

road ahead

2nd Issue 2016
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Transport
on the move



High Alert for N3 horror run

Long Haul Heavies



NBCRFLI

National Bargaining Council for the Road Freight and Logistics Industry

Your Road Freight Partner.

To gain access to the valuable service offerings from the NBCRFLI, become a member of a Road Freight and Logistics Industry party member union or employer association today!

Turn over to view their contact details.

WHO IS THE NBCRFLI?

Our Bargaining Council, which is known as the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI), is governed by the Labour Relations Act of 1995 which allows for registered employer and employee organisations to establish a bargaining council for an industry and area.

WHY IS THE EXISTENCE OF THE NBCRFLI SO IMPORTANT?

The Council facilitates **COLLECTIVE BARGAINING** whereby trade unions and employer organisations, which are party to the Council, are able to negotiate matters that are of mutual interest to the Road Freight and Logistics Industry. The agreements concluded between the Parties to the Council are called Collective Agreements which are applicable and binding to the parties to Council as well as non-parties, as long as they operate within road freight and logistics sector.

This approach allows for **BETTER REGULATION** of matters which affect the Road Freight and Logistics Industry as a whole, such as **MINIMUM STANDARDS** and **CONDITIONS OF EMPLOYMENT**, which ultimately contributes to labour stability.

Ultimately, the NBCRFLI works pre-emptively to **PROMOTE PEACEFUL AND SOUND LABOUR RELATIONS** which has a stabilizing influence on the Road Freight and Logistics Industry.

WHAT DO WE DO FOR YOU?

The Council supports industry members through a number of value-add service offerings, including:

- **SETTING MINIMUM STANDARDS AND CONDITIONS OF EMPLOYMENT** as outlined in the Collective Agreements.
- **ENSURING ALL EMPLOYERS AND EMPLOYEES** who fall into the scope of the NBCRFLI **FOLLOW THE COLLECTIVE AGREEMENTS** by conducting proactive and on-going educational inspections, investigating complaints or by any other means that the Council may adopt.
- **RESOLVING DISPUTES** between employers and employees in the Industry.
- **MANAGING THE INDUSTRY'S ANNUAL, SICK LEAVE AND HOLIDAY BONUS FUNDS.**
- **PROVIDING WELLNESS SERVICES** to the industry, such as Trucking Wellness and the NBCRFLI Health Plan.
- Employers are obliged to ensure that deductions are made from the wages of their employees in respect of **RETIREMENT (PROVIDENT/PENSION) FUNDS**, to be paid over to the fund concerned, as per the Financial Services Laws Amendment Act of 2013 which makes the non-payment of retirement fund contributions by employers a criminal offence.

The Council services the Industry through its 18 offices countrywide in all nine (9) provinces.

WHAT IF THE NBCRFLI CEASES TO EXIST DUE TO LOW REPRESENTIVITY?

Matters of mutual interest **WILL NOT** be negotiated on at centralised bargaining level, meaning that **not** all industry employees and employers will benefit on negotiated matters completed at a company shop floor level.

In addition, all NBCRFLI services to the industry **WILL NOT** be available. Thus there will be:

- **NO INDUSTRY MINIMUM STANDARDS AND CONDITIONS OF EMPLOYMENT** as stipulated in the Collective Agreement;
- **NO DISPUTE RESOLUTION SERVICES** that cater specifically for the Road Freight and Logistics Industry;
- **NO HOLIDAY AND SICK BONUS FUND PROVISION;**
- **NO TRUCKING WELLNESS SERVICES;**
- **NO NBCRFLI HEALTH PLAN;** and
- **NO MINIMUM PAYMENTS OF ALLOWANCES** applicable across the Road Freight and Logistics Industry such as Hazchem, night work, cross border and subsistence;

As a result, there will be no active promotion of centralised, standardised, long-term, peaceful and sound labour relations which has had a stabilising effect on the Road Freight and Logistics Industry over the years.

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Transport on the move

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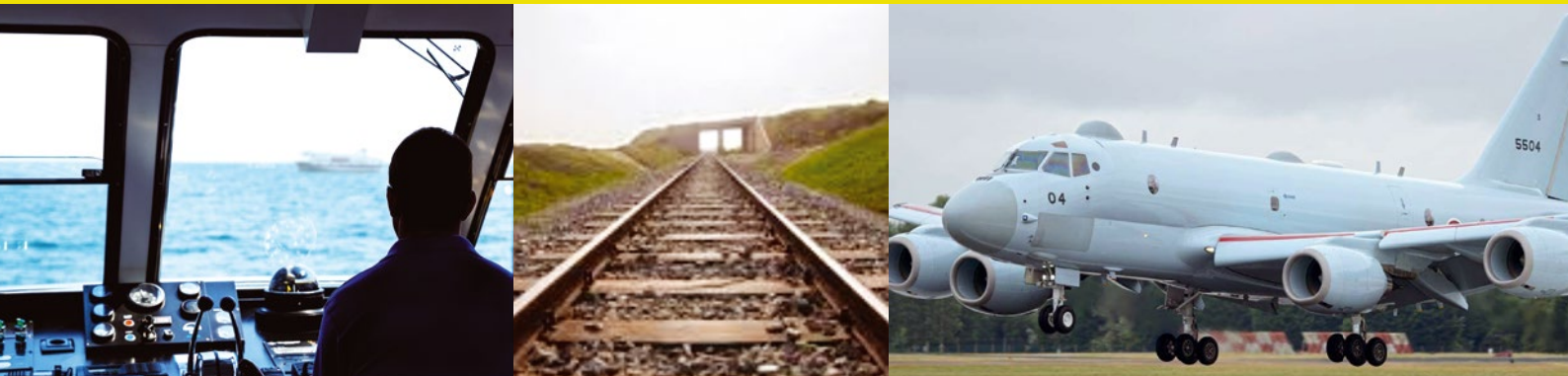


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Association of
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Transportation & Logistics



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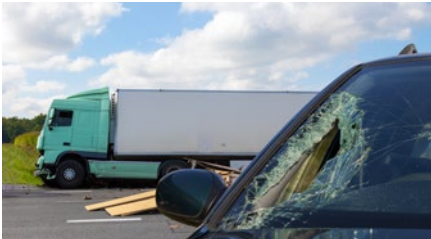
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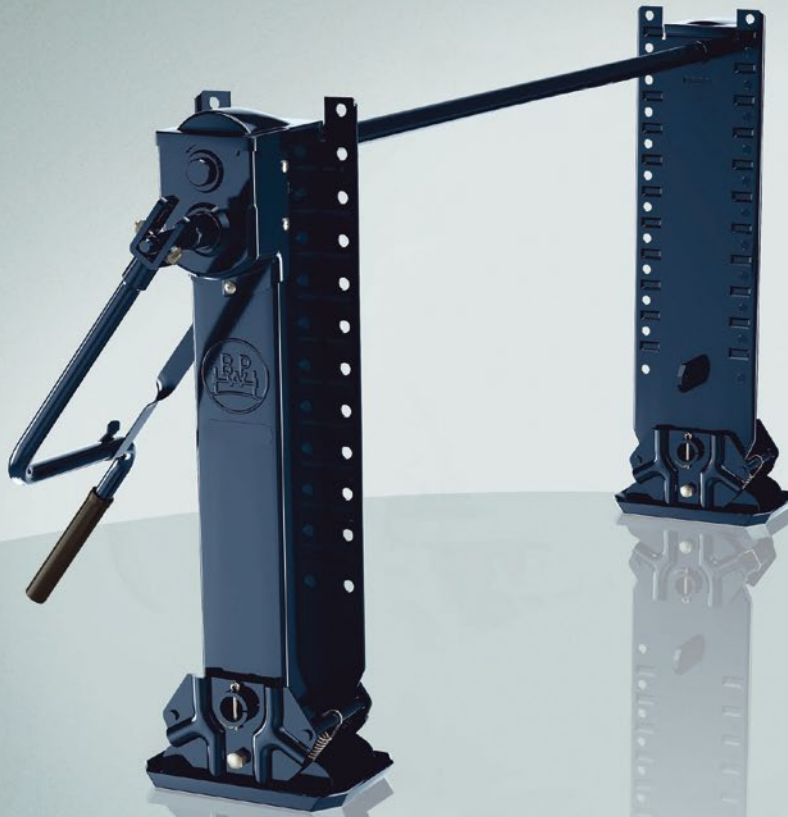
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Robust: Just the right thing for use in heavy jobs with a trailer - thanks to the long, continuous bolt-on flange as additional support against lateral forces. All of this with built-in safety as well: 100 % of the BPW landing legs production is checked in an endurance test before dispatch.

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Transport on the move

Foreword

Letters from America



In the States the number of heavy transport carriers has grown by nearly 160 000 vehicles in 10 years to a staggering 810 000 vehicles (unofficially) in 2015. This is determined by the Department of Transport (DOT)'s heavy transport authorisation number issued to carriers. Compare this to SA's recent figures of heavy vehicle sales from January to March 2016 being 1 306 for the year so far.

So what am I trying to say: Well who knows, the facts are more and more distributors are looking to the heavy transport industry for transport solutions and with the market being so competitive and the basic costs of transport going up, a decision has to be made. Do you sacrifice on quality and income and undercut the market or do you stick to your guns and hope that your current service to

your clients is good enough to retain and secure future business. It has got to the point in the States that a distributor will gladly switch out his transporter because someone else has offered them a reduction in transport cost. When I say reduction it could be as little as \$2.

So what is the way forward, you ask? Well I am glad you did. Start cleaning house, start making sure that you have the right team in place to ensure that there is no question about quality of service and costings of transport. Drivers, operations staff, sales and front-end staff, the management, the whole house needs to be looked at. If it means you have to look at your current service providers and discuss pricing reductions on bulk fuel or logistics management (tracking, loading and routing management), then do it.

The transport industry worldwide is seeing an increase in load theft. For example, the US is seeing a gradual increase in load thefts at the truck stops. Hijackings are starting to become a serious issue in the States now. "So what, SA has been in a head lock for years now", you might say.

Well it's true. SA has been in trouble for a while, we have tried to look at solutions for hijackings and thefts and all we can do is rely on the law enforcement officials and tracking companies to assist in curbing the issue.

Is this effective? Are you getting the results you need? Each company will spout facts and figures ensuring recovery rates and so on ... but at the end of the day, it boils down to what works for your company or vehicles.

Security expert and owner of One-stop group, Tony Dobson, writing from the USA, more in the next edition of SA's favourite trucking magazine

Tony Dobson, MD One Stop Group



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trucking

- Update on Transport Policy and Limpopo Freight Strategy
- State of the Economy and Government's Turnaround Strategy
- Impact of Corruption on Business
- Effects of Accidents and Driver Fatigue
- AARTO and the Infringement of your Rights
- Future of Collective Bargaining
- *Special feature by Justice Malala:*
"We have now begun our descent - how to stop South Africa from losing its way"



Without Trucks, South Africa Stops!

For more information please contact Shantal on 011 974 4399 or email events@rfa.co.za



Road Ahead

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Transport on the move

Ed's letter

Prepared for the worst case scenario



With the falling value of the rand and fluctuating fuel prices putting a strain on the economy it has not been an easy first quarter for the industry. To make matters worse the N3 has become a relative war zone, with slickly operated organised crime units targeting high value cargo at every opportunity on this busy trade route between the Port of Durban through to the economic heartland of Gauteng.

It would appear that many of the organised crime syndicates are operated by foreign nationals, who are often well educated in technology, and not REGISTERED in SA, which means it takes longer to catch them.

As we speak the battle rages on between organised crime, tracking and surveillance companies, forensics specialists, insurance companies and the police to a lesser degree, who

don't have the manpower and/or expertise to adequately patrol the area against skilled criminals.

Experts have suggested that crime on the N3 costs the economy a whopping R3 billion per annum, making it really big business. The amount of theft would also point to massive AMOUNTS of traffic on the road, which reflects a vibrant trade route, always vital for a healthy logistics sector.

Many of the top security and insurance specialists from SA are featured or have contributed to this edition of Road Ahead and share their experiences on the N3 hell run. As a result of SA's high crime RATE, our vehicle tracking industry rates are arguably the best in the world.

We hear from Tony Dobson, who will be sharing some of his insights from the USA, where he's currently based and amazed by the number of long-haul trucks on the roads over there. But don't be fooled by the American dream, hijacking is an ever-growing problem across the pond, and that's why they bring in specialists from SA, the mecca of truck/cargo theft if you will.

Accidents on the N3 are another major problem, and our resident crash expert Stan Bezuidenhout estimates that accidents happen more often than hijackings. So that begs the question: If crime is costing the long-haul industry R3 billion per year, accidents must be costing more if they are more frequent. Granted the accident will sometimes only affect the truck and not the contents, but in the case of fire and serious collisions, everything is lost. This is obviously an added headache for insurance companies.

So for any logistics company looking to maximise cost cutting, you'll need a top of the range fuel management system to avoid fuel theft, 24/7 vehicle tracking, driver surveillance and REWARD programmes, together with a strong relationship with your insurance company should anything go wrong. If you are operating in the wild west, you had better be prepared.

Until next time, safe trucking.

MiX Track And React Bureau Service



A 24/7 Journey Management Service to manage business risk



To realise the full benefits of a telematics fleet management system, drivers need to be proactively managed in real-time. The MiX Track And React bureau service is an outsourced control room used to monitor vehicles and drivers on behalf of the customer. This pro-active service ensures driver compliance resulting in fuel cost savings and increased productivity, making the service self-funding.

- ✓ The safety of your vehicles and drivers are improved as they are monitored 24/7
- ✓ The ability to recover stolen vehicles is increased with pro-active monitoring
- ✓ Productivity of your fleet is improved with fewer unauthorised stops
- ✓ Return-on-investment of your telematics system is increased with real-time change management
- ✓ Fuel consumption is reduced due to improved driver behaviour

The control room monitors various events including speeding, entry into no-go areas, driving without a rest break and unauthorised stopping en route. Depending on the type of event triggered, the highly trained agents will either call the driver or fleet controller (in English or isiZulu) and escalate repeat offenders to senior management.

Independent agents prevent intimidation by drivers or controllers. Daily and weekly reports are provided to track the overall improvement of a fleet's performance. Economies of scale makes this service affordable. The MiX Track And React bureau service is available to fleets of anywhere between 1 to 10,000 vehicles for a monthly subscription.

Proven Results



A bulk transport operator with 63 vehicles achieved a 1,6ℓ/100km reduction in fuel consumption. Incidents of speeding and excessive idling was significantly reduced by using the MiX Track And React bureau service.

The MiX Track And React bureau service is managed by Compass FM, a division of MiX Telematics. For more information please contact info@compassfm.co.za or phone +27 31 580 2400.



Risk management: On the frontline

It is often during economically trying times that companies and individuals are tempted to underinsure their fleets or vehicles. However, the security of being appropriately insured matters most in 2016, with hijacking and accidents being an everyday occurrence on South Africa (SA)'s bustling trade route.



According to SheqAfrica, Africa's largest Occupational Health and Safety, Environment and Quality Management resource, 48% of vehicle collisions on Durban's N3 highway involved heavy vehicles. Almost half of these accidents were single vehicle accidents, and can be largely attributed to driver fatigue, unsafe following distances, poor visibility, and poor and/or insufficient tyre and brake maintenance.

Fleet maintenance is one of the largest expenses for any logistics company, especially with the current price of imported parts being so high. This has caused some fleet owners to delay maintenance on their trucks or to encourage their drivers to haul freight over longer periods of time to mitigate these rising costs.

Organised crime on the N3 is spiralling out of control, with the battle lines drawn between highly skilled telematics/insurance and private investigation professionals versus very well organised crime. To stay one step ahead, logistics companies need to be up-to-date with developments and new technology.

To find out more, Gregory Simpson caught up with knowledgeable national manager for Regent Commercial Vehicles, Wayne Rautenbach, who knows a thing or two about insuring large fleets of trucks, from his experience as a leader in one of SA's premier insurance companies, Regent.

What is the importance of insuring your fleet properly in 2016 with the sort of turbulence we are seeing on the highways in terms of hijacking?

The importance of insuring your fleet properly is very important for the sound running of a business. Should you, for instance, were to try and cut corners and you incurred losses that were not covered, it would probably be a severe loss or an unbudgeted cost on your balance sheet. It could even mean the closure of a smallish fleet that couldn't carry the cost of an uninsured risk, so the answer to that is, an uninsured fleet could be absolutely disastrous for any logistics business.

In your daily business how many companies are actually running uninsured fleets in SA?

I'd say most logistics companies have some form of insurance even if it's just for the goods on the back, but the fleets that are running newish trucks have to be insured because of the structure of finance, by either a finance house or by the OEM. Someone with one or two trucks who is just doing general rubble removal or something like that, you'll probably find those guys are not insured, but people carrying goods for reward would normally be insured.

Do you find it's the newer trucks or the slightly older trucks that get targeted the most by syndicates?

For hijacking, because it's such an organised business, they are targeting the more high value goods and they are targeting the parts with the consumable goods. These are normally carried by



your logistics companies that operate in the higher bracket, so they would tender to move goods for a manufacturer and they would have new fleets doing this.

And the typical techniques used by these criminals, I hear blocking is a big one; they'll sit behind the truck for half an hour and block the tracking system?

What they're using is a jamming device and unfortunately these are quite easily available, you can buy it on the internet, or, as we've even found now through our investigations, that you can hire these. They work so well for hijacking syndicates, it completely blocks the signal generated by the telematics device in the truck so no one can see where the vehicle is, and no contact can be made with it, so it is a danger. There are one or two telematics companies that can counter that by using anti-jamming but it's still in the development stage and the anti-jamming devices are quite reliant on the signal that they need to send the message back on. So the big problem at the moment is jamming devices, and we're seeing that quite a lot now.

"You must also understand that hijacking syndicates are quite professional in the way that they operate"

It seems there's almost a technological warfare between the criminals, tracking companies, insurance companies and the police to stay one step ahead?

Well yes, it is bad, it's not the only thing that is being used, there is still a small element of collusion between drivers and between hijacking syndicates, when hijacking syndicates are able to infiltrate the driver base. You must also understand that hijacking syndicates are quite professional in the way that they operate. It's something that is well planned so the jamming devices and other additional information that these guys have, for example, where vehicles are stopping and where they're supposed to be offloading from the truck – so it's quite an operation. Hijacking is quite an industry in this country.

Can you put a dollar and cents figure on how much that's costing the economy?

Recently we did a presentation for Insurance Institute of South Africa (IISA), and we gathered statistics from quite a few sources and generally the feeling is that it's costing SA probably about R3 billion per annum in goods that are being stolen, so that has a major impact on the economy. It has an impact on cost of insurance and it has an impact on cost of goods, so it's

quite a knock-on effect.

R3 billion is a tremendous amount of money, what's it going to take to bring that figure down?

What needs to happen is that logistics companies need to get more involved with risk management and insurance companies like ourselves. We've been developing over the last two to three years a tracking and monitoring bureau where we are able to track and monitor vehicles 24/7. Now what we have in SA is a very high quality of tracking services which are available to logistics companies. There have been international surveys done, and SA comes out tops when it comes to tracking devices simply by the nature of what happens in SA and the crime rate.

Tracking companies over the last ten years have really developed the product but logistics companies are not always monitoring these devices 24/7, sometimes the data that you can get from these tracking devices is not used correctly when it comes to risk management. So there is light at the end of the tunnel but it would take insurers and logistics companies forming stronger partnerships when it comes to risk management. So that's what we see going forward, that's where we are putting most of our development.

Do you come across much insider trading/corruption within the telematics sector?

No, not within the telematics sector, we haven't really picked it up that telematics companies and companies that do shipments for telematics companies are involved in crime. What we've picked up through our investigations are just very well organised hijacking syndicates that are operating where we have found collusion between drivers and hijackers but that's not the major cause of it. The problem we have is hijackings because, as I say, it's not opportunistic crime, these criminals go to great lengths to plan and execute hijackings.

How would we compare to international competition in terms of this loss, I hear that it's also a big problem in the States, a lot of goods going off the back of a truck so to speak?

Hijacking of trucks has been around for quite some time, if you look back at data, look back into the 60's and the 70's in America it was quite prominent and it caught on here in SA towards the late 80's and it's grown to reach a peak period, and then it wanes off and then it comes back again. But because of the state of the economy and perhaps because we just don't have the resources through normal crime prevention, through South African Police Services to cover all our bases we have seen a spike in it.

It's a relatively easy way for a well organised crime syndicate to make money. But that said – in the last two to three years we've seen an improvement when it comes to the prevention of hijacking and the recovery more particularly of the vehicle. So it's the goods that are being targeted, they are easily moved and so easy to get rid of – you only see about a 50% recovery on goods but we see about a 90 to 93% recovery of the vehicles nowadays. We have definitely made inroads and we will see going forward

when we apply telematics even to 25% of the information and if we apply the information better as we monitor them and we are actually monitoring tracking devices 24/7, we will be in a position where we can improve this vastly.

Do you provide incentives to companies for good driving practices within their fleets?

We have a reward and recognition programme for companies to voluntarily enter. If they want to enter the Highway Heroes programme, where we monitor truck driving behaviour through telematics and we've also got a driver of the year competition, it's a little bigger than that and it covers more, it covers the driver's behaviour on the whole. My advice to the logistics companies is to look after drivers well, to make sure that drivers are informed all the time, to make sure that drivers have access to management, make sure that drivers have access to cell phones and that they are able to contact fleet owners when they need to. Another thing that we picked up is that drivers are not always 100% sure of what telematics device they have in the vehicle and how to use it correctly, so now that's a major gap. A way to improve, and even to prevent accidents, not just hijackings, is to really get a lot closer to the driving force and that's why we invest money into our Highway Heroes programme.

And we've seen the Easter death tolls halved over the last year, that's obviously good for your business, fewer accidents on the road?

We measure the performance of a fleet and the performance of our business in loss ratio, our loss ratios speak for themselves, how many losses you're having against a premium that you're collecting, and we've seen an improvement of about 6% over the last 12 to 18 months. Suffice to say that the money that we are spending, if we just see that it's adding value, adding value to the driver, and adding value to that we insure, so if we're upskilling their workforce and you're encouraging better driving then you're covering quite a few bases in one step. We have seen a result which is very, very pleasing.

Truck maintenance is another big talking point, how do you encourage your clients to keep everything up to date?

Unroadworthy vehicles are not covered in terms of an insurance policy so any insurance policy would have a clause to say that your vehicle needs to be in a roadworthy condition when it's on the road. Going back to our first point, you asked me what's the importance of insuring your fleet correctly – it's very important. So if you have an unroadworthy rig on the road and it causes an accident and let's say you lose that rig plus you cause two or three million rands worth of damage to third party property – that is not covered because your vehicle is unroadworthy, it can close your business.

So to do regular maintenance on vehicles is absolutely essential but not just from an insurance point of view but also from the running costs of the fleet. If you're not maintaining vehicles properly you will probably find that they're going to be using



more fuel, they're going to be using more oil, and they could possibly be going through tyres quicker because not everything is aligned. We really encourage vehicle maintenance because at the end of the day you're putting quite a lot of lives at risk. We've seen some horrific accidents in this country and after investigation, quite often it's found that the vehicle has been in an unroadworthy condition. So it's of utmost importance.

Alcohol is a big killer on the roads, are we seeing any reduction in that?

From a trucking point of view, we really do not see a lot of that where truck drivers are tested after an accident and found to be under the influence of alcohol. I cannot comment on private cars and smaller cars, I specialise in the trucking. It certainly doesn't seem to be a problem when it comes to truck drivers, we're not finding in a lot of cases that drivers are under the influence when operating a heavy vehicle.

It would appear that the general level of driving in this country has improved over the last five to ten years?

Well we're just talking from our own experience and what we have seen is a major increase in additional driver training and driver defensive driving because quite a few of the larger industries when asking a logistics company to tender on carrying their product would want certain standards. So for them the normal heavy commercial vehicle license wouldn't be enough, they want something over and above that, for example, a defensive driving permit and the vehicles need to be maintained. It is an auditing process – when logistics companies are tendering for Eskom, for instance, and for Sasol and for Engen – the bar has been lifted and this is coupled with the insurers and logistics companies forming partnerships to improve the wellness of drivers.



As the trucks are getting more advanced they are getting safer, easier to drive, that obviously brings the numbers down and also autonomous driving, how far away are we from that and how does that affect the insurance business?

I would agree with you 100% that the trucks are a lot easier to operate than the trucks of 15 years ago so that certainly makes it easier. But that said the skills still need to be there because there's a lot of other road users that might not be as well skilled as a truck driver and no matter how skilled you are you've got to look out for what's happening on the road.

The rand devaluation, how's that affecting the truck insurance industry?

The rand has always affected the industry because of the price of parts and the price of replacing vehicles so as it goes up and down. We'll see an increase in the cost of repairs and we will see an increase in the costs of new vehicles, so according to how we're doing and how we're able to control loss ratios and minimise the accident and theft will determine where we would need to pitch our premium. But it is something that affects us directly because – so yes, it does affect us in the same way that it affects most commodities in SA as the rand goes up and down. Inevitably at the end of the day what the rand does is going to affect us in SA because we're part of the economy.

“Hijacking is quite an industry in this country”

And onto the greater African economy, where are the key growth areas and/or opportunities?

As an insurer we see a lot of the vehicles that we insure are venturing cross-border now and carrying goods up into Africa. The expansion of Africa as such and the development of Africa, the southern tip of Africa, have created quite a lot of logistics work to carry goods for companies that we insure. As a knock-on effect we've seen fleets grow and we've seen fleets being able to buy newer vehicles by way of contracts that they might be securing going up into Africa. So there is certainly an effect on us as an insurer.

And I suppose the downside of Africa is the poor roads and more wear and tear on the vehicles?

Of the fleets that we insure most of our losses are incurred in SA so the accident ratios are higher in SA, obviously because of the congestion and the busier roads. As far as hijacking is concerned, theft, most of that still occurs in SA within our borders. We haven't experienced major losses across borders and we haven't seen an increase in accidents because of congested roads so far, so most of it is still happening locally.

That's quite interesting, north of the border is perceived as somewhat more risky whereas you're saying it's less damaging to your bottom line?

Absolutely, if we look at the statistics and we look at where most of the hijacking is happening in Gauteng and KZN and if we look at the accident stats most of it is happening on the longer routes, like the N3/N1. This relates to the traffic on those roads, the theft and the hijacking. It's easier when you have bigger targets and more of them, so that's what we've found, most of the crime and accidents occur this side of the border.

And the N3 is the real wild west, how's that managed to spiral so much out of the control whereas if you look at the N2 it seems a lot safer?

I just think it once again boils down to the volume, if you look at the volumes of vehicles that are moving between Durban and Johannesburg, because of the port, the volumes there are huge. One only has to take a drive down to Durban on a Friday afternoon and it almost looks like a highway now there are so many trucks on the road, but unfortunately it's just volumes of commodities that are being moved and how we try and cater for this going forward. Do we build more roads or do we start trying to move more of these goods by rail? Now I know there has been a push to try and get some of the goods off the road and onto rail, which means some of the more hazardous goods, like fuel and chemicals, but this is just something that SANRAL and all the other parties will investigate.

If you look at the shipping industry with the piracy they've got – armed guards on the ships and barbed wire and the whole toot, do you ever see that happening with trucks?

Not unless they carry cash, or really high valued goods then you get armed trucks. What we do in certain parts of the N3, vehicles are now starting to be escorted so there will be unmarked cars escorting vehicles to the high risk area, but that is an ongoing protection measure. I don't think we will ever see the heavily armoured plated vehicle; I just don't think that's a very economical way or viable option to look at.

Finally, these crime syndicates – how big are they and how far up do they go?

We use private investigating teams to do most of our recoveries, and the feedback we've got from them, obviously limited feedback because there's always an ongoing investigation, so we don't want to put it out there, but what we have been told and what we have seen is that these are highly organised syndicates and to a degree, there are foreigners involved, so we do know that. It gets run almost like a business, a very well run business and they tend to try and keep one track ahead of us, they create a trend and they will steal the fuel for instance for two to three months and then as soon as they realise that anyone carrying fuel is now being escorted and its being protected then they will switch, so they're organised from that point of view.

New era for Hyundai Automotive in South Africa

When Hyundai Automotive South Africa opened its Commercial Vehicle Assembly plant in Benoni on the East Rand of Gauteng in 2014, it signalled a new era for the Korean brand in the South African market.

The establishment of the plant, which started producing the Hyundai HD72 truck in 2014, followed last year by the H100 Bakkie, formed part of a new business strategy, exploring new avenues for the brand in Southern Africa in accordance with the Hyundai brand's tag line "New Thinking. New Possibilities."

"The assembly plant forms an ideal platform from which to strengthen our business strategy, both in terms of commercial market growth and sustainability, as well as an increasing commitment and investment in the South African economy," says Wade Griffin, director of Commercial Vehicles at Hyundai Automotive SA.

"We believe there are strong opportunities through investment and local assembly to capitalise on for our business. This substantial investment also helps us to improve local skills and to create jobs in an economy that is in dire need of such opportunities."

The rationale behind the Semi-Knocked-Down (SKD) assembly plant in Apex, an industrial area of Benoni in Gauteng, was largely driven by a long-term strategy to grow Hyundai's share in the South African commercial vehicle market, to be more competitive and to increase Hyundai's investment in the country's economy.

Stanley Anderson, marketing director of Hyundai Automotive South Africa, says the establishment of the assembly plant in Benoni was a sign of the commitment of the Hyundai brand to the South African market, and a concerted effort to offer versatile and quality commercial vehicles to customers at competitive prices.

"The establishment of the assembly plant formed part of a R110 million investment in the Commercial Vehicles Division of Hyundai Automotive SA, an investment that also included the upgrading of the commercial vehicle network all over South Africa," says Anderson.

Since the start of production in 2014, more than 300 Hyundai HD trucks have been assembled in the plant, and more than 1 800 H100 Bakkies have rolled off the assembly line at Benoni up to date. About 200 H100 Bakkies per month are assembled in the plant at present.

At this stage most of the vehicles produced in the plant are distributed in the South African market, with some exports going to Namibia, Botswana and Zimbabwe. Hyundai Automotive SA is also constantly looking at options to export to other markets in the Sub-Saharan region of Africa.

Hyundai Automotive SA established the factory by buying an existing plant from Imperial Holdings as part of the R110 million



investment in the Commercial Vehicles division of Hyundai in South Africa.

"We did careful research to establish the economic viability and sustainability of such a SKD assembly plant. Hyundai Commercial Vehicles is a division of Hyundai Automotive SA – one of the main players and biggest sellers in the South African automotive market. This investment in our Commercial Vehicle division enables us to be more aggressive and competitive due to the zero import duty as an incentive for local assembly of trucks," says Griffin.

Hyundai initially brought in a number of trained engineers from Hyundai Motor Company's Commercial Vehicle division in Korea to assist with the local training and development of staff to ensure that best practices are followed in the assembly process. Subsequently the Hyundai Training Centre at the head office of Hyundai Automotive SA is responsible for ongoing training.

An increase in local content of the vehicles that are assembled in the plant will bring further savings, a more competitive business model and create further jobs in the local economy. "We are at a relatively early stage in the development of the local operation, but we are already examining the expansion of locally produced parts for our assembly line," says Griffin.

"We chose the premises in Benoni for two reasons: There was an existing infrastructure and suitable buildings and storage areas to run such a plant; and it is situated in the economical hub of South Africa – Gauteng – where there is a big demand for products such as our H100 Bakkie."



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Container security essentials

In the last couple of months there has been a significant increase in truck hijacking in South Africa (SA), especially in the hot spot areas like Durban and Johannesburg. What is interesting is the fact that it seems that container loads are right at the top of the list and that the perpetrators don't care if it means killing people.

What is of concern is the clever way in which they go about in doing this; we have definitely seen an increase in sophistication in the syndicates operating in these environments.

The amount of electronics that is used is staggering; things such as jamming devices for tracking units are common not to mention the swapping of horses at designated rest stops for drivers.

One could surmise that the reason for this has to do with the value of the content of the containers as well as the fact that containers have traditionally been easy targets as you only have to offload one item – a container.

We have also, over last couple of months, discovered how all these syndicates have infiltrated the factories as well as assembly plants. They know exactly what containers to hit and where, which again calls for the need to have some sort of independent verification system in place.

Most of the containers, which are shipped to the harbours, are hijacked prior to reaching the harbours. In some instances these shipments come from as far as Lesotho and Swaziland and often travel off the beaten track, which makes for some very difficult



circumstances to actually secure such shipments, and to add insult to injury, these loads are normally shipped by local transport companies that often form part of the syndicate operations.

The question now, obviously, is what we can do to at least try and make this as secure as possible. We have found that in most instances the Transport companies have very limited GIT insurance, not that the insurance really helps as it still does not replace the product and the roll-on effect is the lost sale which can never be replaced.

As part of our ongoing quest to find sustainable solutions for these challenges Professional Risk and Asset Management have had significant success in finding solutions. We can report that in last two and a half years and 2 000 containers later we have not lost one container nor has anything been removed from any container prior to reaching port.

This in itself and given the current situation nationally, is a huge achievement. I need to at this stage point out that these are not our containers but containers that are shipped from our clients and we have been tasked to make sure that the containers reach port safely and without any tampering.

What makes this process, in our opinion, unique is the fact that very

little human intervention is required. We are a company that does not believe in violence and we don't believe in placing armed escorts behind such loads as firstly it will only attract unwanted attention, and secondly should a hijacking actually take place all that will happen is people will get killed.

Instead we believe that a lot can be done by applying basic security principles, such as:

Making sure what is in the container is actually what is supposed to be in the container

ensuring that independent verification is in place

Ensuring that the container is sealed and verified independently with a proper audit trail

Applying electronic measures to ensure the integrity of the container throughout the process, right up to port

Ensuring that a detailed audit is done without opening the container prior to port entrance.

Again the entire process has a complete and detailed audit trail. What makes this entire system so unique is that it is not relying on the transporter to do anything – everything is done independently – and can be monitored anywhere in the world. The cost of this integrated system is insignificant compared to not having the system.

With operations nationally as well as internationally we can most certainly take care of your container security. Remember the secret to this is the fact that we are not relying on just one thing but rather a complete integrated process from manufacturing or assembly right through to port with information available to both you and your customers at the press of a button.

Gerhard van Zyl, group operations director Professional Group of Companies

Daimler opens new Regional Centre for Commercial Vehicles in Southern Africa

Mercedes-Benz South Africa (MBSA), along with its brand divisions Daimler Trucks & Buses and Mercedes-Benz Vans, is strengthening its continued drive for excellence and customer dedication with the opening of the Regional Centre Southern Africa (RCSA). RCSA will be responsible for Daimler's full commercial vehicles portfolio in the region, from the full offering of Mercedes-Benz Vans, heavy-duty Mercedes-Benz trucks and buses as well as the uniquely suited products (trucks and buses) from FUSO.

Dr. Wolfgang Bernhard, member of the Board of Management of Daimler AG responsible for Daimler Trucks & Buses said: "Opening our new Regional Centre Southern Africa, we are able to respond even faster to our commercial vehicle customers and their requirements. This will help us to further tap the growth potential of this emerging region,"

Clear focus on the needs of commercial vehicles customers in Southern Africa

Based in Pretoria, South Africa, the Regional Centre Southern Africa will be a catalyst in ensuring highly efficient business processes and an even higher level of customer satisfaction. MBSA and its parent company Daimler AG are confident that the Regional Centre Southern Africa is poised to provide excellence and ultimately a competitive advantage to its growing number of southern African-based customers through superior products and offerings.

Kobus van Zyl, Executive Director: Daimler Trucks & Buses Southern Africa: "Having a stronger presence in the southern African markets means that we are able to react faster and be in touch more frequently with our commercial vehicles customers and the various General Distributors in the respective countries. The Regional Centre Southern Africa provides further opportunities for all our commercial vehicle endeavours.

Region with long-term potential

Southern Africa is a promising growth region for all of Daimler's commercial vehicles. The region is expected to grow at a rate of 3.75% in 2016. Improved external prospects and domestic policy improvements will support gradually stronger growth rates from 2017, with the regional average back up to more than 4.5% annually during 2018-2020. Moreover, southern Africa possesses large

reserves of untapped natural commodities. In 2015, Daimler sold approximately 5,500 trucks and buses in the region.

About the Commercial Vehicles Regional Centres

The Regional Centre Southern Africa is the third of six Regional Centres being opened for Daimler's commercial vehicles business around the world. Two days ago, the Regional Centre for East, Central, and West Africa started its operations based in Nairobi, Kenya. The first Regional Centre was opened in October 2015 in Dubai as Daimler Commercial Vehicles Middle East North Africa (DCV MENA). Similar bases will follow for South Asia, Southeast Asia and Latin America within the next few months.

In the past, Daimler had managed these regions primarily from its group headquarters in Stuttgart. Further decentralisation will keep the business even more in tune with the market.

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- Regional Centre for Southern Africa is responsible for sales and after-sales of Mercedes-Benz trucks and buses, FUSO trucks and buses, Freightliner trucks, Western Star trucks and Mercedes-Benz vans
- Nine commercial vehicles markets to be managed in the important growth region of Southern Africa
- Dr. Wolfgang Bernhard, Member of the Board of Management of Daimler AG responsible for Daimler Trucks & Buses: "Opening our new Regional Centre for Southern Africa, we are able to respond even faster to our commercial vehicle customers and their requirements. This will help us to further tap the growth potential of this emerging region."



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Road traffic collision investigation: Risk or operational expense?

When it comes to heavy commercial operations, there are almost always four forces at work: operation, human resources (also called human relations), the risk and the profit, of course.



The operation is maintained through maintenance, planning, execution and fleet availability. Human resources look after the legal and personal wellbeing of the people in the operation and risk is everything that interferes in or threatens the operation. Profit is a function of the four holding hands and playing nice.

With most professional operations, a Risk Department will handle everything from safety and security at sites, offices and depots through occupational health and safety, loss control and access control and let's not forget: accident investigations.

While this all sounds perfectly normal, we find a very interesting trend in the procurement psychology, when it comes to the risks associated with road traffic collisions. When you ask someone to list the risks associated with road transport, "accidents" is one of the

elements that invariably pop up. Everyone agrees that this is a "risk" and everyone agrees that "accidents" should be "investigated". But when you delve deeper, the references become increasingly vague.

When a truck is stolen or hijacked, you invariably prefer, need or want to recover it.

As soon as possible. People react to hijackings with a passion that is equalled only by teenage hormones. You want your asset back. You need it back. Everything else can wait. Everything. In order to prevent this loss in the first place, you design a variety of mechanisms and enter into partnerships with external service providers.

You might start with so-called "hijacking awareness". You write policies and procedures and maybe even outsource a company like IBF Investigations to produce an awareness video or to come in and do presentations to groups of drivers on how to prevent hijackings and what to do when it does happen.



Training or a video production of this kind includes aspects like general self-awareness and situational awareness. It covers tactical risk profiling, approach prediction, deviant approach behaviour, approach methodology and modus operandi to enable drivers to be more familiar with the methods used by hijackers, during the initial approach.

Thereafter, it covers entry mechanisms, personal safety, confrontation mitigation behaviour, environmental awareness and on-going disciplines designed to optimise recall and minimise the risk of personal injury or death.

Drivers are also trained on the psychological influence, natural reactions and post-traumatic trauma they can expect, to ensure that the associated syndromes are recognised and dissolved in

understanding. In some settings, drivers are even introduced to real-world examples, role-play experiences and physical firearms. All this just to prepare them for that one day when it might happen to them.

After a hijacking happens, the focus – from the company side – shifts to the recovery of the asset. All the mechanisms at their disposal are deployed and activated. Tracking units in trucks, more tracking units in trailers, recovery teams, helicopters and police services and even neighbourhood watches and community police forums are all activated. In some instances, vehicle losses are shared on special WhatsApp groups, like the “Heavy Transport Risk” group, run by IBF Investigations.

Everyone is doing whatever they can to recover the truck and very little to “save the driver” by comparison, if you are truly



honest. Disturbing but true. It's all about "the truck and trailer/s and the load".

If we use companies that have a fleet as big as 1 500 trucks or more, with trailers, as an example, most will not fall victim to active hijackings more than perhaps five times per year – in a bad year. In most instances, the hijacking is prevented or fails and in many others the truck is recovered. While stock is sometimes lost, there are fewer cases where the whole truck and load actually disappear forever. But this is because of all those technologies that the operators invest in to prevent these very losses. Losing a truck can be a loss of between R1 million and R5 million, depending on whether there is some load involved and the value of the load, of course.

This is considered a "high risk" and it involves a "real loss". From here – considering the way recovery agents operate – the cost can escalate if multiple recovery teams are deployed, if helicopters are involved or if vehicles are recovered in a damaged state. Where vehicles are not recovered, private investigators might be appointed and even rewards offered to recover the vehicle and/or the load. These "reactive services and efforts" can rack up another R 100 000 or more in direct costs during the recovery phase alone.

Because hijacking and theft are crimes and because the loss of a truck and trailers and even a load is considered the realisation of actual risks (versus virtual risks), the costs are easily justified. If a company like this pays but R 500 per month (and some pay



more) on tracking and recovery, for trucks and trailers, this is easily around R 750 000 per month or R9 million per year. For less than ten actual hijackings! And – considering how popular tracking and recovery is – this is clearly a cost worth the risk. We should all agree to that.

So what about road traffic collisions? How high is the risk, how real is the risk (virtual versus real) and how much is typically spent on an investigation? How much are the potential losses and what are the unpredictable costs when they occur? How do these stack up against hijackings?

Let's explore the comparative likelihood of road traffic collisions: Crashes happen much more often than hijackings. They result in more fatalities than hijackings. They happen in seemingly dangerous and safe areas, at any time – day or night. They often involve more than just your own vehicle and where two trucks are involved, the losses could be double your own or even more. If you slap legal costs on top of that, where trials are involved and the relatively higher cost of lawyers and advocates, it can become very costly indeed.

If you then consider preparation time, the need for post-event investigation, trial preparation and actual court days, it gets even worse. Add the third party legal costs and their total losses and suddenly a collision can cost you at least double the amount a hijacking would – and sometimes, there is nothing you can do but

pay up and accept your losses – especially where the evidence you have at your disposal is inadequate. By poor evidence alone, you could end up paying for third party's losses – even if it was never your fault, as such.

According to IBF Investigations, in a company of 1 500 vehicles as many as 20 or 30 major collisions could occur within a year. So the potential loss or the actual financial risk associated with collisions is easily three to six times higher than for hijackings and theft – wouldn't you agree? If this is the case, are heavy commercial transport operators spending more on crash specialists like IBF Investigations than on tracking and recovery? They probably should, right?

Well they don't. For some reason, the true value a properly completed at-scene or post-event road traffic collision investigation or reconstruction is grossly under-estimated. Operators run a much higher risk and face much larger losses from road traffic collisions than from any other risk – yet they constantly question the cost of investigation services as a function of how much they pay, in total.

The evaluation and consideration of specialist road traffic collision investigation and reconstruction does not start with the risk. Transporters most often do not consider the total annual actual – and possible – losses or look at how urgently these kinds of services are needed. They forget to weigh the consequences of

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not having this service available against the benefit of investing in investigation as a risk mitigation strategy. But why?

“When we deal with heavy commercial operators and present our rates, they are quick to point out how few collisions they actually have had over the last X months or years. They typically think about what the cost is, of that one investigation, and treat it as an operational cost. A necessary evil. Many of our clients would prefer not to use accident investigation experts at all. They would prefer to just trust the system. Only our most risk averse and the most professional clients understand and grasp the need for accident investigation and reconstruction,” says Stan Bezuidenhout.

He adds: “The cost of an ad-hoc investigation is largely unpredictable since you cannot predict when and where collisions will occur, how far away the scene will be from a depot or your investigator or how many vehicles will be involved. We recently introduced a similar costing model to the tracking/recovery industry: a flat rate per vehicle for all investigations and even other services. The knee-jerk reaction by some was how much that would cost them per year. They completely ignored the loss/risk ratio. They are seemingly unable to link the cost of our service to the risk of not using us or the benefit of having us on call 24/7.”

Why is this? Why do people spend up to five times or more to prevent the loss of one or two vehicles a year than they are willing to, to prevent the costs and liabilities associated with 20 or more collisions per year? Why do they not use the total possible losses suffered as a guide for how much they are willing to pay to mitigate those risks? Why would a risk that is realised much more regularly with substantially higher unpredictable additional liabilities be considered less worthy of mitigation? Stan explains: “When you think about a hijacking, it feels like a risk.

“Something is taken, by a criminal and lost through violence. It happens without warning and there is little you can do about it. It is a risk that you can touch and feel. Now the truck is there, then it is gone. If I cannot get it back, I lose more than R1.5 million. It is a loss. It is lost. Gone. I can’t fix it and put it back on the road. I have to buy a new one. That costs R 1.5-million, so the loss is doubled. This is the real loss and the cost of recovery is justified – because the loss is so easy to frame in layman’s terms.”

But then there are other costs and direct liability reductions associated with this hijacking model. The vehicles might be insured. Since the insurance carries some risk, the bulk of it is carried by the insurer. But the operator also pays that insurance premium without any thought, mainly because insurance is also “essential”. In short, you have to insure your vehicles and you have to install tracking units because the potential losses are so high – even when you are insured.

Stan goes on: “Accident investigation, on the other hand, is not covered by insurance. The truck is not actually lost as such. It was only an accident, after all. People feel like the losses they suffer in collisions are not as preventable as hijacking – other people might run into them. They believe that collisions can happen to anyone and kind of accept this as an expense associated with the operation. “They determine accident investigation – along with the cost of damages – to be more of an operational cost. It is not

seen as a risk, as such. The collision might be the result of a risk, but the cost of repair, investigation and reconstruction is measured as an operational expense – not really a loss as such. But this approach is inherently flawed.”

See, if collision investigation added no actual value and was a restorative measure or if it played no role in litigation or liability in legal matters, it would be different. If the proper investigation and reconstruction of a collision would have no impact on operations, risk or profitability that would be understandable. But you see, they do. In more ways that people realise.

Consider the issue of vicarious liability. This is that part of law that essentially states that you are liable for the negligence of your driver, since he was acting as your agent and/or on your behalf. Therefore, everything he does, is on you. Unless you can prove that he acted as an independent agent, outside of protocol or mandate and individually. These are things that proper investigation and reconstruction can highlight.

Next, think about the results (conclusions and findings) that are included in a reconstruction report. If there are aspects of the collision – human, mechanical, engineering or environmental factors that played a role in the collision, strategies could be developed to reduce those risks in future. These are the factors highlighted in each of the reports compiled by IBF Investigations.

If you think losing a truck is an issue, try losing a truck, a driver, an assistant, facing the claims for damages to anything from 5 to 20 other vehicles, being branded as the one who “caused countless deaths” and being judged and chastised in the media – even before you have any results. One of IBF Investigations’ clients went through this hell once. The trial by media was relentless. If it was not for the work done during the investigation and reconstruction, he would even have faced criminal charges. It was the work done as part of the collision investigation and reconstruction that revealed evidence that even at-scene investigators missed that ensured that the client is still a free man. Even today.

Being involved in a collision is also not as “cut and dried” as having a vehicle hijacked. In the case of hijacking, the loss is limited to your vehicle and completely irrelevant if the vehicle is recovered. In a collision, the loss is permanent and has major implications since the end of the “money pit” is nowhere in sight, when third parties, civil claims and criminal charges are involved. The loss can multiply and the whole year’s budget – often derived from a mere percentage of turnover or profit – can be eaten up in a single serious collision.

And so the list goes on. But what can be done? If operators consider crashes that happen much more often while potentially attracting far greater losses to be unworthy of the same level of investment towards mitigation and prevention than hijackings – what do you do? How do you address the risk while satisfying this imbalance – as irrational as it may seem?

“We have the answer,” Stan reports. “We are in the process of expanding nationally.

“We are currently in the process of opening offices in Cape Town, Durban and Johannesburg with Bloemfontein and Port Elizabeth following.” As a man of passion, Stan continues to explain how



Truck Insurance

Are you getting what you pay for?

All the clichés are there. "Service when you need it most", "Cover that you can count on" and, the old and possibly the most (in)famous, "We don't hassle, we".

So why then, when you speak to truck owners, are the tales of woe all the same – insurance pay outs that don't meet their expectations? This can happen as a result of many reasons but one of the greatest issues facing vehicle owners at the time of a claim is that their vehicles are worth more to them than what they get paid when the vehicles are written off. The price of repairs and spare parts outstrip the price of brand new vehicles by up to three hundred percent in some instances which results in accident damaged vehicles being too easily regarded as being "uneconomical to repair" when they are very far from being constructive total losses. This is because their sums insured, based on MARKET or RETAIL value, are not sufficient to cater for repairs to be carried out. This situation is further exacerbated by the vehicle owners not being able to have first right to retain their wrecks even if they do bid the highest price. However, if you insure for what you regard as being a sufficient value to cater for repair costs, you will only be paid out a much lower MARKET or RETAIL value as most insurers define in their policy.

So the question often arises: WHAT AM I PAYING FOR?

To combat this, our insurance facility with Lloyd's of London offers vehicle and fleet owners the option of insuring at true Agreed Value: "the sum insured reflected in the schedule shall form the basis of the settlement of the claim". This means that the vehicle can be insured at sufficient value to cater for spiralling repair costs without being written off or, in the event of a write off, a reasonable pay out is made.

For example the value of a 2010 30 palleter refrigerated trailer may retail at R500 000 but that is based on depreciation and you cannot purchase a second hand "box" in the event of an accident while a new box with aluminium floor will cost you R380 000.

So a badly damaged box – with no other damage to the rolling chassis and cooling unit - will result in a write off and you will receive R500 000 less your policy excess which will not be sufficient to put you back on the road. And most insurers will retain the wreck.

To allow sufficiently for repairs without writing off the trailer, the sum insured can be R900 000 to allow for the rolling chassis @ R200 000, the box @ R380 000 and repairs to or reconditioned refrigeration unit @ R300 000 (or new at R500 000). In the event of a write off however, you will still be paid out R900 000 less your policy excess.

The intention of insurance, within reason, is to place you in the same position after the loss as you were in immediately prior to the loss. With AGREED VALUE you can do this.

In addition, you, the vehicle owner, are paid the cost of repairs directly, not the repairer. You can thus settle with the repairer once you are entirely satisfied that your vehicle is in the same condition that it was prior to the accident.

In the event of a write off you have the option to retain your wreck and your settlement is also sufficient to cater for the outstanding finance on the vehicle without having to buy TOP UP insurance.

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this will satisfy the crash loss risk consideration as an operational expense while ensuring that cases are properly investigated and the risk minimised through the thorough collection of evidence: “We will have these offices in all the major centres soon.

“What this will allow us to do is to offer a pre-defined flat rate, per vehicle, per annum or month, depending on fleet size. This will be a lot like tracking and recovery and insurance. Transporters are intimately familiar with the syndicated cost risk distribution model. For a nominal monthly fee, that is fixed and pre-defined, we will respond to, investigate and reconstruct road traffic collisions for our commercial customers.”

He lists the benefits as being:

- One flat monthly fee. No hidden costs, as long as distance limits are adhered to.
- No surprises or excessive rates, based on seriousness, number of vehicles or distance.
- Preferential treatment – members always come first.
- Immediate reports – special online reporting models are now implemented.
- No procurement delays – crashes happen at any time. Not only during office hours.
- All services, including investigation, reconstruction, expert advice,

- court testimony and consultation is included in a single premium.
- All IBF Investigations’ attention and commitment is directed towards their loyal customers.

This list goes on, but it shows again that there can potentially be a costing model that will enable transporters to keep considering collision – those losses that are risk induced – to be managed out of an operational budget, the way they want it to be.

Stan shares this closing thought: “If we can get clients to view and understand road traffic collision risk as an actual risk and not as an operational expense, and if we can get our clients to accept our new costing model and support our efforts to expand nationally, everyone will benefit. We will even impact on hijacking and theft risks. Our model is the first of its kind in Africa.

“Another first for IBF Investigations. We have proven our mettle over more than 15 years, working in the African environment. This is a call to heavy commercial transporters to adjust and re-align their risk mitigation strategies and to reconsider the risk branding psychology applied to road traffic collisions. We will make crash investigation as popular as tracking and recovery and insurance, at a much lower rate. This is our promise.”

Stan Bezuidenhout (IBF Investigations)

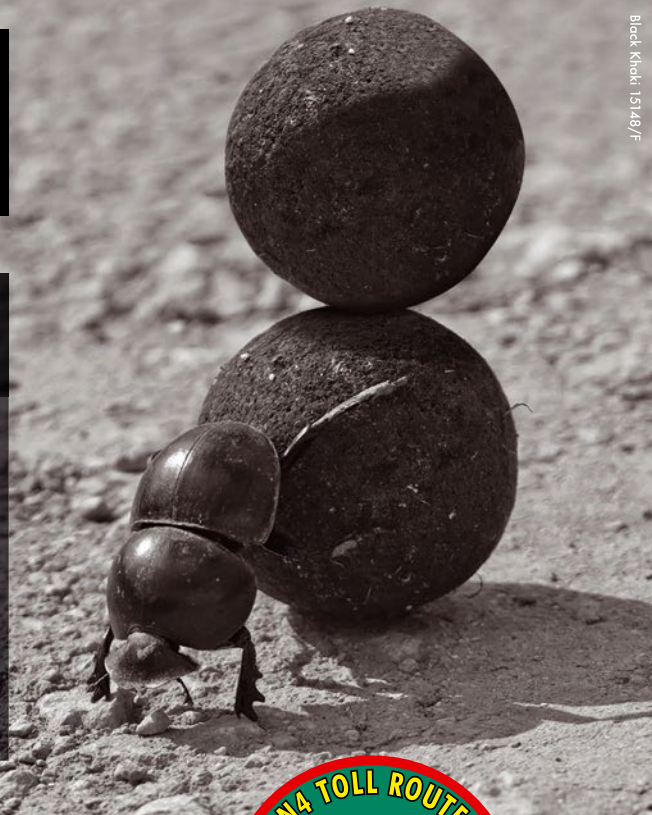
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Leader of the long-haul





Freightliner is arguably the number one long haulage truck in South Africa (SA), with class leading sales figures, and a fanatical following as seen by the large number of trucks on the national highways of Southern Africa, giving lifeblood to the economy.



And it is little wonder, seeing as Freightliner boasts 50% of the American long-haul market, helped by their cornering of much of the bonneted market place in the USA. Unfortunately, with SA's strict length requirements, bonneted trucks can only be used for short haul and truck recovery.

But with the laws being under review, we may well see the full range of Freightliner trucks in the future. Let's hope so, because they are more fuel economical, safer for the driver and sexier quite frankly than the flat-nosed European style cab-over trucks.

Along with the sparkling success for the company in the new truck side of the business, used Freightliners are selling like hot cakes in the rest of Africa, with the company's used business – TruckStore – struggling to keep up with demand.

For more on the company's success in Southern Africa, Road Ahead editor Gregory Simpson caught up with charismatic Freightliner brand leader Dirk Meyer at their 'Greatest Show in Earth' in Gauteng.

Freightliner is going from strength to strength, if you go on the N1/N2 that's all you really see, what do you put that real success down to?

When you talk to the customers they talk a little bit of American,

and Americans are passionate people, and I must say we've got a lot of passionate customers. Our customers love their trucks, as you've seen they even make their own movies about their trucks, they bling their trucks. This is a truck that you can really just go all out and bling it, especially down there in KwaZulu-Natal, the Indian fellows love to bling them, and it's just 'blingable'.

The other thing that the people love about this is that, should you have a problem, this is the easiest truck to fix alongside the road, so our road-side fix rate is up to 98%. Only 2% of these trucks actually have to get a Western Star to tow it to the nearest dealer.

And it is near bullet proof in reputation, what do you put the reliability of the truck down to?

Absolutely, we've gone from strength to strength. We do a lot of our own engineering. America is quite flexible on what they let us do, and they say, "well look you guys in Africa find an African solution for this truck," but we do work together with the engineers from the States to find these solutions, and I must say we've gone from strength to strength in our reliability on the Argosy in the last two years. We've actually increased the reliability by 50% on these trucks in the last two years.



I was chatting to Duncan Prince of Western Star and they don't have to modify much at all for SA conditions. Do you have to do much to make it 'South African'?

No, we don't, I'm trying to think of a modification that we do. The only modification – shucks – a customer mentioned to me the other day he doesn't like Michelin tyres, he prefers a different tyre, it's got different tread that he prefers for his application, I think it's the only modification I've heard. Interesting question, yes, it's the only modification I've heard of from a customer.

What are the major differences between bonnet trucks and cab-over trucks, it would be fantastic to see more brutish bonneted trucks on SA highways?

Bonneted vehicles are by far more aerodynamic, any cab-over truck you're going to be pushing a brick through air, so it's going to take a lot of fuel to move this, in saying that we have a very, very good fuel consumption, I mean any guy will tell you that, you can even go speak to the fleet owners they will tell you that a Freightliner has very good fuel consumption. But as soon as you can get it more aerodynamic, the better, unfortunately if you have more than 22 metres in our country you're going to go over the law. As you know, a bonneted vehicle with a semi behind is going to reach 27 metres which they allow in America but the rest of

the world conforms to European standards. However, speaking to my American colleague he says that Europe's looking at changing their length laws, so bonneted vehicles might be a thing of the future, we're holding thumbs because Freightliner has a great, great plethora of bonneted vehicles.

And that would be a game changer; presumably other American companies will start sniffing around as well?

100%, Freightliner in America owns 50% market share, that's huge, I won't quote the numbers to you but you can just take a guess. To produce 50% of the total truck market in America, that is thousands of trucks, absolutely thousands of truck. We would love the length laws to change, it would make us game changers in the trucking industry.

What sort of horsepower is needed for the large road trains of Australia?

Road trains in Australia would use probably a Cummins 620, so that's 620 horsepower, which is a lot of power; you don't need it but if you've got it the drivers like it.

Africa's a big talking point, what are your key opportunities there?

If you go up to Africa and you have a look, you stand on the side of the Great North Road that runs through Lusaka, I was there a couple of months ago and you just see Freightliners, they love the Detroit engine. If you go over to TruckStore, in their first auction they ran out of stock on Freightliner in Africa. The reason why is because America is running out of ten-year-old trucks and this is the market now, so our second hand trucks are doing extremely well up in Africa, extremely well, so the opportunity is huge.

And Euro 5/Euro 6 – any crystal ball on when we might be seeing that?

It's frustrating, I must be honest, we've got a Detroit plant, there's about five different engine variants that I can put into this truck, right now if I had the right fuel, it's just so frustrating. Look we have 50 ppm; the Detroit diesel 13's, 15's and 16 can run on 50 ppm. The challenge comes in that it's not available everywhere, especially if you want to take the truck north of Beit Bridge, this becomes a challenge.

So it's not just a SA problem?

No, it's an African problem, we really need some legislation that will help us get there, as I say we've got the technology, you know it sounds like the million dollar man; we've got the technology, we can fix it, we really can and the fuel consumption is amazing. I spoke to a colleague from Brazil, he has the next level Argosy achieving 20% better than our best truck fuel economy, 20% better, and they just love it.

How has the Freightliner brand changed in the years since it was bought over by Daimler, managing to keep its rugged American edge and styling?

Well I must be honest when they got bought it in 2000 the





investment was billions, billions of Euro. If you go to the Detroit plant they had to modify that plant and they raised the roof, to quote my colleague from America, I think it was three feet they had to raise that whole factory roof. It was in the Guinness Book of World records, it was the largest surface area ever raised for a plant, so the technology – it's amazing. That's unseen in the world, so axles, engines are built robotically in the Detroit plant which you don't see apart from in Germany, it's absolutely mind-blowing.

Is that the future in manufacturing then?

Absolutely, you know that robot there can sense if that technician didn't talk it to that specific talk it will throw out a warning and it will push the engine to the side for you to come fix. It's unreal how it actually knows exactly what should be happening, at that point in time.

And percentage wise, how much is actually fully

automated in that plant then?

In that plant they're fully automated for Detroit Diesel – I'd say about between 60 and 70%. Obviously, you need a certain number of humans to actually manipulate it. All the metal boring and peripherals are made by machine now, it's very impressive. But the assembly is done by hand, monitored by machine.

How does that differ from Daimler's assembly plant in SA?

We bring in a CKD or an SKD so it's either semi-knockdown or complete knockdown, depending on which brand you go and speak to, and it comes in kit form, so we're not a manufacturing plant, we're an assembly plant, so it's very hands-on, which is great for job creation, it keeps East London alive I must say. It's great to see the guys working on the trucks there.

Gregory Simpson



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The syndicate web of the transport Industry

Transportation syndicates are becoming a huge problem in South Africa (SA). The criminal element has cottoned onto the fact that it's easier to hijack a truck and disperse the load than it is to rob a convenience store.



Crime syndicates run like a well oiled machine. Like any business they have levels of responsibility and assigned tasks. From acquisition, to transport to distribution.

I recently conducted an investigation into a truck load of goods that had been taken in Johannesburg at the infamous Vaal 1 Stop/Vosloorus area. They drove around for a while and then headed up to Diepsloot to offload the goods. After the offload they “dumped” the truck on the side of the road and disappeared.

This is becoming all too common nowadays as the criminals have access to load information and driving schedules. Further investigation informed us that the driver was in fact involved with the heist as you can see the driver communicating with the hijackers via cell phone on the cab camera system. Later you see the driver opening the door and even assisting. None of this was done under duress I might add.

What do we do to overcome this you may ask?

There are a number of things we can do to try and curb internal sabotage. As in the aforementioned company, a camera system can be installed to monitor the driver. That is only as good as the driver knowing where the cameras are. Tracking devices are used more and more these days to not only monitor the vehicles but also to monitor the loads. With the use of “entrapment” devices that are paired to the vehicles tracking device, you can have more control over where the load is going.

We recently used an “entrapment” device in one of our client's loads to monitor where his load was going. Understandably there is risk, in that the device is as good as gone as soon as you put it into the load. However, and as predicted, the load was offloaded at an area other than specified by the logistics company and was further moved by a third party to a warehouse in the south of Johannesburg. It didn't take us long to realise that the goods had been moved.

TRACKING SPOT



We activated the tracking device and were able to locate the area where the stock had moved to. This resulted in the recovery of the stock and some arrests being made. It doesn't really matter what your load is or where it is going to, the load can be tracked. Our advice to our customers is this, reputation vs. cost. A transporter who constantly loses loads or gets hijacked on a regular basis will soon lose customer confidence and they will move elsewhere. Transport companies have to start looking at customer confidence vs. cost savings.

A lot of the big logistics companies are using multiple tracking devices by more than one company to meet their key performance indicators (KPIs). This is a good practice in principle, as it gives their client the peace of mind that all is being done to combat load tampering and provides more than one form of load and/or asset recovery.

Transport mules

Another example of where the transport industry is being used by

the criminal element is in the third party transportation of stolen goods. Recently a large building materials supplier received an order for product. This was done using fraudulent purchase orders and fake email addresses. The product was transported by the company's preferred transporter to a location advised by the bogus client and offloaded.

Another truck came along and loaded the goods and transported the goods to another location. Again an investigation was initiated and the load was followed. Numerous people were involved in the elaborate web of misdirection and fraud. It must be noted that the initial transporter had no knowledge of what was going on.

The third party transporter had full knowledge of what was going on and was involved. What caught these guys out? Well I can't divulge that information or the cat will be let out of the bag. The client allowed us to be creative and use their product as cheese for the RAT. Many hours were spent observing the "bait" and with enough patience, we were able to follow the load. The outcome at this stage is still confidential as the case is still ongoing.

Most companies offer the standard, track, trace and recover option for your fleet with the added benefit of reports, live tracking and deviation, etc. Most of them offer engine cut off and all the little bells and whistles that can make your life easier. It's up to you to decide what is essential and what a gimmick is. All these little ad-ons cost money, and will affect the bottom line down the road.

Some companies have these options as standard at no extra cost to you. Is it worth it? Only you can decide that.

Daily I receive information about loads being hijacked or a truck being taken with the driver and the driver is never to be seen again. What is the common denominator in most of these incidents – the drivers or crew?

I encourage transport companies to employ stronger vetting processes and think outside of the box. Speak to your tracking companies about what measures can be taken. If they can't help, change your provider. There are always providers waiting to assist with the best solutions for your business.

Tony Dobson

Did you know?

Unlike carjacking, where the object is to steal the vehicle, the object of truck hijacking is generally to steal the load, which is easier to sell than the commercial vehicle itself. Truck hijackers are usually violent, professional thieves, who have planned the method of attack, the captivity of the driver, and a location where the trailer will be unloaded, and have the capacity to fence the load once they have it. Fundamental to all truck hijacking is that the vehicle is in a 'stop' position. The attack, therefore, can take place at any time the vehicle is stationary. However, the thieves often use social engineering techniques to ensure that the vehicle stops at an agreed, or convenient, location to the hijackers.

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CLAIRWOOD LOGISTICS PARK MAKES LOGISTICAL SENSE

In Durban, A grade logistics facilities are in short supply - something that was a deciding factor for KwaZulu-Natal MEC for Economic Development and Tourism, Michael Mabuyakhulu, when he gave the R3,5 billion Clairwood Logistics Park the go-ahead in January.

This mega logistics facility will be good news for south Durban.

The JSE-listed Fortress Income Fund intends developing approximately 350 000 square metres of warehousing with paved yards to park large trucks off road on the site of the former Clairwood Racecourse.

Included in the proposed R3,5 billion investment is R110 million that will go towards updating aged infrastructure, including surrounding roads. Upgraded intersections and pedestrian thoroughfares as well as on-ramps to the nearby freeway are expected to facilitate traffic flow in what is one of the most congested areas of the city.

Nico Prinsloo, development manager of the Fortress Income Fund, said that the site was of strategic importance as it was the last flat land suitable for a greenfields development of this kind. It is just 11,2 kilometres from the existing container terminal entrance and 3,5 kilometres from the site set aside for the Durban Dig Out port.

"The South Durban Basin, in which the Clairwood Logistics Park falls, is an important national economic hub and home to strategic industrial installations and manufacturing facilities. It is bordered by major transport linkages and forms an integral part of the wider maritime and logistics sectors that are regarded as the backbone of the city's economy. These have been earmarked as priorities for future development by the eThekweni municipality as well as by both provincial and national government," he pointed out.

National government, as part of the National Infrastructure Plan that was put in place in 2012, has identified 18 Strategic Integrated Projects as being catalysts for economic development. One is the development of the Durban-Free State-Gauteng logistics and industrial corridor. This is intended to strengthen linkages between South Africa's main



industrial hubs and improve access to Durban's export and import facilities.

Prinsloo said that private sector developments such as the Clairwood Logistics Park would play an integral role in this.

He added that efficient logistics were the kingpin of a healthy economy. Currently, poorly planned and aging logistics infrastructure and facilities are affecting the competitiveness of South African

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businesses and driving up the costs of goods.

"Logistics facilities that meet international standards are integral to good supply chain management and will improve efficiency and productivity, which will not only assist companies but ultimately filter down to consumers," he said.

For more information about the group, visit www.fortressfund.co.za





Easter holidays: Not all fun and games

New vehicle sales deteriorated sharply during the month of March with all segments registering double digit declines. The proliferation of public holidays (Easter) during the month also affected sales.

March 2016 aggregate new vehicle sales at 47 631 units registered a decline of 7 758 vehicles or a fall of 14.0% compared to the 55 389 vehicles sold in March last year. The March, 2016 export sales at 27 714 units reflected a decline of 6 311 vehicles or a fall of 18.5% compared to the 34 025 vehicles exported in March last year.

Overall, out of the total reported industry sales of 47 631 vehicles, an estimated 40 205 units or 84.4% represented dealer sales, 8.7% represented sales to the vehicle rental industry, 3.6% to industry corporate fleets and 3.3% to government.

Affected in part by the Easter holidays (which this year fell during March and last year during April), the new car market continued to experience pressure during March, 2016 and at 30 702 units registered a decline of 4 766 cars or a fall of 13.4% compared to the 35 468 new cars sold in March last year. The car rental industry continues to make a positive contribution and accounts for 12.7% of new car sales during the month. Franchise vehicle dealers were experiencing ongoing pressure on margins.

Sales of vehicles in the medium and heavy truck segments of the industry at 752 units and 1 670 units, respectively, registered substantial declines and, in the case of medium commercial vehicles, reflected a fall of 343 units or 31.3% and, in the case of heavy trucks and buses, a decline of 290 vehicles or a fall of 14.8% compared to the corresponding month last year.

Domestic sales of industry new light commercial vehicles, bakkies and mini buses at 14 507 units during March, 2016 reflected a decline of 2 359 units or a fall of 14.0% compared to the 16 866 light commercial vehicles sold during the corresponding month last year. Model run-outs and model run-ins played a role in the lower March sales numbers.

Industry new vehicle exports during March, 2016 registered a fairly substantial decline of 18.5%, in volume terms, compared to the corresponding month last year. New vehicle exports were, however, expected to recover significantly over the medium term on the back of Hilux light commercial vehicle exports with effect from April, 2016 into Africa and from mid-2016 to Europe.

For the year, vehicle exports should contribute positively to South Africa's current account of the balance of payments. Export sales during the second half of 2016 were expected to



show strong upward momentum, while vehicle imports would probably continue to decline on the back of the projected lower domestic market.

Domestically, against the background of a difficult economic environment and low GDP growth prospects, the likelihood of double digit new vehicle price increases as a result of rand weakness and possible further interest rate hikes – the outlook for 2016 in terms of new vehicle sales remains unfavourable. Furthermore, the full impact of the drought on the economy is still to manifest itself.

The consumer demand-driven new car market is expected to remain under pressure, declining by around 10% in volume terms. New commercial vehicle sales could perform slightly better on the back of some improvement in fixed investment in the economy during 2016.

One source of encouragement emanated from the substantial improvement, for the second month in a row, in the Purchasing Managers' Index which at 50.5 signalled a possible improvement in business activity levels and manufacturing output over the medium term.

The Constitutional Court ruling confirming South Africa as a Constitutional State and adherence to the rule of law could assist in improving the economic and business climate over the longer term. The rand had also responded positively to the Constitutional Court decision.

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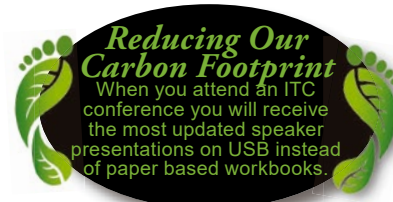
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All the clichés are there. “Service when you need it most”, “Cover that you can count on” and, the old and possibly the most (in)famous, “We don’t hassle, we”

So why then, when you speak to truck owners, are the tales of woe all the same – insurance pay outs that don’t meet their expectations? This can happen as a result of many reasons but one of the greatest issues facing vehicle owners at the time of a claim is that their vehicles are worth more to them than what they get paid when the vehicles are written off.

This is a double edged sword. The price of repairs and spare parts outstrip the price of brand new vehicles by up to three hundred percent in some instances, which results in accident damaged vehicles being too easily regarded as being “uneconomical to repair” when they are very far from being constructive total losses.

This is because their sums insured, based on market or retail value, is not sufficient to cater for repairs to be carried out. This situation is further exacerbated by the vehicle owners not being able to have first right to retain their wrecks even if they do bid the highest price. However, if you insure for what you regard as being a sufficient value to cater for repair costs, you will only be paid out a much lower market or retail value as most insurers define in their policy.

So the question often arises: What am I paying for?

To combat this, our insurance facility with Lloyd’s of London offers vehicle and fleet owners the option of insuring at true agreed value: “the sum insured reflected in the schedule shall form the basis of the settlement of the claim”. This means that the vehicle can be insured at sufficient value to cater for spiralling repair costs without being written off or, in the event of a write off, a reasonable payout is made.

For example the value of a 2010 refrigerated trailer may retail at R500 000 but that is based on depreciation and you cannot purchase a second-hand “box” in the event of an accident while a new box with an aluminium floor will cost you R380 000.

So a badly damaged box – with no other damage to the rolling chassis and cooling unit – will result in a write-off and you will receive

R500 000 less your policy excess which will not be sufficient to put you back on the road. And most insurers will retain the wreck.

To allow sufficiently for repairs without writing off the trailer, the sum insured can be R900 000 to allow for the rolling chassis @ R200 000, the box @ R380 000 and repairs to or a reconditioned refrigeration unit @ R300 000 (or new at R500 000). In the event of a write-off however, you will still be paid out R900 000, less your policy excess.

The intention of insurance, within reason, is to place you in the same position after the loss as you were in immediately prior to the loss. With agreed value you can do this.

In addition, you, the vehicle owner, are paid the cost of repairs directly, not the repairer. You can therefore settle with the repairer once you are entirely satisfied that your vehicle is in the same condition that it was prior to the accident.

In the event of a write-off you have the option to retain your wreck and your settlement is also sufficient to cater for the outstanding finance on the vehicle, without having to buy TOP UP insurance.

Leon de Villiers, Director at SKY TIV Promark Insurance Brokers

Did you know?

Methods for transferring or distributing risk were reportedly first practiced by Chinese and Babylonian traders as long ago as the 3rd and 2nd millennia BC, respectively. Chinese merchants travelling treacherous river rapids would redistribute their wares across many vessels to limit the loss due to any single vessel capsizing. The Babylonians developed a system which was recorded in the famous Code of Hammurabi, c. 1750 BC, and practiced by early Mediterranean sailing merchants. If a merchant received a loan to fund his shipment, he would pay the lender an additional sum in exchange for the lender’s guarantee to cancel the loan should the shipment be stolen or lost at sea.



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Volkswagen



Promoting safer driving on South African highways

Trucking Wellness (previously known as Trucking against AIDS) is an initiative of the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI), which was launched to create awareness around HIV/AIDS and sexually transmitted infections among long-distance truck drivers, commercial sex workers and those at risk, such as driver spouses and partners.

Tertius Wessels, the project manager of the programme, was interviewed regarding Trucking Wellness and the general state of the trucking and logistics workforce in South Africa (SA).

“With the high rate of HIV/AIDS prevalence among truck drivers, they are at high risk of exposure to the virus and the implications are far reaching, impacting not only the drivers, their partners and families, but also the transport companies and ultimately, the economy as a whole. Therefore we have established 22 wellness centres nationally on all major routes covering approximately 89% of the national routes.”

Wessels explains that there has been an extremely positive uptake from the industry since the start of the programme, and awareness of the project is spreading. Drivers appreciate the assurance of professional care, confidentiality, and the provision of a safe environment where they can talk freely and ask questions without being judged or discriminated against.

He then adds that despite the existing 22 fixed wellness centres, he still believes that more can be done to help change the general health of the trucking industry. For this reason, Trucking Wellness has introduced a variety of new small, medium and large vehicles, which serve as mobile clinics and can cater for any member of the NBCRFLI. Notwithstanding the size of NBCRFLI registered companies, the project team will now actively contact them instead of waiting to be contacted for mobile clinic visits at NBCRFLI registered companies.

“Although we are now operating more proactively by actively contacting NBCRFLI registered companies for clinic visits, all services offered are still 100% voluntary and results are strictly confidential.” The mobile wellness centres, staffed by professional nurses and counsellors, travel nationally to reach any geographically located company that falls under the jurisdiction of the NBCRFLI. Vehicles are booked for ten days at a time and then service all companies within that specific region.

As a result, Trucking Wellness is able to serve more companies than ever before and continue to work towards a healthier and more vibrant trucking industry. All industry members testing positive for HIV are immediately referred to the NBCRFLI HIV treatment programme



where they are treated and counselled accordingly. Wessels goes on to explain that Trucking Wellness encourages all truck drivers to eat healthily in order to have more energy while travelling long distances.

Other advice offered by Trucking Wellness nurses that is equally important is the need to keep hydrated while driving. Dehydration among truck drivers is so common because they see it as a “mission” to make a few toilet stops along the way, which results in lower levels of water consumption. That being said, their liquid intake is often half of what is recommended.

What is so important for truckers to understand is that having a lack of water in your system while driving is just as bad as driving drunk. Studies have shown that drivers make twice as many mistakes on the road when they are dehydrated, compared to when they are hydrated.

To date, Trucking Wellness has provided healthcare education to 686 211 long distance truck drivers, sex workers and community members. Over 378 338 patients have been consulted and have received various forms of treatment and care, with more than 16 million condoms distributed to these key population groups since inception.

Wessels explains: “In light of these numbers, we would like to encourage all trucking organisations to invite Trucking Wellness to attend your company Wellness Days, or any other events that you hold, so that your employees can access the services offered by Trucking Wellness.”

Media release

THE ROAD TO WELLNESS



The Trucking Wellness Programme is an initiative of the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) that delivers primary healthcare services to those employed in the Road Freight and Logistics Industry. Through the help of the NBCRFLI, donor organisations, industry partners and local government, Trucking Wellness has continued to evolve into a remarkably sustainable model since 1999.

In 2000, **Trucking Wellness** built its first Roadside Wellness Centre and today boasts 22 of these highly successful Clinics. Each of these fixed Clinics is located along South Africa's major trucking routes and across our country's borders for ease of access.

In 2003, **Trucking Wellness** introduced its first Mobile Wellness Centre to the trucking industry and the number has continued to increase ever since. Today, the programme owns a fleet of sleek Vito's, which are used as Mobile Clinics and a number of Ford Rangers, which are used to bring counselling and testing services to industry personnel at their workplace.

Since its inception, the programme has grown into providing a holistic approach to health and wellness, encompassing a wide range of free primary healthcare services, including:

- Condom use education and distribution.
- STI screening diagnosis, treatment and education.
- HIV awareness, information, education, counselling and testing.
- Referrals to appropriate service providers for ART as well as HIV and AIDS treatment and care.
- TB awareness, information, education, screening and referrals for treatment and care.
- Screening tests for blood pressure, blood sugar, blood cholesterol and body mass index.
- Diagnosis, treatment, care and support of any primary care health problem or concern.

The **Trucking Wellness** team has been extremely innovative in identifying ways in which to provide members with an increasingly superior service. As a result, the Clinics in Musina, Colesberg, Hanover, Marianhill, Warden, Villiers and Cape Town were revamped in 2015. These newly revamped Clinics have aided in providing improved healthcare to our valued members and have been reconfigured to be more convenient, effective and efficient. Further information on the upgraded Clinics is provided below:

The Colesberg (Northern Cape) N1 Wellness Centre, which is situated at the Shell Ultra City, 5km outside of Colesberg was revamped and re-opened

on 7 September 2015. After the upgrade of the Hanover Northern Cape N1 Clinic, it was re-opened on 15 October 2015. This Clinic can be found at the Excel Truck Stop in Hanover.

The Epping (Western Cape) N1 Clinic, which is situated at Shell Truck Stop at 7 Bofors Circle, Epping 2, Cape Town was moved to Engen 1 stop, Winelands 1 Stop, N1 National Road, Joostenbergvlakte, Kraaifontein, Cape Town and was re-opened on 17 November 2015.

The Musina (N3) Wellness Centre, which was established in 2003 is situated at the Gateway Truck Stop, Beit Bridge, Border Post, Musina. This Wellness Centre was also upgraded during 2015 and re-opened on 12 August 2015.

Additionally, the Villiers (Free State) Clinic which is located at the Vaal Truck Stop, has also been revamped. The Clinic can be found on the right hand side when one takes the Villiers turn off and travels towards town.

Another Clinic was revamped in the Free State and is located at the Warden Truck Stop on the R714 road.

The Marianhill (KwaZulu Natal) Clinic was also revamped in 2015. The Centre is located at the Shell Truck Stop on 129 Westmead Road, Pinetown.

To date, **Trucking Wellness** has provided healthcare education to 686 211 long distance truck drivers, sex workers and community members. 378 338 patients have been consulted and have received various forms of treatment and care, with over 16 million condoms distributed to these key population groups over the past 14 years. In the years to come, **Trucking Wellness** wishes to increase the number of Fixed and Mobile Clinics and to constantly up skill our clinical staff. Additionally, we are currently in the process of signing a Memorandum of Understanding (MOU) with all departments of health to enable us to offer a wider treatment regime to industry personnel.

We look forward to continue providing our trucking and logistics workforce with a valuable service that can evidently improve the lives of thousands of people across our country.



Imperial implements stringent driver training

Supply chain and logistics leader Imperial Logistics has added impetus to its drive for safer roads by implementing a stringent new driver training policy for the entire group. It includes assessments and continuous improvement training provided by Imperial.

Lucky Maluleke, HSS Executive of Imperial Logistics, explains the rationale behind the new, driver training policy: “Our high quality drivers have always been the backbone of our transportation service offering. By establishing a systematic and standardised approach for the assessment and training of new and current drivers, we aim to further enhance their quality and efficiency, and optimise our contribution to reducing the number of accidents and incidents on South African roads.”

Imperial's new policy includes minimum training standards for all of the group's drivers, and incorporates a pre-employment procedure, formal induction training, compulsory annual refresher training programmes and continuous improvement courses for drivers.

Maluleke stresses that the policy takes Imperial's unwavering commitment to road safety to a new level. Driving skills are just one element of Imperial's approach, he notes, and adds that the group has also put the health and wellbeing of drivers under the spotlight. “In addition to pre-employment medical assessments, Imperial drivers will undergo regular wellness-focused training, including workshops on fatigue management, HIV/Aids and personal financial wellbeing.

“Our continuous improvement training includes modules on incident and accident root causes and customer care. In addition, planned and unplanned job observation has been provided for, as well as ongoing defensive driving training,” he expands. “Invaluable learning resources have been produced for our group companies and their drivers, including defensive driving and fatigue management resources.”

“This policy complements the activities that form part of the Imperial Road Safety campaign, through which the group, as one of South Africa's biggest road users and a leader in mobility, aims to promote road safety in every respect,” Maluleke concludes.

Media release



IMPERIAL  TM

Drive for reduction in exhaust gas

The modern diesel engine has become a highly sophisticated piece of machinery that is very far removed from its original design. Today, many Original Equipment Manufacturers (OEMs) continue to focus on increasing power from smaller engines while continuing to adhere to more stringent environmental laws that require these engines to be extremely clean burning and fuel efficient.

The local energy industry, including the bus and truck transport sectors, has been identified as a key contributor to reducing emissions into the atmosphere.

Currently, transport emission legislation in South Africa (SA) only requires diesel vehicle compliance with Euro 2 emission standards. Despite this, a growing number of automotive OEMs have already introduced passenger cars, buses and trucks meeting Euro 5 and 6 emission standards into the SA market. This is in anticipation that SA emission limits will tighten in the near term, which will have a major bearing on the road and off-road sectors.

Sydney Brückner, business manager of emission fluids at Engen, says SA is committed to reducing CO₂ and NO_x gas emissions. “It is encouraging to note that an increasing number of major fleet operators across SA have adopted strong green practices. SA customers and the markets we serve are becoming more and more serious about sustainability and green products that are better for our environment. As Engen we are strategically positioned to provide solutions that match these changing market requirements.”

One stop shop

As the only major oil company operating in SA to offer AdBlue, Engen is the one-stop shop for fleet operators and privately owned vehicle owners, including off-road equipment operators, seeking a product that offers to lower emissions from the vehicles or the equipment used.

“At Engen we believe we have an obligation towards bringing environment friendly products to the SA market. It is known to reduce the level of pollutants by up to 90% in the exhaust gases of vehicles. The product is non-hazardous and safe. AdBlue is a natural fit to the Engen business and shares a common product platform with other Engen eco-line product offerings such as low-sulphur diesel and low-SAPS [sulphate ash, phosphorus and sulphur] lubricants,” says Brückner.

Economies

While modern diesel vehicles fitted with Selective Catalytic Reduction (SCR) systems are an additional capital investment, fuel



Sydney Brückner, business manager of emission fluids at Engen

savings should cancel out this extra expense over time, he adds.

Diesel consumption is approximately 3 - 5% less depending on the type of engine and the work it does. The AdBlue tank, which is normally fitted adjacent to the diesel tank, would typically require filling every time drivers refuel with diesel.

Blue is the new green

The introduction of the product portfolio is a major step forward in Engen's ongoing environmental drive, and demonstrates its commitment to a more sustainable future growth path, says Brückner.

Notable predecessor programmes include their own bulk fuel transport fleet replacement initiative, which focuses on models that run on low-sulphur diesel and meet the Euro V and VI emission standards. “Engen will continuously strive to provide product solutions that match changing market requirements,” says Brückner.

Staff reporter

MAHLE's integration of Letrika set to benefit local aftermarket

MAHLE is looking to its expanding product portfolio to boost its presence in the commercial vehicle and Agricultural arena, with the Letrika range to be sold locally under the MAHLE banner

MAHLE, in keeping with its strategy to establish a mechatronics/electrics business unit, acquired Slovenian-based Letrika, which develops and manufactures electric motors, starter motors, generators and electrical drive systems (mechatronics incorporates systems, mechanical, electrical, telecommunications, control and computer engineering).

Included in the Slovenian-headquartered Letrika's target markets are commercial vehicle and passenger car makers, as well as agricultural and construction machinery market segment and other industrial applications.

Chris Stanbridge, who heads MAHLE's Southern Africa Aftermarket business, says that the Letrika brand is growing in popularity in South Africa. "Concurrently with its integration into MAHLE's aftermarket range, Letrika products – also previously known as Iskra – will make the change to MAHLE packaging from early 2016. As is customary with any change, there will be a transitional phase in which both old and new packaging will be on the shelf. Mechatronic products are thus now available in top grade MAHLE original equipment quality."

According to Stanbridge, buyers will derive numerous benefits from MAHLE's Letrika acquisition:

- Technical support from MAHLE Aftermarket product specialists.
- Knowledge transfer in MAHLE Aftermarket training sessions.
- Starter motors and alternators, electric drives and motors, and auxiliary parts of MAHLE Letrika original equipment quality.
- Long-standing development and manufacturing expertise in the electronics and mechatronics sector.
- Access to an increasingly comprehensive product range, which now includes high quality mechatronics applications and is constantly adapted to market requirements.

Stuttgart-based MAHLE is an automotive parts manufacturer with business units dedicated to four key segments:

- Engine systems and components: supplies the global automotive industry with piston and valve train components and cylinder components.
- Filtration and engine peripherals: develops and produces components and systems for automotive air and liquid management
- Thermal management: components, modules and systems for vehicle air conditioning and engine cooling
- Aftermarket: spares for vehicle maintenance and engine repair (OEM quality).

Its commercial vehicle portfolio encompasses products for piston systems, cylinders, valve train,

cooling, air conditioning, alternators and starter motors, as well as air, fuel and oil filtration.

MAHLE Aftermarket offers a comprehensive product range for vehicle maintenance and engine repair, along with expert advice and consultation. It is a partner to repair shops and trade, offering service solutions with special equipment and spare parts of OE quality.

MAHLE has a local presence in all major world markets. In 2015, a total of 75 000 employees at more than 170 production locations were expected to generate sales of €11,5-billion. At 13 R&D centres in Germany, UK, USA, Brazil, Japan, China and India, more than 5 000 development engineers and technicians are working on forward-looking concepts, products and systems.



Letrika products are being integrated in the MAHLE Aftermarket range, with both old and new packaging on shelves during the transition

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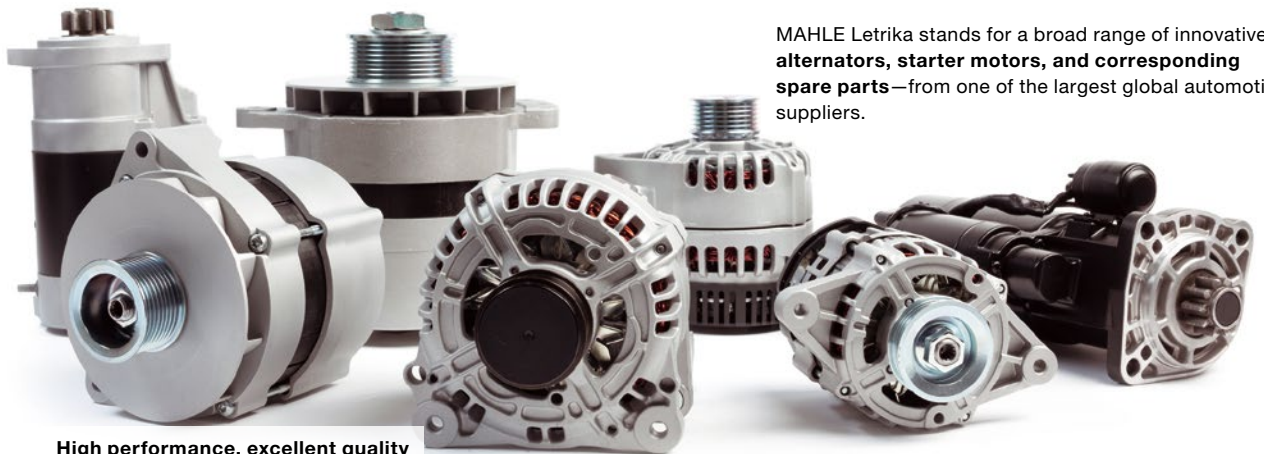
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ORIGINAL



Staying one step ahead of the game

In the modern world of tight margins, a weakening rand and cross-border red tape it is essential that companies utilise fleet tracking innovations and data to the fullest to stay ahead of the pack.

Established in 2001, Globaltrack has grown in leaps and bounds to being a pivotal player in the telematics and fleet management solutions in Africa, under the visionary leadership of CEO Pieter Smits.

The company specialises in fleet management solutions for transport companies and NGOs operating in Africa, with the aim of making food cheaper in Africa by reducing transport cost into the continent. Their core belief is to make transport cheaper, simpler and better. As such, they do not see themselves as merely a tracking company, but rather as a consulting firm, whose single aim is to help the transport industry.

Gregory Simpson caught up with the knowledgeable Pieter Smits recently for more on this cutting edge company.

Innovation is essential for any company, what sort of research and development (R&D) goes into your products?

We develop our software ourselves, we develop our hardware ourselves and we have quite a big R & D team, but on top of that the stuff we do is pretty groundbreaking. We use a process called Design Strength which is a very quick way of prototyping software development, we use some object orientated development, and it's pretty unique in that sense. Our big advantage is that rather than our developers looking at what we should develop, we look at where we can have the biggest impact for our customer. We measure how can we save them time, how can we save them money to make their life overall easier.

Cross-border waiting times are another big talking point – how best to combat that?

We realised that we are sitting on a lot of data and we were approached by The World Bank who said, listen you guys have got some data, would you mind helping us and we said sure – we help everybody. About two years ago we decided to publish the cross-border waiting times and they are currently available, we update them every week, and the local guys use them for planning and monitoring.

We literally have transporters saying listen, my guys are at Beit Bridge for 24 hours but you said the average time is 16 hours, what's going on?

Well we can help you, we've got some best practices that we think will help you, it might not necessarily have to do with tracking but overall we do know what could help you. And we have NGOs like World Bank, US Aid the UK government NGOs who are looking at us and saying if you can give us data we can see if what we do has an impact.

Hijacking is getting out of control on the N3, what anti-hijacking measures do you have?

As soon as GSM jammers are activated we send a message via satellite (which still operates) saying listen, here's an early warning, we see your vehicle is being jammed, between now and the next 30 minutes you're going to get a hijacking. We get an early warning, especially for high value cargo, and the fleets really get benefit from it.

Can you put a dollar and cents value on how much the technology is saving the end user?

Fuel is the easiest to measure; literally we have customers who lose probably about a million rands worth of diesel on about a 200 truck fleet and that is just theft! Now, typically, if you see theft that's easy but we also start monitoring and we help you to implement a complete driver reward programme, because we feel you can't just punish them. What you find overall is that the economics go up because people now, all of a sudden, are aware and are made aware of what can be done. Companies can put a leaderboard up showing who the top five drivers are and they get rewarded at the end of the month which helps the overall economics.

Gregory Simpson

Did you know?

Industries not traditionally known to use vehicle tracking systems have started to use it in creative ways to improve their processes or businesses. The hospitality industry have caught on to this technology to improve customer service. For example, a luxury hotel in Singapore has installed vehicle tracking systems in their limousines to ensure they can welcome their VIPs when they reach the hotel.



Pieter Smits



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BUILDING TRUST





Lesotho takes lead in digital comms revolution

The Lesotho Electricity Company (LEC) has just taken delivery of a nationwide multi-site linked state-of-the-art Digital Mobile Radio (DMR) system, designed and deployed by Emcom Wireless, a South African-based professional radio communications business.

Prior to this implementation LEC made use of a combination of standalone analogue repeaters, cellular systems and landlines for communication across the regional offices, scattered across the mountainous Kingdom of Lesotho. Communication between centres, field staff and management was not only costly but often cumbersome.

A detailed field study was conducted prior to starting this process and involved extensive travel across the entire country to not only identify suitable sites for use that would give best coverage, but also understand the operational challenges faced by users in their daily work.

Project leader in the implementation and director for Sales and Business Development for Emcom, Tony Siphon Sibanda, had this to say about the planning: "Our initial scoping days involved trekking up some of the wildest terrain in Africa in search of suitable summits to mount repeaters, and we had to face snow, lightning and rain as challenges in determining the best locations.

"Knowing firsthand what users faced in their daily work, we able to tap into the experience within our organisation to then engage with the client and find not only the appropriate technology, but product too that would meet their needs."

Tait Communications of New Zealand was selected as the vendor of choice for a robust, feature-rich and secure DMR Tier 3 product and work commenced a year ago to design, build and test the system under different conditions. An exciting feature of the LEC network is its integration with a Redi Talk Dispatcher loaded with the Google Maps application. This allows head office operations to have real-time location visibility of all radios and vehicles on the network, talk to specific radios when required, and monitor elements such as standing time, speed and distance from an incident, all on one screen.

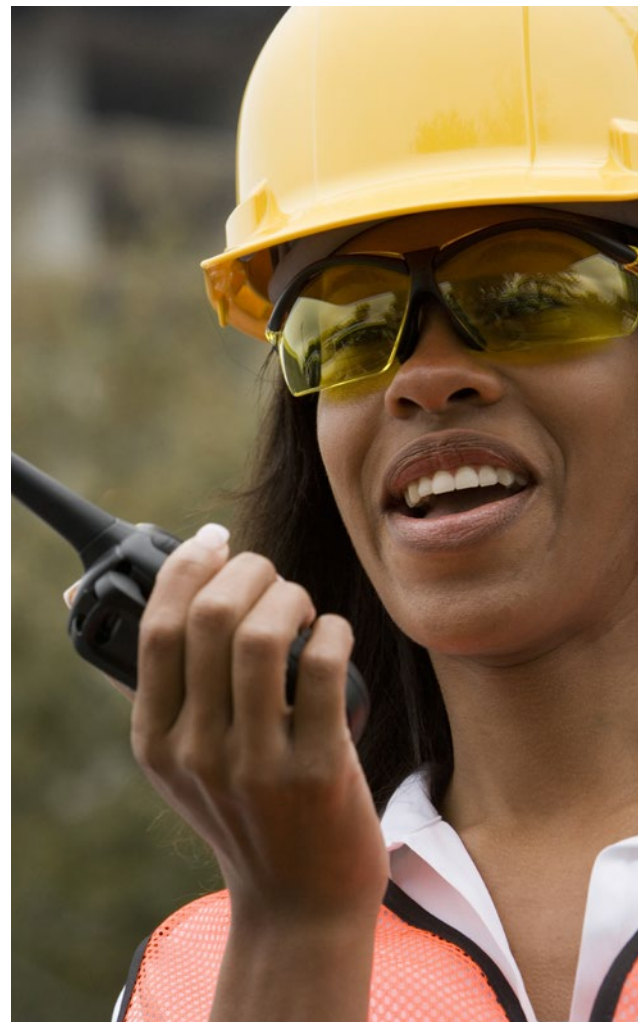
The Kingdom of Lesotho is a high-altitude, landlocked country encircled by South Africa, crisscrossed by a network of rivers and mountain ranges, including 3 500 metre-high peaks. The estimated population of 2 million inhabitants is scattered in remote villages which are often only accessible on foot, by horse or helicopter.

The country covers 30 355 km² (11 720 square miles). It is the only independent state in the world that lies entirely above 1 000 metres (3 281ft) in elevation. Its lowest point of 1 400

metres (4 593ft) is therefore the highest in the world. One of the key exports of the Kingdom is water into the Republic of South Africa from the Katse Dam which generates hydro electricity for its inhabitants.

"Working in an environment this unique demanded that we think out the box and saw us deliver a dependable fully customised solution that's built with the needs of our customer in mind," said Sibanda.

Gregory Simpson

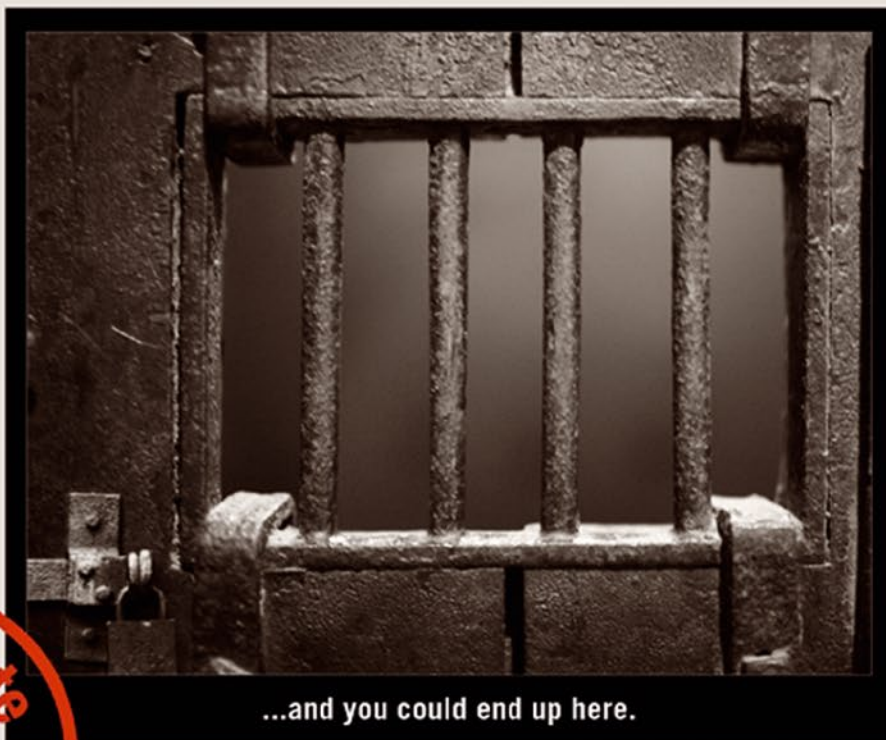




Project leader in the
implementation and director
for Sales and Business
Development for Emcom,
Tony Siphon Sibanda



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