing for higher load-carrying capacities. The sturdy front axle boasts a higher load rating than those of most rivals – making Ultra derivatives suitable for adaptation as Reefers.

ULTRA PERFORMANCE

The Ultra range is powered by Tata's next-generation, 3.0-litre common-rail diesel powerplant – a unit which is lighter and more compact than its predecessor, and far

more fuel efficient. Producing 104 kW and 390 Nm, the engine has been designed for reliability and durability using aggregates that ensure maximum uptime and reduced maintenance costs.

Oil drain intervals are class-leading, while easily accessible, radial-type air filters have been installed to offer quick change solutions and better protection against dust and grease ingress.

The engine is coupled to Tata's G550-OD transmission; a state-of-the-art, six-speed, manual-shift gearbox which provides fast, easy and smooth cog-swapping (aided by pneumatic power assistance to reduce clutch pedal effort). The gearbox offers torque capacity of 550 Nm and utilises a cable-shift mechanism for increased longevity.

The Ultra is available in two configurations to suit various business needs. The Ultra 814 offers a deck length of 5.1 m, while the Ultra 1014 – its wheelbase stretched by 610 mm to 4 530 mm – offers a deck length of 6.0 m. Load body options include high deck, normal deck and cab-chassis.

ULTRA VALUE

Both models are sold with a two-year unlimited warranty, 24-hour roadside assistance and a two-year/120 000 km service plan – which means free servicing in the first years of ownership. On this point, minor services are scheduled at 20 000 km intervals, while major services occur every 40 000 km.

"Low cost of ownership, futuristic styling, unmatched comfort and true versatility make the Ultra more than a truck – in our view it represents the ultimate business machine and the rational choice in a competitive market," comments Luther.

With 91 touch points established in southern Africa to provide Tata-trained technicians for after-sales support, the brand is on the march locally. "Our main theme is that we're all about uptime," says Luther. "Our vision is of customer centricity. We have been in South Africa for more than 21 years and we understand the local market."

Value-added benefits that Tata offers buyers include a full driver-training programme; technical training for owner-employed technicians; and the speedy availability of parts thanks to the restructuring of the company's pick and distribution systems. **F**



TATA ULTRA MAJOR DIMENSIONS

| | Ultra 814 | Ultra 1014 |
|----------------|-----------|------------|
| Overall height | 2 464 mm | 2 469 mm |
| Overall length | 7 058 mm | 8 054 mm |
| Overall width | 2 204 mm | 2 204 mm |
| Wheelbase | 3 920 mm | 4 530 mm |
| GVM | 8 750 kg | 10 400 kg |
| GCM | 15 230 kg | 15 230 kg |
| Body + Payload | 5 600 kg | 7 150 kg |
| Tare | 3 150 kg | 3 250 kg |

CONQUERING THE PITFALLS OF TRANSPORTING COAL



TRANSPORT OPERATORS NEED TO CONSIDER THE RISING BLACK MARKET FOR COAL, WHILE OPERATORS IN THE MINE FACE CHALLENGING ROAD CONDITIONS. MARISKA MORRIS INVESTIGATES THE OBSTACLES ENCOUNTERED WHEN TRANSPORTING THIS VALUABLE COMMODITY

The mining industry is undeniably a valuable part of the South African economy. It contributed 6.8 percent or R335 billion to the country's gross domestic product (GDP) in 2017. According to the Facts and Figures 2017 report by the Minerals Council South Africa (MCSA), the industry exported minerals to the value of around R307 billion.

Despite a global push toward more renewable energy sources, coal remains a valuable commodity and an important part of the mining industry. The MCSA reports that the coal sector employed 81 962 people in 2017 with profits of around R22.4 million. The international demand for coal also remains high.

The industry exported around R61 million of coal in 2017. In the same year, China consumed 3.5-billion tonnes of coal, according to Vuslat Bayoglu, executive chairperson of Canyon Coal. With coal in great demand, the black market for coal is also growing, with a special focus on the transport of coal.

Transporting coal is expensive. Lisa Steyn, in an article for *Business Day*, quotes energy expert Chris Yelland, who estimates that transporting coal costs around R850 per tonne, which includes R300 to R350 in procurement costs. With 200 trucks transporting around 33 t each, Eskom moves an estimated 205 000 t of coal a month.

Steyn quotes Yelland: "At a cost of R500 a tonne, Eskom could incur costs of some R100 million a month in transport costs alone to get the coal from Medupi to Kendal and Kusile by road." Despite the costs, Eskom increased the number of trucks transporting coal over the December festive season.

While the power generator plans to divert half of the 40-million tonnes of coal currently transported by road to rail over the next five years, transport operators and coal-fired power stations need to be concerned with potential black-market dealings.

According to a recent *Carte Blanche* documentary, drivers of smaller transport operators are being targeted to assist in stealing coal, which is then sold to coal-fired power stations.

Closer to the mines, road conditions are the biggest challenge. Brad Castle, product marketing manager at Bell Equipment Company South Africa, notes: "The main challenges of moving coal are the varying road and climatic conditions that need to be considered. The coal pits usually contain water, while the roads in the blasting and mining areas of open-cast mines are poor underfoot, wet and not well maintained.

"Many are deeply rutted. The roads out of the pit are generally better maintained, but also tend to be wet and can feature tight turns. Good traction is generally required

for these roads. By comparison, mine haulage roads are well maintained and have dust suppression. However, in wet, rainy conditions these roads tend to deteriorate rapidly and are prone to developing ruts and slippery sections on inclines and declines."

Bell Equipment offers its clients a range of Kamaz vehicles designed for these challenging conditions. The Kamaz 6x6 Tipper is an ideal example. With its 20-t payload, the vehicle can be used for haulage from pit, discards back into pit and haulage over longer distances within the mine site.

"The Kamaz 6x6 Tipper is ideal for within the mine site where a higher speed is required with lower engine speed to provide optimum fuel economy. This truck is suitable for short and medium haulage distances and can accommodate a trailer for medium hauls," Castle explains.

The vehicle has a single-wheel configuration to reduce tyre cuts and sidewall damage. It is fitted with longitudinal lock in the transfer case and axle to assist in

operators within the mine. They need to be aware of the mine safety regulations, required service intervals, truck uptime, driver comfort and potential fatigue.

"Driver fatigue is a constant concern that impacts on safety and productivity. A mining operation in South Africa is a 24-hour business where machines and vehicles work long hours. Machine availability and reliability are of critical importance and is achieved through thorough and regular machine inspections followed by a comprehensive service and maintenance schedule," Castle says.

He suggests a fleet of vehicles on rotation as the best way to ensure a productive environment that allows for inspections and preventative maintenance. It is also important to make sure the vehicle (or machine) is suited to the particular site and application.

Using the Kamaz 6x6 Tipper in the pit, for example, will surely cut into the lifespan of the vehicle as this isn't the purpose for which the vehicle was designed.

"An efficient loader-truck combination ensures that both machines are operating optimally and that waiting time



increasing traction and reduce wheelspin. As is standard with the drivetrain, it also has traverse wheel locks on the rear axle.

"In addition, the truck has a high- or low-range transfer case for the optimum usage of the transmission gear ratios and speed as the terrain dictates. The suspension has a longer travel than a conventional tipper truck. The Kamaz 6x6 truck expertly fills the gap between conventional 6x4 and 8x4 tipper trucks and articulated dump trucks (ADTs)," Castle notes.

"While it can outperform these vehicles in any off-road applications, it is not designed to handle extreme in-pit conditions like an ADT."

Road conditions are not the only challenge for transport

is minimised. While this is so important, however, none of it will work unless the site is managed correctly. Site management is, therefore, as important as the equipment on site," Castle says.

Whether it is navigating the challenging road conditions in the mine, or battling with black-market dealings, transporting coal is a challenging business, but an essential one to ensure homes and industry are powered. **F**

WATCH THE FULL DOCUMENTARY BY CARTE
BLANCHE ON COAL THEFT IN SOUTH AFRICA
AND ITS CHALLENGES



WHEN ONLY THE BEST WILL DO



IN THE LAND OF THE COMMERCIAL VEHICLE, THE MERCEDES-BENZ V 250 D AVANTGARDE IS AS HEDONISTIC AS THEY COME. HOWEVER, SAYS GAVIN MYERS, IT DOES OFFER NOTABLE CAPABILITY TO THE DISCERNING VAN BUYER FOR WHOM ONLY THE BEST WILL DO

Let's be honest, does anyone really need an eight-seat van-based people mover with levels of luxury high enough to please the most demanding minister of parliament, especially when it costs R1 195 040? That price, incidentally, makes the V 250 d Avantgarde the most expensive light commercial vehicle (LCV) yet to grace the pages of **FOCUS**.

In the rough and tumble world of commercial vehicles, the Mercedes-Benz V-Class is an anomaly – a Vito, for example, would move as many people as quickly and easily. There is, however, always room to offer more, always a buyer more demanding than the last, always the top echelon to breach – and this is where the top-of-the-range V 250 d Avantgarde finds its anomalous niche.

One may as well call it the S-Class of vans...

Much like its luxury saloon sibling, the V-Class has a commanding road presence. Decked out as ours was –

in Ice White with the contrasting standard privacy glass, and optional AMG Line addenda – it's certainly the most commanding presence any van could have. It simply speaks status.

However, it's when one hops aboard – preferably via either of the electrically actuated sliding side doors – that the V 250 d Avantgarde fully reveals its hand. The five



facing rear seats (arranged two-three) are individually adjustable and trimmed in soft Nappa leather, while rear passengers enjoy independent climate control (vents are roof-mounted, some pillar-mounted vents would be nice, too) and plenty storage space.

Practicality is aided by a 610-litre load compartment, which features a nifty foldaway shelf that houses two collapsible crates.

While the ambient lighting creates a classy ambiance, the optional (R35 307) panoramic sunroof lets additional

light into the darkly trimmed cabin – as well as some extra ventilation (the rear windows are otherwise fixed in place). And as we're on the topic of extras, an additional R35 206 will add a refrigerator to the centre console.

Ride comfort in any of the rear passenger seats is exemplary – supported by the soft rear suspension and isolated from the workings of that at the front. However, with five people on board, the rear-facing passengers (those in the second row) may find their legs slightly cramped.

Those in the front don't miss out, either. The standard, high-set, heated and ventilated seats ensure they are kept snug, although a little more thigh support would enhance the comfort that final degree. Not to worry, though, as there is enough to keep their minds otherwise occupied.

The V 250 d Avantgarde features the Command Online infotainment system linked to superb 15-speaker, 640-W surround sound by Burmester. Through its eight-inch screen the driver has access to live traffic info, a DVD player and 80 GB hard drive.

Safety is well catered for, too, with electronic equipment that includes the Driving Assist Package

(Pre-Safe system, Collision Prevent Assist, Blind Spot Assist and Lane Keeping Assist); Attention Assist; Active Park Assist; and LED headlamps. Window airbags can be spec'd for the rear passenger area.

Possibly the least important person in the V-Class would be the driver. At least his job of piloting the V 250 d is an easy one. With 140 kW and 440 Nm on tap, the 2.1-litre turbodiesel provides effortless and responsive thrust – even if it isn't as smooth and whisper quiet as most current turbodiesel engines. Despite initially feeling large and heavy, the V 250 d is actually rather easy to drive and nimble when on the move.

And so to answer our opening question... No, one doesn't need a van that pushes R1.2-million once a handful of options are added. However, the V 250 d is not a van of needs – it's a seven-seat shuttle for those who want more than the rest. There is no other mainstream van like it. **F**

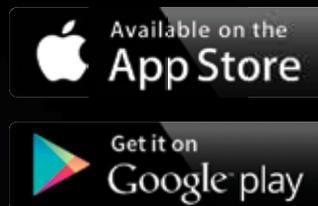
WILL ONLY THE BEST DO FOR YOU? FIND OUT MORE ABOUT THE V-CLASS HERE



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KAMAZ HITS A HATTRICK!



GIANENRICO GRIFFINI HAS AN EXCLUSIVE INTERVIEW WITH EDUARD NIKOLAEV OF THE KAMAZ MASTER TEAM, WINNER OF THE 2019 DAKAR RALLY TRUCKS CATEGORY

N

ikolaev and the Kamaz Master Team have enjoyed three victories in a row in the toughest rally in the world. That's no mean feat! How did the team manage it?

What was the secret to your performance this year? Your driving style and strategy? Your crew? The entire Kamaz team? Your truck? Was it a mix of all these factors?

First of all, this is a victory for the team. Our result came thanks to the team and thanks to our team leader, Vladimir Chagin, who devotes a lot of time to the race and imparts his skills to us. And, certainly, much depends on the vehicles.

This year we were driving new trucks, with new engines that proved themselves. Reliability of the vehicles, the team, as well as team experience are the components of success.

Dakar 2019 was a Peruvian "special". Did you change your driving style in any way to compensate for this different format?

Although we already got to the Peruvian sands last year, the organisers somehow bypassed the dunes that were part of it this year. It was the first time I encountered the complexity of the dunes, so, for me, this Dakar was very difficult.

The experience that we have in driving on the sands certainly helped but, this year when I was driving through the dunes, I realised that it was a miracle I didn't get stuck somewhere ... it was very difficult. I have never driven on such sand in my career.

I would like to find similar conditions somewhere to train

further; I feel that I still have not worked out this type of sand and I need to drive on it more.

Tell us about your Dakar this year. What else made it more difficult than last year?

The difficulty was that we started first and already at the first special stage saw the armada of competitors behind us, who wanted to catch up and overtake with each kilometre. It was difficult to hold our position.

Last year I also started first, but I had the third-best result after the first section, and this year I managed to lead on the first two special stages – which was not easy.

The dunes were unpredictable. Usually, when analysing the special stages after the evening briefing, we imagine the next day – the difficulty of it, the obstacles that it will hold. This year, however, there were dunes that, even on short sections, could throw out traps that one could not even pre-empt. Indeed, one could get caught in them and waste a lot of time.

The race was also shorter this year, though you can't say that it was very short – ten days, 3 000 km of special stages – 10 km of driving on the sand felt equal to 300 to 400 km of hard roads. The average speed was low; if you look at how long we drove on the special stage of 250 to 280 km, then certainly the result would not even come close to driving on hard tracks. On these short days, the table could easily change from losing to winning.

Did you ever feel "alone" in the rally this year, because your teammates Ayrat Mardeev and Andrey Karginov had to abandon the competition?

Of course I missed the support of the guys. With two trucks abandoned, it seriously affected our strategy; it was harder.

We had heart-pounding, emotional moments when we really lost time. I think that if the team had been complete, then much of it could have been avoided and the fans and the team management would not have worried so much.

What did you think when you found your truck stuck in the sand during the Stage 8 special? Did you lose hope for victory in Lima?

No, as I said, 100 km of dunes can change the whole race. I realised how much I had lost and how much time I still had, but I didn't focus on it, I just did my job. I try to never think about time, just what is required of me on a special stage.

Yes, I did my best to get out of the jam. We gave it 100 percent and continued to go to the finish, while adding pace, of course. We had to take some risks, because we realised that the time was lost, but it was a necessity and I think justified to try to win back a little time.

The situation was not simple; it was the first time in my career I got stuck like that. Some of our teammates faced similar situations in Africa, but this was a first for me. I am grateful to the whole crew that we could dig ourselves out quickly, and that we made the right decision.



Would you like to race in a bonneted truck in the future? Have you ever tried one?

Bonneted trucks are very interesting. I am glad that our crew managed to participate in constructing of the first bonneted truck for the team and test it. The truck performed very well.

This is our next step and our future. The bonneted truck allows one to go faster in any conditions; from sand, to winding tracks and off road.

As Kamaz celebrates its 50th anniversary this year, what does this Dakar success mean?

We really wanted to achieve this result and dedicate it to the 50th anniversary of Kamaz. It is a great honour for us. We wanted the victory to be a gift for the anniversary, I'm glad that we managed it. **F**

SA-BUILT HILUX WINS DAKAR 2019!

The number 301 Toyota Gazoo Racing SA Toyota Hilux of Nasser Al Attiyah and Mathieu Baumel took overall honours at the 2019 Dakar Rally bringing home the first-ever Dakar Rally victory for Toyota.

"We are so happy to win the Dakar – not only for ourselves, but also for Toyota and the entire Toyota Gazoo Racing SA team. Everyone has worked so hard for so long, and really deserves this. Thank you for letting us drive this car," the race winner said.



Al Attiyah/Baumel and teammates South African Giniel de Villiers and Dirk von Zitzewitz, in the number 302 Hilux, completed the final stage of the rally together. With the stage having been started in reverse order, De Villiers/Von Zitzewitz pulled out their deck chairs (literally) and waited nearly 55 minutes for the leaders to start the stage, in order to shadow them to the finish.

De Villiers's hopes of another Dakar win (his previous being in 2009) were dashed early on when his Hilux suffered serious damage after hitting a hidden rock. He showed his class, however, and managed to pilot the 302 Hilux up to a top-ten finish, ending the 2019 event in ninth place, 7:59:16 behind the overall winner.

"Obviously we came here to try to win the race," said De Villiers, who actually lost a place in the overall rankings during the 55-minute wait. "Once that dream ended, we were happy to support Nasser and Mathieu's effort. If we couldn't win it ourselves, the next best thing was for one of our teammates to take the victory, and I am overjoyed at the final result."

Full of emotion, team principal Glyn Hall commented that the victory was long overdue. "Winning the Dakar is never easy – there are a lot of people trying. This year's race was no exception, and brought a rollercoaster of emotions and results for the team."

As regular readers of **FOCUS** know, this magazine has been appointed an associate member of the International Truck of the Year (IToY)! **FOCUS** is the sole South African magazine to have joined this prestigious body. One of the advantages of this association is access to exclusive articles, specially written for **FOCUS** by ITOY jury members. This is one such article.



ELECTRIC FUTURE FOR SOUTH AMERICA



THE PROFITABILITY OF COMMERCIAL VEHICLE SALES IS EXPECTED TO DECLINE DRAMATICALLY, WHILE AFTER-SALES SERVICES INCREASE OVER THE NEXT DECADE. HOWEVER, ELECTRIC VEHICLES (EVs) COULD BE A SAVING GRACE FOR ORIGINAL EQUIPMENT MANUFACTURERS (OEMs) OPERATING IN SOUTH AMERICA

The McKinsey Centre for Future Mobility, a division of McKinsey & Company, found in its January study titled: A regional view of truck industry profit pools, that after-sales profits will grow dramatically in the next decade. While OEM profits are expected to grow at 2,9 percent per annum, global after-sales profit is expected to increase by 3,4 percent per annum.

Global OEM profits in 2030 are expected to be around €16,1 billion (R247 billion), while global after-sales profit is expected at about €7,1 billion (R109 billion). Mature markets, such as North America, are expected to be the most profitable regions. However, nearly half of the profit growth is expected to come from after-sales services.

The increase in after-sales service profits are affected by increased emission regulation, an increase in EVs and price pressures. In his article for news website *Freight Waves*, John Paul Hampstead quotes the report: "We believe increased competition, industry consolidation, higher emission standards and the replacement of diesel trucks by EVs will reduce the global truck profit pool by €3,9 billion (R59 billion) through 2030.

"Combined with the expected positive €3,2 billion (R49 billion) profit expansion, due to volume increases

and structural shifts, the net impact of the two market developments will shrink the global profit pool by €600 million (R9 billion) in 2030. Consequently, OEMs cannot rely on the market to 'grow' their way to higher profitability. Instead, they need to focus on addressable action areas."

These include operational efficiency and new opportunities such as technology trends. According to the report, the price pressure will make truck sales in emerging markets barely profitable. However, Brazil is forecasted to experience some of the fastest growth in volume of new trucks with an annual growth rate of 6,2 percent.

Outside of Brazil, McKinsey & Company foresees very few profit opportunities in South America; with the overall revenue expected to grow from €3,7 billion (R56 billion) to €5,7 billion (R87 billion) by 2030.

Profitability is expected to decline from 2,1 percent to 1,4 percent. Although OEMs face poor sales projections for South America, EVs could offer an alternative revenue stream.

Chile was one of the most recent South American countries to introduce EVs. In December 2018, Chile imported 100 electric buses from China to revolutionise its public transport system.

These buses will be used in the capital of Santiago, which



has a notorious smog problem. The country's ambitious plan also includes the roll out of electric scooters, cars, taxis and trucks for the mining industry.

According to the Energy Minister of Chile, Susana Jiménez, the Chilean government wants EVs to account for 40 percent of the country's private fleet and 100 percent of the public transport by 2050. This puts Chile at the front of clean mobility in Latin America and among developing countries worldwide.

In an article for *Business Live*, Natalia A Ramos Miranda quotes President Sebastian Pinera: "Chile will be second only to China as a nation with the greatest quantity of electric buses in the world." China currently runs 99 percent of the 385 000 electric buses on the road globally.

Santiago will have 200 buses in total. The Chilean ministry has also invested in a fleet of EVs. Chile is not alone in its plans for electric transport.

Mexico City has a growing electric scooter and bicycle market with plans to introduce between 300 and 500 electric buses. Meanwhile, Peru has reduced import tax on EVs and Colombia is converting the engines of public diesel buses to a (unspecified) cleaner engine.

According to Miranda, if buses and taxis in the 22 Latin American cities were replaced with EVs, about

US\$ 64 billion (R868 billion) in fuel would be saved and the carbon dioxide released would decline by 300 million tonnes by 2030. While the government might have the resources to invest in EVs, the costs are still too high for the average Chilean.

A BMW i3 – the model of EV bought by the Chilean ministry – costs around US\$ 60 000 (R813 294) in Chile where the average monthly wage is US\$ 410 (R5 557). The country also has only 40 public charging stations of which half are in the capital. One benefit in investing in EVs is that Chile is the second-largest producer of lithium – a key component in the batteries used in EVs.

It is the access to lithium that will also greatly impact on the growth of EV sales over the next few decades. The Bank of America Merrill Lynch notes that the growth of EVs hinges on a handful of key metals, for instance lithium and cobalt. Access to these minerals can be greatly affected by the political unrest found in the developing countries where they are mined.

The Democratic Republic of Congo produces 62 percent of the global cobalt output, but also has a very fragile political environment. "Any major disruption to cobalt today would likely curb EV proliferation in the early 2020s," the Bank of America Merrill Lynch warns. Interruptions in lithium supply could have a similar impact on the market. EVs are expected to capture 40 percent of global vehicle sales by 2030 before rising to 95 percent by 2050.

In addition to the investment in EVs in South America, plans are underway to build a bi-oceanic corridor. The transnational railway will link the Pacific and Atlantic Oceans over a 3 000-km route that will start at the port of Puerto Santos in Brazil and run to the Puerto de Ilo in Peru, crossing 1 700 km of Bolivian territory.

In an article for news website *Railway Technology*, Eva Grey writes: "If greenlit, the megaproject is expected to completely overhaul South America's trade and political landscape. It also spells the end for the current monopoly that maritime shipments have on trade. Since its conception, several feasibility studies have already been completed and all three South American countries involved have greenlit the project."

While there is no date set for the project, the secretary general of the Union of South American Nations, Ernesto Samper Pizano, hinted that seven million people and nearly 10 000 t of cargo will be transported in 2021. Other reports suggested the project will be realised only in 2025. Although the bi-oceanic corridor will make transporting commodities more affordable, it could further impact on vehicle sales in South America.

The corridor passes through some difficult terrain such as the Andes mountain slopes and Amazon forests. While studies are still being conducted, the project has already received some backlash for its potential impact on the environment. The corridor resembles the Interoceanic Highway, which made headlines for the deforestation of 680 000 acres of Amazonian rainforest.

Continued research into more affordable EVs might be key to ensuring profitable vehicle sales in most developing countries over the next decade, especially in the South American countries that are looking to an electric future. **F**

GLOBAL FOCUS NEWS

DAIMLER DITCHES PLATOONING!

Incredibly, after years of hoo-ha surrounding the topic of platooning, the concept has been ditched by the world's biggest manufacturer of commercial vehicles!

This revelation came from Martin Daum, member of the board of management of Daimler AG with responsibility for Daimler Trucks & Buses, who was addressing the world's commercial vehicle media at a press conference at the Consumer Electronics Show (CES) in Las Vegas.

Daum told us lots of other interesting stuff (more about that later), but it was the divorce from platooning that really got the journalists' tongues wagging. We hadn't seen that one coming!

Daimler's reasoning behind the decision does, however, make sense: according to Daum, even in perfect platooning conditions, fuel savings are less than expected. Those savings are, of course, further

diminished when the platoon gets disconnected and the trucks must accelerate to reconnect.

He made us all laugh when giving a really practical example: "What happens if the one driver needs a bathroom break? Either both drivers must have a bathroom break at exactly the same time, or your fuel savings are gone," he noted with a chuckle.

The other huge announcement at the press conference was: Daimler will probably be running autonomous trucks on America's roads by the end of this year. We didn't see that one coming either!

Associated to this announcement was the news that Daimler Trucks will invest €500 million (R7,62 billion) in a global push to bring highly automated (level-4) trucks to the road within a decade.

The new Freightliner Cascadia, which made its world premiere at the

URBANETIC HITS THE STRIP

Daimler let its incredible Urbanetic, which we first saw at the 2018 IAA in Hannover, lose on the world-famous Las Vegas Strip during the Consumer Electronics Show. Needless to say, it attracted a massive amount of attention.

That was primarily because the vehicle looks so funky. However, the technology inside this vehicle study is even more incredible.

Naturally, it is autonomous (dah, that's obvious nowadays). It also runs on a battery-electric drive (another dah to that, because it's also hardly breaking news). It is, however, also a fully connected vehicle and part of an ecosystem in which logistics providers, local transport companies and private customers digitally transmit their mobility requirements in urban areas.

The 5,14-metre-long vehicle can be used to transport up to 12 people or goods. While doing its transport thing, the Urbanetic interacts with people in and around it. There is a 360° halo display on the ceiling, which shows passengers information, such as stops or interesting facts about the respective city and its surroundings.

Using augmented reality projections, passengers can have suggestions for routes to

other destinations in the city displayed directly on their own mobile device.

Those people outside the Urbanetic are not ignored. For instance, if a pedestrian crosses in front of the vehicle, special so-called "animations" are displayed on the front. The same happens on the side of a vehicle. As the pedestrian walks next to the Urbanetic, his or her contours are shadowed onto the vehicle. Trust me, it looks flipping cool! This is made possible by a whopping 40 m of LED strips and hundreds of individual LEDs that have been installed on the vehicle.

Because the vehicle is so clever, Mercedes-Benz Vans says that it will be able to transport more people and goods with fewer vehicles on a virtually unchanged road infrastructure. Now that sounds like a plan!



CES, offers level-2 automation. So, it offers partially automated driving features (as we experienced out on the road, the truck can brake, accelerate and steer itself), and it's also the first-ever partially automated series production truck on North American roads.

One would assume that the next step would be a level-3 truck, but not so, maintains Daimler. "Level-3 automated driving does not offer truck customers a substantial advantage compared to the current situation, as there are no corresponding benefits to compensate for the technology costs," we were told.

If other truck manufacturers do develop level-3 trucks, these vehicles will be able to make informed decisions for themselves (such as overtaking slower moving vehicles). Human intervention will be needed, however, when the machine is unable to execute the task at hand or the system fails. However, a level-4

truck should be able to intervene, and it doesn't rely on a human to make things right.

I'm guessing that the other manufacturers will also adopt the level-3 leapfrog approach. After all, as Daum told the media, Daimler has considerable experience when it comes to self-driving trucks. "As a leader of our industry, we've been pioneering automated trucking. In 2015, our Freightliner Inspiration Truck got the first road licence ever for an automated commercial vehicle.

"Now we take automated trucking to the next level: we're ready to launch the first partially automated new Freightliner Cascadia in 2019 – and next, we will tackle highly automated trucks. Highly automated trucks will improve safety, boost the performance of logistics and offer a great value proposition to our customers – and thus contribute considerably to a sustainable future of transportation," he noted.

Given the fact that global road freight volume is expected to more than double between 2015 and 2050, this can only be a seriously good thing.



ELECTRIC ATMOSPHERE IN VEGAS

As part of its activities at the Consumer Electronics Show (CES) in Las Vegas, Daimler Trucks hired the Las Vegas Motor Speedway and let us loose on and around the track ... in order to experience its latest (and most definitely greatest) North American truck and bus/coach range.

Daimler Trucks is aiming to offer the widest electric commercial vehicle product range in North America (out of all the original equipment manufacturers). Accordingly, the bulk of the test vehicles – the Freightliner eM2, eCanter, Saf-T-Liner C2 Electric



Bus and Freightliner eCascadia – featured electric propulsion.

The exception was the new Cascadia, which happens to be the first level-two automated truck in series production in North America. I'm going to ignore the eCanter for now – because we've written about it so much before – and focus instead on the rest of the vehicle line-up.

FREIGHTLINER eM2

Like all the other vehicles we drove, this isn't a pie-in-the-sky product that will never come to market. In fact, the first fully electric Freightliner eM2 was handed over to Penske Truck Leasing Corporation in Los Angeles during December 2018.

The vehicle will be used for local distribution in



the Northwest Pacific and in California. This wasn't a once-off delivery either. During the course of this year, Penske Truck Leasing Corporation will take delivery of 20 fully electric Freightliner trucks: ten medium-duty eM2 trucks and ten eCascadia trucks for heavy-duty transportation.

We were able to drive the eM2 and it's a terrific medium-duty (six to 12 t) truck. The range of the eM2 is 370 km, and the batteries can be recharged to around 80 percent within 60 minutes – sufficient for a range of around 300 km. The batteries provide 325 kWh of usable capacity and, like so many other electric vehicles, it's an absolute blast to drive. Series production is planned by 2021.

SAF-T-LINER C2 ELECTRIC BUS

Also known as Jouley, this is the first all-electric school bus that will enter series production in North America. It can transport up to 81 children safely, quietly and emission-free. Oh, and free of charge too; the Daimler experts told me that all school buses with electric propulsion are free of charge in the United States.

It is equipped with the PowerDrive 7000ev from Efficient Drivetrains, a specialist in electric powertrains. The battery power is 100 to 160 kWh, which is good for a range of up to 160 km. With additional battery modules, the range can obviously be increased. Limited production of this bus starts in 2019.



FREIGHTLINER eCASCADIA

This is the truck that Elon Musk probably really hates right now – because, as I've already pointed out, it will be delivered to at least one customer this year. The eCascadia is based on its namesake, the Cascadia, which happens to be the most successful heavy-duty, long-distance truck (class 8) in the North American market (it's the one truck all its rivals hate with a passion!)

The first generation eCascadia will offer up to 730 peak horsepower (or 544 kW). The eCascadia's batteries, with 550 kWh, will provide enough energy for a range of up to 400 km and can be recharged to 80 percent in about 90 minutes, allowing it to cover another 320 km.

As is expected of all electric vehicles, it's quiet and responsive. Based on my short test drive, I'm sure that Penske will welcome this new addition to its



fleet with open arms. The eCascadia will enter series production in 2021.

NEW FREIGHTLINER CASCADIA

Daimler has been rabbiting on about developing autonomous vehicles for about five years now. And now, with the latest Freightliner Cascadia, it is delivering on its promises – kind of.

I say “kind of” because the new Cascadia still needs a person behind the wheel. In Vegas, that was a professional driver (for some strange reason, journalists were not allowed to drive). Despite this, I can assure you that the Cascadia is a most impressive vehicle: I watched it accelerate, decelerate and steer all by itself. In fact, the driver never touched the accelerator or brakes. Not once on our test trip!

As we all know, the most dangerous component in any truck is the nut behind the wheel. On a serious note, the National Highway Traffic Safety Administration reckons that a whopping 94 percent of all crashes in the United States are attributable to human error!

The new Cascadia should do a terrific job of reducing those accidents, because it will be able to keep itself centred in a lane, match the speed of a vehicle in front, and alert the driver when cars or pedestrians wander into the blind spot.

I'm told that the truck will also brake automatically in an emergency (we didn't get to experience this on the test drive, no doubt partially due to the fact that I was not allowed to drive). The truck is going into series production this year. Expect to see them crawling all over the roads of North America very soon.



 @womanonwheelsza

CHARLEEN CLARKE is editorial director of **FOCUS**. While she is based in Johannesburg, she spends a considerable amount of time overseas, attending international transport events – largely in her capacity as associate member of the International Truck of the Year Jury.

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SHORT HAULS

COMPACT TRACKING FOR ANYTHING FROM HEAVY MACHINERY TO HAND-HELD PACKAGES

Tracking devices are as valuable as ever as they become more suited to keeping tabs on a variety of assets. Ctrack's new range of wireless, ultra-compact GPS devices is one example.

Due to their easily concealable, rugged and wireless design, the BX500 and BX600 can be employed to track anything from trucks, trailers and containers to individual parcels.

The BX models have enough memory to record 25 000 trips and can be remotely configured and updated. Using a single micro-SIM, they can be configured to roam across multiple 2G, 3G or 4G networks in South Africa.

Featuring adaptive tracking, these devices make use of accelerometers as well as data from GPS transmitters to intelligently detect movements and send live updates. The BX600 model is equipped to detect tampering, making it ideal for high-value cargo applications.

Either model can be scaled to provide continuous tracking information or a daily update in order to preserve

internal battery life.

The BX500 model is powered by removable lithium batteries, which can last up to four years when providing a single, daily tracking update.

The BX600 features an internal battery pack that can be recharged using the provided micro-USB cable and compact charger.

Several BX600 units were used to monitor the progress of the recent Sasol Solar Car Challenge, with great success. Each device recorded an average of 96 hours of driving time, having been charged once before the event commenced.



POWERSTAR TRUCKS DEALER OF THE YEAR AWARDS 2018

Powerstar Dealers across South Africa and sub-Saharan Africa gathered in Sandton, Johannesburg, recently for the annual Powerstar Dealer of the Year Awards.

This prestigious ceremony takes place annually to recognise the excellence achieved by Powerstar dealers

and their staff who work efficiently to ensure the success of the Powerstar brand. With Powerstar having recently introduced its new model, the FT Series, selected FT dealers were recognised for their sales achievements this year.



FAR LEFT: Branch manager of Powerstar Ermelo, Marelize Potgieter, receives the Powerstar Dealer of the Year award from Bob Wang, CEO of Ever Star Industries (ESI).

LEFT: Sean Jacobs scoops the Top FT Sales Dealer 2018 award for Powerstar N7.

ABOVE: Angus McNaughton from Powerstar Kelston accepts the Most Improved FT Sales Dealer 2018 award.

The top prize, Powerstar Dealer of the Year, is presented to the dealer that achieves the best overall performance across a wide range of areas, including sales, service and parts. This year, Powerstar Ermelo proved to be a true ambassador for the Powerstar truck brand and was awarded the coveted title.

Branch manager Marelize Potgieter is extremely proud of this outstanding achievement and is full of praise for her dedicated and professional team of employees.

On handing over the FT Series category award, Bob Wang, CEO of Ever Star Industries (ESI), confirmed these dealers had increased their customer volume in this segment by focusing on sourcing new customers, while expanding their customer service values to retain their existing customer base.

The FT Series category top prize was awarded to Powerstar N7, as Top FT Sales Dealer 2018.

Most Improved FT Sales Dealer 2018 was awarded to Powerstar Kelston.

"I would like to extend my congratulations to Powerstar Ermelo, for maintaining efficiency throughout the year, which resulted in amazing efforts with them leading the segment in a very competitive market. Further congratulations to our FT Dealers, Powerstar N7 and Powerstar Kelston, for their outstanding sales achievements," Wang comments.

"Powerstar recognises that 2018 was an extremely challenging year for the truck industry. At Powerstar, we recognise our dealer's dedication, passion and hard work to achieve these excellent records in sales, aftersales and customer satisfaction.

CHECK OUT THIS FULL-SIZE VW CAMPER ... MADE FROM LEGO!

Two experienced Lego model makers have built what is probably the world's biggest camper van – using some 400 000 Lego bricks. The full-size Volkswagen T2 (or Bulli as it is affectionately known in some markets) was unveiled ahead of the f.r.e.e Leisure & Travel Fair that took place in Munich, Germany, earlier this year.

The vehicle that served as the blueprint for the model was the T2a camper van built between 1967 and



1971. Visitors to the show were able to compare the 700 kg model against its real-life counterpart that was parked alongside.

"Are we going to manage it – or are we going to run out of bricks or time?" This was the question posed by Rene Hoffmeister, one of only 12 certified Lego model makers in the world. Together with colleague Pascal Lenhard, he had only six weeks to manage this world-record attempt.

Using 3D programmes, the duo produced a construction plan in advance. From that they were able to calculate the precise number of bricks required. The rigidity of the side walls and windows were another particular aspect that had to be accurately calculated in order to ensure lasting stability.

Hoffmeister said: "Essentially, we would have needed a nine-day week. However, as they don't exist, the only option was night shifts." Hoffmeister and Lenhard therefore carried on "playing" with their plastic bricks from morning to night and over the weekends in order to finish on time.

They also included in their model the Westfalia pop-up roof, so popular on campers, the sliding door, which was technically very challenging to create, and the interior fittings.

However, it wasn't always easy. Having begun without a hitch, they suddenly found they were missing 20 000 transparent bricks for the T2's windows and their supplies dried up without warning.

However, to say the final product is impressive would be an understatement. The camper van measures over five metres in length, 1.9 m in width and close to two metres in height. In fact, when popped up the roof



projects no less than three metres towards the sky.

What an amazing achievement!

SKILLS DEVELOPMENT ENSURES LOGISTICS CAPACITY

The 2018 World Bank Logistics Performance Index ranked South Africa at number 33 of the 160 countries assessed. While this sounds like good news, the country's overall ranking was at 20 out of 160 just two years ago.

Improving competence and quality in logistics is one way of improving. Bidvest Panalpina Logistics (BPL) believes a path to success lies in developing a robust, quality workforce through top-notch skills development.

Sudashini Gounden, national learning and development manager at BPL, says: "Since a company is the sum total of what employees achieve individually, organisations should do everything in their power to ensure that employees perform at their peak."

Harry Dimo, human relations director at BPL, adds: "Training and development interventions enable employees to acquire new skills, sharpen existing ones, perform better, increase productivity and be better leaders."



"We offer school leavers the opportunity to undertake a fixed-period of learnership during which they're enrolled on a course of study." Many learners go on to work for the company.

Fortunate Mboweni started her journey as a learner from Tembisa and is now a professional logistics consultant at BPL. She also won the Young International Freight Forwarder of the Year award, in 2014.

The alumni of graduated learners from the BPL Academy Learnership programme assist with the mentoring of incoming learners.

"The impact from on-the-job training and mentorship is almost immediate, and this type of training can play a key role in quickly creating additional capacity within a business," says Gounden.

COMMERCIAL VEHICLE SALES REPORT FOR JANUARY 2019

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: 11 681 |
|--|---------------|
| Fiat Chrysler Automobiles South Africa | 26 |
| Ford Motor Company | 2 270 |
| GWM | 192 |
| Hyundai Automotive SA | 296 |
| Isuzu Motors South Africa | 1 092 |
| JMC | 31 |
| Kia South Africa | 120 |
| Mahindra | 350 |
| Mazda South Africa | 25 |
| Mitsubishi | 26 |
| Mercedes-Benz SA - estimate | 78 |
| Nissan | 2 313 |
| Peugeot Citroën South Africa | 2 |
| Renault | 12 |
| Suzuki Auto | 44 |
| Toyota | 4 400 |
| Volkswagen SA | 404 |

| Medium Commercial Vehicles 3 501 – 8 500 kg | Total: 552 |
|---|------------|
| Fiat Chrysler Automobiles South Africa | 3 |
| Ford Motor Company | 21 |
| Hyundai Automotive SA | 9 |
| Isuzu Motors South Africa | 144 |
| Iveco | 40 |
| JMC | 13 |
| Mercedes-Benz SA - estimate | 142 |
| Peugeot Citroën South Africa | 2 |
| Powerstar | 1 |
| Tata | 20 |
| Toyota | 92 |
| VECV South Africa | 8 |
| Volkswagen SA | 57 |

| Heavy Commercial Vehicles 8 501 – 16 500 kg | Total: 327 |
|---|------------|
| FAW | 49 |
| Isuzu Motors South Africa | 75 |
| Iveco | 5 |
| MAN Automotive | 1 |
| Powerstar | 7 |
| Mercedes-Benz SA - estimate | 37 |
| Tata | 42 |
| Toyota | 53 |
| VECV South Africa | 3 |
| Volvo Group Southern Africa | 55 |

| Extra-Heavy Commercial Vehicles > 16 500 kg | Total: 719 |
|---|------------|
| Babcock DAF | 14 |
| FAW | 13 |
| Isuzu Motors South Africa | 10 |
| Iveco | 16 |
| MAN Automotive | 112 |
| Mercedes-Benz SA - estimate | 214 |
| Powerstar | 9 |
| Scania | 84 |
| Tata | 5 |
| Toyota | 24 |
| VECV South Africa | 2 |
| Volvo Group Southern Africa | 216 |

| Buses > 8 500 kg | Total: 55 |
|-----------------------------|-----------|
| MAN Automotive | 23 |
| Mercedes-Benz SA - estimate | 14 |
| Scania | 9 |
| Tata | 8 |
| Volvo Group Southern Africa | 1 |

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

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SAFETY FIRST ON THE LONG ROAD



BUS OPERATORS AND DRIVERS ARE RESPONSIBLE FOR THE LIVES OF THE COMMUTERS. IMPROVING DRIVING BEHAVIOUR AND UNDERTAKING REGULAR VEHICLE MAINTENANCE COULD REDUCE THE NUMBER OF FATALITIES CAUSED BY BUS-RELATED ACCIDENTS. MARISKA MORRIS REPORTS

Bus drivers face the tremendous responsibility of ensuring that commuters arrive safely at their destinations. For long-distance bus or coach drivers, the pressure of this responsibility is increased with the challenges of travelling long distances, such as fatigue. However, the South African luxury coach sector has a respectable safety record, according to Arrive Alive.

"The sector has an excellent safety record underpinned by regulatory standards and operating procedures. The safety record of this sector is, therefore, comparable to the best in the world. South Africa is renowned for having among the best quality national road networks in the developing world," the organisation notes.

"The top luxury coach operators all have a policy where safety is non-negotiable. Safety policy, in all cases, covers the full range of issues involved in safety. There is a strong focus on driver fitness," it adds.

The focus on safety in the coach industry is also reflected in the 2017 State of Road Safety Report by the Road Traffic Management Corporation (RTMC).

According to the report, there were 11 437 fatal crashes in 2017 with 14 050 fatalities. Of these crashes, 1.2 percent

(or about 137) were caused by buses and bus trains. Meanwhile, minibus taxis caused 961, or 8.4 percent of fatal accidents in South Africa in 2017.

While the industry is involved in very few fatal accidents, these incidents often have a high fatality rate.

In September 2018, ten people were killed and 23 sustained injuries when a bus travelling from Harare, Zimbabwe, to Gauteng overturned on the N1. Just a few days before this, 11 people died when a bus from Zambia overturned in Mokopane, Limpopo, on its way to Gauteng.

The RTMC estimates that the human factor plays a significant role in 91 percent of fatal accidents. Reducing the number of accidents should be a priority for bus operators. The first step in achieving improved safety is ensuring bus drivers are adhering to traffic regulations, are not driving distracted, under the influence or tired, and have a vehicle that is safe and functional.

Arrive Alive quotes Barloworld Transport in an interview: "The Cape Town route from Johannesburg is always high risk, due to the long straight roads. In these circumstances fatigue can play a major role. With the more mundane, straight roads, the driver does not have to actively drive for long periods of time, but is cruising at 80 km/h in the highest gear."



During this time, drivers are more likely to fall asleep or become distracted. Similar methods used to avoid fatigue among truck drivers can be applied to bus drivers. For example, operators can ensure that there are two drivers to relieve each other during the trip. The route can also be planned to allow frequent breaks (something the commuters will appreciate as well).

Among its ten rules for best practice among bus drivers, the Southern African Bus Operators Association (Saboa) discourages drivers from driving under the influence and using electronic devices like a cellphone. It is also important for the driver to avoid distractions caused by passengers.

Saboa advises drivers to refrain from engaging in conversations with passengers. "Drivers should never allow passengers to distract them or block their view by standing in front of mirrors or any other place that restricts their view while driving.

"Drivers are also encouraged to never exceed the speed limit and to adapt the speed of the vehicle according to the road and traffic conditions. The speed of the vehicle should be reduced at night; when there is poor visibility, for example, during heavy fog or rain; and when there might be pedestrians or animals in or next to the road.

Saboa also encourages drivers to keep a safe following distance and to never overtake unless it is safe to do so – ideally when there are two or more lanes, so that the vehicle is never in the lane of oncoming traffic.

Overtaking is always a high-risk manoeuvre that places the vehicle at risk of a head-on collision. Instead, enough time should be allocated for the trip in case a bus finds itself behind a slow-moving vehicle.

To ensure their drivers refrain from risky behaviour, bus operators can invest in technology, like in-cab cameras and monitoring devices, to monitor the driver's performance and give feedback on their driving behaviour.

Ctrack notes: "Video material, tracking technology and driver training are extremely effective methods that can positively impact on dangerous overtaking or other related poor driving behaviours. Video material can be very insightful and create real scare tactics through visually harsh realities."

After considering the driver's behaviour, it is also important to ensure that the vehicle is in the best possible condition. In addition to ensuring the safety of the commuters, pre- and post-trip inspections will allow operators to identify any required maintenance and reduce potential breakdowns – a big challenge for long-distance operators.

"Operators cover long distances with long stretches in between cities. This becomes a huge challenge in getting quick response times and assistance when they have breakdowns along the way," says Esaia Taunyane, national bus sales manager at Scania South Africa.

"Poor road conditions, accompanied by the type and volume of luggage carried by passengers, put a strain on the general conditions of the vehicle. Excessive demand and reduced turnaround times put further pressure on the operators in terms of the adequate repair and maintenance of their fleet."

Operators should establish a maintenance schedule for all vehicles. For example, Public Utility Transport Corporation (Putco), according to its website, has a four-level maintenance plan for its vehicles.

As part of this plan, buses are inspected weekly, bi-weekly or every 2 000 km. A second inspection occurs when the vehicle reaches 10 000 km and includes changing the lubricants and filters. The bus endures a two-day inspection at 60 000 km and a three-day inspection at 120 000 km.

Bus operators are also encouraged to use original parts and to follow the recommendations of the original equipment manufacturer (OEM) on service frequency and replacement of parts. Many OEMs offer their customers maintenance and repair services.

"Operators should align themselves with suppliers that understand their business and are able to provide value in a complete transport solutions approach. This should include repair and maintenance, fleet management and connectivity, finance and insurance as well as driver training," Taunyane notes.

If the transport operator has an older model coach, it might be worth investing in a newer model and have the added advantage of receiving maintenance and repair services from the OEM.

While the South African coach sector has a respectable safety record, there is always room for improvement and an opportunity to save lives by ensuring commuters reach their destination safely. **F**



FOR THE PEOPLE

AS NATIONAL BUS SALES MANAGER OF SCANIA SOUTH AFRICA, ESAIA TAUNYANE KNOWS THAT LONG-TERM RELATIONSHIPS AND CUSTOMER SATISFACTION ARE KEYS TO SUCCESS IN THE BUS AND COACH MARKET

W

hile both are built on relationships, the bus and coach industry is, arguably, a more personal one than the trucking and logistics industry. Indeed, the bus and coach industry is all about moving people – which means a direct impact is made on their lives.

“Bus and coach customers are warm people. You form a long-lasting relationship and become part of each other’s families. You get to know their joy and pain. You learn what it takes to keep them happy, which is beneficial to them, their passengers and us as a supplier,” Taunyane says.

Building these relationships led Taunyane to fall in love with the bus and coach industry – so much so that Scania South Africa has remained his home for the past 12 years. “I’ve never worked at any one company for that long,” he quips. “But this is a continuing personal journey, I have learnt and grown a lot.”

Taunyane initially joined Scania Finance from the banking industry, where he specialised in asset-based finance. “The difference compared to a traditional bank is that we are specialists in transport. We understand our customers, their operations, businesses and challenges. We are then able to support them properly, because we’re focused on them,” he says.

Taunyane’s journey with the company has also included bus sales – giving him a well-rounded appreciation of all sectors of the business. This is especially important considering Scania Bus’s centralised approach to customer accounts.

“Our six sales representatives (five operating throughout South Africa and one managing customers in export markets) take full ownership for their customers’ accounts. From new sales to after-sales service and solving issues, or addressing queries, we run with our customers from start to finish. Instead of them going from division to division, we coordinate everything on their behalf,” Taunyane explains.

He adds that the bus and coach market requires a different focus to the truck market. “The clientele are different; they

need personalised attention. We walk the journey with our customers.”

This is especially important considering the current slow – but stable – sales conditions being experienced in the region. Various challenges marked 2018 as a tough year. The total market declined by about seven percent over 2017, from 1 088 to 1 014 units.

“In the local market, problems with subsidy payments put a dampener on procurement cycles for many operators, while short term contracts also impacted transporters’ capacity to acquire new units. In addition, the protracted drivers’ strike (17 000 drivers over three weeks) placed many operators under enormous pressure on the cost and operating expenditure front,” explains Taunyane.

“Annual bus and coach sales have been consistent at between 1 000 and 1 200 units for more than a decade, and Scania anticipates that 2019 will replicate the pattern. From a retail perspective, 2019 is likely to be much the same as 2018. The election and continued insecurity surrounding foreign investment may impact the exchange rate, affecting vehicle pricing,” he adds.

The strategy for Scania Bus going forward, says Taunyane, is to continue to be a big player in the southern African bus and coach market.

“We need to constantly be our customers’ trusted partners, while providing consistent and excellent service and ensuring we are there for them during both good and bad times,” he explains.

For Taunyane, this means placing an emphasis on communication with his team. “We talk daily in the mornings about the previous day’s challenges, and what needs to be done that day. I am only one phone call away; it’s all about communication and trust,” he emphasises.

This goes back to Taunyane’s favourite part about the bus and coach industry: the people. “It gives me great joy to see the impact that we make on communities. When we deliver a bus, it’s gratifying to see the difference made by providing them with safe and reliable transport,” he concludes. **F**



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SECTOR SPOTLIGHT: FORESTRY



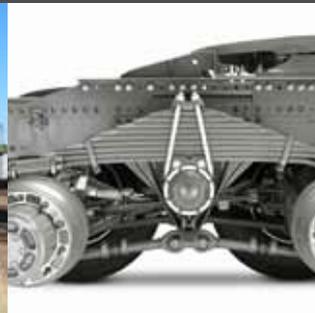
We look at the state of the industry and the role played by technology.

WORLD ON WHEELS: SADC FOCUS



We investigate what impact the planned 1 500-km Zimbabwean rail project and the Namibian Trans-Kalahari railway will have on the southern African transport industry.

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