



UD TRUCKS

UD Trucks

CONNECT

Going the Extra Mile for Our Customers

March 2017 Volume 3



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Message from Gert Swanepoel

The year 2017 is certainly going to be an exciting one for UD Trucks. This includes the introduction of a new product range, strengthening our regional dealer network and continuous improvements on aftersales support. Most importantly, we are aiming to take our service to our customers to the next level.

We are excited about our future, in which we will continue to focus on our customers' ever-changing business requirements. Over the past 55 years, it is our passionate, professional and dependable UD people who have made all the difference.

By matching customer business insight with the global expertise inherent in the company, we are continuously aiming to get the fundamentals right, here in South Africa and across the region. This includes manufacturing quality trucks at competitive prices, an effective parts supply and unrelenting aftermarket support.

This means that we are able to offer the best customised and relevant support to our local fleet owners. With a versatile product range and more models to be introduced this year, UD customers can utilise the right truck for their specific business requirements.

The passion and expertise within UD Trucks remains and grows, and the local team is ready to take on the challenge and go the extra mile for our customers across southern and eastern Africa through unrelenting support and service excellence.

All the best for the year ahead!

Gert Swanepoel
Managing Director: UD Trucks Southern Africa

Warm South African Welcome for Visiting Volvo Group President and CEO



UD Trucks Southern Africa welcomed the President and CEO of the Volvo Group, Martin Lundstedt, and a team of executives from Sweden and Singapore, to its headquarters in Rosslyn, Pretoria.

The group included Hakan Karlsson, President of GTA and Joint Ventures; Jan Ohlsson, Executive Vice President GTO; Torbjörn Holström, Senior Advisor, as well as Jacques Michel, Senior Vice President GTA and JVs, and PJ Verge Salamon, Senior Vice President UD International Sales.

The aim of the visit was to highlight Volvo Group's commitment to the long-term success of the UD Trucks brand in the region. The high-impact visit included a joint town hall meeting for staff of UD Trucks' head office and GTO KD Pretoria assembly plant staff, a visit to two independ-

ent dealerships as well as customer event with some of the country’s top UD fleet owners.

Aubrey Rambau, Plant Manager at Pretoria CVA KD, also led the visitors on a tour of the local UD assembly plant, sharing his team’s passion for the brand, VPS journey, quality and productivity.

Lundstedt said that UD Trucks has a long and proud history in South Africa and remains the biggest market for the brand outside of Japan.

“We would like to congratulate and thank the local team for their continued passion and hard work towards the success of the brand and most importantly, to the success of our customers. The South African commercial vehicle market is certainly a very competitive and demanding market, and we therefore have to continue to deliver quality products, support and service to ensure we stand behind our customers, no matter their requirements,” said Lundstedt.

Gert Swanepoel, Managing Director of UD Trucks Southern Africa, said it was an honour to welcome Martin and his team here: “It was a privilege to experience their passion and vision for the future of UD Trucks within the region first hand.” ●



UD Presents Market Outlook to Media

At its recent annual press conference, UD Trucks announced that it expects the South African commercial vehicle market to grow marginally by an estimated 3% during 2017 to around 28 998 units.

According to the market analysis presented to the media by Rory Schulz, Marketing Director of UD Trucks Southern Africa, "the fixed investment rate is expected to grow by around 2.2% in 2017, it is a good indicator that companies will invest in new assets like trucks. In addition, a slight increase in the GDP is also expected – all which should have a more positive impact on the local truck industry," explained Schulz.

Other factors that could have a negative impact on the commercial vehicle industry are ongoing political tensions, the persistent risk of credit rating downgrades as well as an expected increase in taxes that are set to erode real purchasing power.

At the end of 2016 total truck sales were down by 11.4% to 27 010 units compared to 2015's results, according to the latest results published by the National

Association of Automobile Manufacturers of South Africa (Naamsa).

"This is the lowest local sales total for commercial vehicles in five years," said Schulz. "This can mainly be attributed to a slow economy, a lack of business confidence and struggling commodity prices."

Reigniting the Economy

Schulz said that for the truck industry, as well as society to grow and prosper, a reignition of the South African economy is required.

"While other countries in the region are racing to construct roads, ports, power stations and hospitals, South Africa is clearly lacking the political and economical drive to fast-track sustainable development. As a country, we have vast expertise but for instance, only 7% of construction in the region are done by South African companies, while 32% of contracts are awarded to Chinese entities. There are clearly more opportunities to seize for South Africa and to grow our local economy," said Schulz.

A consolidated road freight industry is also needed to drive reform and advancement in the sector, as well as in the larger economy.

"Trucks touch every facet of the society and is a key driver of economic development, from construction to long-haul transport of commodities, cold chain logistics and utilities. Businesses therefore have to be enabled by government to succeed through a balance of regulations and costs of operations," explained Schulz.

Regional Performance and Outlook

Looking at other markets in southern and eastern Africa, truck sales are still driven by several infrastructural developments.

"The Kenyan market which stands at an estimated 4 002 new units in 2016, is recovering from a steep decline caused by changes in the country's import legislation on Completely Built Units (CBUs)," said Schulz. "Meanwhile, the Angolan economy remains heavily impacted by record low oil prices and only around 1 146 new sales were recorded last year. Uganda just got out of an election cycle, with a new truck sales total of 788 units in 2016, growth is expected in the short to medium term."

UD Trucks Southern Africa is also responsible for 18 markets in Africa, and Kenya has been identified as a priority KD-assembly (Knock-Down units) development within the next year. Kenya, along with Tanzania and Uganda, have some of the best-performing economies in the world, and the planned facility is aimed at addressing the growing need for trucks as these countries continue to develop and grow.

The company's dealers in these markets are strategically positioned to capture new business and most importantly, to support customers wherever they operate in the region. ●



Celebrating Valued Partnerships

UD Trucks recently welcome some very special people to its headquarters in Rosslyn.

First up was Alfred Ngilo from Clover in KwaZulu-Natal, who was named the Best Skilled Driver at the international UD Extra Mile Challenge driver competition, which was held in Japan in November 2016. Also in attendance was Tony Amaro, Delivery Services Manager from Clover.

In addition, Chris Brand from Eqstra was presented with a special gift to celebrate the long and successful partnership between the two companies.

The guests were also treated to an informative tour of the assembly plant.

“We place a lot of value in our partnerships with our customers, and it was an honour to mark the occasion in such a special way,” said Ann Pienaar, Fleet Sales Manager at UD Trucks Southern Africa. “This is all part of our promise to Go the Extra Mile for our

customers, as the more we know about their unique business requirements, the better we are able to support them with quality products and services.” ●



Top Award for UD

UD Trucks Southern Africa was recently awarded the International Sales Award as the brand’s largest overseas market in 2016. Gert Swanepoel, Managing Director, recently celebrated the achievement with Peter English, chairperson of the UD Trucks Dealer Council.

“This award is a true testament to the calibre of staff and dealers we have in the region, and it will certainly drive us to perform even better this year,” said Swanepoel. “Our dealers are true ambassadors of the brand and are on the forefront of our interactions with our customers. We are very honoured to receive this award on behalf of all our staff and dealers.” ●





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Customer Testimonials

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customers have to say

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