

Limited growth expected for truck market

According to the latest results released by the National Association of Automobile Manufacturers of South Africa (Naamsa), Associated Motor Holdings (AMH) and Amalgamated Automobile Distributors (AAD), 2017 saw the South African truck market decline by 2.65% on the previous year's results to 25,042 new units sold.



The Extra Heavy Commercial Vehicle segment recorded the only increase in sales year-on-year, by only 0.96%, concluding 2017 on 11,967 units. Sales in the Heavy Commercial Vehicle segment were down by 4.76% to 5 290 units, while a 6.37% decline in sales was recorded in the Medium Commercial Vehicle segment, to a final figure of 7,785 units at the end of 2017.

According to Gert Swanepoel, managing director of UD Trucks Southern Africa, the lack of growth in the local economy has continued to negatively impact the local truck market.



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“With recent political changes in mind, we are hopeful that business confidence will return to more positive levels, which will certainly encourage businesses to invest in their fleets,” says Swanepoel. “Gross Fixed Capital Formation or the rate at which businesses add fixed assets such as plant, machinery and equipment to their inventories, has seen an upturn to 4.3% during the third quarter of 2017, with 37% attributed to the acquisition of new transport equipment – certainly a good sign for the truck industry.”

Exports

Looking at truck sales from South Africa to other countries, total export sales from South Africa declined 5.54% to 946 units when compared to 2016's results. In the Heavy Commercial Vehicle segment, there was a significant increase of 25.58% in sales to 162 units. However, Extra Heavies declined by 0.59% to 669 units, while Medium Commercials took a heavy knock of 41.92% to sell only 115 units.



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“We are expecting sales in the export countries to increase during 2018, forecasting growth across all segments for a total sales estimate of around 990 units,” says Swanepoel. “Locally, we are forecasting a slight 1.5% growth in sales during the year to come, for a total truck market of an estimated 25,418 new units.”

To gain even more traction in the Eastern African markets, UD Trucks has secured a new partner in Kenya to establish a CKD (Completely Knocked Down) assembly facility, which will include the production of UD Trucks units.

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