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2nd Edition of 2018
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RFA convention report

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Transport on the move

On the Cover

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The Chartered Institute of
Logistics & Transport
South Africa



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Transport on the move

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Road ahead

Transport on the move
2nd Edition of 2018

Foreword

The road transport logistics industry is the backbone of efficient supply chains and soaring fuel prices will, therefore, also have a direct negative impact on the productivity and growth of a country's economy.

In South Africa the number of businesses in operation is just under 9,000, according to the Private Security Regulatory Authority. Almost two million security guards are believed to be in circulation, about half a million of whom are on active duty.

Many countries in Africa have reported an exponential growth in the industry over the past couple of decades. In South Africa the number of companies have doubled in the last 12 years and now outnumbers the public police force by three to one.

There are many more examples across the continent—as numbers of private security personnel outnumber and outperform their public counterparts.

There is a conceptual problem around private security. Western scholarship has conceptualised public policing as a service that provides a public good to citizens by being democratic, effective, accountable and equitable.

Alternatively, private policing is conceptualised as only offering a private good, benefiting only those who can afford it.

In fact the reality is far more complex. It is clear from research conducted on African policing in a range of countries that the public police more often than not provide policing that isn't a public good because it's corrupt, politicised or hostage to political patronage.

And some research shows that in fact the private sector may offer policing for a public good. It's therefore not appropriate to link public or private policing with the provision of public or private goods because, in reality, public goods policing can be provided by a private entity if the conditions are right.

But what are these conditions? How can we harness the capacity of private security on the continent? And what needs to

be in place for policing—both private and public—to provide for the public good and not solely private or vested interests?

The answer lies in regulation.

What forms of regulation would be required to align private security with the public interest? We cannot rely on state regulation

alone—as the state may often be complicit in perpetuating the bad aspects of the industry—through, for instance, patterns of state ownership of private security companies and the industry being used to perpetuate political and criminal patronage.

What this means is that we should consider innovative possibilities in aligning private security to the public interest in ways that promote safety.

There are plenty of examples we can learn from if we're willing to remove our conceptual blinkers and recognise the value of private forms of policing and work towards transforming and regulating the bad aspects and harnessing the good aspects.

These are the issues that need to be addressed if we are to fully appreciate the capacity of the private sector in a way that benefits the continent, rather than undermining it.



Julie Berg, Associate Professor Julie Berg and Director, Institute for Safety Governance and Criminology, University of Cape Town

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Road ahead

2nd Edition of 2018
Transport on the move

Ed's letter

Welcome to another edition of South Africa's favourite transport quarterly as the industry continues to battle with rising operational costs, investor caution and limited use of key rail networks.

Transnet appears to be channelling more money into more meaningful infrastructure development of late, but one wonders where we'd be if billions had not already been wasted on the wrong sized locomotives, for example. There is a need for more high-speed rail networks like Gautrain, especially in Cape Town, where gridlock is suffered at times.

A high-speed rail link between Cape Town and Gauteng should also be looked into to cut down on the amount of air traffic. In places like France, you can travel the country on trains that reach 300mph.

It would be good for job creation and one could use the rail link for cargo to take the pressure off the overcrowded N1, N2 and N7. The Durban to Johannesburg route needs a high-speed rail link. With multibillion dollar price tags these are expensive undertakings, but will prove to be valuable assets, and in the modern business world where time is money, it is a must. High-speed rail is also kinder on the environment and safer.

This leads to the whole argument around global warming and climate change, and the effect of industrialisation. To my mind climate change is a natural phenomenon, which can arguably be manipulated by industrial pollutants. The effect is still up for debate.

I was lucky enough to be front and centre for the annual RFA Convention recently, which was held at the beautiful Arabella Country Club in the Cape, with all of the big players in attendance, covering the hot topics of the day. Look out for Gavin Kelly's full report in this edition, and new Merc Actros which was on show for the first time.

Meanwhile, with President Cyril Ramaphosa completing his first 200 days in office recently, signs of improvement at various levels of the economy and government are clearly evident. It is inspiring to see the way he is going after corrupt officials who



have, at times, had carte blanche to do whatever they pleased.

His keen business mind is seen to be working overtime, as he visits successful businesses, and highlights the good work done. One such visit was to the Volvo Trucks assembly facility in Durban, which is a big employer and skills developer in the region. We need to shine a spotlight on people and companies that are making a positive impact on the economy, which, according to reports, is doing better than expected.

With our shrewd President's business mind and ability to see the bigger picture our GDP will begin to flow again, which will help bring debt down and help South Africa to take its rightful place as the powerhouse of Africa.

Until next time,

Greg Simpson



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Innovative Solutions for a dynamic logistics industry

Road Ahead meets Arnoux Maré, founder
of the Innovative Solutions Group



Arnoux Maré founded the Innovative Solutions Group with the intention of employing thousands of people while transforming the logistics industry: these goals are not only being met, but surpassed. In 2017 the Innovative Group hired one person for every working hour of the year, which equates to 2 079 people who are now gainfully and permanently employed. Based on year-on-year comparisons this figure is set to increase in 2018. His professional background, which includes labour relations and marketing, has him poised to continue on this trajectory of growth, while fulfilling his mission of providing gainful employment to the South African (SA) nation.

One of the reasons for this success is Maré's view on how the declining economic climate need not affect businesses. "People are always complaining about how the economy affects business. In my opinion it doesn't, companies will always need suppliers, no company can survive without them. So you need to position yourself as that preferred supplier and an economic downturn need not affect you."

The Innovative Solutions Group, through the subsidiary Innovative Staffing Solutions, is leading the way in transforming how staff is outsourced and how unions are involved in decisions. Maré is not someone to sit back and wait for answers to materialise, he is ardently driving the change in his industry through innovation, planning, relationships, and of course his own personal tenacity.

"In order to facilitate a smoother wage negotiation period, we are, due to our relationships with the unions, able to step in and assist"

The secret to success

The Innovative Solutions Group recently announced that, in partnership with one of the leading medical aid schemes, their drivers now have fully comprehensive medical aid. They pay only R300 per month and have unlimited doctor's visits, basic dental and unlimited medication, to name a few of the benefits. Maré is a firm believer in effective training and support for the drivers. The employment criteria for the Groups' drivers is intense and that is why he is able to improve the safety ratings



for his clients. Incumbent drivers need to not only pass the actual driving course, but full background checks are performed, which include criminal record checks. Soon Maré will initiate psychological testing of all his drivers, which will provide another level of insight into the driver's capability to focus on the task at hand. All of these checks and balances are done at the cost of the group and not of their customers.

The fundamental mantra of Innovative Staffing Solutions is: "it's all about job security". In the seven years of operation,

Maré says, they have made no retrenchments, and have never lost a site. Avoiding retrenchments has always been something Maré has been eager to eradicate. He has, over the course of the years, developed a network and strategy that should a client require a reduction in drivers, those drivers are allocated to another site. This provides a level of quality across all sites, and ensures the clients' needs are met, and that the drivers are kept in employment.

When, two years ago, the Innovative Solutions Group took over the Izuzu Carriers site, the process took a month and a half. The reason was because of union concerns, yet more recently when Premium Trucking's site was on the cards, the process took a day. "The unions know that we look after our staff members, and just by picking up the phone and letting them know that we are looking at a site, helps the process immensely."

Maré is a firm believer in effective training and support for the drivers

Outsourcing trends

Maré believes that outsourcing remains popular because of the specialist requirements of running a business today. 'It's not just about earning a living anymore; business management has become a science. Effectively managing drivers in a logistics company can be a nightmare, but if you have the right partner, the headaches associated with it are negated.' Maré and his team are fully qualified and experienced to handle driver fatigue issues, routes and loads, to name a few of the issues. Training drivers is another constant in the group, Maré says that on average they train 2 000 drivers per annum.

In the agricultural sector, outsourcing is popular because of the specialist skills required. Managing staff can take up to 60% of a business owners time, says Maré; removing that hassle for the owner frees them up to work on the business instead of in it.

Outsourcing as a tool to stop wage strikes

Strikes cost SA immense amounts of money and time every year, and SA is one of a few countries that consider the right to strike a basic human right. The problem, according to Maré, is that strikes have become the norm as opposed to the exception, and workers are able to cripple businesses by keeping them hostage. Maré is philosophical about this issue saying that as a growing economy, mistakes will be made, and in order to continue growing everyone needs to take a step back, learn from the mistakes of the past, and implement the lessons. A military style of management is not going to work, avoiding strikes or at least managing them effectively can only be done through constant communication

between employers, employees, and the unions.

"Wages are governed by the Minimum Wage Act, and we therefore make sure we are transparent at all times with the unions," says Maré. "Open communication is the key to avoiding debilitating strikes." Maré includes his employees during wage discussions and allows for discourse on any concerns they may have. Pre-empting any issues has, without a doubt, aided in avoiding strikes. If, for whatever reason, a business is unable to pay increases, Maré adamantly promotes talking to the employees, as he believes ignoring the problem could result in strikes.





Educating the unions, as well as the workers on the impact strikes have on their finances, helps to reduce the risk of strikes. For example, the workers strike for a 9% increase, but if they strike for three months their increase has in effect been eaten up by the amount of time and pay missed. Avoiding strikes, therefore, not only aids the economy in growth but reaches the goal of improving the lives of employees.

The time up until wage negotiations can be very trying on the unions. Dealing with a host of members as well as the companies with whom they are employed leads to many hours around the negotiation table. Maré says: "In order to facilitate a smoother wage negotiation period, we are, due to our relationships with the unions, able to step in and assist. Innovative Staffing Solutions is able to act as a sort of middle man, talking to the unions as well as the members and thereby reaching an amicable and mutually beneficial outcome, with a greatly reduced chance of a strike."

This is not purely lip service by Innovative Staffing Solutions. At the sites operated by them, Maré says there is a staggering 98% decrease in the risk of strikes. Maré attributes this enormous risk mitigation to open communications and the mutual respectful relationship with the unions and members.

Maré is well versed in all things labour, and as such is able to explain that under the new legislations, there is no such thing as a short-term contract. After a three month period, all contract workers are deemed to be employed full time at the

client. In order to avoid confusion and possibly backlash, Maré insists on full time, permanent employment for his staff. It takes more planning to effectively roll this out, but as their record clearly indicates, this is a winning strategy.

The future and technology

Maré's view on robotics and technology is very simple: human capital can never be replaced, and the idea of robots being placed in positions where people are able to do the work is counterintuitive to growth.

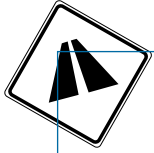
Technology hasn't affected Maré's business too much, as it is ultimately about the people. What has improved though is the ability to, through the use of fingerprints, perform criminal checks quickly and more efficiently.

Innovative Staffing Solutions and success

Effectively identifying and managing concerns held by staff is what makes Innovative Staffing Solutions different. Maré is constantly striving to improve the lives and livelihood of his employees. In fact, one way Maré has successfully reduced the risk of accidents among his drivers is by not only providing them with medical aid but by actively changing the way the industry operates. Truck drivers do not have an easy job, they are away from their families for long periods of time, they deal with constant stress, and need to maintain high levels of performance. In line with the ethos of Innovative Staffing Solutions and indeed the Innovative Solutions Group, any additional financial stress is dealt with in a proactive manner. As any employee will relate, the time coming up to the festive season can be fraught with worries about finances, with many internalising questions about bonuses, increases and the like. Maré says: "In our employment contracts, we state that the driver will receive a 13th cheque, this creates a sense of calm with the driver and that leads to safer driving on our roads." Eradicating the potential for financial burden on the drivers ensures that the clients' loads are transported on time and in the safest way possible. This reduces the stress levels of truck drivers and maintains the training at a constant level, which results in an improved state of mind and level of comfort behind the wheel.

Another manner in which Innovative Staffing Solutions has greatly improved the metrics of each driver is by initiating another bonus programme. In addition to the 13th cheque, the top driver at each site will receive a bonus of R50 000. The measurement of this accolade is based on data from fuel spend to attainment of load targets.

The Group shows no sign of slowing down, Maré is eager to continue changing the industry, uplifting the people of SA and providing a stellar service to its client base. Maré and his team are well poised to handle labour relations issues in a pre-emptive and positive manner, which is why many of the largest logistics companies across SA use Innovative Staffing Solutions to handle the outsourcing of employees.



THE FLEET MANAGERS GUIDE TO GETTING HIJACKED



Yes the title is tongue-in-cheek, but I will definitely be sharing some tips on how to get hijacked. Over the past couple of weeks I have noticed a lot of hijackings that could have been avoided if some basic precautions had been followed.





As luck would have it, I have the tools to assist everybody in the art of getting hijacked.

I attended a scene a couple of weeks ago where a timber transporter had been hijacked, a call was put out that the driver had been taken hostage and the truck, a UD80 had been taken by an unknown number of men. As with every recovery, the police were notified and various ground crews dispatched.

When the ground crew arrived on the scene the truck was there but the driver was being held. It turns out that the driver had stopped along the road to give some people a lift. Innocent as it seems, the good samaritan driver thought it would be a good idea to assist the stranded travellers by offering a lift. This didn't turn out as he had expected. Needless to say, after some negotiations and debating the driver was released. Now this wasn't a hijacking per se but it could have cost the owner of the vehicle a lot more than he bargained for.

At another incident in the north of Pretoria, a driver of a small delivery vehicle decided to leave the vehicle idling while he quickly ran into a spaza shop to get something to eat. When he arrived back to where the truck "was", he quickly realised that the vehicle had been taken.

The few instances mentioned above relate to driver carelessness that has cost fleet owners dearly.

It is important to note that not all instances are due to driver neglect or stupidity, but also to neglect by fleet manager or route planners. Because we want to ensure that our fleet arrives at destinations in the shortest amount of time we insist that the drivers travel on routes that are notorious for hijackings. One of these routes is the famous N3 Vosloorus stretch of road just past the 1 Stop towards Johannesburg.

This route has seen more trucks taken than in a kindergarten lolly scramble. The various methods used by these criminal elements include putting obstacles on the road which force the trucks to slow down enough for the hijackers to jump at the passenger door and gain access. The drivers are tied up and dropped off in remote areas and the tracking device is jammed. The trucks are driven to wherever they need to go, cargo offloaded and the trailer abandoned if not taken and sold across the border. The horse units are then moved to alternative areas and prepared to be taken across the border or stripped out for the engine components.

An instance of this was when I was alerted to a hijacking of a popular dairy companies UD truck taken in Edenvale Gauteng. The trucks tracking unit was jammed and swiftly removed. Every available resource was employed to get to the area as quickly as possible to secure the truck. This didn't help at all. After a number of hours it was decided to call off the search. A couple of days later an informant let me know that the truck had been taken across the southern border into Mozambique, 24 hours after it had been hijacked. I immediately contacted Mbazwane SAPS and I was told that the vehicle had been recovered across the border by a joint team of Mozambican

Military and SAPS members. Like a scene from a movie, the Captain described the events that had transpired.

"We were across the border following a trail that we had seen; suddenly out of nowhere at 1am we saw lights coming through the bush. I jumped out of the way and saw the door opening. The driver jumped out and ran while the truck was driving. I jumped in and managed to drive the truck back across the border to Mbazwane." (This story has been modified for the sensitive reader.)

When we went to take the vehicle back from the SAPS safeguarding unit we realised that the specific vehicle was not taken for its stock content. This was very evident by the smell coming from the back of the refrigerated unit that was and had been off for nearly a week. The SAPS officer wanted to show us that the stock was still intact by opening the back doors. I told him that it was really ok and he didn't have to as I believed him.

The truck was delivered back to the dairy company and was back on the road within days of delivery, after the stock had been removed. When we spoke to the driver of the truck regarding the circumstances around the hijacking he mentioned that he had been distracted and the next thing he knew the hijackers were in the vehicle.

Distraction seems to be a major contributing factor for most drivers nowadays. This was very evident while I was en route to Upington for a meeting. I noticed at least seven trucks that had pulled over to give female hitchhikers a lift. Look, I am not naive at all and I know that these hitchers are definitely not lift seekers. This is extremely dangerous for fleet owners as this is when your truck and freight is at its most vulnerable. While the driver is sampling the offerings of the hitcher, the offending hijackers gain access to the truck's cab and take control of your assets.

So how do you ensure that your trucks and vehicles are hijacked? Here is how, in a few easy steps.

- Ensure that you pick up hitchhikers.
- Drive the high-risk routes and slow down or stop for obstacles in the road.



- Leave the vehicle running and go and get some lunch.
- BE extra distracted while on your delivery run.
- And be part of a syndicate of drivers that are put into work places to steal the trucks.

The last point brings me to the most disturbing one of all. Fleet owners don't vet their staff properly. They employ foreign staff with little or no knowledge of their background or even traceable references. Far too often I hear about a driver from Zim or Tanzania being employed because he needed a job. Well, if you are not going to do a background check or phone a few references then don't complain when he makes off with the brand new freightliner and a R1.3 million rand trailer.

Employing a driver should be no different from employing a person applying for a job working in an office. Ask

for traceable references and employment history, if they don't have that they don't have a job. It's as easy as that. Yes, I do understand the frustration of trying to fill the seats and getting the freight to its destination, but that should also be your foremost goal. **GETTING THE FREIGHT TO ITS DESTINATION.**

The serious side of this is that the following need to be drummed into your driver's heads, it should be second nature:

- Do not under any circumstances stop and pick up hitchhikers.
- Work out the route and allow some time for detours around the hotspots.
- DO not stop and leave the vehicle running if you need to get food. Lock up and take the keys with you.
- Pay attention to your surroundings. Be a little extra cautious when in high risk areas. Always expect to be hijacked and make sure you don't leave yourself

open to becoming a victim.

- Urges need to be taken care of at home and not in the truck. SIES.

Fleet managers need to work on the basics with their staff to ensure that they don't put themselves and the assets at risk. Tool box talks should be essential and the drivers should be informed of the number of hijackings taking place and where they are. It wouldn't be a bad idea for fleet owners to start putting cameras in the cabs and overlooking the freight. This would definitely curb some of the shenanigans that take place on the road.

Please feel free to contact me through the editor if you need any more information or need assistance in getting drivers up to speed on what's happening.

As always safe travels,

Tony Dobson, security specialist



PFK is a globally recognised manufacturer and designer of advanced automotive technology. We work closely with partners to achieve the highest quality, globally compliant products which drive sales and profit. PFK's solutions are branded or white-labelled.

TELEMATICS

PFK originally spent many years designing and manufacturing tracking systems for major international companies. That wealth of experience was then channelled into building its own systems for the South African and global markets—including the innovative 840 Video Telematics system. We have introduced Spectrum in our product range to make the purchase of our products convenient and cost effective.



VSS

The realities of vehicle theft and hijackings in South Africa have given PFK Electronics decades of experience and the ultimate testing ground to develop 'Best in Class' solutions in the vehicle security sector. Most people prepare for such an event by taking out insurance, but even then, reporting and replacing a stolen vehicle can come with unexpected costs and a significant time expense.



BREATHALOK

Since their first introduction to the market in 2003, Autowatch Breathalok products have been at the cutting edge of tethered and wireless alcohol ignition breathalyzer systems to help keep your vehicles, your staff members, and other road users safe. In the years since then, the vehicle breathalyzer (Ignition Interlock) systems have become an indispensable tool in the prevention of intoxication whilst driving. These systems are vital against 'drink driving' in both commercial and correctional contexts around the globe.



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Mercedes-Benz Trucks launches another long-haul king

Mercedes-Benz Trucks has launched arguably the most efficient long-haul truck in SA. Globally, the new Actros has achieved a fuel saving of up to seven percent, as they battle for top spot locally.

Reliability, efficiency and safety are the three core characteristics that define the new Mercedes-Benz Actros. With more than 25 000 vehicles sold in SA since it was introduced to the market in 1998, the Actros family has long been the most significant success story in the heavy-duty truck sector. The current Actros is the market leader in this segment.

The new Actros was launched in Europe in 2011, available then only as a Euro VI. To meet the high requirements set out by Mercedes-Benz Trucks in terms of reliability and market suitability, extensive

technical and product modifications were made to the European Actros to ensure the new truck lives up to Mercedes-Benz Trucks' brand reputation of "Trucks you can trust".

The high standards set by the previous Actros are a tough act to follow, but the new Actros succeeds in doing this, making life even easier for operators by cutting fuel costs and increasing vehicle availability.

A key factor that allows the new Actros to achieve this is a drivetrain from a single source. The engines, transmissions and axles are all designed and manufactured by Mercedes-Benz in-house, and components in the

drivetrain can be perfectly matched to each other.

Key features of the new Actros:

- The new Actros sets a new standard as the most efficient truck, delivering on its promise of road efficiency by looking at the sum of the details.
- The new StreamSpace Cab has been tested extensively in the wind tunnel, resulting in the most aerodynamic shape yet.
- Advanced new Euro III (OM460) and Euro V (OM471) engines are combined with an optimised drivetrain, the PowerShift 3 transmission, which results in 50%



faster shift times and fuel savings of up to seven percent globally.

- The vehicle was tested locally with full loads under extreme conditions and returned a fuel saving of six percent.
- Flexible service intervals ensure that maximum value is derived from all service components, leading to increased service intervals, less wastage and lower maintenance costs. This resulted in up to six percent lower maintenance rates and service intervals up to 50 000km for the Euro-3 engines, and up to 80 000km for the Euro V vehicles.
- With five new safety assistant systems, the Actros offers greater levels of safety. The Active Brake Assist 4, the world's first emergency brake assistance system in the transport sector, which can detect moving pedestrians, is part of the comprehensive list of standard safety equipment on all fuel specification (hazardous goods) vehicles.
- Offering high levels of reliability, the Actros covered more than 16-million test kilometres in SA during developments at the East London plant's engine durability test department. In addition, it covered

more than 60-million kilometres globally.

- In terms of driving uptime, Fleetboard vehicle analysis provides intelligent vehicle data for maximised vehicle availability and use.
- Fleetboard and Fleetboard Eco Support provide effective driver support in real time by displaying driving tips that reduce fuel consumption in the instrument cluster during the journey. Both Fleetboard and Fleetboard Eco Support are standard on all new Actros models.

Media release



Introduction to the International Association of Auto Theft Investigator's (IAATI) Southern African Branch

The International Association of Auto Theft Investigator's (IAATI) Southern African Branch would like to take this opportunity to invite you to join our Association.

The International Association of Auto Theft Investigators (IAATI) was formed in 1952 in the USA, in order to improve communication and coordination, among the growing family of professional auto theft investigators. It has now become recognized as the peak industry body with members in over 35 countries.

IAATI recognizes that just as law enforcement agencies cannot successfully function independent of one another, auto theft investigation requires active collaboration with the private sector. As such our members include representatives of law enforcement agencies, the vehicle tracking industry, insurance industry, banking institutions, vehicle manufacturers, security experts, forensic specialists, government registration and vehicle inspectors, policy advisers, and others with a legitimate interest in combating vehicle related crime.

Our members are involved in all aspects of legal vehicle related crime prevention and detection, the investigation and prosecution thereof, as well as awareness and education programs for all stake holders. Our Vision: To be the recognized global leader in vehicle crime prevention, as well as a leading provider

of vehicle theft related investigation expertise and training.

IAATI SAB: History

The Southern African Branch (SAB) of IAATI was established in 1990 and our Charter was granted on 22 Aug 1991 by the International Board, which is seated in the USA for administration purposes. The SAB's membership was however suspended in 1996 as a result of the (temporary) phasing out of the vehicle crime investigation environment, during the transitional phase of the country's history.

Our Charter was reinstated on 6 Aug 2008 during the Annual Training Seminar which was held in Sydney Australia. On this date the SAB was 35 members strong in SA. Today we have more than 350 members in 6 countries i.e., The RSA, Namibia, Zimbabwe, Swaziland, Botswana and Tanzania. With our southern African membership, we have also gained exposure to INTERPOL and the Southern African Police Chiefs Co-Operation Organization (SARPCCO), which can assist in our future endeavours.

IAATI Southern African Branch (NPC) Annual Training Seminar and AGM 2018

DATE: 31 October to 2 November 2018

TIME: Registration begins at 10h00 on 31 October 2018

VENUE: Weesgerus Resort, Modimolle, Limpopo
GPS Coordinates (Main Gate) S24o -40.792" E28o -23.145"

Please send Member Registration form to Adrie Blignaut, before 5 October 2018

Fax: (011) 706 2208 or e-mail adrie@zonke-unicode.co.za

Registration fees

Members Private & Law Enforcement; R700.00—includes all meals, refreshments & training fees excluding 2019 membership

Non IAATI members—Private Sector; R1250.00—includes all meals, refreshments, training and 2019 year membership fees

Non IAATI members—Law Enforcement; R950.00—includes all meals, refreshments, training and 2019 year membership fees

For all accommodation bookings, please contact, Elna Kruger at ek@weesgerusoord.co.za; Tel. (014) 718 7124.

Time for women to “step up to the plate”

The South African government asked the women of this country to “step up to the plate” and take their rightful place in the South African Economy, especially in the male dominated logistics and oil and gas sectors

One such standout, Pria Hassan, Executive Director of Durban based Women of Africa (WOA) Fuels & Oils and Managing Director of Women of Africa Investments, is at the forefront of BEE achievers in the greater logistics industry.

Women of Africa Investments are a Women-owned, Women-managed, Black Economic Empowerment Investment holding company focused on meeting the above challenge.

Please tell us a bit of your background and rise to the top.

I was an ordinary young woman who wanted to fulfil her vision of being a “Broadway star”. It became clear that in the South African market this would not be achievable so I settled into studying the laws of our country determined that this would someday help me create a better future for my generation of women.

I actually don't feel like I am at the top. Our journey for perfection, for on-going empowerment of both women and children, sharing of our knowledge motivating and encouraging others to follow their dreams is NEVER ENDING. I have not quiet reached the top of my sectors yet every day I feel like I have a lot more to do and learn.

“We shall someday be heeded; everybody will think it was always so, just exactly as many young people believe that all the privileges, all the freedom, all the enjoyments which woman now possesses

always were hers. They have no idea of how every single inch of ground that she stands upon today has been gained by the hard work of some little handful of women of the past an appropriate quote by” Susan B Anthony”. Our young generation of women must never forget the sacrifices us older women have made and continue to make against all odds.

What are some of the challenges facing women in the oil & gas, logistics and bio-fuels sectors?

Access to sustainable supply of various products. We are still non refining wholesalers that are entirely dependent on the oil majors to grant us allocation of product to service the needs of our customers. We therefore remain in a queue awaiting competitive pricing and quantity of supply.

Increased cash flow for the purchasing of product: The South African fuel pricing has seen extraordinary increases and this has placed significant pressure on the company's cash flows. We obviously need more finance to buy the same quantity of fuel each month in order to keep our customers' needs met.

Weighted average cost of capital and funding. Our industry still needs traditionally funding and lenders are not able to get adequate security against the funding required. We are somehow still locked out of any funding mechanisms or organisations that could support our business growth potential and ideas. It is a serious challenge as we are paying



exorbitantly high interest costs on a business whose margins are consistently low.

Increased skills transfer and diversity: The logistics sector is still largely controlled by men and there is a perception that women are not capable of rendering a service which is unique or sustainable. We are still unable to access the skills, intelligence and network to expand the business of women in logistics. It is my dream to have trucking manufacturers also modify and adapt their vehicle specification to best suit women transporters and truckers. We should have a way in which manufacturers contribute to the expansion of women, actively incentivising more purchases



together with the Department of Trade and Industry.

Support of Blue Chip clients: We are having huge challenges getting blue chip clients even though there is policy and legislation which incentivises and supports the development of women owned logistics companies. Even if we are offered work it is not supported with any long term contract, it is ad hoc and we are still required to carry all the risks of securing the trucks and assuring them of an outstanding service.

Competitive rates: We are still locked out of the sector of business which has rates that market related and industry wide recognised. We are forced to reduce our rates in order to start securing work and increases are typically based on the road freight association percentages related to increased labour, fuel etc

How do you break down the barriers in these typically male sectors?

I wish I had an answer to this which was fool proof. Every day we women try harder to be more do more change what we can. The world however needs to understand we are human and we are incapable of breaking down the barriers overnight. I ensure that we don't expect just to enter a market without a sound plan, sector experience, proper research and development, collaboration with our network and most importantly patience.

Although many women have succeeded in breaking the barrier of prejudice and exercise professions considered to be typically male in nature, they still face many difficulties and this constant challenge seems to be the incentive that drives most women to prove that yes, they are able to exercise any occupation. Women are the greatest consumers on the globe; they actually drive the buying power of not just working environments but their personal spaces. The world is beginning to recognise this power and it is one factor that has also helped me break down barriers is to consolidate the power of our vision of women and collectively work together to drive opportunities in the male sectors.

In terms of women in logistics, what percentage of female drivers is there in SA and how are you promoting more female drivers?

I promote women in all sectors of the logistics business by firstly trying to make them feel safe, secure and comfortable. This is a rough game and it has endless hours non-stop phone calls or call outs, we had to create a working environment which supported the domestic needs of the women in the workplace. We also see to their medical needs, nutrition exercise and mental well-being. This game places significant pressure on the mind, we are constantly multi-tasking so I also demand play time for all of us, we come together share our fears, pain, joys, successes and acknowledge our failures. I tell them our success is measured by our number of failures .I am not a perfect leader or women but I try every day to be engaging, I ask them not to judge ourselves harshly.

“Women are thoughtful, nurturing, strategic, protective and proactive warriors in business...”

What are some of the developments in the bio-fuel manufacturing and legislation of minimal levels?

This is a highly regulated and specialised sector. It took me sometime to devise

a plan on how WOA can play in this space responsibly. The fear that any manufacturing of bio fuel may impact on increased the food costs in South Africa is a reasonable one, however we cannot continue to hide behind these concerns. We need to get ahead understand that there is a lot of waste in our country in the affluent market specifically on food, we are exploring this option and our research and development team are finding an innovative solution to permit WOA to participate.

What support do you have from government in promoting women in the fields you represent?

Government offers huge support legislatively for women in business however the impact of these policies has not yet been measured to verify the effectiveness thereof. So we still remain on a back foot in respect of accessing equal opportunities. We are constantly engaging in dialogue with institutions of government however most of the women's institutions that I support still are begging for private sector funding. These are non -profit organisations and women's groups who are active in the empowerment and acceleration of women in South Africa. Even organisations like the Jes Foord Foundation which is so influential on ensuring that awareness is created on gender violence specifically rape, assault has no government funding or support that is consistent. I am constantly asking all organisations to be more cognisant of allocating percentages of their profits to institutes like Jes Foord, Women in Energy South Africa and so forth to support their programmes and events which are directed at empowering more young women.

How do the fluctuating costs in SA in terms of rand value and fuel affect the logistics industry?

The fuel pricing places serious pressure on the cash flow of the logistics business, it impacts the greater economy as every single commodity, service or good

increases proportionate to the cost of logistics. South African market is still driven by serious importation of goods and products, fluctuating currency levels ever increasing transport costs due to fuel has a direct impact on the consumer. This country has got to understand that unless we manage logistics in a solid seamless manner the drive for cost containment will never materialise due to multiple handling and lack of ability to hedge the currency beyond a certain value.

The logistics market is also facing massive shutdowns and slow growth due to closures of so many businesses that cannot rise above these economically turbulent times. This is why existing customers must be retained and adequately managed, supply chain management needs on-going review and revision, and technological support should be included in our business to streamline efficiencies.

Who have some of the shining stars in your programme and some of the highlights?

It is unfair to identify a few women when there are thousands that have come through the programme. Each and every one of these women are always paying it forward we have doctors, lawyers, educators, scientists, artists, entrepreneurs, musicians gosh a host of youngsters that have come through the development programmes. Most of them ensure that once they are financially stable they give the same opportunity to a deserving youngster in their community. This programme is not about financial enrichment it's about society realising that government alone is not responsible for the education and inspiration of the new generation of women, its society at large working tirelessly through actions big or small. The highlights have always been about seeing the end result, watching the domino effect created and more about the fact that we know we were part of this rich history of beating the struggles we have faced as women, young or old, poor or rich, alone or together we picked each other up and carried the message of hope forward.

What different skills do women bring to the table that men might not necessarily have in abundance?

We are thoughtful, nurturing, strategic, protective and proactive warriors in business...

Self-reflection is a powerful tool, and as Women's month draws to a close ask yourself if what you "say" and "do" is enriching or impoverishing the lives you touch. Can you look past superficial differences, acknowledge the greatness of others, say a kind word, and show gratitude. Our actions every day can unlock our—and others—full potential. South Africa requires women and men who are strong, resilient, passionate and have the courage to stand up for what's right. We need a society of critical thinkers and innovators, with a hunger for knowledge and excellence, for future generations to succeed!

Women bring this and much more to the table we always think of others first our instinct is to protect to heal, nurture and guide. This has helped us collaborate

and grow our business however like our homes are volatile and ever changing we accept changes in business. So we utilise our senses to also review and revise the strategic objectives of our business and profession making us agile and proactive.

In terms of transformation, what else can be done to get better representation?

So my hope is that, we embrace inclusivity and transformation and make it work, that leadership in this country demonstrates delivery of their promises, that we improve communication we increase collaboration, we take risks and bold decisions and realise it's our collective ownership to take responsibility of the future of this country. We should be able to say in 10 years, that we defied the norm. We stopped looking at the railroad on the ground, we got onto the citizen centric well-being train and instead of going straight, we had the guts to look up, and reach for the sky.

Greg Simpson





The 2018 convention covered a number of important challenges for the freight industry, as has been the norm over the years. Notwithstanding the fact that to date 2018 has been a challenging year for road freight operators—the continuous threat of more restrictive or limiting regulatory amendments have indeed created gloomy future prospects for anyone involved in the road freight industry. It was definitely fitting that the theme of the convention was “Moment of Truth”.

First up was a discussion around the impending termination of the moratorium (December 2018) on the relaxation of the maximum height of 4.3m for vehicles carrying ISO containers. A panel discussion swiftly carved through the history, more history and even more history as to what has transpired since the “high-cubes” first made their appearance around 1996.

After much was said and done, the Department has resolutely maintained its stance that the container industry

(transporters and warehouses alike) has seven years to convert the road fleet to move these containers at the legislated height of 4.3m. It was agreed by all present that the Minister of Transport needed to take heed of the impact of this approach on the (SMME) freight industry as well as the realities of moving cargo through South Africa in the modern world. The losses to businesses, labour and international markets need to be understood by the Minister. It was agreed to lobby the Minister in earnest.

The high-cube matter was followed by a frank discussion on the constitutionality of Administrative Adjudication of Road

Traffic Offences (AARTO) and what options were available in dealing with the proposed amendments contained in the ARRTO Amendment Bill. While the implementation of AARTO might not be unconstitutional—as stated by the representative of the Road Traffic infringement Agency (RTIA)—the manner in which common law rights were being trampled upon; and the common citizen’s inability to defend a matter apart from in the High Court may create reasonable argument for the proposed Bill not to be implemented.

Once again authorities are convinced that this will be no problem and are quite

review of the RFA convention 2018



happy to deal with the matter when it arises. In this case, an infringer will be presumed guilty until the infringer can prove otherwise, and will have to pay for the opportunity to appear before a Tribunal to present his or her case.

The second half of the day covered dealing with governance, accountability and corruption in business as well as the requirements of competition law

Discussions relating to the economic outlook and a political overview followed rapidly thereafter with some feeling that there was more doom and gloom while others felt the “New Dawn” promised by the Ramaphosa Era would turn things around for the better. Definitely some food for thought and delegates had much to discuss and ponder over when the evening activities arrived. Many conversations at the Gala Dinner were focused on the topics of the day.

The first day succeeded in covering the issues most freight operators or logistics companies were concerned about and shed some light on what may lie ahead.

The second day set off at no less a cracking rate with the “hot potatoes” of the ever-changing labour terrain and “radical economic transformation” coming in quick succession. Again, heated and involved debate between presenters, panellists and delegates ensured that time flew by and probably more questions than answers (or solutions) were forthcoming. With a number of areas still “vague” in both policy and direction, much is awaited from government in defining where these policy directions will take us (and how they will be implemented).

About the RFA: First established in 1975, the Road Freight Association (RFA) is a membership-based organisation representing the interests of transport operators in the road freight industry. Our vision is simply: “To be the Voice of the road freight industry”. It is a facilitating body which influences the state of the industry, rates, upkeep of the road infrastructure, road safety, freight security, driver training, cross-border transport, development funding for emerging operators, education, health, the fuel price, law enforcement, labour relations and many other issues related to road freight transport.

For more information, visit www.rfa.co.za



The second half of the day covered dealing with governance, accountability and corruption in business as well as the requirements of competition law. Although these are not new topics—and government has recently hogged the spotlight in terms of all the scandals that have been uncovered—business is not immune to these scourges. Lively debate, and some eye-opening facts ensured delegates had a better understanding of what was required of them.

Finally a look at the future by way of mega cities and logistics hinted at where the industry may be going and what changes and adaptations needed to be made, some starting right now.

All in all, over 71% of the delegates scored the convention as “excellent” with much appreciation being given for the choice of topics and the ability to interact (previously there have been more presentations than discussion forums). It was evident that delegates wanted answers, which are not always possible to produce at the event itself; and that government needs to define more clearly



Discussions relating to the economic outlook and a political overview followed rapidly thereafter with some feeling that there was more doom and gloom while others felt the “New Dawn” promised by the Ramaphosa Era would turn things around for the better

why it took certain policy directions.

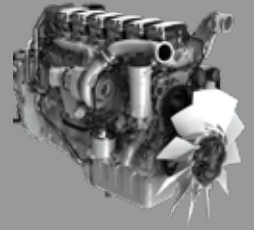
The activities laid on in the afternoons were also enjoyed, from completing a truck “yard test” to testing the grey matter or learning new sushi skills.

It would seem that, given the overall impression from delegate feedback, the RFA Convention 2018 was a success and most look forward to the event in 2019.

Gavin Kelly, Technical and Operations Manager: Road Freight Association



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Keltruck are active in the used truck export market, specialising in Scania & exporting all makes of quality used vehicles and parts across the globe.



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New customs legislation: Balancing control with trade facilitation

One of the biggest projects in the history of the South African Revenue Service (SARS) is the implementation of new customs legislation, which was promulgated in 2014

The journey started more than 15 years ago and is expected to end in about 2025 when the new legislation comes into effect. Once fully implemented, the project will fundamentally change the way customs operates.

The implementation of the Acts will occur when SARS and all relevant stakeholders are ready, and systems and processes are in place. The President of South Africa will then announce the date when they will come into effect.

The impact of the new legislation, its incorporation into current automated systems, policies and procedures, as well as the necessary re-adjustments to be made by every entity engaged in business with SARS Customs is no small feat.

There has therefore been extensive engagement with trade, including nationwide roadshows in 2017, sector-specific engagements relating to specific releases, and regular engagements with industry bodies and other government agencies (OGAs). These engagements are expected to continue, as SARS is committed to working with trade in a spirit of co-creation.

The new systems, policies and procedures are being developed in

phases; the first three are Reporting of Conveyances and Goods (RCG), Registration, Licensing and Accreditation (RLA), as well as Declaration Processing (DPS).

Recent milestones

Since the last South African Association of Freight Forwarders (SAAFF) conference, the New Customs Acts Programme (NCAP) team has made progress in a number of areas. Some of

the milestones reached include finalising rules for the Customs Control Act (CCA) and Customs Duty Act (CDA). SARS also held a separate workshop with trade in order to finalise the deferment rules. The new business case for a multi-year (eight-year) programme, enabling SARS to bring forward RCG for implementation under the current 1964 Act, was approved towards the end of 2017.

The following key milestones involving the three main phases were met this year:



Registration, Licensing and Accreditation (RLA)

A Customs Sufficient Knowledge (CSK) assessment is a prerequisite for the registration and licensing of certain client types. The system was finalised in 2017, and successfully tested with trade through a pilot project in November 2017. CSK ensures that trade entities have the required competence within their organisations to ensure compliance with customs legislation, policies and procedures. CSK was opened to RCG clients from 11 May 2018. However, a decision was made in July to put it on hold until the CCA becomes operational.

After the system was finalised, SARS invited trade to participate, in order to test its capability and stability. Writing CSK is not yet a legal requirement, so SARS requested clients to voluntarily write it. SARS is now happy with the system and has confirmed its stability. As a result, CSK has now been put on hold and will be opened up closer to the new Act becoming operational.

The first phase of RLA will see the introduction of electronic platforms (including eFiling) for the submission of registration/licensing applications, for selected types of customs clients.

Reporting of Conveyances and Goods (RCG)

The first phase of RCG includes reporting, goods accounting and basic case management. The system was developed in 2017, and was implemented on 20 April 2018. This system is aimed at significantly improving risk management, through matching declarations to a variety of supply chain reports and third party data; ensuring that all goods are accounted for, and improving the outputs of customs inspections.

The rollout initially focused on land clients and then moved on to sea and air modalities. Clients are now expected to submit various cargo reports to SARS in electronic format along the entire supply chain. By November 2018, SARS will start penalising non-compliance with the mandatory electronic submission requirement.



Release 2 of RCG is earmarked for implementation before the end of 2018. This will involve the addition of certain rail-specific reports, part-shipment reports (for the road modality), as well as the implementation of goods accounting for rail cargo.

Declaration Processing (DPS)

DPS Tactical Release 1 is expected to be implemented before the end of 2018. It comprises requirements regarding the processing of an incomplete or provisional clearance declaration, which must be completed by submitting a supplementary declaration within a prescribed time period, making it a regular clearance under the 1964 Customs and Excise Act. The use of the two-step procedure will be limited to certain customs procedure codes and certain commodities.

A new “declaration type” field is also being introduced to identify whether a submission is a complete, incomplete, provisional or supplementary declaration.

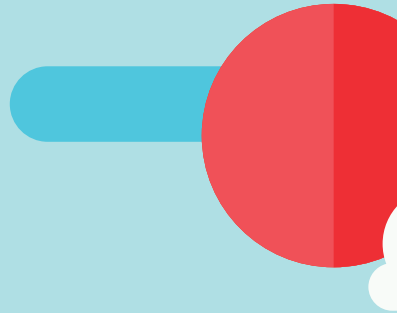
The normal duties and VAT payable on a complete declaration, will not be payable on an incomplete/provisional declaration, even though release is granted. Duties and VAT will only be brought to account on a supplementary declaration.

The rules that will enable the implementation of the “two-step-procedure” were published for a comment

This system is aimed at significantly improving risk management, through matching declarations to a variety of supply chain reports and third party data

period that closed on 21 February 2018. SARS is in the process of finalising the adjustments to the system, and thereafter, trade can start experiencing the benefit of this declaration type.

Article courtesy of the SARS Communication Unit



Hino rewards SA dealer staff with educational visit to Japan

Hino Motors Limited, of Japan, rewarded four dealer staff members from South Africa for their excellence in the annual Hino Skills Contest by taking them on a six-day educational tour of Japan recently. This was the fourth year that Hino Japan has honoured these skills contest winners in this manner

The four people from South African Hino dealerships were: Vincent Nicol (Hino Parow, Cape Town) for parts sales; Annalise Scholtz (Hino Diaz Road, Port Elizabeth) for parts stores; Gonasagaren Naicker (Hino Mobeni, Durban) for vehicle sales; and Johannes Calitz (Hino Oranje, Bloemfontein) for technical service. Pieter Badenhorst, Senior Manager at Toyota SA's Sandton Training Academy, accompanied them on the once-in-a-lifetime trip.

The four South African category winners were part of a group of 47 people from all 13 countries which had staged similar skills contests to encourage service excellence in the global Hino dealer network.

The week-long visit included visits to the Hamura manufacturing plant as well

as to the Hino Tokyo dealership. The awards were made to all the winners at a gala function in Tokyo. In addition, there were a number of cultural tours to places of interest in Japan and the visit proved an ideal opportunity for opinion-sharing by the South Africans with dealer staff from a wide range of other countries.

Ignatius Muthien, Senior Manager – Special Projects at the Toyota Training Academy, explained that Toyota had instituted its skills contest 30 years ago and that the Hino programme has been running for 25 years and the contest has grown in complexity over this period. There are now 10 categories in the contest, with Hino dealer staff involved in four of them: Parts Sales, Parts Stores, Vehicle Sales and Technical Service. The initial entry amounts to more than 5 000 people.

The participants are thinned out with a series of online questionnaires, followed

by regional and then national practical tests. The finals are now contested by the best-of-the-best people in each category and no longer according to positions in the regional finals.

“We are very proud of the way the Hino Skills Contest has been developed over the years as it plays a significant role in our overall Hino Total Support strategy which aims to strengthen the bonds between Hino Japan, Hino South Africa, our suppliers and dealers, for the ultimate benefit of our customers,” summed up Ernie Trautmann, the Vice President of Hino SA.

The week-long visit included visits to the Hamura manufacturing plant as well as to the Hino Tokyo dealership





Truck tyres in focus: quality and price

The demand for cheaper imported tyres in South Africa is steadily growing as consumers continue to take on economic strain with increasing fuel prices and the inflated cost of day to day living

Apart from poor tyre maintenance, the conditions of the roads lead to consumers not getting the full life from their tyres and with tyres being a grudge purchase, it comes as no surprise that more affordable options are becoming more sought after.

Economical Chinese import brands of both passenger and truck tyres have found favour where quality and performance are no longer only applicable to more expensive European and local brands. The products currently imported by ATT are responsibly sourced from the smaller percentage of factories in Asia who pass our standards from both a production and product quality stand point. These factories are personally visited and inspected by our CEO, Rob Beaumont, who has more than 33 years' experience in the tyre industry.

"No one wants any failures on their hands where a poor quality tyre is concerned. In the event of such, it would spell disaster for large resellers like ourselves, so quality is definitely not overlooked and remains

our most important criteria for selecting the brands we sell." says Rob Beaumont, Chief Executive Officer of ATT.

While consumers would also have to factor in an increase in tyre costs as the cost of raw materials looks to increase, we are confident that our relationship with our suppliers and technological improvements of our own operation will result in less impact on price increases going forward. The volatility of the market



is unfortunately something we don't have control over when it comes to the Rand/Dollar exchange rate, but we are continually working to improve efficiency to benefit our customer's pockets.

As fleet operations will also look to decrease costs, with tyres being on the higher end of the cost scale; it makes sense to consider fitting more affordable tyres that can still positively contribute to a reduced Cost per Kilometre and in even more so that in the event of a tyre being scrapped due to total damage, the value of the loss can almost be halved when comparing the price of some popular brand truck tyres to our own. Our premium truck tyre brand has been proven to run at similar and in some cases even better Cost per Kilometre results when compared to the well-known legacy brands.

To further explore the understanding the production cost of tyres, we see where the huge cost difference is realised between imported Chinese brands and brands consumers may be more familiar with. Most big brand corporations have apart from large production facilities, staff



across the globe which require sales and management teams, office space, large stock holding that requires warehousing and significant marketing and advertising budgets. In comparison, the lesser known Chinese brands which apart from the obvious production costs, have almost no other overheads to cover. As they do not keep stock, but manufacture to order and require a 30% deposit for raw materials before production even starts, the cost of the tyres decreases by a large margin.

In addition to this there are only so many rubber plantations around the world and many of the top legacy brands own their own plantations. They not only sell to each other, but also to the Chinese manufacturers, meaning there is no significant difference in the quality and cost of the raw materials used to produce a tyre. In fact this goes for most of the raw materials.

Having mentioned production, we can also look at the structure of a tyre and what it is promised to deliver versus what

it actually can do, irrespective of brand. A single tyre brand or type is often sold with the promise of having many different features, such as reduced road noise, efficient handling, enhanced grip in wet conditions and improved fuel efficiency. It is little known to the consumer that a tyre can only be designed to do one thing very well and few other things as well. For example, a tyre that has good grip in wet conditions will actually produce more road noise as the tread grooves will be deeper to allow for water dispersion and so the tyre cannot deliver on both features equally.

While progress is continually made to even out the capability and performance of tyres, it remains an imperfect science and this holds true for both legacy and imported brands.

Of all the world's automotive equipment buyers, Europeans are the most discerning. For example in a mature market like London, around 60% of the cars are fitted with Chinese tyres. In order

to import passenger and truck tyres into South Africa, the tyres are required to undergo a homologation process. This is a requirement by the NRCS whereby tyres that are imported need to be EC certified to meet specific quality and performance standards. This means that unless certification meets EU standards, the tyres cannot be brought into the country.

We are so confident in the quality and performance our product range that we fit our own brands to our fleet and back our products with a solid quality guarantee should a customer ever require it.

For example our current claim rate for truck tyres averages at around 0.2%, which on a scale of our sales to date is so miniscule it shouldn't even warrant a mention.

It is evident that the market is changing and consumers are driving the demand for more affordable products while still requiring quality and performance.

Sharon Styger



Out of Africa

My first experience of the then new Toyota Fortuner was when well known motoring journalist and good friend turned Earth Pilgrim, Geoff Dalglish, invited me to join him on an expedition from Johannesburg to Isiola north of Nairobi in 2008

This annual event takes cyclists from Cairo through East Africa including Ethiopia, Kenya, Tanzania, Zambia, Botswana and Namibia, before ending the journey in Cape Town. The Fortuner was used to help make a film of this epic adventure.

Our route took us through Botswana, crossing the Chobe River, via the ferry at Kasane into Zambia. Here we visited the mighty Victoria Falls at Livingstone, later heading north through Zambia and into Tanzania where we visited the Mikumi Game Reserve, which traverses the main road. Later we travelled to Arusha where most adventurers stay before attempting to summit Mt Kilimanjaro, the highest mountain in Africa.

After entering Kenya we spent a few days in the Amboseli National Park, famous for its elephant population and the amazing view of the snow-capped peak of Mt Kilimanjaro. Our journey then took us to Nairobi and on to the town of Isiola where the tar road literally ends. From then on it is gravel towards the Ethiopian border. We turned around here, as we were warned about the possibility of bandits on the road, and waited for the intrepid Tour d'Afrique riders to meet us.

This particular Fortuner had been used by Geoff and his team on an epic overland adventure from Dakar on the West Coast to Timbuktu and southwards to Cape Town. This expedition became part of a seven-part TV series and helped launch the vehicle into South Africa as



a versatile and accomplished newcomer.

While the latest Fortuner still has the same basic look it has evolved into a much more sophisticated vehicle, although still with its original promise to be top of its game in the SUV market. Toyota have always managed to build and market rugged, reliable, super-efficient and good looking products to compete in every market, and the Fortuner is no exception.

Although similar in looks, the latest model has an air of sophistication. The front and rear spoilers give the vehicle a tough no nonsense look, enhanced by the colour-coded front and rear bumpers. The darkened side and three quarter rear glass also helps with the overall good looks of the vehicle.

The Fortuner can accommodate up to seven passengers in various configurations, but probably most popular is the five-seat version with ample space for luggage. It is ideally suited as a family vehicle and can be used in many ways: for day-to-day transporting of children to and from school, weekend excursions into the country, or for the annual holiday. The Fortuner has more than enough space for a multitude of uses. Besides its size, the vehicle is extremely comfortable, with partial leather seating. The passenger compartment has a host of features such as air-conditioning, front and rear, and an audio system, with USB and Bluetooth. A multifunction display is also standard. The seats are completely adjustable with one-touch electric windows. Cruise control is also standard and steering column adjustments enhance the driving experience. Bi-halogen headlights ensure night driving is a pleasure and safe and rear LED lights and high mounted brake lights enhance night time safety. Colour coded, power retractable with built-in indicators, wing mirrors are an added enhancement and especially useful when parking.

This perfectly designed 4x4 has more than enough power with 110kw@3400rpm and torque and 400Nm@1600-2000rpm to take you where your heart desires, whether it be cruising on



Photo by Geoff Dalglish

Our journey then took us to Nairobi and on to the town of Isiola where the tar road literally ends

the open road or in real 4x4 off-road conditions. The automatic six-speed transmission offers as many options as you may need, including full 4x4 mode in high or low range. The high approach angle of 29 degrees and departure angle of 25 degrees ensures 4x4 driving in all conditions is attainable. A tow hitch is standard for the addition of an off-road trailer, if required.

John Elford



Photo by Geoff Dalglish



What Driverless Cars mean for innovation and risk

It's coming quickly down the road: a world where we can get in a car anytime we want to but don't own one. Where we're all passengers. Where accidents are drastically reduced, and we don't have to worry about dangerous drivers on the road. Where we can join conference calls or draft a report on our morning commute.

Cars are changing more quickly and drastically now than at any other point in their history. And it's no wonder: from 2014 to 2017, start-ups, automakers and other stakeholders invested an estimated \$80 billion into autonomous vehicle (AV) technology. Still, it's unclear when this technology will achieve widespread consumer adoption.

Alongside continued investment, three primary trends are shaping the future of cars: electric technology, autonomy and mobility services. The convergence of these three trends promises to completely revolutionize how consumers and companies think about cars as they relate to insurance, risk, and safety.

Automakers and entire industries—from transportation and logistics to insurance—will be forced to adapt to the changing landscape. How did we get here? And what is the route forward?

As we consider the implications of the evolution of the automobile, it's helpful to understand the context for this change and imagine the future possibilities.

The history and evolution of cars

Cars have been constantly evolving since the first Model T rolled off the production line in 1908. But the current phase of innovation has created some confusion among the general population. Jillian Slyfield, Digital Economy Practice Leader, Risk Consulting and Insurance Services at Aon, said that when it comes

to cars, "People either picture flying cars from 'The Jetsons' or the historic Model T. What's not as clear is the interim and the various risks as cars move toward autonomy."

Many changes to cars over time have had the dual effect of improving driver experience and forcing the industry and policymakers to balance innovation and safety. For example, power steering, which became a common feature for drivers in 1956, made manoeuvring a car easier and potentially improved safety. The addition of cruise control, in 1958, originally called Speedostat, both improved user experience and paved the way for today's autonomous features. By 1984, you could expect your car to come equipped with air bags. While they overall improve the safety of vehicles, they also

come with concerns such as child safety.

Looking ahead, observers believe that widespread adoption of fully autonomous (Level 5) vehicles is at least a decade away due to barriers to adoption, such as infrastructure development, legislation and consumer acceptance. Strides are being made, however: vehicles with Levels 4 (high automation) and 5 functionality are already being tested on the roads, and legislation specific to AV has passed in 21 states.

Further, many automakers have announced the expected rollout of cars with some level of automation (mainly 3 and 4) for commercial purchase over the next few years. Volvo, for example, is targeting a release date in 2021 for a Level 4 vehicle. Some industry experts

predict up to 21 million autonomous cars could be sold globally in 2035 and that more than half of U.S. traffic could be autonomous by 2050. Regardless of the precise timeline, it is clear that autonomous-vehicle technology will continue to improve and it's only a matter of when, not if, it becomes ubiquitous.

The Road to Autonomy

What will full autonomy look like? Slyfield explains that this process will have many steps. "We're not looking at an overnight change to driverless cars. Human drivers will likely intermix with autonomous vehicles on the road, and there will be various stages toward full autonomy."

Mike Stankard, Automotive Practice Leader, Aon, points out, "We're

experiencing highly autonomous vehicles today." And as time goes on, more and more pieces will become automated.

To understand this point, it's helpful to think of autonomous capabilities along five levels. For example, Tesla Autopilot, available in a number of Tesla vehicles, and Volvo Pilot Assist, available in the XC60, currently feature Level 2 or partial automation, meaning they can steer, accelerate and brake under some circumstances. The Audi Traffic Jam Pilot technology featured in Audi's 2019 A8 sedan (available in Europe at the end of this year), achieves Level 3 or conditional automation, in that it can manage almost all driving functions, including monitoring the environment. Drivers using this technology just need to be available to





take over if the car encounters a scenario it doesn't know how to handle.

Data and analytics: driverless cars and improving safety

Much of the excitement around autonomous vehicles is their potential to dramatically reduce fatalities on the road. The National Highway Traffic Safety Administration (NHTSA) reports that, of the approximately 35,000 annual auto deaths, 94 percent are tied to human choice or error. In fact, according to the U.S. Department of Transportation, in 2015, 94 percent of the year's estimated 2.2 million crashes were the result of driver error while just 2 percent were the fault of the environment, another 2 percent were the fault of vehicles, and the remaining 2 percent were attributed to unknown critical reasons.

As cars continue to become more automated, the percentage of crashes through driver fault will shrink drastically. "Today if there's a car accident," Slyfield notes, "much of the liability falls on the driver and some on the product. But if you fast-forward to the future, more of the liability or fault falls on the technology and manufacturer of the vehicle."

And it's not just about liability. As the number of autonomous vehicles increases, "the number of accidents anticipated goes down substantially," Slyfield notes.

While full adoption of Level 5 vehicles is potentially some way off, experts concede that onboard computers will increasingly take over, particularly for city driving. With these computers, cars will become more and more proficient at communicating with one another and control centres, harnessing data to improve safety and traffic flow.

By broadcasting their position, speed and steering-wheel position to nearby cars through wireless technology, for example, other cars are better able to understand their surroundings, identify any impending perils, and determine which corrective actions to take. And through communication with control centres—for instance, cars broadcast their location and receive the locations



of other vehicles—cars can choose routes with less traffic and congestion, not only speeding up travel times but also decreasing the risk of accidents. But not just road users benefit from improved safety. The application of ADAS (advanced driver-assistance systems) on a large scale would also prevent a lot of damage for insurers and employers. The latter are now seeing their mobility costs rise each year because of higher car insurance premiums and the significant costs due to employee absenteeism as a result of serious traffic accidents.

The cause of the remaining traffic accidents will be much easier to diagnose. According to Stankard, the black-box technology of these vehicles "will bring near more certainty in determining each vehicle's contribution to a crash event, which will can considerably accelerate claim resolution and reduce unnecessary legal costs."

Increased data and impact on insurance premiums

But significant ramifications exist for car insurance car liability. "Thanks to the countless data that the connected car collects, the amount of knowledge and understanding from the frequent use of ADAS will grow rapidly," says Evert-jeen

van der Meer, Industry Director, Aon Risk Solutions. "It will make driving cars driving even safer and increase confidence in fully autonomous cars. Fewer traffic accidents will also reduce insurance claims, which will increase the insurability of highly autonomous cars again. Unlike many global mobility providers, insurers do not realize a healthy return on car insurance."

Stankard points out that "46 percent of all premiums . . . drive back to auto and motor insurance." If the 94 percent of accidents related to driver error will be drastically reduced with the advancement of autonomous technology, the percentage of these premiums will shrink significantly. The industry must consider, then, how to replace those premiums and what new needs consumers will have in the place of standard auto insurance.

A shifting risk landscape

"There's nothing definitive around when this technology will become widespread," Slyfield says, "but as this cultural adoption happens, we have to ask ourselves how to address new risk issues and processes with clients and consumers." One of these new issues? Ownership in the on-demand economy. Going forward, the private sector and policy makers will have to seriously consider the implications of fewer and fewer people owning vehicles.

Some traditional auto manufacturers are already making moves to position themselves for the changing landscape. For example, Toyota, eager to explore new mobility services and strategies in Asia, has invested \$1 billion in the ride-hailing app Grab so it can monitor traffic and driving habits. GM made a similar move in 2016 when it launched its own car-sharing service, Maven, which it developed with a team of connected-car technology and ride-sharing professionals. And Ford's Smart Mobility segment has made significant investments in self-driving cars and multimodal transportation, among other areas.

Although it remains unclear when self-driving cars will achieve mass adoption, risk will likely shift dramatically.

Conny Manaso

SOARING FUEL PRICES THREATEN TO SLAM BRAKES ON ECONOMIC GROWTH

The road transport logistics industry is the backbone of efficient supply chains and soaring fuel prices will, therefore, also have a direct negative impact on the productivity and growth of a country's economy

Diesel remains the lifeblood of a transport-intensive country where comparatively more tonne-kilometres are required to contribute US\$1 to the gross-domestic product.

The bulk of the country's freight is moved via a vast road network, and this includes the large tonnages of cementitious products, fuels and chemicals, as well as steel that are safely transported by logistics companies on behalf of leading industrial sectors of the economy.

As a leading participant in the South African road transport logistics sector, Cargo Carriers continues to invest heavily into mitigating its exposure to this risk, but cautions that fuel prices will place an additional heavy burden on the entire road-freight sector, as well as already-beleaguered industrial segments of the economy.

In 2017, the company's sizeable fleet covered well over 19-million kilometres on behalf of its many customers, some of which are operating in strained environments and depend upon an

innovative and efficient transport solution to retain a competitive edge.

For example, the company has remained a strategic partner to participants in both the cement and steel production sectors, which have been directly impacted by reduced spending on infrastructure by state and a sharp decline in private-sector property development projects due to an underperforming economy.

Fuel price hikes will also have a profound negative impact on the many other strategic sectors of the economy that rely on road to efficiently transport goods.

Road-freight companies transport well over 80% of South Africa's freight, and this includes the lion's share of goods that are being transported over distances of more than 600 kilometres from Gauteng, the country's main economic hub, to the closest ports along the coast.

Primary bulk export commodities, which are mostly located within the interior of the country, are also conveniently moved to the ports via road, despite concerted attempts by state to migrate tonnages to rail.

South Africa's long economic reliance on high-value imported consumer goods and low-value bulk exports has also contributed towards intensive transport operations, and this has been exacerbated by historical spatial planning that used large distances to segregate communities.

Meanwhile, local distribution of manufactured and agricultural goods between dispersed centres is just as onerous, in terms of transport operations.

Cargo Carriers' sugar producing customers, for example, have also been grappling with fluctuating crude oil costs, in addition to volatile market prices, fierce international competition and the impact of changes in climatic conditions, such as drought.

The company's sophisticated and cost-effective transport solutions have played a large part in assisting them improve their performance in these challenging conditions.

By June, diesel prices peaked to new highs since December 2017 due to higher crude oil prices on the back of weaker Rand/Dollar exchange rate. The higher prices for fuel are as a result of sustained



production cuts by the Organisation of Petroleum Exporting Countries and interruptions to production in strife-torn Venezuela.

As a net importer of fuel, South Africa's road transporters will remain vulnerable to the volatility of crude prices, which varied from US\$13 and as much as US\$23 per barrel in the 1990s and between US\$24 and a staggering \$104 per barrel since 2000.

In 2010, it averaged US\$79 per barrel and soared from US\$70,88 to US\$77 this year.

Meanwhile, the depreciation of the Rand is as a result of a stronger US Dollar, leading to negative emerging market sentiment. Other emerging currencies also lost gains due to a rise in United States Treasury bond yields.

Worryingly, the country is expecting additional hikes later this year, and

this risk will have to be carefully managed to mitigate its impact on the larger road transport logistics industry.

The higher prices for fuel are as a result of sustained production cuts by the Organisation of Petroleum Exporting Countries and interruptions to production in strife-torn Venezuela

Cargo Carriers has a long and impressive track record using fuel efficiently in line with the company's commitment to reducing its carbon footprint, of which fuel is the largest contributor and a finite resource that needs to be conserved.

Impressively, these efforts led to as much as a 4% reduction in its carbon footprint in 2017.

Sophisticated information technology has been harnessed to constantly monitor the efficient use of diesel, while patented trailers have helped reduce fuel burn in specialist operations.

These initiatives are complemented by the company's ongoing focus on honing the skills of drivers, as well as a robust fleet maintenance and replacement strategy that prioritises fuel efficiencies.

Case study



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