

# UD Trucks aims for business growth in Southern and Eastern Africa

UD Trucks has expressed interest in expanding and growing its business within Southern and Eastern Africa, citing "great expectations for the future of the brand within the region".



Southern Africa is the largest market for the brand outside of Japan, and is therefore of great strategic importance for the company.

Jacques Michel, president of Group Trucks Asia Sales, said that the business is focused on providing fleet owners with maximum uptime and profitability.

"It is easy to sell a truck the first time around but for a customer to return, you need reliable and competitive support, and this is where the UD Trucks dealer network makes all the difference," explained Michel. "It is about building mutually beneficial relationships and having the right truck and the right services for the right application that our customers need to be profitable."

## Local truck market

The local truck market has certainly gone through several cycles of ups and downs, and remains under pressure in 2016. According to UD Trucks Southern Africa's marketing director, Rory Schulz, sales are continuing to decline mainly due to the challenging local macroeconomic conditions.

“Some positive growth of 3.3% in the GDP during the second quarter of 2016 is certainly worth noticing, and we are keenly looking to see what effect this, and some possible more growth, will have on the truck market going forward,” explained Schulz. “It is interesting to note that the GDP is currently at its lowest level since 2009 when some 19 000 new truck units were sold, while we are expecting a sales total of around 25,000 units in 2016.”

Industries positively contributing to growth on GDP includes manufacturing, mining, trade and transport. Drought has also had a severe effect on the agriculture, forestry and fisheries industries.

The heavy commercial vehicle segment, or so-called bread and butter sector, has been very stable throughout these challenging times, as many of these units are utilised to move food and other essential goods. Within the extra heavy commercial vehicle segment, a decline in specifically the construction and mining industries have certainly negatively impacted this portion of the market.

Within some of the other developing markets in Africa, the economies of countries like Angola, Ethiopia, Mozambique and Zimbabwe are continuing to struggle due to a lack of foreign currency investment and low commodity prices.

## **New Quester additions**

UD Trucks also announced that they will launch three new additions to its Quester product range. This includes a rigid 4x2, a rigid 6x2 and a 6x4 dedicated compactor chassis with Allison transmission fitted as standard. These new models will all be available for sale from December onwards.

“We are continuing to follow the Japanese manufacturing philosophy of continuous improvements by incorporating the feedback and exacting requirements of our local customers,” said Gert Swanepoel, acting vice president of UD Trucks Southern Africa.

“Our strategy to promote Quester in the rigid segments such as construction and waste as well as the municipal business has certainly proved successful since the product range was launched in South Africa in 2015. So we are expanding this strategy to offer our customers what they need and adapting to market needs.”

The Quester range was recently launched in Ethiopia, and will be introduced in several markets within the southern and eastern Africa region within the next year.

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