

# FOCUS

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### **BUDGET 2018:**

Is this the year of positivity?

### **LOST WITHOUT TECHNOLOGY:**

exploring the digital supply chain

### What you need to know about **THE NEW MERCEDES-BENZ SPRINTER**

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# THINKING DIGITALLY ABOUT TRAFFIC MANAGEMENT

## HOW CAN TECHNOLOGY BE LEVERAGED TO EASE TRAFFIC CONGESTION?



GAVIN MYERS

If there's one thing I hate about commuting, it is the traffic. Commuters in any of our country's major cities are bound to come up against tailback-causing accidents, out-of-order traffic lights, roadworks, slow-moving vehicles – the list goes on...

And so it was with interest that I recently read a piece by Teddy Daka, group CEO of digital solutions provider Ansys, about traffic management of the future entitled "Local solutions to local problems".

"The Gauteng City Region Observatory says that population and population density around Tshwane and Johannesburg is growing faster than the rest of the country, and will soon be on par with the world's most packed places," he notes.

For the province's 14 million citizens, that's both an exciting and terrifying prospect.

"One thing everyone involved in traffic management knows, however, is that we have to get smarter. As our cities get bigger and our citizens more mobile, our roads will become more congested and gridlocked unless we can find better solutions for everything from parking to car sharing to public transport."

Indeed, this is true. While the local governments of Johannesburg and Tshwane have in recent years tried to improve and expand their respective metro and rapid-transport bus services, they still remain sadly underwhelming in their ability to present a real alternative to the masses and increasing numbers of private transport users.

Yes, we have the Gautrain, but this system would have to be dramatically expanded and more accessible to the

masses to be a serious solution.

Daka suggests a different approach, which will capitalise on in-car telematics and two-way machine-to-machine (M2M) communications for vehicles on our highways and byways.

"Such technology can provide traffic managers with real-time data and analytics to optimise the transport network at macro and micro levels. Predicting congestion and instant accident detection is one part, but so is the ability for commuters to get up-to-the-minute recommendations on routes and the most efficient mode of transport," he suggests.

While this could benefit the commuters as they try to avoid the next dreaded bumper bashing or out of order traffic light, the positive spinoffs for logistics professionals and public transport operators could go right down to the bottom line.

Daka adds that, while M2M communications are a prerequisite for future transport models such as autonomous vehicles, Ansys is working with international vendors as well as municipal and national enforcement and roads authorities to understand the kinds of solutions that are possible today.

The developments thus far have led to a plug-in, in-car device that can be used for fleet management, customer safety, accident alerts, driver behaviour monitoring, or law enforcement.

The next step is to integrate the same kind of location-aware devices into a smart city network that will give city authorities the grid-wide ability to dynamically change routes and speed limits according to traffic conditions.

"There are many other things that are possible – including the ability to place impounded vehicles under 'house arrest' or automating fines, for example – but there is still a lot to be learned and understood. Can we balance smart traffic solutions with the drivers' right to privacy, for example, and is the security of the underlying platform strong enough?" Daka questions.

As we move towards an even more connected and congested future, solutions such as these will rise in importance and acceptability. Of course, in South Africa there is a lot that we need to get right first ... but if it'll ease traffic, I'll be all for it. **F**





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# SCANIA

# FAREWELL TO ONE OF TRANSPORT'S NICEST LADIES

**MARGARET PHILLIPSON, CUSTOMER SERVICE MANAGER AT FOCUS, HAS RETIRED. CHARLEEN CLARKE PAYS TRIBUTE TO ONE OF TRANSPORT'S FINEST AND NICEST LADIES...**

I have a confession to make: when Tina Monteiro, publisher of **FOCUS**, told me that she'd hired Margaret ten years ago, I had my doubts. They were two-fold: Margaret was a banking-industry veteran – so she wasn't an advertising guru. Also, she knew little or nothing about transport. I truly wondered if she would cope.

She didn't cope. Instead, she excelled in her position as customer service manager of **FOCUS**, building up solid relationships with all her colleagues and clients. Margaret did so well because she actually really cared about her clients and Charmont Media Global, the publisher of **FOCUS**. As such, she built up a loyal client base ... and established many friends in the industry too.

I speak on behalf of the entire **FOCUS** team and, in fact, the industry at large, when I say that we will all miss Margaret. Personally, I will miss her incredible loyalty, her

devotion to her clients and – most importantly – the fact that she's so jolly nice to be around. It has been a real pleasure to work with Margaret for ten years. I'm not the only person who will miss Margaret, as this flurry of tributes shows:

"It is such sad news to learn that you will be leaving **FOCUS** on Transport magazine. You will be dearly missed. All the best for the future."

**Jacqueline Fourie, Mercedes-Benz South Africa**

"May I first thank you for your role and considerable contribution to the industry over so many years, and wish you a wonderful and well-earned retirement. Please stay in touch."

**Jeff Osborne, Gumtree Automotive**

"Best of luck with your future endeavours. Wishing you great



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success. Thank you for your service and feedback."

**Denico Brand, Maxe**

"Margaret is always happy to see you, even if she is having a bad day. She will be missed by all **FOCUS** customers and staff."

**Brian Clarke, Bandag**

"So sad to see you go, but best of luck with your future adventures."

**Tarryn Rudman, LKDA Strategic Creative Advertising**

"Although it was a long time ago since I attended my last RFA conference (which is no doubt the last time I saw you), I will always remember you for your laughter, sense of humour and pleasant approach to business and people. My having Scots blood no doubt added to the fond recollection. Go well and I hope we bump into one another at some other occasion."

**Peter Proctor, Avis Fleet**

"Margaret, you have been a constant and vital part of **FOCUS** for so many years. Whatever the future holds for you, might it be peaceful and fulfilling."

**Sid Beeton, One Insurance**

"After chatting to you for many years and only meeting you in person more recently, this is a sad communication. Whichever journey you are about to embark on, take care as you go."

**Jeanette Clifton, Toyota South Africa Motors**

"What a loss for us! Thanks for all your hard work and dedication to your clients! It was an absolute pleasure working with you! Your enthusiasm and professionalism will be missed."

**Louise Jerling, OMD**

"Margaret, it has been a pleasure knowing you. Best wishes for the future."

**Rob Sowry, Nitralife**

"Wishing you all the best in your retirement!"

**Shirley Ritchie, Media Shop**

"It has been great working with you – wishing you all the very best on your new venture."

**Maggie Pronto, Media Shop**

"Your retirement is sad news indeed! It's been great getting to know you since my introduction to trucks during my Isuzu Trucks days! And I'll certainly miss the creative coffee meetings. Enjoy your travels and adventures with your hubby."

**Lauren Stock, UD Trucks**

"Your retirement is bittersweet indeed. I wish you nothing but the best in your future endeavours."

**Nombuso Khanyile, SRI Group**

"That is sad news that you are leaving **FOCUS**. I wish you everything of the best and pray all goes well for your future endeavours."

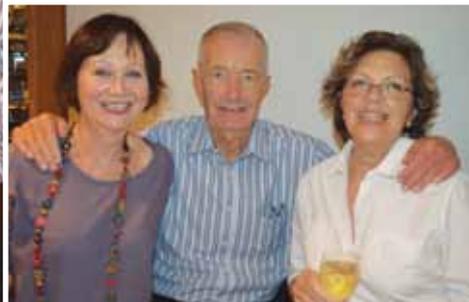
**Jennifer Wendy Emam, Aon South Africa**

"This is so very, very sad. It was so nice to work with you. I wish you all the best. I will miss all your visits at shows and our lovely chats. Look after yourself."

**Delano Boshoff, Henred Fruehauf/SA Truck Bodies**

"I am sorry to hear that you are leaving. We are truly grateful for your support and understanding while dealing with us. I wish you all the best in your new endeavour and look after yourself."

**Mark Diab, VECV South Africa** 



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# DRIVERS NEED ONGOING SUPPORT AND TRAINING

**WITH MORE THAN 5 500 PERMANENTLY EMPLOYED DRIVERS ON ITS BOOKS, INNOVATIVE STAFFING SOLUTIONS (ISS) HAS DEVELOPED COMPREHENSIVE TRAINING, AS WELL AS SYSTEMS AND PROCEDURES TO ENSURE ITS DRIVERS ARE PROPERLY PREPARED TO NEGOTIATE SOUTH AFRICAN ROADS WITH SKILL AND CONFIDENCE**

A

rnoux Maré, MD of Innovative Staffing Solutions – the largest subsidiary of Innovative Solutions Group – says the business outsources employees to clients in the transport, mining, industrial and security industries.

"Our large contingent of drivers has necessitated the development of several transport management techniques to ensure they are fit to take to the road.

"Having outsourced drivers to our clients in various industries since 2011, we are acutely aware of the numerous challenges they face on South African roads. To address these, we introduced a combination of regular driver evaluation and corrective training, as well as fleet technology monitoring systems and the close management of driver schedules.

"All these measures are aimed at supporting our drivers, preventing fatigue, reducing the chance of accidents and ensuring the trucks and their cargo get to their destinations timeously," says Maré.

ISS employs dedicated controllers, who each oversee approximately 40 trucks and their drivers. They constantly provide feedback on driver behaviour, while highlighting potential issues that could affect operations.

One of the greatest issues facing truck drivers is fatigue. "In addition to confirming routes and collection and drop-off points with drivers, our controllers are expected to communicate with them on a regular basis to check their well-being and levels of fatigue," says Maré.

Every ISS client has an on-site driver trainer. "They are expected to provide ongoing training and instil the importance of safety regulations. They also accompany drivers on trips on an ad-hoc basis to observe their driving and make sure they conform to safety and road regulations," Maré explains.

In addition, the company recently acquired a Renault Kerax truck to conduct training for its own and its clients' drivers.

"The on-site truck benefits our clients by significantly reducing downtime for their trucks. It also ensures all drivers are properly trained in safety regulations and provided with the necessary skills to guarantee their safety and that of others on the roads," adds Maré.

"The outsourcing model works well for clients," says



Arnoux Maré explains that Innovative Staffing Solutions offers transport companies a turnkey solution to meet their driver needs.

Maré, who started the multi-million rand company seven years ago with a mere R500 in his pocket. "When a company outsources certain business processes – such as driving, guarding, cleaning, administration and accounting – its personnel become full-time employees of Innovative Staffing Solutions.

"These employees are then placed on contract to our clients, allowing their management teams to focus on value-adding business operations while we take care of their non-core business functions. This provides substantial cost savings for clients, because we absorb the cost of training, skills development and competency licencing requirements."

ISS also deals with the day-to-day human resources issues such as hiring and terminations. "These are areas in which we excel. We reduce the pressure on organisations by allowing them to focus on growing their operations and boosting their bottom line," concludes Maré. **F**

INTERESTED IN WHAT ISS HAS TO OFFER?  
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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.

# WINDS OF CHANGE

## TRANSPORT POLICIES TEND TO CHANGE IN 30 TO 40-YEAR CYCLES, AND THAT TIME IS ON THE HORIZON FOR SOUTHERN AFRICA

**T**he South African Road Freight Strategy, approved by Cabinet in 2017, and the Tripartite Transport and Transit Facilitation Programme (TTTFP), approved by all 27 countries in this region, both aim to improve the quality of road-freight operations by introducing fundamental changes to the regulatory systems.

The regulations, instruments, systems and standards proposed by both the Road Freight Strategy and the TTTFP system developments include: National Transport Operator Registration (a uniform and harmonised system of operator registration) and registration of Responsible Competent Persons (RCPs).

These would be backed by a uniform national transport information system, which is linked into an Integrated Transport Operator Register.

The Tripartite development is based on a Regional Transport Information System, which is an integrated Transport Register and Information Platform System. This will permit

sharing of information (on drivers, vehicles and operators involved in cross-border road-transport operations and services – including offences and infringements) between all countries.

Both the Road Freight Strategy and Tripartite systems include revision of vehicle overloading control (rationalised and harmonised regulations and standards) and uniform management and control systems to support weighbridge developments and permit inter-state coordination.

Other aspects to be reviewed and harmonised include: vehicle dimensions and weights; vehicle specifications and equipment; vehicle testing stations and inspection systems; training, testing and licensing of drivers; and transportation of abnormal loads and dangerous goods.

In addition, the TTTFP contains provisions to repeal all bilateral and other cross-border permit systems, and to introduce a Multilateral Cross Border Road Transport Agreement for all 27 countries in the Tripartite region.

TTTFP will also promote unified cross-border third-party motor vehicle insurance schemes and a coordinated Tripartite Vehicle Load Management Memorandum of Understanding, intended to harmonise the control of overloading throughout the region.

There are many challenges to the successful implementation of both the Road Freight Strategy and the TTTFP, including the vested interests in the existing systems and resistance to quality controls. Very careful strategic planning will be required for:

- **Changing the perceptions of the regulators**

The current regulatory systems are based on the perceived need to "catch the villains", whereas the revised systems will monitor performance standards of individual operators and make rational responses to recorded performance deficiencies.

- **To rationalise, harmonise and nationalise the new regulatory framework**

The introduction of the revised systems will require institutional change, training and legislative amendments to nationalise the coordinated systems.

- **Persuading transport operators that monitored regulation is better than random hits**

There will be a need for extensive interaction with the operator population to explain and persuade them that monitoring of quality standards is intended to foster voluntary compliance and reduce the current levels of confrontation in the enforcement systems.

- **Providing the facilities to train officials, RCPs, driver trainers and trainers**

There will be need for extensive investment to provide the facilities to implement the changes.

The total revision of the current systems will be traumatic for some, but, if managed properly, will result in a well-regulated industry operating under benign surveillance of a transport authority, which is dedicated to improving efficiency and supporting the best-possible operational quality. **F**





 @EconometrixZA

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## ANOTHER SIDE TO THE COIN

### WE ALL WANT THE RAND TO BE STRONGER, BUT THERE IS A DOWNSIDE

**A** few columns ago I discussed how an exchange rate impacts on transport operators. Certainly, the lag between the exchange rate and the pass-through into new-vehicle inflation shows the pitfalls of a weaker rand on fleet replacement.

In recent months, the rand has shown a different trend – positive political developments together with an increased appetite for emerging market assets have pushed the rand into stronger territory.

A stronger rand is helpful in many ways. For one, the petrol price falls. Despite oil price increases towards the end of 2017, a price adjustment occurred that led to a stronger rand and lower prices at the pumps, which would have increased margins for fleet operators.

Further, the subsequent lower inflation meant a decrease (theoretically, at least) in the interest rate, making credit cheaper and financing relatively easier. We also know that a stronger rand makes for lower prices of vehicles and components, which brings down the cost of replacing fleets.

Therefore, it would certainly seem that in many ways a stronger rand appeals to the transport industry. However, in economics there is always a converse side to consider...

The latest freight transportation data shows that mining freight accounted for a significant 25 percent

of total freight. With the economy still in a weak growth recovery mode, freight activity has had to rely on the performance of manufacturing, mining and agriculture to carry growth in the sector.

As a result of the stronger rand, the value of exports dropped. The

stronger rand pushed the value of exports down. With mining sales down, mining houses may choose to stockpile commodities while the value of exports falls.

In a situation like this, it is likely that freight transport will see a lesser contribution from mining, which will



Positive political developments together with an increased appetite for emerging market assets have pushed the rand into stronger territory.

latest value of mining sales can attest to this. The latest mining sales data shows a fall of 1.4 percent from the previous year.

Despite increases in the prices of many of our major mining exports,

place downward pressure on total freight.

As an economist, I am often asked whether the rand is at the correct level. As shown here, there is always more than one factor to consider. **F**



 @NLawGlobal

**KIRSTEN MULLINS** is a corporate and commercial lawyer based at Norton Rose Fulbright in Cape Town. She focuses on mergers and acquisitions and related work, commercial agreements and admiralty matters.

# CARGO OWNERS AND INSURERS TO PAY MORE FOR PIRACY

**IN ITS OCTOBER 2017 JUDGMENT, THE UNITED KINGDOM (UK) SUPREME COURT HELD THAT OPERATING COSTS INCURRED WHILE NEGOTIATING A RANSOM WITH PIRATES FELL WITHIN EXTRA EXPENSES ALLOWED IN GENERAL AVERAGE (GA), AND EXTENDED SHIP OWNERS' GA CLAIMS AND THE LIABILITY OF CARGO OWNERS AND INSURERS FOR GA CONTRIBUTIONS**

**S**everal rules govern GA principles between carriage contract parties. This principle, by Gibbs CJ in *The Hibernia* (1816), is when "two or more parties are concerned in a common sea risk, and one of them makes a sacrifice for the general safety, the loss shall be assessed upon all in proportion to the share of each in the venture; and the greater sacrifice of the first shall be compensated by the contributions of the others".

Rule A states: "There is a GA act only when any extraordinary sacrifice or expenditure is intentionally and reasonably made, or incurred, for the common safety for the purpose of preserving from peril the property involved in a common maritime adventure."

Rule C states: "Only such losses, damages or expenses, which are the direct consequence of the general average act, shall be allowed as general average. Loss or damage sustained by the ship or cargo through delay ... shall not be admitted as general average."

Rule F extends GA beyond common law and in Rule A to include: "Any extra expense incurred in place of another

expense, which would have been allowable as general average, shall be deemed to be general average and so allowed without regard to the savings, if any, to other interests, but only up to the amount of the general average expense avoided."

The matter involved the hijacking of the ship *Longchamp* by Somali pirates who demanded a six-million US dollar ransom. The ship owners hired negotiators to secure its release and the resultant US\$ 1.85 million ransom.

During the 51-day negotiations, the ship owners incurred US\$ 160 000 in vessel-operating expenses including crew wages, high-risk area bonuses, food and supplies and bunkers. They claimed these as vessel-operating expenses under Rule F as additional expenses incurred in substitution of the immediate payment of the initial ransom.

The majority judgment upheld the ship owners' appeal on the basis that the reference in Rule F to "...another expense, which would have been allowable as general average" referred to the nature of the expense, not its amount.

Regardless of whether the six-

million US dollar ransom would have been "reasonably made", the ransom payment was a GA act in nature. The vessel-operating expenses were therefore claimable under Rule F; "...only up to the amount of the general average expense avoided" acted as a cap on the actual expense and addressed the quantum limits.

It ruled that the common practice by average adjusters to view "extra expense" in Rule F as requiring a different course of action to that of the GA act was not a requirement of the rules. The ransom demand, the negotiation process and resultant payment of US\$ 1.85 million were different courses of action, and not a variant of one course of action as the cargo interests had contended.

The judgment is important for cargo owners and insurers in South Africa. The majority of GA adjustments take place in England (subject to English law) and this judgement will increase the amount of GA payable by cargo interests in a piracy situation. Cargo owners and insurers who pay the GA contributions should bear this in mind, especially when insuring goods passing through active piracy areas. **F**





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

# MANAGING COMMERCIAL VEHICLE OPERATING COSTS

**THE OPERATING COSTS OF HEAVY-DUTY COMMERCIAL VEHICLES CAN BE DIVIDED INTO FIXED AND VARIABLE COSTS, WHICH MUST BE MONITORED AND CONTROLLED IN ORDER TO LOWER TOTAL OVERALL OPERATING COSTS**

**I**n today's highly competitive road-transport market, the steep increase in the price of new and used vehicles, as well as the cost of parts and maintenance, need to be managed as closely as possible.

Many road-transport operators and logistics companies measure and control variable vehicle cost factors like fuel, tyres, maintenance and repairs, but fail to manage the fixed vehicle operating costs, which directly affect the overall cost of operating a commercial vehicle.

Vehicle financing is by far the biggest fixed-cost factor and is directly related to the purchase price of the truck. Therefore, it is critical that a detailed study is undertaken to ensure that the right vehicle for the job is selected, as it can have a major effect on the fixed operating cost.

The truck dealer can assist in this process by calculating a cost estimate that will illustrate all the operating cost factors and provide a fairly accurate vehicle operating report. (It is important to enter all the correct information during the establishment of the report.)

The next step is to check the viability of the contract by comparing the estimated vehicle operating cost per kilometre with the income that



will be generated by transporting the goods.

To ensure that the truck can legally carry the load, ask for a vehicle mass distribution report that will illustrate the legal payload of the vehicle. Check that the vehicle can carry the required payload and that it will be fully utilised to its designed capacity at all times.

The fixed vehicle operating costs are also known as standing costs. This term is derived from the fact that, should the vehicle become unavailable to operate for any reason, all the fixed costs will still have to be paid while no revenue will be received. Therefore, control of all the factors that could render the vehicle unavailable must be well managed.

Vehicle insurance is the next fixed cost that needs attention. Good vehicle insurance tariffs can be obtained if an operator has a good history.

It is important to ensure that a vehicle is always operated in a safe and roadworthy condition, so that the insurance company will not reject insurance claims. If a vehicle has smooth or damaged tyres, or there is proof that the driver was talking on a cellphone at the time that an accident occurred, the insurance company will

have the right to reject a claim.

The next fixed cost to be managed is that of the driver and the crew. Drivers are the key factor in operating the vehicle in a professional manner and reducing the overall fixed and variable costs of operating the vehicle. Therefore, driver selection and continuous training are paramount.

A daily vehicle pre-trip inspection report that is properly completed by the driver is a major tool in ensuring that the vehicle is always fit for use and properly maintained. However, this report will only be effective if the vehicle faults that are highlighted by the driver are attended to immediately.

The fixed costs of operational overheads need to be managed and controlled to ensure that the costs remain within the budget limits and are not abused.

The timely renewal of vehicle licences, driving licences and professional driving permits should be monitored and controlled.

Daily management of both the fixed and variable vehicle operating costs will lower total vehicle operating expenses and ensure that a vehicle is reliable, safe on the road and always available. **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.

# TODAY, WATER ... TOMORROW, OIL?

## CAPE TOWN'S WATER CRISIS AND THE COST OF OIL HAVE MORE IN COMMON THAN YOU'D EXPECT...

**U**p to now, many people (including myself) have been wasting water every day, complacently thinking that "it won't happen to me". Whether the dire predictions around "day zero" will come to pass, remain to be seen.

Obviously, there are solutions to the problem, but, due to the lack of planning, these will come at higher cost and with more inconvenience than if we had started to plan well in advance. These comments also apply to the hoary old topic of peak oil.

It might not happen next year, or the year after that, but the prospect is real – especially in a country like South Africa, which has one of the highest rates of energy use in relation to gross domestic product in the world; largely due to our dependence on private motoring.

This has at least two bad consequences – energy costs money and our voracious appetite for imported oil is a drain on our balance of payments, and more cars on the road clog up our cities, to the detriment of both rich and poor.

Sadly, we continue to read of new refineries, bigger pipelines and new motor production plants to turn out the latest model German Sherman or Japanese juggernaut.

with cars but are willing to consider going without a car altogether. (Please don't tell me that it will work only in Manhattan, or Hong Kong.)

The Eskom saga has shown that investors want stable electricity prices to allow for better investment planning. Why then do we allow the oil price to jump around every month? The government should tax imported oil to build up a "war chest" to fund the fairly modest amounts needed to start fixing public transport.

A watered-down form of Go!George would be ideal for all low-density areas, while busier routes can be worked by hybrid-electric buses. We also need to start paving around some railway tracks to allow electric buses to use the electric infrastructure, and start trying harder to put an end to the ongoing arson attacks on railway property.

Transport engineer Terry Markman points out (*Business Day* Feb 1) that "winding down SAA will save about R25 billion over the next five years – an amount that could fund 50 000 houses". We could build even more houses if we imported 20-percent less fuel.

Sadly, none of this will happen while public transport operations and policy is in the hands of hundreds of underperforming time-servers, who currently warm the seats in boardrooms, council chambers, government departments, consultancy firms and universities.

When I read of the Cape Town city council now scrambling to put up bullet-proof walls along railway lines and using drones to monitor criminal activity on the railway, I'm tempted to say: "I told you so." **F**



Just as Capetonians, irrespective of social status, are learning to stand in the same queue as they shuffle up to the taps clutching their jerry cans, so, too, will more South Africans need to find out about the local bus timetable, or familiarise themselves with the protocols at the local minibus-taxi rank. Who knows, even Elon Musk might meet some interesting people there.

We urgently need to start planning for the longer term (read: public transport).

It isn't enough to talk of hybrid cars, or new apps that offer ride-sharing schemes, neither of which will do much to save road space. We need to tap into the new type of thinking among some of the younger generation, who are not besotted

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# BUDGET 2018: DEFINITELY NOT BUSINESS FRIENDLY

WHILE THE 2018 BUDGET WAS REASONABLY SOUND, IT DIDN'T DO NEARLY ENOUGH TO PROMOTE ECONOMIC GROWTH IN SOUTH AFRICA, WRITES CHARLEEN CLARKE

## E

conomatrix has been holding its annual budget conference for a whopping 33 years (for the last three years, it's been partnering with Grant Thornton and GTC). The event always provides expert commentary on the budget and its implications for the country as a whole. This year was no different; the speakers provided expert insight into the budget and what it means for each and every South African.

If there was one message that could be taken away from this year's event, it was this: much more is needed to promote economic growth. Over and over again, the speakers bemoaned the high corporate tax rate, saying that it simply doesn't encourage investment.

"A lot of other countries offer a better corporate tax rate than 28 percent," noted Eugene du Plessis, partner and head, at Grant Thornton. "Yes, we have special economic zones, but they need to go further in terms of offering benefits. We need to be more user friendly if we want to get an investment uptake," he stressed.

Azar Jammine, director and chief economist at Econometrix, agreed. "We must encourage investment. Instead of investing, South African companies are sitting on large sums of cash. This is not unique to South Africa; it's a global phenomenon.

"There has been no marked increase in the number of days in which South African businesses have taken to pay off their debts ... despite the economic downturn. I attribute this to companies sitting on cash and not deploying it," he pointed out.

Somadoda Fikeni, a leading political commentator, said: "The South African government has been trying to create an environment conducive to investment, but nothing is coming. We are seeing this all around the world. It's a wave

of anti-establishment that has brought the likes of Donald Trump into power," he noted.

Clive Eggers, head: investment analytics at GTC, pointed out that South Africa is becoming a more investment-friendly environment. "Many businesses were sitting on potential investments and they were waiting to see what happened in December. There is now positive sentiment.

## AA SPEAKS OUT

The Automobile Association isn't enchanted with the budget, because road users – including transport operators – will be hard hit.

"The 52 cents per litre increase in the general fuel and Road Accident Fund (RAF) levies announced by (former) Finance Minister Malusi Gigaba are cause for great concern. The increases amount to a total increase of 11 percent on the current levies from R4,78 to R5,30.

"The minister announced the general fuel levy will increase by 22 cents from R3,15 to R3,37 (a seven percent increase), and the RAF levy will increase by 30 cents from R1,63 to R1,93 (an 18 percent increase).

"In January, we urged government to be careful in determining future hikes to the levies, and to consider the impact the increases have on especially the poorest of the poor in the country. At the time we also argued that any increases should be in line with inflation, which, we note today, is at its lowest since March 2015 at 4,4 percent. Instead, the increases are sizable and more than double current inflation," it warns.



We have seen turnaround in bond yields reflecting this," he noted.

However, positive sentiment isn't really enough to propel the country forward and, as Jammine noted, the budget should have focused more on South Africa and less on the upcoming elections.

"The budget clearly had the 2019 election in sight – hence the rollout of free tertiary education for poorer households, the absence in a reduction in the growth of public sector remuneration, the above-inflation increase in social grants, the sharp increase in the Road Accident Fund levy and the tax burden on higher income groups. Alas, the budget did little to lift sustainable growth," he pointed out.

Du Plessis agreed. "The corporate tax rate in South Africa is 28 percent. In other BRICS countries, it's 26 percent on average. In Organisation for Economic Co-operation and Development (OECD) countries, it is 23,88 percent on average. In the European Union (EU), it's 21,9 percent on average. Globally, it's 23,97 percent," he pointed out.

Personal tax rates are equally out of kilter. "While the maximum personal taxation rate in South Africa is 45 percent, it is 32,02 percent in Africa, 38,85 percent in BRICS countries, 41,96 percent in OECD countries, 38,24 percent in EU countries and 31,52 percent globally," Du Plessis noted.

Going forward, Jammine warned that the country – and its new president – face many tough challenges. "Ramaphosa has a huge challenge; he needs to restrict government spending by limiting the growth in public servant remuneration (in opposition to Cosatu).

"The VAT rate has been raised in order to reduce the budget deficit – thereby warding off Moody's credit rating downgrade to junk, but there are numerous challenges that come with this increase. Then there is the issue of free tertiary education for the poor. How can this be financed without jeopardising other areas of expenditure?

"Another big issue is that of land expropriation: how will our new president achieve expropriation without compensation while avoiding the destruction of food security? The challenge is that he has to focus on domestic politics, which could obscure the importance of the global environment," he warned.

It's clear that Budget 2018, while reasonably sound and prudent, has left the captains of industry with more questions than answers. As Fikeni said: "Don't make the mistake of thinking that this is a honeymoon period for our country. We are entering a period of difficult times." Let's hope he's wrong. **F**

## THEY SAID IT

"The 2018 Budget didn't pay enough attention to education. Of the 1,2-million jobs created in South Africa over the past decade, one million were taken up by people over the age of 34. Something is radically wrong."

**Azar Jammine**

"Opposition parties have singlehandedly focused on Zuma and corruption. It was a gift that kept on giving, but what now?"

**Somadoda Fikeni**

"The rand is now fair to overvalued. With the relaxation of exchange controls, it's a good time to invest overseas."

**Clive Eggers**

"A four-letter word called Zuma contributed to the underperformance of the South African economy."

**Azar Jammine**

"South Africa needs to lower corporate tax to stimulate investment. Globally, we are lagging behind in this regard. We need to follow Ireland's example."

**Eugene du Plessis**

"In South Africa, 1,9 percent of the population pays 67 percent of all tax. This is a warped situation; you cannot keep hammering upper income groups. They will stop working or leave!"

**Azar Jammine**

"South Africa still has a low VAT rate. It is 21 percent in Argentina and 20 percent in the United Kingdom."

**Clive Eggers**

"Gigaba says South Africa will return to investment grade in two years. That's hogwash!"

**Azar Jammine**

"Education is essential. Half of the students who start school don't finish it. Free university education was pandering to the need of university students. This is not a solution to our country's woes."

**Azar Jammine**



# TIME TO RETHINK YOUR INSURANCE PLAN

## WHAT ARE THE FINANCIAL RISKS ATTACHED TO GLOBAL INSURANCE PROGRAMMES FOR FLEET OWNERS WITH CROSS-BORDER OPERATIONS? WILLIAM GEORGE FINDS OUT

**T**

here are several financial risks that businesses with cross-border operations need to take into account. It is, therefore, ideal to have insurance that best complements the nature of the business.

Africa remains one of the fastest-growing regions in the world and many South African organisations are focusing their growth strategies beyond the border, despite the unpredictable commodity market. This opportunity may be short-lived, however, due to the regulations and tax policies that are in place in other countries.

Neil Beaumont, business development and global accounts manager at Chubb Insurance South Africa, says: "Structuring a global insurance programme requires an in-depth understanding of the transactional elements of cross-border insurance, particularly as this relates to local tax and insurance regulatory requirements.

"The reality is that, from an insurance regulatory perspective, the world is not as interconnected and homogenised as we might wish it to be. As a result, insurance should be structured to take into account the relevant regulatory regime of each jurisdiction."

Beaumont warns that global insurance programmes may be subject to regulatory and tax scrutiny in certain jurisdictions. This has the potential to lead to unexpected reputational and financial effects at the claims stage.

Yannick Dinanga, commercial sales consultant at MiWay Business Insurance, says that truck insurance from MiWay would cover cross-border operations. This includes countries such as Botswana, Lesotho, Mozambique, Namibia, Swaziland and Zambia. However, this cover will not apply should the operator drive out of these borders.

Dinanga explains: "The insurance will fully cover the trucks and goods-in-transit of countries into which we have access.



regulations and costs in other regions differ to those in southern Africa. "In most neighbouring countries, truck owners are required to purchase a third-party liability cover at the border. Failure to purchase this will result in violation of the laws of that country and will also leave a gap in their cover."

She adds: "A comprehensive insurance will cover the vehicle as well as good-in-transit within the region."

Beaumont explains that risk managers and insurance buyers also need to consider that global insurance programmes have evolved beyond the standard compliance question of whether insurance is "admitted or non-admitted" in a given territory.

He says: "Risk managers and insurance buyers need to be thinking about their multinational risks and where they can best access available, dynamic capacity, not only for core lines such as property, general liability, marine or directors and officers, but increasingly also specialty lines such as business travel, group personal accident, cyber threats, environmental liability

and stand-alone terrorism protection.

"When considering a global insurance programme, it is crucial to align the capabilities of the insurer and local broker, relative to the global exposure of the insured party. It is of great importance to investigate whether the capabilities of the insurer and broker will meet expectations at acceptable service standards, and that the people who will be servicing the multinational insurance programme are accessible."

Beaumont adds: "Insurance brokers, risk managers and all other buyers of global insurance should work with an insurer and consider whether they also need assistance from an independent financial or tax advisor."

Because there is no global standard for insurance regulation, compliance analysis of local regulations governing insurance remains critical. Companies and operators may need to rethink their business insurance strategies, as the underlying risks associated with operating in foreign regions can result in unpaid claims. **F**

For example, when a truck gets stuck in Botswana, the insurance will cover the cost of repatriating the vehicle from Botswana back to into South Africa."

He adds: "There is no fixed amount attributed to truck insurance. We look at the truck and the type of business, and the cost of the cover is then based on the associated risks."

There is an extensive documentation process involved in cross-border operations. The general documents required are the vehicle registration and a letter from the bank, if the vehicle is financed.

Neighbouring countries may require operators to have international insurance in order to accommodate their own regulations and policies. Regulations and laws in those countries may hold operators financially liable should accidents, theft or damage occur.

The one-size-fits-all approach simply does not apply to insurance for a business that has cross-border operations. Thelma Masamba, senior consultant and business development at Alexander Forbes, explains that the



# SPRINTER MAKES ITS DEBUT

**THE LONG-AWAITED MERCEDES-BENZ SPRINTER HAS MADE ITS DEBUT! CHARLEEN CLARKE TRAVELLED TO DUISBURG, GERMANY, FOR THE WORLD PREMIERE OF THIS HIGHLY ANTICIPATED NEW VAN**

**“T**he new Sprinter is to conventional vans what the smartphone is to a plain old mobile phone.” That was how Volker Mornhinweg, head of Mercedes-Benz Vans, described the new Sprinter in Duisburg. He’s spot on right on a number of counts ... and these are the reasons why.

**• IT LOOKS A WHOLE LOT BETTER**

Remember the mobile phone of old? It looked like a brick? The new Sprinter has absolutely nothing in common with those old phones. Instead, it looks sleek and modern. In fact, while the back of the new Sprinter isn’t that different (compared to its predecessor), the front is prettier and less utilitarian.

It looks surprisingly similar to the concept vehicle that we first saw in 2017. There is just one similarity to the looks of those old phones – the new Sprinter is available in cream (like the world’s first mobile phone, the Motorola DynaTAC 8000x, launched in 1983).

**• IT’S LIGHTER**

The mobile phones of old didn’t just look like bricks; they also weighed almost as much. The new Sprinter, on the other hand, has been on a serious diet and it’s lighter and more efficient than ever before.

This is especially the case with the all-new front-wheel drive derivative. When it is empty, the panel van weighs in at a mere 1 990 kg, meaning it’s akin to the supermodel of vans. The front-wheel drive model can load 50 kg of extra payload (versus the rear-wheel drive).

Much like the modern mobile phone, the new Sprinter is also easier to use. In fact, the front-wheel drive derivative has a loading sill that is 80 mm lower than that of the rear-wheel drive. Plus, the interior door height has increased by 80 mm (meaning bulky goods are so much easier to stow on board).

**• IT’S LESS UTILITARIAN**

There was absolutely nothing pretty about those old mobile phones. In fact, they were quite ghastly to look at. Modern smartphones, on the other hand, are stylish and elegant – and the same can be said of the new Sprinter’s interior, which is decidedly passenger car-like.

One of the many highlights of the interior is the Mercedes-Benz User Experience (MBUX) intelligent multimedia system, which wowed the crowds at the Consumer Electronics Show in Las Vegas during January this year. It is making its debut this year in both the new A-Class and the Sprinter (you see, the van’s interior really IS car like!) The MBUX system – which features a 10,25-inch HD display – can be controlled via steering wheel controls, the touchscreen or a completely new voice-control system. It is flipping cool!

Other highlights include new ergonomically shaped seats, the keyless start and an improved air-conditioning system. People carriers will also feature more comfortable seats, cupholders, USB ports and storage space for – you guessed it – smartphones.

**• CUSTOMERS ARE SPOILT FOR CHOICE**

When mobile phones first came out, we had very little



choice. Now, we're inundated with choices. Mercedes-Benz has adopted the same approach, even eclipsing mobile telephone producers. As already stated, Mercedes-Benz has augmented the tried-and-tested, rear-wheel and all-wheel drive variants with front-wheel drive.

In addition, there are a staggering number of options in terms of powertrain, wheelbase, transmission variants, roof heights and engines. In fact, the Sprinter will be offered in more than 1 700 basic variants! One of these is an electric vehicle, which will be launched overseas next year (sadly there are no plans to bring it to South Africa).

**• IT OOZES TECHNOLOGY**

My first mobile phone, a Nokia, could do two things: make/receive phone calls and send/receive SMSes. Actually, it could do a third thing: irritate me (I abhorred lugging the huge thing around with me). The new Sprinter, on the other hand, can do so much. It's connected to the internet all the time, and people-carrier derivatives will feature a WiFi hotspot.

Further, the new Sprinter comes with Mercedes PRO

connect, which is making its world debut in this new van. PRO connect is über smart because it will make fleet managers and drivers so much more efficient (the driver can access PRO connect via an app).

Eight different packages will be available at launch. They include programmes to help with service/maintenance, fleet management in general, navigation, efficient driving, communication between manager and driver, records and even remote locking and unlocking of the vehicle.

Also noteworthy are the many safety features of the new Sprinter, including brake assist systems, lane-keeping assistance, Blind Spot Assist, Attention Assist and radar-based Distronic.

**• IT'S EFFICIENT**

Those early mobile phones were as efficient as Jacob Zuma's mathematical skills. The 8000x, for instance, took a whopping ten hours to charge! The new Sprinter, on the other hand, takes efficiency to a whole new level. Mercedes-Benz Vans has improved the powertrain in many respects for the third generation of the Sprinter – while the diesel engines are largely unchanged, there are two new transmissions for front-wheel drive derivatives: a nine-speed automatic and six-speed manual. We'll be putting these to the test in April... watch this space for feedback on the actual driving experience! **F**



**ABOVE:** Charleen Clarke and Greek International Truck of the Year jury member, Vassilis Daramouskas, from *Troxoi* and *TIR* magazines, check out the new Sprinter.

**LEFT:** The interior of the new Sprinter is decidedly car-like.

# THE MEN, THE MOTORS, THE LEGEND

**“I DO BELIEVE IN THE HORSE. THE AUTOMOBILE IS NO MORE THAN A TRANSITORY PHENOMENON”, IS THE QUOTE (ATTRIBUTED TO EMPEROR WILHELM II OF GERMANY) THAT GREETES VISITORS AT THE START OF THE EXHIBITION OF THE MERCEDES-BENZ MUSEUM. COULD ANY PERSON AT THE TIME HAVE HAD A MORE MISGUIDED OPINION, ASKS GAVIN MYERS AFTER VISITING THE MIND-BLOWING STUTTGART EXHIBITION**

**I**f there's one undeniable truth that identifies modern society, it is that its development was vastly accelerated by transportation and, since 1886, by the automobile specifically.

This was when Gottlieb Daimler and Karl Benz, two engineers – pioneers, really – from Stuttgart, in Swabian Germany, set the wheels of their two respective motorised carriages turning: Daimler in his Daimler motorised carriage and Benz in the Benz patent motor car.

However, it was only in 1926 that the two powerhouses of German automotive manufacturing – Daimler-Motoren-Gesellschaft (DMG) and Benz & Cie. – joined forces to form Daimler-Benz AG. The rest, as the say, is history ... but what

a history has been created, in the 40 years prior, and the 92 years since...

As an aside, there are two other names central to the Mercedes-Benz story ... those of Wilhelm Maybach and, yes, Mercedes. Maybach was an engineer, who first met Daimler in 1865 and joined DMG as technical director at its foundation in 1890.

Mercedes was the name given to DMG cars raced (very successfully) by wealthy DMG customer and reseller Emil Jellinek. Mercedes – the name of Jellinek's daughter – became synonymous with the DMG cars, and in 1900 the two parties agreed on the development (by Maybach) of a new, powerful engine to be known as Daimler-Mercedes.

But I digress... From the start you are immersed in antiquity



**CLOCKWISE FROM LEFT: 1** The Daimler motorised carriage (foreground) and the Benz patent motor car take centre stage at the start of the exhibition. **2** The Daimler motorised truck of 1898 is the world's oldest truck that still exists in original condition. **3** The museum is located in front of the main gate of the Daimler plant in Stuttgart, at the site where DMG first went into operation. **4** A 1907 Milnes-Daimler double decker bus: one of around 400 that roamed the streets of London at the time.



and providence as you begin your descent through the Museum – you begin at the top floor and wind your way through seven chronologically ordered exhibits (the Legend rooms) with adjoining special galleries (the Collection rooms, each presenting a different topic intertwined with the company's history). With 16 500 m<sup>2</sup> of exhibition space, there is certainly a heck of a lot to see, read, interact with and learn.

The exhibition begins with a late 19th-century history of Stuttgart, and, as you move from one exhibition space to the next, you're given a holistic sense of each period. The whole exhibition is underscored by significant historical events in terms of global, regional, automotive and Daimler-Benz contexts. Popular music from each epoch immerses you in the historical events, and, of course, the exhibits.

Each piece in the museum – there are 1 450 in all, of which 163 are actual vehicles – is in utterly immaculate condition, whether it is the genuine example or a faithfully accurate recreation. You won't see only "horseless carriages", cars, trucks and buses... Did you know that DMG made a motorised firefighting pump in 1892? It's on display in the museum, as are aircraft and marine engines made by Daimler-Benz during the Second World War.

Of course, Mercedes-Benz is a company that boasts a proud history of racing, record breaking and innovation. It's all there, too: from the legendary Silver Arrows Formula One cars, to racing trucks, the W125 record car from 1938 (which still holds the record for the fastest speed ever reached on a public highway, at 432.7 km/h), and the mystifying concept vehicles that have through time hinted at the brand's future.

There are even a few "Easter eggs", known as Extras, for you to find as you move through the halls; 33 pieces of memorabilia – such as Karl Benz's driving licence (he is thought to be the first German recipient of one).

I imagine he thought about the sentiments of Emperor Wilhelm II that day. And I wonder what the good Emperor might say if he were able to see the all the treasures of the Mercedes-Benz Museum today...

Me? I was utterly speechless, and (three-pointed) star struck. **F**



**CLOCKWISE FROM ABOVE:** 5 One of 33 Extras found throughout the museum, this early toolkit was designed specifically for vehicles of the time. 6 The 1955 Mercedes-Benz high-speed racing car transporter: originally scrapped in 1967, this is a true-to-the-original replica commissioned by the museum in 2000. 7 The red Atego race truck from 1998 produced 1100 kW, the green 1450 from 1990 was the first of the brand's race trucks and had a V10 engine. 8 The New Electric Car 1 (NECAR 1) was based on the MB 100 van and proved, in 1994, that fuel cells could power vehicles. 9 The 1938 L 6500 (foreground), an ancestor of the Actros, and 1959 LP 333, with two steered front axles.



WANT TO FIND OUT MORE ABOUT THE MERCEDES-BENZ MUSEUM, WHAT IT OFFERS AND HOW YOU CAN VISIT IT? SCAN HERE!



# MOBILE HOME OVERLOAD

**WHILE NOT STRICTLY OF INTEREST TO THE READERS OF FOCUS, GAVIN MYERS WAS ABLE TO VISIT THE 2018 CARAVAN, MOTOR, TOURISTIK (CMT) SHOW IN STUTT GART, GERMANY, WITH MERCEDES-BENZ VANS**

**O** could never have imagined just how big the business of caravans and motor homes is in Europe.

I was utterly gobsmacked as we trawled through hall after hall, after hall, to see all manner of converted vans, trucks and bespoke mobile homes and caravans for the leisure market. One could, quite literally, live in some of these "vehicles" – some of the largest of which even offer a "garage" below deck for a town runabout (be it a Vespa or Mini Cooper)...

Even for a South African, it's not difficult to tell that this segment is clearly booming in Europe. The German Caravanning Industry Association states that almost 38 000 new vehicles were

The latter can be converted into a second bed in just a few simple steps. With its large, fold-away wash basin and swivelling toilet unit, the integrated bathroom offers enough space to take a shower. The sandwich design of the cabin sections ensures reliable stability and excellent insulation properties.

A different concept on the basis of the X-Class has been developed by VanEssa mobilcamping. It features a heavy-



registered across all classes of camper vans between January and October 2017; some 5 000 more than in the same period of 2016.

Over at the Mercedes-Benz stand, the new X-Class Camper Van concepts made their public debut. Created by bodybuilder Tischer, the demountable cabin offers a comfortable sleeping system in a 150-cm-wide alcove, headroom of almost two metres, a kitchen with a three-burner gas stove and three cosy seats.

duty pull-out module with a fully equipped kitchen, as well as a second pull-out module.

VanEssa protects the load compartment with a cover made out of yacht-deck-look teak wood, while special pneumatic struts allow the cover to be propped up at an angle of 45°. What might make this package appealing to adventurous South Africans is the fitment of a roof tent with rear-facing entrance.

Of course, the new X-Class will arrive in South Africa during April, though probably without the option of a camper conversion...

A vehicle we can't currently get in South Africa is the Mercedes-Benz Marco Polo. Based on the luxurious V-Class, the Marco Polo family offers luxurious mobile-home practicality.

Another notable Mercedes-Benz vehicle, which was not featured on the brand's stand, was a pretty awesome Unimog camper-van conversion for true go-anywhere ability – though it does cost the equivalent of a cool R3,5 million!

For those interested in the mobile home/caravan market, a trip to a future CMT expo will not disappoint! **F**

R4267 R990 R8723 R2134 R34780 R6522 R4267 R990 R8723 R2134 R34780 R6522 R4267  
R3200 R800 R4379 R456452 R987 R614 R3200 R800 R4379 R456452 R987 R614 R3200 R800  
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R314 R614 R1000 R3200 R6522 R4379 R987 R268314 R614 R1000 R3200 R6522 R4379 R987 R268314 R1  
R42 R8142 R89400 R1231234 R456452 R8723 R6522 R8142 R800 R89400 R1231234 R456452 R8723  
R267 R990 R10 R990 R990

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# WITH THE RISING SUN

**FOR 40 YEARS, ISUZU HAS BEEN PRODUCING LIGHT COMMERCIAL VEHICLES (LCVs) IN SOUTH AFRICA. WITH THE ANNOUNCEMENT BY GENERAL MOTORS (GM) THAT IT WOULD COMPLETELY WITHDRAW FROM THE LOCAL MARKET BY THE END OF 2017, THIS PROUD HERITAGE – AND THAT OF THE SEPARATE ISUZU TRUCKS DIVISION – CAME UNDER THREAT...**

**T**he brand is, however, now set to enter a new dawn. Isuzu Motors, the Japanese parent company, has taken over 100-percent ownership of the local operations and formed Isuzu Motors South Africa (IMSaf).

Both LCV bakkies and the heavier trucks will now fall under the new entity, creating an all-encompassing commercial vehicle powerhouse.

"This is the first commercial and light commercial vehicle manufacturing operation outside of Japan in which we have acquired 100-percent ownership," said president and representative director of Isuzu Motors of Japan, Masanori Katayama.

"This decision demonstrates the confidence we have in this market and is indicative of our longer-term view that South Africa will serve as an important base for our future growth on the African continent," he added, noting that Isuzu is represented in 30 countries outside of Japan and successfully operates 47 manufacturing plants in these countries with joint-venture partners.

In South Africa, the Port Elizabeth-based Struandale plant (where the LCVs are manufactured) will remain the main base of operations. In the short term, the brand will incorporate the truck manufacturing operation (currently based at Kempston Road in Port Elizabeth) under one roof of the Struandale facility.

"Our short-term focus is on implementing our transitional plans, ensuring the sustainability of our operations, further strengthening our product portfolio and relocating the truck operations from Kempston Road to the Struandale plant. As we do this, we will need to demonstrate excellence in everything we do and the ability to lead in key segments of the market," said IMSaf CEO and MD, Michael Sacke.

Speaking at the IMSaf launch, Minister of Trade and

Industry, Rob Davies, said that this significant event came at a favourable time in South Africa.

"General Motors left when investment sentiment in South Africa was low, but Isuzu Motors recognised there was a long-term positive outlook for the country. The automotive industry in South Africa is very important; it contributes 7,4 percent to the country's gross domestic product. Through this acquisition and the formation of IMSaf, 1 000 jobs will be saved in the Port Elizabeth area, as will 3 000 in the direct supply chain," he stated.

The move has also been commended by the Nelson Mandela Bay Business Chamber.

According to Sacke, many partners worked behind the scenes to get to this point. "Isuzu Motors has shown confidence in our local management, while our dealer partners are confident in the future of the brand, and suppliers have been equally supportive."

The company is certainly off to a good start. Despite the departure of GM and the new formation of IMSaf, sales volumes of the Isuzu KB grew by 14,8 percent, while the truck division retained a leading market position during 2017.

As the company officially enters its new era, it plans to combine the best of the Isuzu product portfolio with local engineering and manufacturing capabilities. Several new products are on the cards to ensure its good performance continues. These include the KB X-Rider Black, the KB chassis cab, and the soon-to-be-launched FYH 8x4.

Katayama concluded: "Your efforts have been exceptional and we are confident that this will become a flagship operation for Isuzu Motors."

**FOCUS** can only wish the IMSaf team all the best for the future of the new operation. **F**

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# PASSION FOR PRODUCTION AND PEOPLE

**IT'S NOT EVERY DAY THAT ONE WALKS INTO A PRODUCTION FACILITY TO FIND A COMPANY PRODUCING WORLD-CLASS VEHICLES AND EMPLOYEES, TOO. HOWEVER, THIS IS EXACTLY WHAT GAVIN MYERS DISCOVERED WHEN HE MET WITH DEON FLUSK, REGIONAL PRODUCT CENTRE MANAGER AT SCANIA SOUTH AFRICA**

**W**hile Scania South Africa has been assembling vehicles in this country since its reintroduction to the market in 1995, the completely knocked-down facility in Aeroton, Johannesburg, has been running since 2003 – and, in that time, has become one of the largest (by volume) of eight regional product centres in the Scania world.

In 1996, Flusk joined the company – and he is a man that knows a thing or two about the science of vehicle production. As he points out, it certainly is a science.

"Getting a quality product out of the plant on time, in time, every time, is our priority," he explains. "Our ability to honour lead times in such a way is the biggest contribution we can make to Scania South Africa, as the end customers need their vehicles quickly and efficiently."

**RIGHT:** Deon Flusk has worked his way up through the Scania ranks.

**BELOW:** In 2017 the Scania South Africa Regional Product Centre employees surpassed their production targets.



"Production meetings take place every Monday and we always need to have an open channel of communication between ourselves and the business unit. Working together, we meet one of the company's core values of putting the customer first," Flusk explains.

"We live 'lean thinking': our production flows need to be balanced and level, and every now and then we may need to challenge the process. Continuous monitoring, quality gates and random quality audits to the Scania Inspection Manual global standard help us achieve this," Flusk says.

Twice a year, a Scania engineer conducts a comprehensive quality audit on the product and the facility.

Clearly, the methods are working. Last year 2 350 units were forecast, while 2 385 were delivered. For 2018 the goalposts have been moved to 2 860 units, which represents an increase from 11 to 13 units

a day. Running as it does on one shift a day, the plant has a technical capacity of 15 chassis a day (3 300 units a year).

"We have the staff complement, of 67 people, to meet the demand. Our productivity level target is around 33 units per employee for this year. Last year we exceeded the target of 31 units per employee by four units," says Flusk.

He adds that the employees at the plant are key to its success. "Most of our

operators have four to six years of broad experience. We have a low staff turnover and a high attendance rate; 95-percent healthy attendance in 2017," he says.

Having grown and worked his way up through the Scania ranks, Flusk is aware of the importance of employee progression.

"We groom our employees to have the right mindset to build a quality vehicle, and help them lay a good foundation for their own growth into higher levels. We want to excite them to think independently and use initiative. If they have an ambition, we can support them to achieve it.

"It's not only our vehicles (and therefore customers) that benefit from continuous improvement, but our people, too – and I speak from experience, because I'm a product of this environment," he concludes. **F**



With the plant assembling 56 different model variations of trucks and buses (supplied from the European and Latin American operations), Flusk and his team follow numerous production methodologies to achieve this goal. These include the Scania production system, which Flusk says "guides, governs and guards us".

The production department does not work alone, though. Careful engagement and planning is undertaken with the business unit, which handles the sale of vehicles and is the direct link with the end customer. This ensures that the vehicles can be assembled based on customer demand and to their expectations. In this instance, flexibility is key and the production team capitalises on the modular vehicle systems and interchangeability of parts to smooth the process.



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### TYRE LIFECYCLE:





# DISSECTING RUBBER DAMAGE

**IRREGULAR TYRE WEAR CAN BE A TELL-TALE SIGN OF UNDERLYING MECHANICAL PROBLEMS. WILLIAM GEORGE FINDS OUT ABOUT THE ROOT CAUSES OF TYRE DAMAGE AND WAYS TO MANAGE THEM**

**T**

he relationship of tyres to a vehicle is similar to that of the heart to the human body. If a tyre is worn or damaged, it could result in malperformance of the other parts of the vehicle.

Old and worn tyres are common causes of accidents, which makes it critical to keep the tyres well maintained. According to a study by the Council for Scientific and Industrial Research, nearly 20 percent of accidents involving minibus taxis have tyre failure as a contributing factor.

Automotive parts manufacturer, Meyle, has created a video tutorial, which troubleshoots tyre damage and analyses the common root causes of the damage. Meyle explains that there are six different types of tyre damage and provides information on each one with the aim of helping vehicle operators to spot a defect instantly without having to consult a tyre professional.

"Tyres are an easily accessible and reliable source of information when troubleshooting vehicle damage, and

scrutinising tyre wear patterns can reveal whether or not the damage was caused by other components. Furthermore, these types of damage are easy to fix, thus protecting customers from future tyre problems," the company notes.

For example, the possible root causes of unilateral tyre wear include incorrect axle alignment, local wear of defective shock absorbers, or local wear caused by incorrect braking behaviour.

These are some causes and solutions of different types of tyre damage highlighted by Meyle:

## **THE TYRE CENTRE IS WORN**

The possible cause is likely to be high tyre pressure, or continuous driving at excessive speed. This can be solved by reducing tyre pressure to the level specified by the manufacturer.

## **TYRE HAS WORN SHOULDERS**

This is a possible result of insufficient tyre pressure or



“

Frank Burger, business unit manager for Eqstra Tyre Management, advises operators to treat commercial vehicle tyres as assets to be managed from cradle to grave.

aggressive cornering. This can be fixed by increasing the tyre pressure to the level specified by the manufacturer.

Both over or under-inflation of tyres can shorten the life of the tyre.

#### THE CUPPED-TYRE WEAR

This is typical of defective shocks, or incorrectly balanced wheels. The remedial action is to perform regular shock tests, replace defective shocks, and/or balance the wheels properly.

All tyres on the vehicle should be the same prescribed size, of the same speed rating, and from the same tyre manufacturer.

#### FLAT-SPOT WEAR

This could be the result of bad driving behaviour, heavy braking, a defective ABS sensor, or absence of an ABS sensor. Therefore, simply replacing the defective ABS sensor could help resolve the issue.

#### SAW-TYRE WEAR

This problem is caused by various issues, such as incorrect tyre pressure, incorrect load capacity indices, wheel misalignment, incorrect tyre size used on the vehicle and poor driving technique. This can be fixed by replacing the tyre.

#### MORE WAYS TO BETTER MANAGE TYRE DAMAGE

It might seem obvious, but it is always important to ensure that the tyre pressure is correct. A time-saving method could involve the use of a tyre monitoring device. Companies that offer these devices were covered in issue 11 of 2017 of **FOCUS**.

There are other remedial actions to keep in mind, such as inspecting the spare tyre. Having a problem-free spare tyre will make it easier to get back to the road if one tyre fails.

Frank Burger, business unit manager for Eqstra Tyre Management, advises operators to treat commercial vehicle tyres as assets to be managed from cradle to grave. He recommends these methods to correcting mechanical irregularities:

- Daily pre-trip inspections (to identify developing tyre wear patterns and visible defects);
- Regular preventative maintenance inspections for damage and wear;
- Correction of mechanical defects; and
- Correction of steering geometry (wheel alignment).

Monal Naik, marketing manager at Bandag, says tyre casing management is key to achieving the best return on a retreading programme, which ultimately produces the best cost per kilometre. He explains: "There is no magic number to be used across all fleets, but, in many instances, a good place to start is replacing scrap tyres with new tyres, which, in turn, generates casings for retreading within the fleet."

Since the disposing of tyres could have adverse effects on the environment, it is ideal to recycle the older rubber. Naik mentions that in South Africa retreading is well accepted and provides savings while reducing tyre landfills.

He says: "Customers have become accustomed to premium retread options including stock retreads. Retreaded tyres, including stock retreads, offer fleets a cost-effective solution without compromising on mileage performance and vehicle downtime."

There is important information inscribed onto the tyre to which operators need to adhere. This includes the temperature resistance of the tyre; the tread number, which helps in determining the wear rate; and load capacity, which indicates the maximum load that can be carried by the tyre.

Naik concludes: "The key areas that need to be rectified are poor tyre maintenance, lack of a proper tyre policy, unsatisfactory road conditions and driver abuse." **F**

TO WATCH THE MEYLE "TYRE DAMAGE PATTERNS" VIDEO, SCAN THE QR CODE



# DIGITISE OR DIE

**SUPPLY CHAINS ARE BECOMING EVER MORE DEPENDENT ON TECHNOLOGY TO MANAGE CHALLENGES AND IMPROVE PRODUCTIVITY, BUT THIS SAME TECHNOLOGY CAN ALSO PRESENT ITS OWN OBSTACLES. FOCUS LOOKS AT HOW COMPANIES CAN STAY AHEAD OF THE DIGITAL CURVE**

A

Accenture, a South African business management consultant, predicts that software as a service for the supply chain management market will reach US\$ 4.4 billion (R52 billion) in 2018. Software as a service and digitisation are needed to manage the complex supply chains faced by companies today.

"Successful supply chain management poses some significant challenges for fleet-management companies that face demands from customers to minimise costs and vehicle downtime," says Denise Fairhurst, general manager of supplier management at Eqstra Fleet Management and Logistics.

"Digitising the supply chain is an effective way of overcoming many of these challenges. Digitised systems provide data on all aspects of the supply chain by ensuring increased transparency, which, in turn, ensures proactive solutions from both suppliers and customers," she adds.

The benefits of digitisation are particularly important when one considers the costs incurred by transport companies when mistakes occur in the supply chain.

Gregory Schlegel, a professor at Lehigh University in the United States, notes that a mistake in the supply chain can cost a company up to ten percent of its shareholder value.

He notes: "Research shows that if a business is not prepared, even a single small to medium supply chain disruption can cost the business as much as R6 million. Most companies across the globe are experiencing an average of seven to ten supply chain risk events a year – from port congestion to poor supplier performance and changing weather patterns. This equates to an annual cost of R60 million."

He adds that 25 percent of companies that experience a moderate to severe supply chain disruption go out of business about 18 months after the event.

Digitisation can address many challenges in the supply chain, but it is also a source of many challenges. Morne Weyers, vice president of delivery at T-Systems, says: "Digitisation is part of the problem that needs more digitisation to fix."

### TRADITIONAL CHALLENGES PERSIST

Weyers explains that digitisation has not eradicated traditional supply chain challenges, such as cost. These challenges remain and have become even more complex, as digitisation offers companies more information.

"The supply chain is moving from inside-out to outside-in systems. In the past, the supply chain was about optimising delivery. Now, companies need to know more about the customer demands," Weyers says.

Many companies have gone from tracking their load with a simple GPS, to tracking the temperature, shock, driver behaviour and more. While this offers more information to ensure a product arrives safely, the sheer mass and complexity of the data have created new challenges.

Weyers uses data analysis as an example. More data might offer the company more control, but much of the data currently collected is too complex to be analysed by one employee using a spreadsheet.

### SKILLS SHORTAGE

"The person looking at the spreadsheet might not have the data-analysis tools. However, a company with the data-analysis tools might have a lack of understanding of how the supply chain operates. This could result in an incorrect conclusion being drawn.

"New employees entering the market often have the academic knowledge of data analysis and the right tools, but are not skilled in supply chain management. The industry needs employees with supply chain skills, who are also trained in data analysis," Weyers says.

He adds that the most sought-after people will be highly skilled and will be able to engineer or re-engineer end-to-end solutions for the supply chain.

Fairhurst suggests partnering with credible companies to ensure knowledge is transferred to employees, and drawing up a change-management plan to reduce resistance to the new technology. She states: "Incentivising staff is a useful tool to encourage the adoption of new technology."

### HACKERS, HELPERS AND REWARDS

Implementing digitisation also introduces numerous other challenges, especially for legacy supply chain companies. Weyers points out that new companies can easily adapt and change, whereas many legacy supply chain companies are less able to quickly change established operational processes. He also warns companies about getting stuck with one vendor.

"For example, a vendor might supply internet devices and upload all the information. However, the client might not have access and will need to pay for the information. Changing vendors would mean updating all the information and devices on an entire fleet or supply chain. This can be very expensive," Weyers explains.

Digitisation also poses a software security threat for supply chains. As the software advances, so do the skills of hackers.

"We are becoming so dependent on technology that we are lost if it is no longer there. Supply chain security traditionally referred to things like natural disasters that might occur. Now, it also applies to digital information. Companies need to consider what might happen if their sensors are shut down, for example," he says.

For this reason, companies need to carefully evaluate digital systems before implementing them. Fairhurst suggests detailing the benefits expected from the software before purchasing.

"Work from an ideal state backwards and break down what must be done to achieve the benefits. Develop a scenario that establishes positive and negative outcomes and identify ways to handle these proactively. Ensure that all potential risks have been identified and have contingent solutions in place to minimise them," she says.

Companies should also consider the cost and the time it will take to develop and implement the innovative technology, as well as what training will be required to manage the technology.

Supply chains can invest in developing skilled employees that can disrupt the industry, but should also review possible security threats to ensure the software is protected. In the digitised 21st century, it's a case of digitise or die. **F**



# POWERSTAR GENUINE PARTS: WHEREVER, WHENEVER

**WITH THREE MAJOR PARTS CENTRES AND A DISTRIBUTION NETWORK ACROSS SOUTHERN AFRICA, EVER STAR INDUSTRIES ENSURES ALL ITS CUSTOMERS HAVE ORIGINAL PARTS DELIVERED WHEN NEEDED**

**E**ver Star Industries (ESI) is committed to around-the-clock aftersales support, which covers every vehicle under the ESI umbrella – Powerstar, Powerland, Shantui and NHL. ESI has three parts distribution centres. The main central parts distribution (CPD) centre – a 1 200 m<sup>2</sup> warehouse – is based at the assembly plant in Pietermaritzburg, with two other distribution hubs based in Gauteng – in Jet Park and Centurion. Together the three centres house parts worth approximately R65 million, and about 6 800 line items of parts at any given time.

This number is expected to grow with the impending introduction of the three- and five-tonne Powerstar FT vehicles, and the evolving V3 ET Powerstar long-haul models.

The CPD distributes parts to smaller service and parts centres across southern Africa. While each distribution hub has a small shop to sell directly to customers, ESI relies mainly on a third-party logistics company to deliver parts to the various dealerships in the Southern African Development Community (SADC).

"ESI's comprehensive aftersales infrastructure is designed to improve vehicle uptime while lowering total cost of ownership. Among the services we offer are class-leading bumper-to-bumper warranties, guaranteed genuine parts, technical and driver/operator training, a 24-hour helpline and roadside assistance," explains Paul Fryer, national parts manager for ESI.

"There are daily deliveries from CPD in Pietermaritzburg to our distribution hubs in Jet Park and Centurion, as well as from all three centres to Powerstar dealerships and customers across the country. Once or twice a week, deliveries are made to neighbouring SADC countries." Fryer further adds.

He says: "If a specific part is not available at the dealership or parts centre, it will be delivered the next day. Cross-border deliveries might take a bit longer.

In 2017, the parts centres moved parts worth about R75 million. Most of these were delivered in the Gauteng region.

The parts centres have seen a healthy, steady growth. Powerstar aims to increase distribution by 15 percent in 2018. "This should be an easy goal for our company as customer aftersales service is how we measure our success," Fryer adds.

"Our product support specialists conduct regular dealer audits and customer visits to ensure dealerships comply with dealer operating standards, and customers are satisfied with the aftersales support provided."

Fryer explains the importance of using original Powerstar parts when maintaining vehicles: "Powerstar original parts offer value as they are of high quality, reliable and affordable. They also conform to the requirements of the vehicle, and all original parts are covered by a 12-month warranty."



**LEFT AND BELOW:** Powerstar's three parts distribution centres ensure daily deliveries to dealers and customers.



Bob Wang, CEO of ESI, notes: "Our dedicated aftersales team keeps a keen ear to the ground, which allows us to react rapidly, effectively and competently to any queries, requests and changes in the market. We are absolutely committed to reducing customer vehicle downtime and total cost of ownership.

"Powerstar genuine parts are not just parts, its our promise to our customers to provide guaranteed original parts and reliability that they can trust." concludes Wang. **F**

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# LIGHTING UP AFRICA

**AFRICA IS FACING AN ENERGY CRISIS, AS MILLIONS OF PEOPLE HAVE NO ACCESS TO ELECTRICITY, LEADING TO EXPENSIVE LOSSES IN PRODUCTIVITY. ENERGY LEADERS GATHERED AT THE 2018 AFRICA ENERGY INDABA TO DISCUSS CHALLENGES AND POSSIBLE SOLUTIONS**

**L**

eaders in the African energy industry from both the private and public sector recently gathered at the Sandton Convention Centre, in Johannesburg, for the tenth Africa Energy Indaba (AEI).

With 500-million Africans living without access to power, African energy leaders are getting serious about electricity. At the Indaba, financial institutions, governments, private corporations and research institutions discussed some of the challenges and possible solutions currently facing the energy sector in Africa.

In the opening address, David Mahlobo, the former energy minister for South Africa, highlighted a key challenge – funding. His address was delivered by Elizabeth Marabwa, chief director of programmes and projects at the Department of Energy.

She explained that the African Union-approved programme for infrastructure development in Africa, which focuses on the energy crisis, will need approximately US\$ 42.2 billion (R492 billion) annually to reach its goal of universal access to energy by 2030.

Universal access to energy is essential to improving the economy in African countries. Amadou Hott, vice-president of power, energy, climate and green growth at the African Development Bank (AfDB), explained: "Every day that we delay implementing some of these independent power producers or regional projects, the cost of lost opportunities is unbelievable."

Even more unbelievable is the cost to the economy when energy sources are unreliable. Abba Armiya'u Ibrahim, CEO of Proserve Energy Services, noted that a

nine-hour long power outage in Istanbul, Turkey, led to a loss of US\$ 700 million (R8,1 billion) in productivity. With the various power outages in Africa, the continent is losing a lot more in productivity. Many sub-Saharan African countries that rely on hydro-electricity are also experiencing extreme power outages with severe droughts plaguing the region in recent years. Langiw Lungu, executive director of the Zambian Energy Regulation Board, noted: "Energy is to the economy what blood is to the body."

As electricity affects the economy, it also has impact on businesses and the transport industry in a country. With so much to lose, universal access is everyone's concern.

However, in order to achieve universal access, governments need funding from the private sector. Securing this funding remains a challenge for many African countries. A key solution is for governments to speed up their decision-making processes.

At a panel discussion, Louis van Pletzen, co-founder of Quantum Power, used the renewable energy programme in South Africa as an example. When it was introduced, many investors flocked to offer capital for these projects.

However, the two-years-plus decision-making period led to many investors failing to turn deployed development capital into permanent equity. Van Pletzen stated: "The investor community has funds to deploy in these projects if roll out can happen at an acceptable pace and if they offer an acceptable return."

According to energy advisor to the president, Silas Zimu, South Africa can expect big changes in its energy sector. These will start with the restructuring of state-owned enterprises.

He noted: "The same actions taken in February on governance at Eskom are going to come to the rest of the 700-odd state-owned enterprises, including ten energy-related enterprises."

He added that the dream is for South Africa to become the energy hub for the entire sub-Saharan Africa.

While the energy leaders discussed challenges, solutions, further developments and regional integration strategies in numerous thought-provoking panel discussions, delegates also had the opportunity to see innovations in the energy sector from various exhibitors.

Total was one of the exhibitors and its main focus was on its various solar-charged lights, which can also be used as charging portals. They can be powered by either solar energy or electricity. The S300 light provides between four and 100 hours of light depending on the light intensity, while the T-lite offers anywhere between 7,5 and 75 hours of light.

The oil supplier also showcased its Total petrol card and Quartz lubricants. All these products are available at Total garages throughout South Africa.

Trailersol, a solar solutions provider for the transport



industry, drew a crowd at its stand at the AEI. Simon Botham, operations director at Trailersol, noted: "The AEI offered a pleasant surprise. So many delegates were curious about the Trailersol products." Botham added that the company will definitely come back to the next AEI.

Trailersol has some exciting new products. Without wanting to divulge too much information, Trailersol hinted at a battery and an electricity fridge, which it will launch at the trucking event.

In the meantime, Africans can keep their fingers crossed that the innovative energy solutions presented at the AEI are introduced to light up Africa's future. With an abundance of resources, a private sector that is willing to invest and energy leaders with a strategic plan, there is no reason for Africa to remain a dark continent. **F**

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# RENAULT ALASKAN BRINGS DIAMOND SPARK

**IT'S AN INTERESTING AND BUSY TIME IN THE PICKUP SEGMENT OF THE AUTOMOTIVE INDUSTRY, AS A NUMBER OF NEW PLAYERS ENTER THE MARKET, WRITES JARLATH SWEENEY FROM FLEET TRANSPORT. HE ATTENDED THE LAUNCH OF RENAULT'S CONTENDER: THE ALASKAN**

It could be said that the one-tonne pickup truck segment is entering a golden era worldwide, and Renault wants a piece of the action.

Global sales of pickups in general have reached 4.66-million units annually and are continuing to grow. The North American market leads the way, while South America, South Africa and Asia also have extensive numbers of loyal, traditional customers.

Meanwhile, Europe is beginning to make an impact, recording consistent growth with volumes up by 51 percent since 2009. Hence the interest from European brands to get serious, develop new models and reap the benefits.

Of the nine brands in the segment, Group Renault – through its Alliance partners Nissan and recent collaborator Mitsubishi – can take credit for being involved in five models.

Spawned from the latest Nissan Navara is the new Renault Alaskan, and the Mercedes-Benz X-Class, which will arrive soon, while readers will know that the new Fiat Fullback is derived from the current Mitsubishi Triton.

Following the global premiere in 2016 of the new one-tonne pickup truck in Colombia, South America, and its appearance at a number of motor shows, the next phase of the new product's launch got underway with the inaugural press test-drive programme in Slovenia.

Leading up to the event in Ljubljana, Ashwani Gupta, global head of Renault-Nissan's light commercial vehicle (LCV) business, said: "Renault is entering Europe's particularly buoyant one-tonne pickup segment, which registered growth of 25 percent in 2016 and 19 percent in the first half of 2017.

"As a major player in the LCV market with a network of almost 9 000 sales outlets across Europe, Renault continues to extend its range with the Alaskan.

"Following the Alaskan's release in Latin America, its availability in Europe is further evidence of Renault's global ambitions. The Alaskan is a robust, powerful pickup that has

been designed to meet the needs of demanding business customers and private buyers alike."

In developing the Alaskan, Renault utilised the decades of four-wheel drive (4WD) experience and expertise of its alliance partner Nissan, together with its own knowledge gleaned from creating SUVs from its car division and lighter pickups on sale through its Dacia subsidiary.

The many unique design traits of the current award-winning Nissan Navara have been successfully transferred over to the Alaskan, with Renault's design department putting the French brand's latest and distinctive model range theme on it.

Renault Pro+ (the brand's commercial arm) LCV design director Louis Morasse is passionate about pickups, to the extent that the Canadian claims that he was born in the back of one! In his eyes, pickups are dream machines. "It's so easy to fall in love with them," he said. He is particularly pleased with how the Alaskan turned out.

Thanks to its five-link rear suspension (developed by Nissan for the Navara) the Alaskan offers outstanding travelling comfort both on and off-road. It has proved once again – on both the rough and soft terrain on the test sessions under the shadow of the snow-capped Alps – that the vehicle's off-road capabilities and rugged qualities haven't been compromised.

The highly resistant ladder-frame chassis, working in tandem with the five-link rear suspension, allows for a payload of more than one tonne, and offers a towing capacity of up to 3.5 t. These features are likely to be key selling points of the new pickup, along with an expansive dealer and repair centre network across Europe.

The Alaskan features the Group Renault engineered four-cylinder 2.3-litre dCi diesel engine, available as either a single (113 kW/403 Nm) or twin (141 kW/450 Nm) turbo, and already popular in the Renault Master light-commercial range.

The engine's twin-turbo technology combines a small



**ABOVE:** There are many different ways of configuring the Alaskan to suit the needs of operators who work in the construction, freight or medical sectors, with a number of bespoke body conversions on offer.

## THE LATIN AMERICAN OPTION

At the end of 2015, Renault launched the (Dacia) Duster Oroch in Latin America – a successful model in the half-tonne pickup category. Based on an SUV platform, the Duster Oroch is also a double-cab pickup with four doors and five seats, but more compact and lighter.

Nearly 30 000 Duster Orochs were sold in Latin America last year. Almost 15 000 more were sold over the first six months of 2017, representing an increase of 35 percent. Oroch is another model-in-waiting for the Dacia brand in Europe.

*Renault South Africa could also not confirm when the Duster Oroch will make it to South African showrooms – ed.*



turbo to provide strong torque at low revs and a larger turbo to provide more power at higher revs.

It can be specified with either a six-speed manual gearbox or seven-speed automatic transmission. With a factory-estimated combined-cycle fuel consumption of 6,3 l/100 km and a CO<sub>2</sub> emissions rating of 167 g/km, the Alaskan is deemed to be one of the cleanest and most efficient vehicles in its sector.

The brown and silver 4WD twin-turbo models driven with automatic transmission had 125 kg of sand in the load bay safely stored in a hard plastic lockable box, which is just one of the many accessories available for the Alaskan.

Driving on the tarmac it was as comfortable as any SUV, though with a better driving position and all-round visibility. The 360° camera view from the dash-mounted screen was also invaluable when it came to turning and manoeuvring, and proved beneficial along the narrow gravel tracks with full 4WD low-range engaged.

The Alaskan is a standard European-sized pickup that meets the demands of both business customers and private motorists. Building contractors, tradespeople and farmers are one side of the potential customer base, while other private buyers will like its style and individuality that SUVs don't offer. With some extra kit fitted from the accessories list, special versions can be created in order to stand out from the crowd.

Gupta mentioned that some retail customers want a spacious vehicle with cabin comforts worthy of a conventional passenger car, but with a generous rear load space and a high towing capacity for leisure use, all combined with exceptional off-road capability to tackle any kind of adventure. The Alaskan can meet that need.

Manufactured at Nissan's Barcelona plant, the Alaskan entered sale in Europe in September 2017, with its double-cab, 4WD version.

*Regarding the Alaskan's local launch, Renault South Africa had this to say: "We continue to emphasise the importance to launch the Alaskan (and Oroch) locally. Right now, we are pressing ahead with the ongoing development for the right-hand drive units. The factory cannot confirm a production timeline" – ed.* **F**

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.



# DEATH TO THE TRUCKER'S AMERICAN DREAM

**DESPITE THE BOOM IN THE AMERICAN ECONOMY AND ITS TRANSPORT INDUSTRY, AND HEALTHY GROWTH EXPECTED IN 2018, PROGRESS MAY BE HELD BACK, DUE TO THE LACK OF TRUCK DRIVERS. AUTOMATED VEHICLES COULD BE THE SOLUTION, BUT WILL LEAVE 1,7 MILLION TRUCK DRIVERS WITHOUT JOBS. FOCUS INVESTIGATES**

**T**he United States (US) economy is slowly climbing back to a healthy growth in gross domestic product (GDP). Patricia Cohenjan, journalist for the *New York Times*, reports that the US economy grew by 2,6 percent in 2017. According to Heather Long from the *Washington Post*, a similar growth of 2,7 percent is expected in 2018.

This boom has also positively impacted the original equipment manufacturers (OEMs) and the trucking industry. According to the news site *Trucks.com*, the sales of heavy commercial vehicles grew by 59 percent in 2017 and 196 000 jobs were created in the manufacturing industry – an increase of 1,6 percent.

The healthy growth predicted in the trucking industry might, however, be limited, due to the shortage of truck drivers. *WLSL 10*, a US news channel, reports that roughly 900 000 new drivers will be needed over the next decade to meet the industry demand. Companies are paying large salaries to retain drivers.

A starting salary for an American truck driver ranges from US\$ 35 000 (R417 030) to US\$ 40 000 (R476 656) a year with

long-haul drivers earning even more. There is a good reason for these high salaries.

The US Department of Labour states that drivers of heavy vehicles have some of the highest rates of injuries and illnesses. Automated vehicles would reduce the number of injuries and lives lost in the transport industry.

The shortage of drivers is aggravated by laws that limit their working hours. Since December 18, 2017, commercial drivers have been required to use an electronic logging device (ELD) to record the number of hours they work, reports *The Economic Times*. Drivers are limited to 70 hours of work per week with around 11 hours of driving per day.

*Transport Topics* quotes Seth Owens, a lead instructor for the St Louis Community College, which offers various truck driving programmes. Owens says: "Companies can't cook the books, so it takes more drivers and more trucks to move the same amount of freight."

With a shortage of drivers, and high salaries paid to existing drivers, it is no surprise that the industry and President Donald Trump are pushing for the introduction of automated vehicles.

*Rolling Stone* magazine reports that there is a "gold rush" taking place that will disrupt the US trucking industry, which is estimated to be worth US\$ 700 billion (R8,3 trillion).

Many OEMs operating in the US, including Volvo and Daimler, are already testing platooning. Tesla introduced its semi-automated Tesla Semi in 2017, which is expected to run in 2019 with PepsiCo, Anheuser-Busch and Walmart (among others) reserving nearly 300 trucks.

These truck platoons and automated trucks offer big cost saving for the US transport industry. *Rolling Stone* reports that "each trailing rig uses ten percent less fuel". Automated trucks will provide safer highways, reduce emissions and transport goods at a lower cost.

Companies will eventually also shed costly truck drivers completely. *Rolling Stone* quotes Anthony Levandowski, Uber's former top automation engineer: "[Eventually], none of the new trucks will have a cab on them."

Automation might take a while to completely eradicate truck drivers – or will it? In 2016, Otto, an Uber subsidiary, ran an automated truck pilot for about 193 km. There was one driver on board in the sleeper berth. The pilot ran without an incident and when the vehicle needed to exit the highway, the onboard driver took control.

The automated vehicle used an aftermarket kit to automate an existing diesel truck, which showed that it might not be necessary for the industry to wait for OEMs to build automated vehicles. While Otto and Uber are currently in legal battles with Google, this is only the beginning with numerous other automated innovations popping up.

The mining industry is a particularly good indication of current automated innovations, with many mines already completely (or largely) automated. Rio Tinto, for example, has automated rigs running 24-hours a day (see **FOCUS** issue 4 of 2017).

Automated trucks will also reduce travel time by eliminating the obligatory resting time for truck drivers. Peterbilt, a US OEM, added enough diesel capacity to its test trucks to run for 48 hours, which no truck driver would be able to do.

For many US truck drivers, there is no business quite like trucking. *Rolling Stone* quotes Louis Pribble, who has been a truck driver for 30-odd years: "Trucking is better money than any other job out there."

Trucking is currently the most common profession in 29 states of America. Automated vehicles will mean the loss of 1,7 million jobs, according to a White House analysis. *Rolling Stone* reports that the International Transport Forum predicts a million drivers of heavy trucks will lose their jobs by 2025, while McKinsey Global Institute expects 85 percent automation and nearly 1,5 million job losses by 2027.

As the majority of American truck drivers are older men with no tertiary education, it is safe to assume that many of them will not find alternative employment – at least not a job that pays as well.

However, not everyone believes robotics will replace the truck driver. Pribble, as quoted by *Rolling Stone*, says: "Everybody is all worked up about it. I'd like to see that driverless truck put chains on. I'd like to see that driverless truck in snow."

Even if automation does occur, Pribble is positive he will not be here to see it. He notes: "By the time we get to the George Jetson era, I'll be long retired; probably dead."

Yet, despite what truck drivers like Pribble would like to believe, automation is on its way – and fast. **F**



# SERVING THE SOUTH AFRICAN ECONOMY



FAW Wuxi Diesel Engine Works (FAWDE) was founded in 1943. It is one of the largest diesel engine manufacturers in China and joined the FAW Group in 1992.

FAWDE is also one of the best manufacturers in the internal combustion engine industry in China. The FAWDE works occupies an area of more than 800 000 square metres with a fixed asset value of 5,9 billion RMB and intangible assets valued at 10,229 billion RMB. The annual product output is over 650 000 engines as well as 15 000 special and reassembly trucks. It is the largest R&D and manufacturing base for diesel engines in China. FAWDE has seven product families named W-, X-, K-, L-, M- and N-series, with power outputs ranging from 17kW to 330 kW. Our products conform to European emission standards Euro I - Euro IV.

FAWDE has achieved several "Firsts" in the Chinese diesel engine industry, including:

1st spherical graphite cast iron crankshaft, 1st air-cooled diesel engine, 1st auto power generation set, 1st turbo-charged diesel engine and 1st diesel engine with 4 valves per cylinder. Our products have been applied to generator sets, trucks, buses, agricultural equipment and endless engineering machines. FAWDE products are exported to more than 40 countries and regions, including Russia, Vietnam, India, The Ukrain, Iran, Suadi Arabia and South Africa.



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#### **FAWDE Engine Agent:**

Copper Eagle Trading 172 cc  
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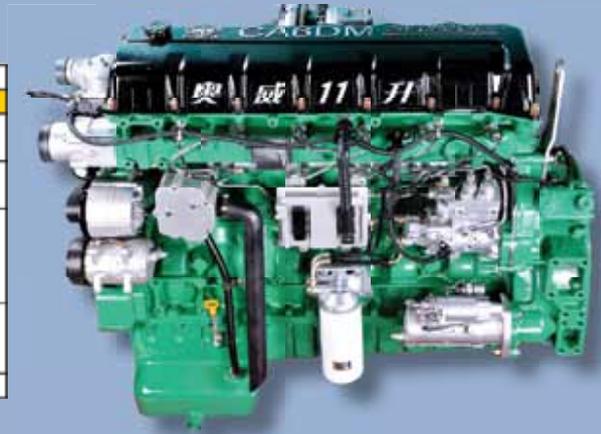
#### **FAWDE Parts:** ZG Truck Parts (Pty) Ltd

Unit 25, Sunninghill Office Park,  
4, Peltier Road, Sunninghil, Sandton  
Tel: +11 024 4627 zgtruckparts@gmail.com

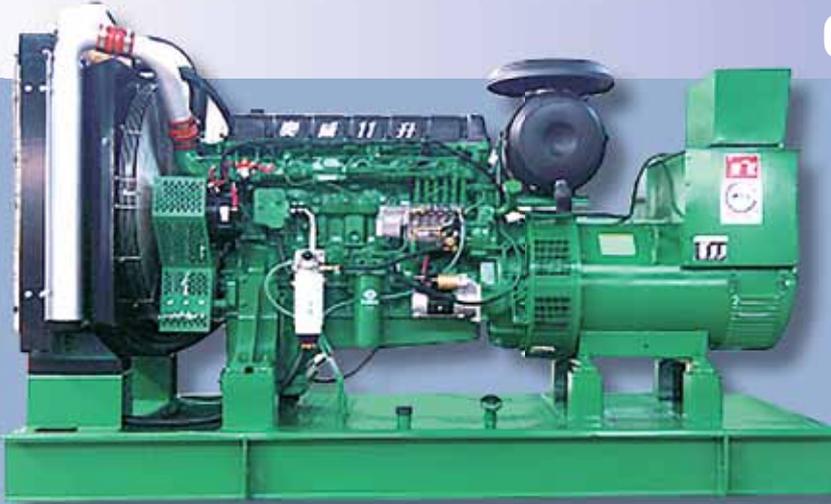
# A range of diesel engines tough enough for Africa.

FAWDE diesel engines are key components in many commercial and industrial installations. A wide variety of sizes are available to suit your needs.

FAWDE ENGINE									
Model	4DW	4DX	4DF	6DF	6DL1	6DL2	6DM2	6DM3	
Bore x Stroke mm	4-85x100	4-90x100	4-102X118	4-110x125	6-110x125	6-112x135	6-112x145	6-123X145	6-126.5X166
Displacement (L)	2,27	2,54	3,86	4,75	7,13	7,7	8,6	11,05	12,52
Rated net power / speed(kW / rpm)	17-33/ 1500-26 50	22-55/ 1500-26 50	40-74/ 1500-24 00	65-118/ 1500-23 00	92-177/ 1500-24 00	147-195/ 1500-21 00	162-235/ 1500-22 00	228-309/ 1500-200 0	300-338/ 1500-1900
Maximum torque / speed (Nm/rpm)	145/ 1500-180 0	245/ 1500-18 00	380/ 1500-18 00	540/ 1400-17 00	860/ 1400-17 00	1100/ 1500-18 00	1400/ 1500-180 0	2100/ 1300-160 0	2300/ 1300-1500
Available range	Trucks, Generator, Water pump, Forklift, Loader, Harvester ect.								



## GENERATOR SETS



FAWDE diesel engines reliably drive a comprehensive set of power generators available for a wide range of business and industrial uses, ranging from 15KVA - 375 KVA.

FAWDE GENERATOR ENGINE									
Model	4DW	4DX	4DF	6DF	6DL1	6DL2	6DM2	6DN	
Bore x Stroke mm	4-85x100	4-90x100	4-102x118	4-110x125	6-110x125	6-112x135	6-112x145	6-123X145	6-131X155
Displacement (L)	2,27	2,54	3,86	4,75	7,13	7,7	8,6	11,05	12,5
Standby power / speed(kW / rpm)	19/ 1500	23-34/ 1500	36-53/ 1500	72-92/ 1500	105-154/ 1500	194/ 1500	226-251/ 1500	316-330/ 1500	365/ 1500
Prime power / speed(kW / rpm)	19/ 1500	21-31/ 1500	33-48/ 1500	65-84/ 1500	96-140/ 1500	176/ 1500	205-227/ 1500	287-300/ 1500	332/ 1500
Available range	Generator :15KVA-375KVA								

## FAW TRUCKS

The economy and reliability of our world-renowned FAWDE diesel engines is the driving force behind the success of the comprehensive range of FAW trucks.



# GLOBAL FOCUS NEWS

## ALL-ELECTRIC ACTROS MAKES ITS DEBUT

Mercedes-Benz has pulled an electric rabbit out of its hat! The company has lifted the lid on the eActros, which, as its name implies, is a fully electric heavy-duty truck. I must say that I was surprised at the launch. While I knew that MAN was working on bringing an electric truck to market (we're expecting it within months); the Mercedes-Benz team was very hush hush about its developments.

This is not to say that the company has been snoozing when it comes to electric trucks. In fact, back in 2016, Mercedes-Benz Trucks became the first manufacturer in the world with a heavy-duty electric truck. I wrote about it extensively. However, it was a concept vehicle only.

Now the company is producing trucks that are being delivered to customers – and I must say that the eActros looks very impressive. Ten vehicles, with a gross vehicle weight of 18 or 25 t, will be handed to German and Swiss customers within the next few weeks.

They will be testing the eActros in everyday operating conditions. These are the companies that are participating in the test (they're all household names in Europe): Dachser, Edeka, Hermes, Kraftverkehr Nagel, Ludwig Meyer, pfenning logistics, TBS Rhein-Neckar and Rigerink from Germany, and Camion Transport and Migros from Switzerland.

The truck is obviously based on a regular Actros, but the vehicle architecture has been configured specifically for an electric drive system. The drive axle, for example, is based on the ZF AVE 130 that has already proved its worth as a low-floor portal axle in hybrid and fuel-cell buses from Mercedes-Benz and is now being fundamentally revised for the eActros.

The drive system comprises two electric motors located close to the rear-axle wheel hubs. These three-phase asynchronous motors are liquid-cooled and operate with a nominal voltage of 400 volts. They generate an output of 125 kW each, with maximum torque of 485 Nm each. The gearing ratios convert this into 11 000 Nm each, resulting in driving performance on par with that of a diesel truck.

The maximum permissible axle load stands at the usual 11,5 t. The energy for a range of up to 200 km is provided by two lithium-ion batteries with an output of 240 kWh.

The batteries are accommodated in eleven packs, all in all: three of these are located in the frame area, the other eight are to be found underneath. Discharged batteries can be fully recharged within three to 11 hours, assuming a realistic charging capacity of 20 to 80 kW from a mobile charging device at a fleet depot.

The trucks will be fitted with refrigerated box bodies, tankers or tarpaulin sides – depending on customer requirements. They will be tested for 12 months. Then, in one year's time, a second round of testing (yet another 12 months) will commence. As such, the Mercedes-Benz team will be gathering a lot of data and feedback along the way, and presumably tweaking what will become the production version. Series production is planned by 2021.



**ABOVE AND BELOW:** The fleet of electric trucks, which will be on the road until at least mid 2020, will test the economic efficiency of these trucks, and compare the environmental performance of the electric trucks with that of diesel trucks.





## SCANIA ALSO HEADS DOWN ELECTRIC AVENUE

In a similar vein, Scania has announced a new collaboration with Haylion Technologies, which focuses on solutions for the Chinese transport industry in the areas of autonomous driving, electrification and connectivity – specifically within public transport.

"For Scania, this partnership provides unique opportunities to contribute to, as well as to learn from the rapid technology development now taking place in China in these strategic areas. We look forward to combining our knowledge and global perspective with the expertise and ambitions of Haylion Technologies," Mats Harborn, executive director of the Scania China Strategic Office, tells **FOCUS**.



The two companies will be working towards the commercialisation of autonomous driving applications and sustainable transport.

"Gaining excellence in skills through collaboration has always been our principle. We recognise Scania's leading position in the world's commercial vehicle industry. I believe that our cooperation will further promote and accelerate China's development of intelligent vehicles and the Internet of Vehicles (IoVs)," says Dr Jimmy Hu Jianping, founder and chairman of Haylion Technologies.



## DAKAR WINNER SAYS HI!

Eduard Nikolaev is clearly a very talented driver. He romped home to victory in his Kamaz in January, after leading the race for all but two days. He's also a nice chap. He recently sent this signed photograph to all the members of the International Truck of the Year jury (of which **FOCUS** is a part). Isn't it nice?



**LEFT:** When platooning, the rear truck reacts directly and without active intervention of the driver. However, the driver always keeps his hands on the wheel.



**RIGHT:** In platooning, a specially designed display provides drivers with plenty of additional information about networked driving in the convoy.

## MAN GOES PLATOONING ●

Team MAN is obviously still working on its electric trucks. However, like most other manufacturers, it's also working on platooning. And the latest news in this regard is that it has handed vehicles to DB Schenker, so that the company can test platooning on a day-to-day basis. According to MAN, this is the first time that networked trucks are being put into practical use in the logistics industry.

DB Schenker and MAN will be working with Hochschule Fresenius in a research project to test networked trucks in daily logistics operations. It is widely believed that autonomous and networked driving will fundamentally change road haulage in the not-too-distant future.

The trucks will run on Germany's A9 freeway between Munich and Nuremberg. Hochschule Fresenius is providing the scientific support for the test drives, and it will study the impact of the new technology on the neurophysiological and psychosocial levels of the drivers.

**RIGHT:** DB Schenker, MAN Truck & Bus and Hochschule Fresenius are conducting practical research into the benefits of platooning.



## SOUTH AFRICA IS NOT ALONE

Moving from something very nice to something rather nasty, it seems that South Africa is not alone when it comes to crime related to trucking. According to the Transported Asset Protection Association, cargo to the value of €1.3 billion (R19 billion) is being stolen each year in Germany.

According to the association, 26 000 trucks are targeted each year. On average, there is a new attack

on a truck every 20 minutes. In addition to the value of the goods, the group says further damages of €900 million (R12,8 billion) are caused by penalties for delivery delays, the cost of replacing stolen products and repairing damage to vehicles targeted by cargo thieves.

So, we are most definitely not alone in our cargo theft woes.

## A RUBBISH EVENT?

I've always believed that the Brits are barking mad – and now I can prove it. They're awaiting – with anticipation, I do believe – the start of the National Refuse Championships, which will take place in Weston-super-Mare on June 15 and 16 this year.

The first-ever National Refuse Championships took place in June 2017 – and it saw over 100 refuse vehicle drivers and loaders from across the United Kingdom compete in a series of races. The participants form teams, who run, load a large wheelie bin with sand and then push it 50 m to an awaiting truck to empty it. This gruelling process is repeated numerous times, as the truck moves in 50-m stages towards the finish line.

It's all for a good cause; over £12 000

(£195 000) was raised for the Alzheimer's Society last year. The event is organised by a company called Refuse Vehicle Solutions (RVS) – a supplier of refuse vehicles.

Last year's event was won by the Aylesbury Vale District Council, which is currently preparing not one, but two teams, to defend its title as National Refuse Champion. Demand from the council's female loaders and drivers, means that they will have their own team.



Pictured from left are: Spencer Law, RVS; David Clark, transport manager, Aylesbury Vale District Council (AVDC); Cllr Beville Stanier, cabinet member for The Environment & Waste, AVDC; with members of the 2018 all-female National Refuse Championships team – Amy Bridgeford, operations team manager, AVDC; and Abigail Friston, trade waste supervisor, AVDC.

## FASCINATING FACTS

Finally, here are some fascinating facts to end this column. I received these facts recently in a media release issued by the InnoTrans trade fair. They do relate to trains (which is not really our market), but I think that they're really interesting – and so I decided to share them with **FOCUS** readers.

In Japan, it takes a mere seven minutes to clean

the entire Shinkansen bullet train. In Austria, train toilets are decorated with photographic wallpaper and fragrant aromas. In Switzerland, digitisation is on the march, with robots being used to clean station floors. And, in Germany, customers can use *WhatsApp* to provide the railway operators with up-to-date details about areas that require cleaning. Howzat?!



[@womanonwheelsza](https://twitter.com/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.

# SHORT HAULS

## A MIGHTY-FINE TRUCK

Hyundai Automotive South Africa is rewriting the heavy commercial vehicle (HCV) rulebook with the launch of its new Mighty EX8 – the successor to the popular HD range.

Aimed particularly at small, micro and medium enterprises, the EX8 has been designed to offer versatility, low total cost of ownership and value for money.

"Hyundai's mission is to partner with customers to help them build their businesses by offering them a good-quality commercial vehicle that is suited to its specific purpose. We offer vehicles that are durable and reasonably priced, with generous warranties for peace of mind and low cost of ownership," says Wade Griffin, commercial vehicle director at Hyundai Automotive South Africa.

Comprising five day-cab models – including chassis-cab, drop side and tipper variants – the EX8 offers operators a gross vehicle mass that is 300 kg higher than the competition (it weighs in at 7 800 kg) and a permissible body plus payload figure of 5 150 kg. A 200-mm longer wheelbase and a 4 850 mm deck length allow for various body options.

Hyundai Automotive South Africa's body builder, Tailor-made Truck Bodies, can be found on site at the company's Apex, Benoni, assembly plant (where the new EX8 is assembled alongside the H100 bakkie). The company produces several standard and customised body options for the EX8, which are made to customer specification (the chassis is designed for easy customisation).

Powering the new EX8 is Hyundai's D4DD 3 907 cc engine. This Euro-3 powerplant features common-rail diesel injection and delivers maximum power of 103 kW at 2 800 r/min, while peak torque is 373 Nm produced at just 1 600 r/min.

Power is delivered to the rear wheels via a five-speed manual synchromesh gearbox. Self-shifting gearboxes will be available around the beginning of 2019.

Driving the vehicles at launch, it was immediately apparent that ease of operation and driver comfort had been top priorities in the design phase. All controls are light, but sturdy, and the engine feels responsive, while the power-assisted steering is quick which eases manoeuvrability.

Driver comfort in the large, 3,5 m<sup>3</sup> cab (20-percent up on the old model) is aided by the wide range of height and angle steering-wheel adjustment. The enlarged windscreen and lowered dash enhance forward visibility,

while the enlarged mirrors with convex sub-mirror help keep a good view on everything behind.

Occupants will also appreciate the improved ride quality, thanks to new rubber dampers on the rear suspension and anti-vibration gas-type shock absorbers, new engine mounts and double-seal weather stripping. Even when unladen, the vehicle's ride refinement is truly among the best offered by any HCV.

The cab interior mimics the design and quality found in the brand's passenger cars, meaning it is sturdy, logical and practical. A total of 11,8 litres of storage space is available to the occupants.

Occupants will also find it easier to access the cab, thanks to doors that now open to a wide 80° and a larger side step, which is now covered by the doors when they are closed.



So, there is certainly a lot of value for money to be found in the new EX8, but what will really excite owners of the vehicle is the low cost of ownership Hyundai has built into the product.

An unlimited-mileage factory warranty of four years is both standard and class leading (covering vehicle and drivetrain), while service intervals are now 20 000 km apart. Also included is three-year/200 000 km roadside assistance.

The company conducted a price study for a basket of 32 service, maintenance and crash parts, and found that its parts basket is 20-percent better priced than that of its nearest competitor.

The new Mighty EX8 range is priced between R379 500 and R451 500, and is available through any of Hyundai Automotive South Africa's 40 regional dealers.

"Taking all this into account, we believe that we have the right truck to partner with our customers' businesses, and having reduced the cost of ownership results in better bottom-line profits," Griffin concludes.

## MAN AND CARTRACK A WINNING COMBINATION

MAN Automotive South Africa has recently demonstrated the value that can be derived through the establishment of cross-market partnerships, specifically in the telematics industry.

A partnership with Cartrack – a fleet-management, insurance telematics and vehicle-recovery solutions provider – has seen advanced telematics technology become part of the MAN Automotive chassis production process and extended business solution model.

Today, MAN Automotive offers fleet-management systems – including telematics business support services such as MAN ServiceCare SA and MAN TeleMatics SA – as part of the vehicle purchase.

This supports MAN's philosophy of delivering appropriate fleet solutions to companies operating in the unique southern African context.

Cartrack SA CEO, Andre Ittmann, says: "By building telematics into the construction of the vehicle and offering a single solution to clients, MAN has significantly decreased the potential fragmentation of vital information.



Eren Gunduz, head of truck sales at MAN Automotive SA, says: "The teamwork between our two organisations allows for an excellent response to a wide variety of customer requirements.

"We now offer a superior telematics solution that meets all local requirements and features strong local support. The pay-off for MAN is clear customer satisfaction through vehicle and driver optimisation and integrated asset risk management."

"Today's market-leading original equipment manufacturers (OEMs) will offer value beyond simply supplying equipment and, in effect, will increasingly act as business partners to their clients. Our complex economy requires teamwork between operator, service provider and the OEM, and MAN's working model is a great example of the success that can be achieved," Ittmann concludes.

## COMMERCIAL VEHICLE SALES REPORT FOR JANUARY 2018

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

Light Commercial Vehicles < 3 501 kg	Total: 11 689
Fiat Group	48
Ford Motor Company	2 372
GWM	184
Hyundai Automotive SA	207
Isuzu Motors South Africa	1 200
JMC	33
Kia South Africa	100
Mahindra	304
Mazda South Africa	46
Mitsubishi	41
Mercedes-Benz SA – estimate	13
Nissan	2 483
Peugeot Citroën South Africa	2
Renault	8
Suzuki Auto	3
Tata	45
Toyota	4 166
Volkswagen SA	479

Medium Commercial Vehicles 3 501 – 8 500 kg	Total: 443
Fiat Group	2
Ford Motor Company	8
Isuzu Motors South Africa	138
Iveco	37
JMC	15
Mercedes-Benz SA – estimate	130
Peugeot Citroën South Africa	2
Tata	26
Toyota	48
VECV South Africa	7
Volkswagen SA	30

Heavy Commercial Vehicles 8 501 – 16 500 kg	Total: 310
FAW	55
Isuzu Motors South Africa	71
Iveco	5
MAN	5
Mercedes-Benz SA – estimate	35
Tata	31
Toyota	62
Volvo Group Southern Africa	46

Extra-Heavy Commercial Vehicles > 16 500 kg	Total: 754
Babcock DAF	14
FAW	9
Isuzu Motors South Africa	14
Iveco	30
MAN	106
Mercedes-Benz SA – estimate	205
Powerstar	30
Scania	108
Tata	19
Toyota	20
Volvo Group Southern Africa	190

Buses > 8 500 kg	Total: 59
Iveco	5
MAN	18
Mercedes-Benz SA – estimate	11
Scania	12
Tata	11
Volvo Group Southern Africa	2

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

# CAPE TOWN: THE FIRST CITY IN AFRICA TO GO ELECTRIC ON PUBLIC TRANSPORT



**THE CITY OF CAPE TOWN WILL BE ADDING 11 ELECTRIC BUSES INTO THE MyCiTi BUS RAPID TRANSIT (BRT) SERVICE. WILLIAM GEORGE LOOKS AT THE PROGRESS AND HOW THESE BUSES WILL HELP IMPROVE PUBLIC TRANSPORT IN THE MOTHER CITY**

**A**s the world transitions to electric and autonomous vehicles, the City of Cape Town is keeping up with the times by investing in battery-powered electric buses. It will be the first public transport service provider in Africa to make use of electric buses, with 11 electric buses due to operate in various MyCiTi routes across the city.

The tender for procurement of these buses and additional equipment for the MyCiTi services was awarded to the renewable-energy technology company, BYD.

## THE PURPOSE OF ELECTRIC BUSES

"Shifting to electric buses is a necessary step towards lowering vehicle emissions," says Councillor Brett Herron, mayoral committee member for transport and urban development.

"There have been significant technological developments in this field over the past two years or so, and a strong move towards electric vehicles using overnight charging, opportunity (on-route) charging, and fuel-cell technologies. Renewable energy sources should be a serious consideration for all public transport services," Herron says.

The MyCiTi fleet is currently running on diesel. Initially, the bus service utilised buses that complied with Euro-4

emissions standards, and in 2012 Euro-5-compliant buses were introduced.

## WHAT COMMUTERS CAN EXPECT

The city is showing commitment to extending the MyCiTi footprint through renewable energy sources. The overall objective is to reduce vehicle emissions and to lower total life-cycle costs.

Herron notes that the purpose of the pilot project is to evaluate the performance of battery-powered electric buses on specific routes.

Each 12-m-long electric bus will have 34 seats and will carry 63 passengers. These buses will cost the city an estimated R128 million. This is inclusive of the acquisition of the buses, the charging infrastructure, warranties, product training and maintenance.

According to Herron: "We have chosen the BYD city bus with KgUR chassis specification, and a bus body which is locally manufactured by Busmark 2000. The bus is currently undergoing homologation testing at the South African Bureau of Standards (SABS) testing grounds in Gauteng."

Herron says: "These battery-powered buses have a range in excess of 200 km on a single charge. The pilot project will evaluate performance, energy consumption and life-cycle costs on specific route deployments. This

information will be used to inform decisions regarding future acquisitions and deployments.

"We intend to deploy some of the electric buses on the N2 Express routes between the south-eastern metropolitan areas and the Cape Town central business district (CBD), as well as on routes within and around the CBD.

"The purpose of electric buses is to improve operational efficiencies, lower operational costs and vehicle emissions in an effort to protect our environment."

**MYCITI PHASE 2A INFRASTRUCTURE UNDERWAY**

The city is also planning to expand the MyCiTi bus service through rolling out Phase 2A.

In March 2016, the council approved a conceptual design of the MyCiTi route T12, running between Mitchells Plain and Claremont, as well as a portion of route T11, from Khayelitsha to an intersection of Strandfontein Road and New Ottery Road.

"The city's Transport and Urban Development Authority is now busy with the detailed design process along the proposed route alignments, inclusive of the different sections of the trunk roads, stations and associated infrastructure that will serve as Phase 2A services," Herron says.

In preparation for the roll-out of Phase 2A and other future phases, some of the roadworks have proceeded along Strandfontein Road and Stock Road, with the Strandfontein Road section having been completed at the end of 2017.



**OPPOSITE:** In November 2012, the City of Cape Town launched the Optare Solo SR into the MyCiTi fleet. The new, slightly larger electric BYD buses (above) will complement the fleet, and also feature bodies by Busmark 2000.

"However, it is important to state that it will take many years to have Phase 2A fully implemented and operational, based on financial allocations from the national government and the extent of the infrastructure required for this next phase of the service," Herron says.

**PHASE 2A TO CATER TO OVER A MILLION RESIDENTS**

The proposed Phase 2A will help approximately 1.4-million residents from the south-eastern part of the city – from the outskirts of Khayelitsha and Mitchells Plain – to the urban parts of Wynberg and Claremont.

Herron explains: "The Phase 2A comprises two ambitious trunk services (generally along dedicated red roads) supported by a network of other routes in mixed traffic. Collectively, these routes will traverse a considerable proportion of the city, touching the lives of millions.

"The proposed Phase 2A route will provide residents with a direct, efficient and scheduled public transport service, and it will spur economic opportunities, new developments and urban renewal across 35 communities along the way," Herron concludes. **F**

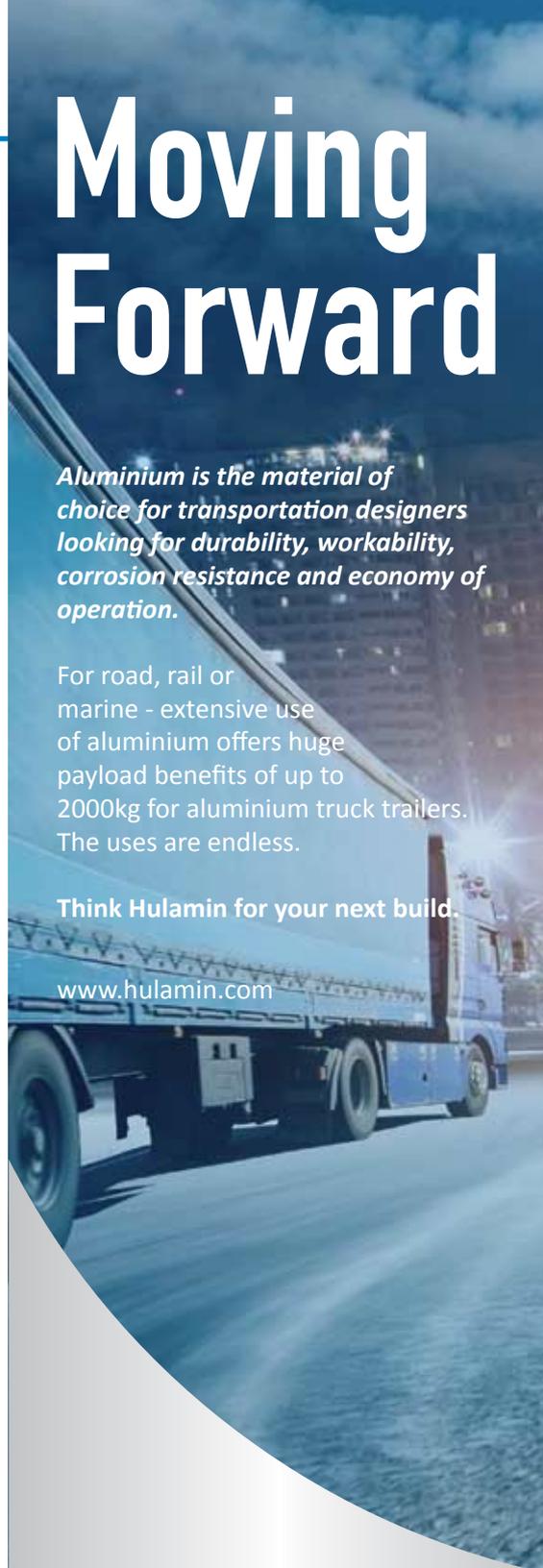
# Moving Forward

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# BUS STOPS

## BUS ADVERTISING IN THE FIRST WORLD

Bus advertising is nothing new. However, a new trend of mobile electronic advertising is emerging. According to a report by the United Kingdom (UK) Society of Motor Manufacturers and Traders (SMMT), this is only going to get more popular.

SMMT reports that bus advertising heavyweight Exterior and creative agency Talon recently launched a campaign in London, which involved fitting 20 vehicles with digital supersides – a large screen on the side of the bus – to promote Google's Pixel 2 phone, with alternating messages relevant to the vehicle's location.

Using the vehicle's GPS system and the mobile advertising software, the client was able to target viewers on a street-by-street basis and promote the phone as being available in stores specific to those areas.

SMMT quotes Gary Downes, director of out-of-home advertising specialist Hint Media, as saying that electronic ads will only get more popular over time.

"You'll find that ads on buses will become digital screens; they'll change to have different advertisers every ten or 15 seconds, flicking on and off. Companies are looking for a much more targeted approach, rather than a spread bet, where you just put adverts and campaigns out across the country. They're now looking at very niche areas, and they're using a lot more research to look at where the right audience lives, so they can target those areas and those depots," he explains.

According to the society, an increasing number of operators are adding features such as Wi-Fi and 4G to their bus fleets, which, in turn, is causing advertising agencies to rethink how they approach interior publicity; chiefly to better inform advertisers about who's on the bus and when.

"Many bus companies are adding Wi-Fi to buses to

improve the consumer experience and drive passenger numbers," says Gavin Brice, franchise director at Exterior UK. "From this usage we're able to segment that audience into specific demographics, which allows us to give advertisers evidential proof that the people they are targeting are in certain buses during certain times of day."



However, SMMT says that Wi-Fi data is the tip of the tech iceberg. The use of iBeacons – transmitters that beam information directly to phones with corresponding apps – has proved tremendously successful in trials.

"I can see brands, particularly in the top five UK cities, trying to use buses for a bit more theatre going forwards. Buses will always be on the major high streets of the UK, and there are basic fundamentals about reaching people on a high street, who have a propensity to spend. Mobile will be part of that future, but I also think we shouldn't get away from the basics of a bus – if a brand wants to build cover and reach for a product theme quickly, then national UK buses are a fantastic way of doing that," Brice concludes.

Imagine such innovation on your local Metro bus...

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