



Road ahead

4th Issue 2011
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Transport
on the move



Special report

The lowdown
from JIMS 2011

Battle of
the giants
Extra-heavy
commercial
vehicles

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On the Cover

CAPE MEDIA

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 consulting editor: **udo rypstra**
 production manager: **francesca van rooyen**
 editor-in-chief: **robbie stammers**
 art director: **brent meder**
 design & layout: **sheeth hanief**
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 staff advertorial writer: **tamara toti**
 project manager: **linda smith**
 advertising executives: **bayanda sikiti, cedric chigome, dwayne mostert, peter garnett**
 subscriptions: **abby smith**
e-mail: abby@capemedia.co.za
fax: +27 (0) 21 683 4364
local ZAR 83.80
international ZAR 223.80
 distribution manager: **edward macdonald**
 circulation manager: **abby smith (manager), lee-anne lawrence, nicole julius eunice visagie (manager), linda tom tracy mills**
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 accounts department:
 debtors department:
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 managing director: **robert arendse**
 financial director: **andrew brading**
 sales director: **andre van rooyen**

cape media house,
28 main road, rondobosch, 7700
(entrance c/o main and devonshire hill road), cape town
tel: +27 21 681 7000; fax: +27 21 685 4448
info@capemedia.co.za http://www.capemedia.co.za



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South Africa



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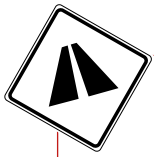
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Transport on the move



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Transport on the move

Foreword

The road ahead will be full of obstacles

With the Johannesburg International Motor Show (JIMS) Truck & Bus Show 2011 now over, operators in the road freight and passenger transport sectors will no doubt face new challenges and opportunities in the year ahead.

JIMS exhibited the latest state-of-the-art technology in the light, medium, heavy and extra-heavy commercial vehicle market segments as well as the latest hardware and software solutions and services to improve vehicle and driver productivity; this, in an environment turning increasingly hostile to the already thin profit margins that road transport operators have been running.

Rules are being changed to switch more road freight and passenger traffic back to rail. The furore over toll road fees and the reality of increased traffic law enforcement in respect of vehicle road worthiness, overloading and speeding will spill over into 2012 from day one. With it comes the lingering threat of a double-dip recession and more crippling strikes for better working conditions and higher driver wages.

Now add rising vehicle life cycle and vehicle operating costs plus fly-by-nights competing with suicidal rates – and the road ahead will be full of obstacles; and then not merely potholes, traffic congestion, ongoing route deviations and cash-hungry traffic cops.

Vital to a transport operator's business is not only product and services information, but also financial and technical information to help select the right vehicle for the right application; and operate, maintain and dispose of that vehicle. Sound fleet management consists of various modules such as route planning; and vehicle or driver monitoring and tracking, down to proper tyre management – a process in which every cent saved over a kilometre can make a huge difference to final year-end results, as the "big boys" know.



Road Ahead will cover various technical and non-technical issues in forthcoming issues, as well as legal and non-legal changes brought about by a government hell-bent on an integrated, intermodal transport system.

The latter, still a dream, could take away business from road transport operators, but could present new opportunities for expansion into the supply chain industry and the logistics thereof.

From aerodynamics to improved vehicle performance to zero tolerance from government officials, *Road Ahead* will be covering it all – inviting its readers and advertisers herewith to give advice or make a comment or suggestion when and where it is required.

Udo Rypstra
Consulting editor

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INDUSTRY PROVIDENT FUND ENHANCED THROUGH SHARED SERVICES

The National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) recently acquired approval from the Financial Services Board (FSB) to administer the industry provident fund. The Section 13B Licence allows the Council to play a more active role in provident fund management for the industry by allowing it more control over the collection and enforcement process. Provident Fund Board of Trustees and the Council took resolutions to formalise a joint service model, with the current provident fund administrator, RFA, in administering the industry provident fund. The main aim of this change is to harness the best management abilities from both the Council and the current administrators.

With effect from 1 September 2011, responsibilities are allocated as follows:

RFA Administrators

- Member movement and certification
- Financial reporting
- Accounting function
- Benefits statements
- Monthly reporting as per the Board of Trustees requirements as determined from time to time
- Withdrawals and retirements pay out
- Provision of a retirement scheme administration system
- Section 14 Transfers (in and out)

The Council

- Collection of provident fund premiums
- Enforcing non-compliance
- Member contact management in all regions and branches
- Front office administration

Council members must forward all documentation to their regional funds administration office for processing. To simplify this process, employers are urged to register and submit their monthly returns on the e-Business system, www.nbcrfionline.org.za

Should you have any queries, please direct them to your regional office or designated agent.

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Ed's Note

It would appear that the frenetic construction activity in major urban centres around highways, bus rapid transit systems and high-speed rail may well be on the brink of bearing fruit – and this time, the bulk of the profits will not go directly to Austria.

Speaking at the third annual affordable housing development and finance conference in South Africa, International Housing Solutions managing partner Soula Proxenos said that the equity investor sees considerable opportunity for investing in affordable property on a large scale.

Urban densification is facilitating low- and middle-income housing development which, in turn, is attracting local and international private equity funding.

As densification increases, so does the opportunity for further institutional investment.

In other words, rational urban densification may give the construction sector a much-needed shot in the arm, which has all sorts of positive implications for operators of every type of commercial vehicle.

Developments in the energy landscape are likely to require innovative transport solutions. The question was asked recently: How exactly are all the promised wind turbines going to be transported to their points of destination? What roads are to be used by the extra-heavy vehicles required to move these turbines?

Any transport stakeholder wishing to make sensible decisions in this respect requires reliable information from a trusted source. In this regard, it is my pleasure to welcome Udo Rypstra as consulting editor to *Road Ahead*. He is a familiar face to many

Knock-on benefits



senior transport executives and has a pedigree in transport journalism second to none.

As a foretaste of things to come, this issue includes an assessment of extra-heavy commercial vehicles as well as a report fresh from the Johannesburg International Motor Show 2011.

Enjoy the read.

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Battle of the giants

Extra-heavy commercial
vehicles on the road equals
good times for the economy

To some people, they are a menace on our roads; but to others, the sight of them is like that of tall cranes hovering over a cityscape – a barometer of the economy. If there are a few of them, you know things are not going too well. If there are many of them, you know the wheels of the economy are humming.

That is the case with those long-distance giant truck and trailer combinations – 22-wheeler interlink and 32-wheeler superlink configurations – which keep the South African economy moving 24 hours around the clock, 365 days a year.

If vehicle sales are anything to go by, it is a hungry economy. Some economists are talking about business confidence dropping and the economy cooling down again, but South Africa's fleet operators seem to think otherwise – they have been on a buying spree.

“Sales of extra-heavy commercial vehicles had again registered an exceptional performance, rising by 40.7% from 764 units in August last year to 1 075 units in August 2011,” recently reported the National Association of Automotive Manufacturers of South Africa (Naamsa)

Naamsa has been using the words “exceptional” and “surprisingly” several times this year when commenting on extra-heavy vehicle sales.

Stated Dr Casper Kruger, vice president of Hino Trucks: “The premium payload XHCV [extra-heavy commercial vehicle] segment continues to lead the market growth; and in the latest year-to-date analysis, has captured 44.5% of the total available sales. This compares to 38.6% recorded for the whole of 2010, and reflects the dependence of the South African economy on long-distance road transport – both within and across the country's borders.”

Or is it more a case of vehicle replacement, as Kobus van Zyl, vice president of Mercedes-Benz South Africa (MBSA) Commercial Vehicles, seems to think? He said it a year ago and he still held this view recently at yet another official truck handover.

Whatever the case, truck makers are very happy with the continued recovery of the South African truck market in 2011, following a recovery of 24% during the Fifa Soccer World Cup year over 2009 – the year of the economic meltdown.

Sales normally taper off during this part of the year but, with the Johannesburg International Motor Show's Truck and Bus Show and new product releases behind them, truck makers can be expected to enter another year of fierce competition to improve on their market shares, particularly in the flagship extra-heavy sector.

In terms of choosing their own flagship, South African fleet operators are really spoilt, with the country being the international playing field of many of the world's top truck manufacturers.

One sees most of them travelling either alone or in convoy on the N3 between Johannesburg and Durban – the German





brands represented by the Actros and Axor from Mercedes-Benz and the TGS from MAN; the Scandinavian brands by Scania and Volvo; the American brands by Freightliner and International; and the Japanese brands by Hino, UD, Isuzu and Mitsubishi Fuso.

Also doing battle in this Kings of the Road contest are the Renault from France, the Iveco Stralis from Italy/Australia, and the DAF from the Netherlands – but not in such great numbers as those mentioned above.

The other extra-heavies – the Tata from India; the Powerstar, Dongfeng Warrior and FAW from China; and the Western Star from the United States – seem more to keep themselves busy in construction, mining and forestry applications, but the other brands are also there.

Limiting driver speed to the 'sweet spot' of 100km/h is perhaps the most widely recognised behavioural change that can save fuel

Add engine output options, automatic, semi-automatic and manual transmission systems, and it is a bewildering choice considering the fact that local truck sales constitute less than 2% of international sales.

While brand popularity, loyalty, purchase price, finance, warranties, service intervals, parts pricing and dealer network backup will certainly be among the first considerations being looked at – and not necessarily in that order – increasing focus will be on life-cycle costs and truck intelligence packages to reduce fuel and other operating costs.

This is the trend in America, Europe and Japan where continuously rising fuel prices have intensified the challenge to move as many tonnes as possible with the least amount of fuel. So much so that national standards have been and are being set in this regard.

Japan, where trucks are estimated to be responsible for 25% of automotive greenhouse gas emissions, standards to improve trucking fuel performance were already introduced in 2006.

In Europe, all trucks have their road-speed governors set by the factory to a specified value determined by law. Europe is now working on a framework for limiting trucking fuel consumption and carbon emissions.

In the US, it is still up to the vehicle owner to decide the setting, but most large fleet operators electronically limit their drivers to around 100 kilometres per hour, with some flexibility to accelerate when required. But, according to a recent National Geography report, the US government has now announced its very first fuel economy standards for heavy-duty vehicles, seeking to require that big tractor-trailers get 20% better mileage by 2018.

Another report, by the US National Academy of Sciences issued last year, reconfirms that changes in truck aerodynamics, reduction of mass, and improved rolling resistance all are strategies that could yield significant improvements in fuel economy. But it points out that on par with all those are “intelligent vehicle” systems that can reduce the fuel burnt by trucks by encouraging changes in driver behaviour – long known to save fuel.

South African fleet operators are quite aware of what can be achieved for any fleet owner with these intelligent truck/driver monitoring or fleet management systems such as those from Digicore and Telematix, as they can be installed for any truck brand and, therefore, a mixed fleet.

Manufacturers such as MBSA can be expected to step up their own (house brand) intelligent packages – such as Fleetboard and Charterway, both popular in Europe – for those who want to standardise on a brand.

A major point being made in the US by the likes of *Transport Topics*, the mouthpiece of the American Trucking Associations, is that limiting driver speed to 100km/h or the ‘sweet spot’ for many of its truck-tractor/trailer combinations is perhaps the most widely recognised behavioural change that can save fuel.

It further claimed that, on average, a truck travelling at 65 miles per hour (84.5km/h) instead of 75mph (97.5km/h) will experience up to 27% improvement in fuel consumption.

Its tractor-trailers currently average only six miles per gallon (2.55km per litre). But some fleets can achieve up to 8.5mpg (3.61km/l), with the most efficient trucks reaching about 10.5mpg (4.46km/l).

But that is for 18-wheelers with a federal limit of 36.7 tonnes gross combined mass (GCM).

South Africa allows truck-trailer combinations, including 18-wheelers, with a GCM ranging from 38 tonnes to 56 tonnes (excluding a 5% overload tolerance) – making our top-end truck combinations gigantic and much heavier by comparison.

South Africa has no fuel-saving standards set (yet), but it wants to reduce speed limits even further, obviously reducing turnaround times. But it would be interesting to see what local averages are – not only in terms of kilometres per litre achieved, but also bringing in the average tonnage moved per semi-trailer, interlink and superlink combination.

It may determine which truck and trailer combination is the true King of the Road using a standard load, if there is such a thing.

Udo Rypstra



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host of features. Attractive yet harder wearing fabric covers the comfortable seats and the cab has been spruced up in the looks department with a newly trimmed grille and larger star. For more information on the hardworking Atego, contact your Mercedes-Benz Commercial Vehicle dealer, telephone 0800 133 355 or visit www.mercedes-benz.co.za/trucks

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Building on the existing

Multimodal logistics solutions key to driving regional competitiveness

Africa is potentially well-positioned to play an important role in the recovering global economy, particularly as the shift in economic potential moves from the developed to developing world. Yet, to fully capitalise on the opportunities facing the continent, sub-Saharan African transport corridors must be developed and upgraded.

This is according to Abrie de Swardt, marketing director of a global logistics and supply chain management leader, IMPERIAL Logistics. “Socio-economic development, significantly enabled by logistics and supply chain management efficiencies, is stimulated by extensive, modern and properly maintained infrastructure,” he added.

Within southern Africa, logistics service providers (LSPs) operate within a challenging context due to inadequate rail capacity, bad road quality and extensive skills shortages. South Africa, a leading economy within the region, maintains high total cost of logistics, compounded by growing demand for transportation, as well as high and volatile fuel costs.

Regional supply chain optimisation

De Swardt said, “Solutions that optimise southern Africa’s end-to-end supply chain must be identified, critically be supported by cost-effective and efficiency-driven infrastructure.” For southern Africa, solutions that effectively balance road, rail and air are critical.

Of the 12 pillars that shape the World Economic Forum Global Competitiveness Report, infrastructure, macro-economic environment, goods market efficiency, labour market efficiency, technological readiness, business sophistication and innovation all have a bearing within logistics.

“Logistics performance is impacted by efficiencies in customs clearance processes, ease of arranging competitively priced shipments, competence and quality of logistics services and, critically, the quality of trade and transport-related infrastructure,” explained De Swardt.

Move to multimodal

“Economic growth depends on consistently greater movement of goods,” he noted, with a view that collaborative investment – both financially and in terms of resources – must focus on ensuring maintenance and operational improvement of the region’s transportation network infrastructure.

“LSPs can offer particular value to the public sector in terms of driving operational improvement,” De Swardt maintained, emphasising that greater use of multimodal logistics solutions would contribute significantly to heightened regional competitiveness. This approach to freight transport leverages a combination of transportation modes. The primary benefit is a

reduction in total landed costs. Through reduced cargo handling, security is improved and damages and losses reduced. “To successfully leverage multimodal solutions, companies within the region must align objectives to alleviate pressure on the road system, bringing back to rail heavy duty commodities such as coal, iron ore and manganese, and containers best suited for rail transport,” he said.

Southern Africa ‘corridor talk’

De Swardt named the Maputo Corridor, Trans Kalahari and Walvis Bay as some of the transport arteries growing the region’s strategic importance, and cites Maputo and Namport as ports showing significant potential as economic drivers. Traffic volume of the Trans Kalahari Corridor alone has tripled in three years, largely due to goods coming in and then going to Angola.

“Multimodal solutions will increasingly incorporate the likes of Namibia’s infrastructure, which is currently seeing major investment in the likes of Namport,” he said. The port is an alternate to the often congested Cape Town and Durban ports.

“Infrastructure is the springboard for growth and development. Business, governments and regional bodies must work together to ensure that the return on investment delivers sustainable benefits to the regional economy. The contribution of logistics to economic growth is optimally leveraged to this end,” added De Swardt.

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Transporting for big markets

What does BRICS mean for the road freight industry?

As *The Economist* points out, Africa is one of the world's fastest growing regions: four of the world's top 10 fastest growing economies are on the continent – and that growth is taking place in the midst of the rise of emerging markets that are redefining the global economic landscape. To many, the notion that China soon may be the world's biggest economy is more a matter of fact than a prediction to be fulfilled.

In this context, how does South Africa fare as a gateway to Africa at the level of road infrastructure; and what economic and investment significance does it take on in “the new economic reality”, as some have described it?

South Africa's inclusion in the former BRIC, the powerful emerging market group comprising Brazil, Russia, India and China (now BRICS), has given the African continent new geopolitical significance, as frequently pointed out by Minister of International Relations and Co-operation Maite Nkoana-Mashabane.

In practical terms, Minister of Trade and Industry Rob Davies says South Africa is helping neighbouring African countries to develop transport corridors in order to boost regional integration and create a larger marketplace for Africans. That spells a greater opportunity for importers within the region, and exporters outside it who are set to benefit from regional integration efforts in the BRICS bloc and the accompanying corresponding infrastructure agenda.



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With more than 75% of the top 300 global companies in consumer goods and distribution projecting an increase in consumer spending in the BRICS countries, according to a recent KPMG study, a true African gateway holds massive potential for South Africa as the continental connector.

South Africa currently exports three to four times the value of goods that it imports from neighbouring Southern African Development Community (SADC) countries, and the government says it wants to work together to “set common standards and develop common strategies” for road infrastructure. Those standards are emerging in the context of greater enthusiasm on the part of fellow BRICS countries to invest. India, for one, says it expects to reach a preferential trading deal with the Southern African Customs Union by the end of the year, as it seeks to expand its economic footprint on the African continent. Brazil and Russia have programmes in place that put current trade and trade targets into arguably the most aggressive economic partnerships yet.

Added to it all are the numbers released by the Department of Trade and Industry, showing that two-way trade between China and South Africa reached R119.7 billion (\$17.9bn) already in 2009, enabling China to surpass the United States as South Africa’s largest trading partner.

Now, a \$1-trillion African free trade area (FTA) will serve as a major boost for the BRICS grouping, says International Marketing Council of South Africa chief executive officer, Miller Matola. The intention points to a trade context in which logistics will play a central role.

Leaders of 26 African countries have agreed to launch negotiations formally to establish a “grand free trade area”, pulling together three regional economic communities, namely: the Common Market for Eastern and Southern Africa, the East African Community and the SADC.

Davies states that the move will open up a market of 26 countries consisting of 500 to 700 million people – and it is set on the back of the North-South Corridor.

With the latest report on the long-term growth outlook for the EMEA countries (Europe, Middle East and Africa), which demonstrates South Africa, Turkey and Saudi Arabia are the markets with the most promising 10-year growth outlook, South Africa is most likely to serve its role as a gateway to Africa through driving integrated regional growth using the transport corridor.

South African Institute of International Affairs national director Elizabeth Sidiropoulos says, “The invitation to South Africa to join the BRICS carries symbolic significance as an acknowledgement of the country’s role in Africa and on the global stage.”

She adds, however, that it does not mean there is room for anything but a pragmatic approach, according to her findings.

While BRICS membership presents economic opportunities for the country, it is not automatic in Sidiropoulos’s view.

Our own environment needs to attract foreign direct investment from the other BRIC nations.

The new North-South Corridor may go further than any effort to date toward achieving this. So far, the plan has been to link eight countries across southern and East Africa; now there are calls to ultimately cover the 26 countries involved in discussions for a grand FTA.

Running along the two main trading routes in Africa, the corridor – in its inclusion of eight countries – would link South Africa’s Durban port and the Copperbelt area of the Democratic Republic of Congo (DRC) and Zambia, as well as the Copperbelt and the Tanzanian port of Dar es Salaam.

With the commodities boom and demand from China and emerging markets, the need for the corridor is well understood of the grand FTA touted by Davies as containing enormous economic opportunity.

Beyond minerals and the value for energy in the region, the project is designed to limit bottlenecks and the costs of trade between the southern African states involved.

For importers using South Africa as a gateway, as well as export-oriented companies seeking to take advantage of BRICS status via export-driven access to emerging economies, the existing North-South Corridor appears to be good news all around. Efforts to expand it across more countries certainly positions the continent for good long-term prospects for regional integration.

Efforts to expand it across more countries certainly position the continent for good long-term prospects for regional integration are successful for a start and then matched by a solid infrastructure agenda willing to embark with the private sector and aid donors.

The ability to access African markets for investment based on South Africa’s influence and membership of the BRICS bloc means less fragmentation for companies seeking to do business, given the increased connectedness between markets that have until now been viewed in silos due to the relative difficulty of conducting business across borders.

“If we are to realise our vision of creating a vibrant and integrated free trade area, it is vital that we develop the region’s physical infrastructure and capacity to trade. That is why the North-South Corridor pilot aid-for-trade programme is so important to our progress,” says Kenyan President Mwai Kibaki.

According to the Inter Press Service (IPS), faster border crossings and improved port facilities, railways and highways will enable producers and traders (particularly in landlocked countries) to transport their goods quickly and access regional and international markets more easily, stimulating economic growth and inward investment.

Kelvin Kachingwe from the IPS adds that in addition to upgrading infrastructure, the initiative will “simplify regulatory processes to speed up cross-border clearing procedures, harmonise transit and transport regulations, as well as simplify administrative requirements.”

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Another wake-up call for SA's fuel industry



This and other
revelations emerged
from the Johannesburg
International Motor
Show 2011



At the recent Johannesburg International Motor Show (JIMS) 2011 Truck & Bus Show, South Africa's bad diesel fuel came under attack once again. But there were products galore to improve fuel consumption and reduce carbon dioxide emissions until the government and the oil industry respond to yet another national wake-up call.

The need to address climate change and its impact on the environment has never been as evident as in recent months, and it reverberated in the halls at the JIMS Truck & Bus Show component, where several European, American and Japanese vehicle manufacturers exhibited even more environmentally friendly products than during the 2009 show.

They again made it clear that the technology is here to reduce the impact that the road transportation industry has on the environment; and again lamented the fact that South Africa is dragging its heels as far as fuel quality is concerned – that it is still tanking up with what is arguably the dirtiest (sulphuric) fuel in the world. In fact, South Africa is still hanging on to Euro II and III emission standards while the First World is already moving on to Euro VI or the American and Japanese equivalents thereof, which require diesel with no more than 10 parts per million of sulphur.

It is a costly exercise to upgrade our refineries but, just as irritating, if not more, is to see the oil companies reporting massive profits to their international head offices without cleaning up their local act.

Perhaps the most frustrated about the absence of cleaner diesel was Kobus van Zyl, vice president of Mercedes-Benz Commercial Vehicles, or the local Daimler Trucks division, who introduced the press to a range of vehicles that can run on Euro 5 diesel fuel, natural gas, electricity and hybrids that could carry South Africa forward on a road map to “sustainable mobility”. These vehicles included the Euro 5 Actros BlueTEC trucks which, he said, were currently operating on long-distance distribution in South Africa with “much success”.

“In order for us to introduce Euro 5 trucks with BlueTEC technology as a standard offering as available in our green Actros 2660, we require diesel containing a maximum sulphur content of 50ppm. However, this quality of fuel is not readily available throughout southern Africa; and for us and the transport industry at large, this is a major concern,” Van Zyl said.

He added that the recent introduction of the new long-distance Actros would see operators saving between 6% and 9% in fuel consumption, in addition to significant reductions in CO₂ emissions.

“We look forward to introducing these technologies in South Africa once cleaner fuel is readily available,” Van Zyl said.

He further noted that there was “considerable interest” from local operators for hybrid technology such as that found in the Atego Hybrid, which was awarded the “Truck of the Year 2011” in Europe.



Currently, more than 400 000 commercial vehicles with Daimler Trucks' "CleanDrive technology" are being operated worldwide, making Daimler Trucks the number-one manufacturer of alternative drive technology. That is besides being the leader in innovative truck technology.

Among the commercial vehicles shown by Daimler Trucks was the Mercedes-Benz Econic NGT eco-friendly natural-gas drive truck – a low-entry vehicle ideally suited for city transportation and ancillary services; and the electric, silent and emission-free Vito E-CELL, with which it will run a number of practical demonstrations.

Also displayed by Daimler Trucks was the Mitsubishi Fuso Canter Hybrid, one of the world's cleanest light-duty trucks with a diesel-electric system that has been in series production since 2006, with more than 1 100 units distributed in Japan, Australia and Great Britain.

The good news, according to Van Zyl, is that recent engagements between vehicle manufacturers and the Department of Trade and Industry on the Automotive Production and Development Plan (APDP) have indicated that the government has shown a new willingness to deal with the issue as part of the APDP's objectives to support automotive growth and contribute to job creation.

In the interim, MAN Truck & Bus has addressed the issue with its Concept S – a key exhibit on its (always popular) stand – which is a truck design study that proves how optimised

aerodynamics can reduce fuel consumption by as much as 25% while dramatically lowering CO₂ emissions.

It also featured the MAN TGS 26.480 6x4 BLS, with a D26 Euro 5 engine; and MAN AdBlue, which is said to be less sensitive to fuel quality than its European sibling and can work with South Africa's 500ppm diesel without negatively impacting performance.

MAN Truck & Bus hit the spotlight with a 27-metre long bi-articulated Lion Explorer bus-train, comprising a 4x2 prime mover with two one-axled 'trailers' – dwarfing Buscor's well-known articulated (one-trailer) kiddies bus.

Africa's longest bus will not turn on the proverbial tickey, but it will certainly beat the full-size Buscor articulated versions going around it, so it is claimed. Not one but two 'concertina' interconnections keep it together.

Seating 137 passengers, it is aimed at the high-density, peak period commuter transport market. Special exemption to operate the product was obtained from the Mpumalanga Provincial Department of Transport, through the National Department of Transport – permitting Buscor to operate one unit to test stability and safety.

If passed, this bus-train concept – already proven in Latin America – will move more people efficiently, safely, affordably and comfortably", according to deputy chief executive officer Ray Karshagen, generally regarded as the doyen of South Africa's bus manufacturing industry.

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i-truck combined the expertise of market leaders from different sectors including risk management, information technology and the insurance industry to produce a product specifically designed for the transport industry. This one-stop shop approach allows clients to make use of one policy for all their risk management and insurance needs – a first of its kind.

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Running with new technology: Kobus van Zyl, reading his speech to the audience, reflected on a glass panel device

Back to trucks: there were a few head-turners or show-stoppers, with Scania's display of blue Special Edition truck-tractors surrounding a red customised truck-tractor that resembled a giant beach buggy (1 000 horse power engine!) being the main outdoor attraction – another creative feat for marketing guru, Gideon de Swardt.

Scania is big into helping fleet operators optimise fuel consumption and reduce emissions with its "ecolution" concept that takes care of our bad fuel for the time being.

"There is much we can do here and now! In close co-operation with our customers, we can help optimise their operations – reducing both fuel costs and CO₂ emissions, while boosting lifetime profitability," said executive vice president, Martin Lundstedt.

Indoors, Daimler Trucks had a Special Edition Actros as well, decked out with so many standard features to make any transport operator's dream come true, including an aerodynamics kit for improved fuel consumption, and the second-generation Active Brake Assist as standard.

But it was the new-generation Freightliner Argosy for long-distance trucking that elicited the most oohs and aahs when it was revealed after the clouds of cold smoke had settled. It offers new features to reduce dependence on driver skill to achieve good fuel consumption and reduce emissions. The aerodynamics has contributed to fuel efficiency, while extensive use of aluminium in the cab and wheels made the truck both light and energy-efficient.

It remains to be seen whether the aerodynamics is as good as that of the old (boring?) façade of the flat-nosed Navistar International 9800 – claimed to be the best in its class; but the good news is that the new 6x4 Navistar/Caterpillar baby from NO2 that will replace it, will have a face-lift to rocket it from the performance stakes into the beauty stakes as well.

More new trucks are coming our way early next year – mostly from the East.

Tata, which occupied an entire hall with its passenger, bakkies and trucks, as well as buses outside, unveiled its Prima range of heavy-duty trucks with much fanfare.

FAW South Africa, which is investing \$100 million in a new truck and passenger car plant in the Eastern Cape, showcased its new Chinese J6 6x4 truck-tractor. It is expected to be launched into the South African market early next year.

Turning to the medium range trucks: the big event was the unveiling of the Hino 300 Series, which was better known under the Toyota Dyna range (manufactured by Hino anyway). It is the first medium truck on the local market to have standard air bags with seat belt pre-tensioners for the driver and passenger.

Next year, the company will appoint a number of so-called 2S dealers, who will offer parts and service facilities without a sales operation.

Isuzu Trucks South Africa used the show to announce plans to build a new truck factory in Port Elizabeth by 2014, with construction to start late next year, according to CEO Craig Uren. The factory is expected to be about 50 000m² in size and would be designed by Isuzu Trucks Japan.

The company intends to expand its footprint in the sub-Saharan African market with the new F-Series it launched last year, which replaced the previous F-Series – of which 17 000 units were sold during the past 25 years. The model range has been extended from nine to 15 models.

Johan Richards, CEO of UD Trucks Southern Africa, said his company would be launching a number of new products over the medium- to long term, providing customers with trucks developed according to global quality standards and featuring leading innovations, but which remain applicable and relevant to the local market.

In the meantime, UD Trucks Southern Africa's dealer network has started phasing in the use of UD Trucks Oils and Lubricants in its workshops, and will expand its offering as more products are introduced in the future.

While this sounds a good move for UD operators, South Africa needs more than an oil change – we need a fuel change!

"Road Ahead" will focus on the medium truck range in the next issue, so watch this space!

Udo Rypstra

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Upington lok goudstad maatskappy – Annelie verloor haar hart hier.



(As jy eenmaal Upington se water gedrink het is daar nie omdraai nie!)

Upington: ANDEBE Training & Skills Development is ses jaar gelede deur Annelie du Plessis gestig. Die maatskappy is geakkrediteer by TETA (Transport Education Training Authority) TETA06-112.

Alhoewel die maatskappy in Johannesburg gesetel was het Upington en sy mense onder Annelie se vel ingekruip en is sumier besluit om die Hoofkantoor daarna toe te verskuif met sateliet kantore in Johannesburg en Durban - hulle lewer 'n landswye diens.

ANDEBE het hom reeds gevestig met opleiding by Nasionale en Internasionale maatskappye soos Value Logistics, Eureka DIY, Vector Logistics, Coerier It, Mintek, Khanda Seating, BM Hauliers, Oranjerivier Tenkers, Kalkpoort Soutwerke en Idada Trading.

Annelie du Plessis, spreek haar opregte waardering uit teenoor Oranjerivier Tenkers (ORT), spesifiek Arno Kock en Hermann Kaindlbinder wat ANDEBE die geleentheid gebied het om op Upington te kom opleiding doen, dit het haar in staat gestel om weer haar roeping te kan uitleef in die klas, dit is dus met trots dat Annelie die nuwe CEO van ANDEBE aankondig – Mongile Gubula, 'n gebore Upingtonner, 'n man wat werklik omgee vir sy mense.

Oranjerivier Tenkers het sewe werklose manne uit die gemeenskap in geneem en as Professionele Bestuurders gekwalifiseer. Manne wat nie eens 'n voertuig kon bestuur nie, pronk nou met kode 14 lisensies en 'n "National Certificate: Professional Driving – NQF 3" die sleutel tot 'n toekoms.

ANDEBE hoop om in die nabye toekoms meer vervoermaatskappye en pakstore aan boord te kry ten einde werklike opheffing in die gemeenskap en werksplekke te weë te bring. Al ANDEBE se fasiliteerders is gekwalifiseerde beraders ook wat tot gevolg het dat opleiding veel verder strek as net boeke-kennis. Persoonlike probleme word aangespreek wat tot gevolg het dat die werknemer op sy / haar werk kan konsentreer tot voordeel van die werkgewer.

Oranjerivier Tenkers in samewerking met Andebe het vanaf 5-7 September 2011 tien werklose persone uit die plakkerskampe rondom Upington opgelei om brande te voorkom, te blus en die oorsake van brande te probeer uitskakel. Dit kan lewens red op die einde van die dag. Dit was 'n ongelooflike ondervinding om met hierdie mense te kon werk en te kon ervaar waartoe hulle in staat is.

Die kursus is afgesluit met 'n formele funksie by die Casino en die gemeenskapslede het reeds 'n forum gestig om gereeld bymekaar te kom en terugvoer te gee op wat hulle bereik het in die tydperk verloop.

Mnr Arno Kock Finansiële Direkteur ORT het in sy toespraak verwys na die onlangse brand wat 8 lewens geëis het in Paballelo. Een van die familielede doen tans 'n Leerlingskap in Professionele Bestuur deur ORT, dit was die groot motivering om hierdie tipe opleiding te inisieer.

Upington Internasionale Lughawe en hulle brandspan het die praktiese opleiding aangebied – sonder Mnr Visser en sy span sou hierdie opleiding nie so suksesvol verloop het nie!

ORT en ANDEBE deel 'n gesamentlike doelwit naamlik om alle werknemers in die sake- en publieke sektore te bereik. Die opleiding is alles geakkrediteer en word aangepas by die kliënte se behoefte. Daar is alreeds ongelooflike positiewe veranderings gerapporteer van werknemers by werkgewers.

ANDEBE was ook bevoorreg om op 10 September 'n HIV / AIDS opleidingsessie op RIEMVASMAAK aan te bied. Daar het 47 Gemeenskapslede opgedaag van so jonk as 15 tot 54 jaar oud.

Van hulle het vir die eerste keer erken dat hulle wel HIV positief is, gesinne verstaan waarom dit so belangrik is om wel die saak te hanteer en dit nie net te ignoreer nie. Die dag is weereens suksesvol afgesluit met baie veranderde houdings en sienings rondom HIV/AIDS.

ANDEBE doen 'n beroep op alle maatskappye om betrokke te raak by hul verskillende gemeenskappe – dit is waar ons werklik 'n verskil kan maak!



Hard aan die werk op Riemvasmaak – HIV / AIDS projek.



HIV / AIDS opleiding



HIV / AIDS opleiding op Riemvasmaak – met trots geborg deur ANDEBE



Marius Fourie (fasiliteerder), Solly van den Berg en Colin Bosman – albei het die Drywer Kwalifikasie suksesvol voltooi



ORANJERIVIER TENKERS en ANDEBE se trots – ons winners, saam met hul fasiliteerder John Powell



Werklose gemeenskapslede in Upington doen Brandbestrydingskursus



Mnr Visser en sy span in samewerking met John Powell het seker gemaak hulle weet hoe om 'n brandslang te gebruik.



Mongile Gubula – CEO ANDEBE



Abraham Kella verwerf sy Kode EC Lisensie



Nadia Prinsloo, ANDEBE Upington se splinternuwe ontvangs dame hou die wiele aan die rol saam met John Powell MD.



Taking advantage of infrastructure developments

Capitalising on upcoming ventures in regional infrastructure means watching the trends

The United States Interstate Highway System was described by transportation policy expert Wendell Cox as “an engine that has driven 40 years of unprecedented prosperity, and positioned the United States to remain the world’s preeminent power into the 21st century.” It seems such a sentiment is shared by international agencies and companies keen to see progress on a continent where 90% of transportation rests on the management of the construction of roads.

Two aspects of investment are evident when looking at road developments across the continent: putting cash in companies within industries set to benefit is one way to profit; investing the roads themselves is another.

The World Bank and the Organisation for Economic Co-operation and Development (OECD) have released a number of reports indicating that governments alone cannot meet the demand to provide road infrastructure across the continent.

As it stands, the World Bank is actively involved in infrastructure programmes for road on the African continent, with arguably one of the most ambitious projects under way: the sub-Saharan Africa Transport Policy Program (SSATP) – a partnership of 36 African countries across eight regional economic communities.

The Bank argues that it is part of a broad effort “dedicated to the goal of ensuring that transport plays its full part in achieving the developmental objectives of sub-Saharan Africa.” It has listed poverty reduction, pro-poor growth and regional integration as the three objectives.

David Wheeler of the World Bank’s Development Research group, speaking at the US–Africa Infrastructure Conference back in 2007, unveiled a proposal calling for construction of a 100 000-kilometre road network that would link every sub-Saharan capital on the African mainland – and 41 other cities with a population of more than half a million people – with all-weather highways at a total cost, including maintenance and overhead, of about \$47 billion over 15 years.

While targets appear less ambitious than Wheeler’s initial pronouncement, the SSTAP remains tied to the United Nations Millennium Development Goals (MDGs), thus lending an international impetus to its completion, even in the absence of strong will on the part of governments.

Those frustrated by slow progress of actual infrastructure should bear in mind that part of the group’s mission is to assist countries in formulating sound policies that lead to safe, reliable and cost-effective transport. Development in the context of a legislative framework is likely to lead to longer term volatility, particularly in the management of roads.

It is estimated that transport investment in sub-Saharan Africa is less than one-third of what is required to meet economic growth targets underlying the MDGs. To boost investment in the transport sector, the region cannot but resort to private finance wherever possible, according to Fred Amony, a researcher who made these remarks at the Third Regional International Road Federation Conference in Durban. That finance will certainly not come solely from traditional trading partners by any means.

Investors in industries reliant on road infrastructure should keep a close eye on China. Trade surpassed \$120bn last year, according to *The Economist* – which points out that over the past two years, the Chinese government has given more loans than the World Bank to poor countries, mainly in Africa.

US-based The Heritage Foundation – a prominent policy research organisation in Washington, DC – estimates that from 2005 to 2010, about 14% of China’s investment abroad found its way to sub-Saharan Africa.

Watching trade relations between China and individual African states is therefore important, to the extent that investment in infrastructure, notably roads, strongly correlates with increased Chinese involvement in African economies. However, criticism on the quality of roads provided by China could naturally lead some companies to question long-term dependence on a particular new route, as reports of poor quality are surfacing.

For news on potential developments, the China–Africa Development Fund and the Export-Import Bank of China are both financial institutions to watch; each is currently signalling its interest in strengthening and deepening relations with Africa, and they have focused on infrastructure projects in order to achieve international trade and investment objectives.

Where the West is maintaining a clear presence is the North-South Corridor, with Britain putting in £100m as part of its declared Aid obligations. The end goal is the creation of a network stretching from South Africa in the south to the Democratic Republic of Congo (DRC) and Tanzania in the north, with spurs running off to ports on the Atlantic and Indian oceans.

More than 5 000 miles of roads need to be rebuilt or improved, at a time when Africa's share of world trade has plummeted by two-thirds since the 1960s, according to the *Daily Telegraph* when coverage of British involvement in the project began last year. Companies operating in or between South Africa, the DRC, Angola, Zambia and Namibia stand to benefit.

Government spending and Extended Public Works Programmes in South Africa do provide some insight as to upcoming projects in the country, though the economic potential may be far less to most industries than what lies in markets beyond the country's borders.

Minister in the Presidency Collins Chabane said the Infrastructure Commission would ensure systematic selection, planning and monitoring of large projects including roads. Rail infrastructure would be another top target, indicating the government remains of the understanding that rail infrastructure must serve as a priority to alleviate road congestion.

However, new road projects within South Africa, while being of particular benefit to easing congestion and reaching rural communities, could spell delays due to the increased regulatory burden.

A total of R6.4bn has been set aside for 2011/12, R7.5bn for 2012/13 and R8.2bn for 2013/14 – amounting to R22.3bn over the medium term.

According to South African government officials, the programme will create new opportunities for emerging contractors and thousands of jobs across the country, spelling good news for local companies. These jobs are over and above provincial and municipal funding for rural road infrastructure.

Important environmental legislation passed in recent years does require extensive impact assessments, which take time. Therefore, the variable of strong government will – and even public-private partnerships aimed at increasing efficiency – cannot avoid the course of legal compliance.

In other African markets, environmental legislation is far less developed and, in many cases, non-existent. Companies and investors can expect construction in some instances to forge ahead in non-South African markets faster in some instances, even if – for now – South Africa on average appears to have a more stable performance when it comes to construction and maintenance.

Garreth Bloor



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PARAMOUNT TRAILERS CONTINUES TO EXPAND AND DIVERSIFY ITS PRODUCT RANGE

Paramount Trailers is one of South Africa's leading and established commercial trailer manufacturers. Warren Marques, Managing Director of Paramount Trailers says, as new markets have become accessible and industries have grown the company has seen the birth of new trailer models. "The freight transportation system is growing and developing on the continent and it is imperative that the industry can meet the demands of new transportation modes. One of the areas we have seen growth in over recent years has been the rise of bulker trailers."

Introducing bulker trailers into its line has been an important step in the growth of the company. "We need to be able to offer the industry innovative designs providing them with cost effective solutions." He says, that following their investigation of several bulker designs, the company decided to introduce the popular American Belly Auger model.

Forty years ago, non-tipping bulkers were introduced into South Africa with the chain discharge system. Although these bulkers initially incorporated the drop gate design, this was not popular due to operators being unable to close it when under load. In addition, the frequent snapping of the conveyor chain led to the introduction of sliding gates. However, this still did not resolve the issue of damaged pellets and the tanker being cleaned out adequately.

Today, feed tank designs consist of either a mechanical or pneumatic discharge. Warren says, "the South African market tends to prefer the mechanical discharge which works well with the Auger system, a hydraulically driven system." The auger bulkers incorporate internal inverted "V" discharge gates with enhanced operating features and an integrated closed Auger system with synchronised offloading ratios.

In addition to manufacturing new bulker trailers, Paramount has dedicated an area within its production facility to accommodate the refurbishment and repair of bulkers.

Paramount recently produced a Hybrid unit that provides a loading capacity of 30 tons, at a significantly reduced cost to the aluminium design. "Even though aluminium units can load more than 30 tons, research has shown that very few operators make use of this additional capacity," says Warren.



In the current difficult economic environment, transport operators are constantly looking to manufacturers to provide them with cost effective solutions, he says. "Paramount's hybrid unit does just this."

In Africa, trucking is the most frequently used mode of transportation and continues to grow with the manufacturing and commodity sectors, despite investments in air and rail transportation. It is imperative then for Paramount Trailers to understand the unique logistical requirements of every client and to be able to provide unmatched flexibility. The company's highly trained employees and unsurpassed manufacturing experience enables it to meet production schedules while achieving safety, quality and efficiency goals.

"We pride ourselves on operating at peak efficiency levels ensuring we are able to provide a wide range of commercial trailers," says Warren. "Our quality products and personalised service has resulted in a long standing track record within the industry."

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Pipe dream come true

The Gautrain has proved a world-class success, despite the price tag

Almost 10 years ago, when Jack van der Merwe – then the project manager – for the first time explained the Gautrain project to a skeptical press at the Sandton Convention Centre, I and other transport hacks questioned the rationale behind what was then dubbed the “Shilowa Express”, or that former Gauteng premier’s “Pipe Dream”.

Jack, as everyone called him, would oblige with great enthusiasm. Using *PowerPoint* presentations and a large fold-up route map on the side, he would explain the necessity of building the Gautrain – estimated to cost between R3.5 billion and R4bn in 2002 – over a Y-shaped route of 80 kilometres.

The need for it was based on socio-economic growth statistics that were then “simply staggering”, Van der Merwe said, adding that over the 20 years from 2005 to 2025, and based on forecasts of economic growth on a gross domestic product averaging between 4.5% and 5% a year, an additional two million jobs would be created in Gauteng; and that in 2015 – only three years from now – the local population was expected to increase from 9.6 million to around 14.6 million people.

The 160km/h train would cover the distance of the first phase of the project, between Sandton and OR Tambo International

Airport, in less than 15 minutes; while that of the second phase, between Johannesburg Park Station and Hatfield Pretoria, in less than 50 minutes. It would further help decongest the Ben Schoeman Highway linking the two cities, which was then seeing an increase of traffic flow of 7% per annum.

Van der Merwe would tirelessly do these presentations over the next five years at press conferences, transport-related congresses, in boardrooms and at public meetings of affected landowners and people who objected to the project for various reasons.

Much of the criticism, particularly from the South African Communist Party (SACP) and the Congress of South African Trade Unions, was that money was being spent on the rich at the expense of the poor; that the project did not serve any of the townships of Gauteng; and that the money should rather be spent on the underfunded Metrorail, which already then was in the process of derailing itself, so to speak.

It even saw Van der Merwe arguing his case in court when environmentalists, municipal associations such as those of Dunkeld (near Rosebank) and Muckleneuk (Pretoria) as well as large property owners such as AECI contested the proposed route of Shilowa’s Pipe Dream.

However, that which was a provincial matter became one of national priority in 2005 after Fifa’s Sepp Blatter had pulled the



name “South Africa” from his magic hat to host the 2010 Soccer World Cup.

Despite public hearings in parliament by, and a recommendation from the Transport Portfolio Committee in November 2005 to scrap or postpone the project, the National Cabinet virtually bulldozed the pipe dream into reality by deciding, on 7 December 2005, to support the Gautrain financially.

By this time, after several route changes and with environmental certificates of approval in his back pocket, Van der Merwe told us hacks that in 2005 the cost of the project had been revised upward – from R7bn in 2003 to R20bn (US\$3.7bn) .

The national and provincial government would contribute R20bn in equal proportions, and Bombela would contribute the balance of direct project costs. Loan funding would constitute a large part of these amounts.

Work commenced in September 2006. On the Johannesburg-Pretoria axis, Gautengers travelling between the two cities have seen unprecedented change. Unaware of the tunnelling below surface, they saw tower cranes soaring above construction sites and gigantic viaducts emerging from the ground (causing the temporary closures of the highway and feeder roads). Worse, Gautengers have been battling through massive traffic jams as the Gauteng Free Project was started, only to be penalised

further when the e-tag toll system is switched on later this year.

The Gautrain is a dream come true, however. I have studied the rapid railway systems of London, Paris and Amsterdam and taken to the Gautrain like a duck to water, admiring its many ultramodern features. The Gautrain is world-class, and the people – down to the cleaners and security guards – are so helpful and friendly that they almost carry you on their hands.

“There is a train coming, *madala* (elder), please stand away from the yellow line.”

Based in Randburg, where this old hack can hop on a Gautrain feeder bus to Sandton station (near Nelson Mandela Square for the finest steaks, Sandton City for super shopping and the Sandton Convention Centre), I have travelled several times to the airport and to the Road Freight Association’s headquarters near Rhodesfield station, where the large parking lot is always filled with cars of commuters (from as far as Benoni).

I have travelled by train and bus to Midrand to attend four-day conventions at Gallagher Estate, to Centurion for a short taxi ride to Mercedes-Benz headquarters at Swartkops, and to Pretoria where another Gautrain bus will drop you off at Loftus Versfeld Stadium.

And when the water damage to the tunnel is cleared up later this year, I will be able to travel from Sandton to Park Station and the Johannesburg central business district; walk or take a bus to Constitution Hill and the Apartheid Museum, the tourism and jazz mecca in the new Newton Precinct; or even to Ellis Park or Soccer City, this time using the Reya Vaya bus rapid transit system if the drivers are not on strike (they have been for seven weeks as I write).

Just go to *Google Earth* and the Gautrain’s award-winning website, and a whole new world of destinations reachable by train and bus – complete with timetables and tariffs – opens up for comparison with the cost of operating (fuel, tolls and parking) and maintaining (wear and tear, tyres, etc.) a car.

Van der Merwe predicted that “an array of new high-rise buildings will transform the skyline of Johannesburg, Ekurhuleni and Tshwane”, but this is yet to come true. But it probably will when the highway is tolled and industry and office workers move closer to their place of employment. Already, one sees more and more industrial and commercial “parks” being located on the wide strip of land that separates the dual track from the Ben Schoeman Highway.

There are 28 train sets, of which 20 are running as four-car sets that are able to carry more than 100 000 passengers per day in each direction. However, there is provision for multiple working to permit eight-car trains, which could increase capacity to 15 000 passengers per hour in each direction without modifying the signalling.

Services operate every 12 minutes at peak times and every 18 minutes off-peak during the first three years. For the remainder of the 15-year concession period, peak-hour services will be stepped up to run at 10-minute intervals.

High levels of security have been provided on trains and stations, using automatic ticket gates, more than 650 closed-circuit television (CCTV) cameras and very visible policing.



Bombela Electrical & Mechanical was contracted to supply automated fare collection systems and CCTV equipment; and passengers are given smartcards rather than magnetic-strip ticketing.

So where are the 'rich' people? I see open-mouthed kids and meet ordinary folks of all races, mostly ear-plugged office workers listening to their iPods, reading a newspaper or chatting to complete strangers about rugby, cricket, soccer and this wonderful new stylish way of travelling – one that cuts out traffic congestion, puts hours back into one's life and does not incite one with taxi hate speech and other forms of road rage.

Critics have questioned ridership estimates, stating that government officials mostly overestimate ridership to gain political approval for projects, and cite numerous international examples where similar projects operate at massive losses or were aborted.

By October 2010, passenger numbers were in line with previous predictions, and growing. Within 100 days of opening the first phase of the system for the public and World Cup fans, no fewer than one million passengers were recorded.

In September, the Gautrain service between Rosebank and Hatfield had a punctuality record of 97.8% in its first 50 days, the Bombela Concession Company said in a statement. This was almost 3% higher than that of the London Overground service.

Spokesperson for the Gautrain's operator, Nano Gasenewe, said the good track record was achieved despite two service disruptions due to cable theft.

The Sandton airport link had a punctuality record of 99.6% over the same period.

Forty million passenger kilometres – equivalent to about 1 000 times around the world – had been completed in this period. The Gautrain had also completed 48 000 station-to-station trips on this route and had carried 1.2 million passengers.

"Train passengers are currently averaging about 28 000 per day and bus passengers about 9 000 per day, both with steady growth," said Bombela executive, Errol Braithwaite.

"We are immensely proud to have consistently achieved service levels comparable to the best systems anywhere in the world."

He added that the company aimed to improve its service and hoped to announce several new initiatives in the near future.

Of course, there are some bills still to be paid. The financing costs involved have not been stated and the sunk costs of the project will be more than the R25bn compared to where it is at now.

In March 2008, Jeremy Cronin – deputy minister of Transport and chairperson of the Transport Portfolio Committee, and deputy secretary-general of the SACP – complained that the cost had apparently quietly crept up to R35bn.

He has long opposed the project, and told parliamentarians during a budget debate that, according to his information, the project's cost was escalating "quietly and below the radar screen", though Members of Parliament "were told, hand on heart, here in Parliament just a few years ago, what the written-in-stone absolute upper limit was (then R20bn)".

Promoted to chief executive officer of the Gautrain management agency, Van der Merwe has subsequently denied this, stating that the project is a fixed-price, fixed-scope and fixed-period contract, and that the price will only increase if the consumer price index increased above the South African Reserve Bank's prediction, if the Gauteng province were in breach of contract, or if the project's scope were to change.

According to *Engineering News* recently, however, Bombela has a claim against the Gauteng government amounting to "not millions, but billions" relating to the release of land on the Gautrain project, as well as other disputes on the rail project.

It quoted Murray & Roberts CEO Henry Laas as saying the consortium had submitted its statement of case with regard to the "delay and disruption" that the consortium experienced in construction work, as well as related disputes on the Gautrain project to the Gauteng provincial government in July.

Laas cautioned investors that the arbitration process was expected to take "a long time", and that the case was only expected to be heard in 2013.

"This was a difficult project for us," he said. "The land was not given to us as scheduled, so we incurred significant costs."

Laas added that once the claims had been settled, it would be possible for Murray & Roberts and its investors to perhaps take "a different view" on the rather negative picture painted in September 2011.

Part of this negativity flowed from the fact that Murray & Roberts, as part of the Bombela Civils Joint Venture, had itself incurred significant penalties, as it had been forced to return to the tunnel between Gautrain's Park and Rosebank stations to repair water seepage.

Laas said the remedial work meant that Bombela had not achieved the stipulated contractual completion date, with subsequent penalties as well as costs incurred to now complete the work.

He did not want to divulge the cost of repairing the Parktown–Rosebank tunnel, *Engineering News* reported.

So will Van der Merwe be without a job when the Gautrain project is finally complete? Not a chance. As *Road Ahead* reported in a previous issue, he has been appointed to head a committee that has to devise a transport master plan for Gauteng – one that will probably include an extension of the Gautrain or a new contract for rapid rail speed links to Durban and Cape Town.

Do not be surprised if it includes a standard gauge rail link with Beitbridge to help make the dream of another politician come true – in this case, Cecil John Rhodes – of a link between the Cape and Cairo.

There seems to be no way of stopping Van der Merwe, and he deserves a medal – even if it is simply for his determination to get things done.

Andy Cole

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Passed over

Is Van Reenen's Pass obsolete?

Recent occurrences have shown once again that Van Reenen's Pass, the section of the N3 that cuts through the Drakensberg in KwaZulu-Natal, is not the most vehicle-friendly piece of road engineering to boost the South African economy.

Notorious for its often misty, slippery and precarious roads with steep sub-standard gradients (worse than 1:7), and gale-force winds that will blow over caravans and light trucks, snowfalls in August once again brought to a standstill all traffic going through the pass. The army had to be brought in to rescue motorists and truckers from the freezing cold.

Now imagine another four-lane pass running alongside it some distance away, cutting the distance between Warden and the Tugela tollgate by 14 kilometres, and allowing one to travel at a constant speed of 120km per hour because there would be no steep gradients, with 60-80km per hour speed limits. A pass which, according to the South African National Roads Agency Limited (Sanral), would have to be widened into a six-lane freeway capable of handling thousands of additional commercial vehicles travelling between Durban and Johannesburg in 2035.

Traffic has been increasing by the year as the economy continues its robust growth. Trucks relentlessly grind up and down Van Reenen's Pass day and night. In 2008, Sanral reported that as many as 3 000 vehicles per hour use the pass during peak hour, and daily average traffic was 9 100 vehicles, of which 2 600 were large trucks (five axles or more) – close to a third of all vehicles.

That same year, Neil Tolmie, chief executive of the N3 Toll Concession (N3TC), told the former *Natal Mercury* (now *The Mercury Durban*) that traffic volume through Van Reenen's Pass was at 11 000 vehicles per day and rapidly nearing the pass's capacity, triggering the need to build a new four-lane toll highway through the Drakensberg mountains at a cost of at least R4 billion

Based on projections then, the new bypass road – De Beer's Pass – would have to be operational before the end of 2014 when daily traffic volumes were expected to reach 13 900 vehicles.

Because of the long lead time to build the new bypass, it was likely that construction would have to begin during the second half of 2011, the newspaper reported at the time.

We are more than halfway into 2011, but now construction of the De Beer's Pass is to start only in 2013, with completion in 2017 or the year thereafter.

The concession to design, construct, finance, operate and maintain the 415-kilometre N3 from Cedara in KZN to the Heidelberg South Interchange in Gauteng was granted to the N3TC in 1999. Included in the concession contract is the requirement to construct a new route known as the De Beers Pass Route (DBPR), between Keeversfontein and Warden.

"The contractual requirements for the opening of the De Beers Pass Section, based on the current timeline, gives the predicted commencement date of 2013; and the construction period is approximately 3.5 years," states a recent report prepared on behalf of the N3TC.

So much for the accuracy of the N3TC's 2008 forecast... Or are we going to experience a heavily congested Van Reenen's Pass in the near future?

In November last year, the N3TC released a draft scoping report outlining the DBPR. It would run from Keeversfontein (Tugela Toll Plaza) via the De Beers Pass area to Warden. The route branches off the current N3 just north of the Tugela Toll Plaza, to reach the top of the KZN escarpment where it passes through a tunnel approximately 500 metres in length. It then goes around the top edge of a gorge before entering the Free State. A wetland associated with the Wilge River is crossed, and the alignment then runs close to the Wilge River before the road climbs to the more even plateau of the Free State Highveld. The Wilge, Meul and Cornelis Rivers are crossed before the DBPR rejoins the existing N3 just north of Warden, where a toll plaza is proposed. The total length of this route is approximately 97.7km.

The establishment of the DBPR has caused a furore among the inhabitants of Harrismith, Van Reenen and Swinburne because they fear it will lead to an economic meltdown and loss of job opportunities in the area.

When the now defunct South African Roads Board announced a decision to proceed with the De Beer's route in 1995, Harrismith town clerk Johan Botha said Ladysmith had suffered a similar fate with previous realignments of the N3.

It has been reported that Harrismith could lose out on up to R950 million a year from passing traffic. Affected businesses included at least 11 petrol stations, along with several restaurant/retail outlets such as Wimpy, Nando's, Spur, Juicy Lucy, KFC, House of Coffees and Pringles Pub and Grill.

As a transport hub, the entire region is economically dependent on the thousands of vehicles that pass through this area 24 hours



a day. According to Ben Deysel, chairperson of the Greater Harrismith Business Forum and owner of the largest truck stop in southern Africa, Harrismith is home to roughly 120 000 residents; but, looking at the broader municipality, it supports 1.5 million people and provides about 80%-85% of their revenue.

Objections by landowners and other stakeholders in the area, as well as the passing of a new National Environmental Management Act, forced the N3TC to go back to the drawing board, as more requirements had to be met: it now had to provide alternative routes, as well as the option of upgrading the existing road or doing nothing at all.

In February this year, it submitted a new, final scoping report for the environmental impact assessment (EIA) process, providing two route alternatives, but ruling out the options to upgrade the existing road or to do nothing at all as “neither reasonable, nor feasible”.

Measuring 107km, Alternative A up the escarpment starts just north of the Tugela Toll Plaza and runs for a short distance almost parallel to and east of the existing N3 Van Reenen’s Pass. The route then follows the landform ridges and reaches the crest of the escarpment through a saddle immediately south of Van Reenen Village. Just north of Van Reenen village, an interchange will connect with the existing N3.

The route continues in a northwesterly direction to intersect the N3 in the Swinburne area. The route will then deviate to the north and connect with the existing N3 at an interchange before continuing across the slopes of Platberg Mountain to an interchange north of Harrismith near 42nd Hill. From this point, the route will follow the existing N3 closely to Warden, where a toll plaza is proposed.

The problem is that if Alternative A is accepted, it will come close to Harrismith, but cut through the slopes of the 4 000-hectare Platberg Reserve, which has a unique ecosystem and is rich in plant life. There are strong objections to this route.

The De Beers Pass Route: Alternative B route from Tugela Toll Plaza to Van Reenen village interchange is the same as DBPR Alternative A. At this point, the route crosses a wetland north of Van Reenen village and follows a northwesterly direction along the high ground to join the DBPR at the Lincoln Interchange. The route from there to Warden will follow the DBPR. The DBPR rejoins the existing N3 just north of Warden, where a toll plaza is proposed. The route will cross the Wilge River north of Swinburne. The total length of this route is approximately 98.3km.

Amid all the furor, a fact that seems to have been overlooked all along is that the N3TC is contractually obliged to continue to operate and maintain the existing N3 in its current form.

“Should the proposed DBPR, or DBPR: Alt B, receive environmental authorisation and be constructed, the existing N3 will remain as a public road in its current state, providing access to Harrismith and central South Africa,” the final scoping report states.

Another important point is that Harrismith is destined to become a multimodal transport hub. This was already reported

in 2008 when former minister of Transport Jeff Radebe, former Free State Premier Beatrice Marshoff and Sanral CEO Nazir Alli held a meeting in Harrismith in April that year to discuss construction of a new R400-million “logistics service centre/ container facility” in the town.

The *Harrismith Chronicle* reported at the time that a 300 000m² parcel of land had been identified for the centre in the Industriqwa industrial area.

Current Free State Premier Ace Magashule recently confirmed that Harrismith was to become a logistics hub, relieving congestion in the Greater Durban Area through intermodal transport.

Meanwhile, the Department of Environmental Affairs has ordered that the options of upgrading the existing road or doing nothing at all be included in a forthcoming EIA. And so the cost of the DBPR, currently estimated at R6.5bn, will continue rising if no compromise is found soon.

History

Van Reenen and the pass have always been associated with transport. First it was a migratory route for hordes of animals migrating from the former Orange Free State to KZN in winter and back again in summer.

Frans van Reenen, after whom the pass is named, farmed at its base and trekked his oxen inland using the paths worn by the migrating animals. In the mid 1800s, he assisted the transport riders with laying out a route for the wagons that carried supplies to the gold mines.

The area traversed by the Van Reenen’s Pass was originally known as Underberg and there was a settlement 9km south of the present village around Wyford where the border post was between the Orange Free State and KZN. This was manned by customs officials, a dipping officer and a police station. There was also The Good Hope Hotel, a boarding house and two blacksmith shops.

In 1891, the railway line was opened; and the present village of Van Reenen came into being as all the services were taken to the top of the pass. The railway line was a massive engineering feat to negotiate the steep incline, and involved a series of tunnels and reversing stations. The latter were later replaced by more tunnels, which is the route today.

Harrismith has a history steeped in the Anglo-Boer War; this and its lookout point called Windy Corner, 1 680m above sea level, about 3km out of town, with views over the mountains and lower lying regions, are virtually all that there is to the town’s credit, apart from the Llandaff Oratory – a small chapel with only eight seats, built by a father in memory of his son, and ostensibly the smallest Roman Catholic church in the world.

The Battlefields Route, sprawled out in the valley below, is filled with arts and crafts, hiking trails and Zulu culture.

Some people have suggested that the potential is great for Harrismith to market itself as the gateway to the Drakensberg.

Udo Rypstra

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The Port Management Association of Eastern and Southern Africa (PMAESA) is an international association of port authorities in Eastern Africa and Southern Africa a non-profit, non-governmental and non-political organization.

Bisey Uirab, CEO of Namport was recently elected 1st Vice Chairman of the PMAESA Board of Directors.

Membership of PMAESA ranges from Sudan in the North to Namibia and Angola in South-West Africa, including the Indian Ocean islands and some land-locked countries.

The main objectives behind the establishment of the Association are:

- To improve, co-ordinate and standardize African port operations, equipment and services of ports, with a view to increase their efficiency in relation to ships and other forms of transport in Africa.
- To improve relations with other transport organisations, sub-regionally or world-wide.
- To provide a forum for its members to share each other's experiences and to exchange views on common problems facing them and how best to tackle them, and on matters of interest to all members.

For these objectives to be met, the Secretariat organizes annual international conferences, which is attended by key personnel from Transport, Trade & Investment Sectors.

PMAESA Members get the opportunity during these conferences to network with their regional and international partners.

It is indeed an honor for Namport to be chosen as host of this very important conference and council meetings envisaged to commence from 28 to 30 November 2011, under the theme "Ports & Logistics: A Vision for Future Integration".

Delegates from all over Eastern and Southern Africa are expected to attend the 37th Annual Ports and Maritime Conference & PMAESA Annual Council Meetings scheduled to take place in Swakopmund, which will be officiated by the Minister of Works & Transport, Hon Erkki Nghimtina.

The events will run concurrently with an Exhibition of ports, Equipment Manufacturers, Technology and Logistics companies, amongst others.

Specially selected staff members from within Namport have been trained as Brand Ambassadors, whose primary role is to assist with preparatory arrangement to ensure all delegates enjoy the ultimate Namibian experience.

Conference delegates are expected to arrive on 27 November 2011 and the official opening will take place on Monday, 28 November 2011 at the Swakopmund Hotel and Entertainment Centre in Swakopmund, Namibia.

Key players from the Maritime, Investment and Transport sectors have been selected as speakers during the two days of conferencing.

For more information on this exciting event, visit www.pmaesa.org

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Road freight under fire

The transport industry is experiencing increased pressure from all quarters

Road transport is the bloodstream of the country that keeps the economy alive. Over 87% of all goods transported in South Africa travel by road, as the rail system is inefficient and unreliable. This has resulted in relatively high logistics costs (13.5% of gross domestic product) in South Africa, which hampers economic growth.

Between 2008 and 2009, South Africa managed to reduce the cost of logistics from 14.7% to 13.5% of GDP. But with the government's intent to target the trucking industry as an easy source of revenue, the resultant increase in costs for road freight operators is likely to reverse this trend and increase the cost of logistics.

Even so, road transport offers numerous advantages to customers. It is reliable, efficient, affordable and dependable, and can offer door-to-door service. Goods reach their destination on time, every time. It is the South African customer's transport mode of choice.

The road freight industry is under attack, however. The Department of Transport, South African Revenue Service (SARS) and local municipalities are piling on a heavy load of road tolls, levies and charges that directly impact road transport operators, simply because the sheer number of operators and their vehicles presents a captive source of easy money.

The government uses this revenue to shore up decaying infrastructure such as the railways, which accounts for less than 15% of freight inside South Africa. Yet, the country's secondary road network continues to go without adequate maintenance and repair. In fact, the government is considering erecting tollgates on these roads, too.

It is the prerogative of any business to keep costs down and ensure the smooth and efficient running of its operations. The recent spate of new revenue-generating legislation tends to undermine these objectives and will certainly have serious implications for operators, particularly small businesses.

Increased operating costs

The year 2011 has been challenging for the trucking industry, with skyrocketing electricity costs, municipal rates and taxes, fuel taxes, high employment costs, the proposed carbon tax, tyre disposal levies, the cost of reconfiguring trailer fleets to carry 'high cube' containers, massive hikes in cross-border fees, increased fees for dangerous goods, incident management fees and vehicle licence fees. All these government-instigated costs are adding further strain to embattled transporters and their ever diminishing resources.

Many of these operators, particularly small, medium and micro enterprises, are not in any position to absorb these costs; and their clients are unlikely to willingly pass them on to their clients. They would probably source a cheaper, and larger, transport operator.

Gauteng toll fees

While the Road Freight Association (RFA) welcomes the marginal reduction in e-toll tariffs for the Gauteng Freeway Improvement Project, it still believes these tariffs are ridiculously expensive. Initial projections indicate that the toll fees will cost the trucking industry an additional R70 million per month – and that is merely from the Gauteng routes!

Research undertaken by the RFA indicates that the toll fees will bring an immediate 11% increase in costs for local delivery vehicles. The courier industry's costs will increase by a shocking 17%. For truck operators to stay in business, every attempt will have to be made to pass on these costs to customers and, ultimately, consumers.

AARTO

The RFA has been a key driver in the National Economic Development and Labour Council process around the proposed amendments to the points demerit system. The association has been instrumental in securing numerous concessions in this matter:

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- Points: agreement to a uniform threshold and discussions are continuing in this regard;
- Foreign operators will earn points (proposal to bar from entry into South Africa); and
- No written notices will be allowed – ensuring a clamp on corruption.

Carbon tax looms

The controversial proposed carbon tax – set to bring an extra R82 billion into the coffers of SARS – is another example of the government seeing the ordinary motorist and the trucking industry as an easy source of revenue.

While the RFA supports all endeavours for the reduction of greenhouse gas emissions and climate change, the government's

carbon tax is ill-conceived and highly discriminatory, as the government's emissions legislation only requires Euro 2 emissions standards, and no 'clean fuels' are currently available in South Africa. Furthermore, the carbon tax only applies to new vehicles sold – and not used vehicles.

The introduction of this extremely one-sided carbon tax will further increase the cost of logistics, and cannot be ignored.

More importantly, the National Treasury's recently published Carbon Tax Discussion Paper focuses purely on revenue-generation mechanisms rather than the reduction of carbon emissions, which is the underlying purpose of such a tax. The taxes collected will not be ring-fenced, and run the risk of being diverted to subsidise other projects not dedicated for the purpose intended.

There are no incentives for transport operators to acquire lower emission Euro 4 and 5 vehicles, nor suitable alternatives such as hybrid vehicles for truckers.

It is quite clear that these tolls and taxes are simply another way of collecting revenue without any consideration for the economic consequences. Yet again, significant increases in operating costs will have to be passed on to South Africa's luckless consumers.

Article courtesy of the Road Freight Association



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Santaco spreads its wings

The taxi industry is a force to be reckoned with

Imagine a public transport system comprising every travel mode – the taxi, bus, train, airliner and coastal passenger ship – which is interconnected, not only through clean world-class terminals with black-owned banking and shopping malls, but also through a smartcard system that can be used for all.

Like the Gautrain concept, it was discarded as a pipe dream by skeptics more than 10 years ago when former minister of Transport Mac Maharaj came out with his “Moving South Africa 2020” agenda – a visionary strategy that focused primarily on the integration of land transport modes from both a passenger and freight transportation point of view.

Part of his plan was to recapitalise the taxi industry in the process; he called on taxi bosses to stop feuding and killing one another (and passengers in the crossfire) over territories, and to form a body that would be representative of it, which would get its house in order and one with which he could negotiate to see the taxi part of the vision come true.

Friday, 16 September 2011 must have been a happy day for Maharaj, now the official spokesperson for President Jacob Zuma, when the South African National Taxi Council (Santaco) – which he had prodded into being from various ragtag associations – celebrated its 10th anniversary by launching the first flight of Santaco Airlines from Lanseria Airport.

Happy also because Santaco revealed plans on that happy occasion to go into seaborne passenger transport; that along with other disclosures, it further planned to provide ancillary services such as intermodal passenger terminals under black-owned shopping malls and establish its own bank, which obviously would have to adopt a smartcard system – a smartcard with a captive travelling market!

As Nedbank would say: Makes you think, doesn't it?

Maharaj's new boss was present at the launch and beamed from ear to ear as he and other VIPs posed in front of a Boeing 737 with a maroon stripe over a white body.

The first flight was overbooked, on board being President Zuma, Gauteng MEC for Roads and Transport Ismail Vadi, Transport Minister S'bu Ndebele, Eastern Cape Premier Noxolo Kiviet, other Members of Parliament and Santaco bosses.

Said the president before he and the party took off: “When addressing a black business summit last week (6 and 7 September), I said we need to start seeing tangible results of economic transformation and freedom. We said black people, women and persons with disabilities need to visibly enter the economic sectors that were closed to them before, such as manufacturing, so that we could see the rise of new black industrialists.

“Today we are celebrating such an achievement. A sector that was branded by some as never going to be able to progress to even

own fleets of buses, has leapfrogged into the aviation industry by owning an airline.”

Members of the taxi industry already “own” and run the Rea Vaya bus services which, as President Zuma spoke, was paralysed by a seven-week strike by former taxi drivers.

If all goes according to plan, Nkululeko Buthelezi, the business development officer of Santaco, will be a busy man. Prior to working for Santaco, he was the group chief executive officer of South African National Transport Solutions – a transport training agency that was responsible for getting the various Gauteng taxi associations in on the 2010 Fifa World Cup “park and ride” systems.

The Santaco airline is a proposed new low-cost carrier operating a daily flight to Johannesburg, Bhishe (in the Eastern Cape) and Cape Town. This will make it South Africa's fifth low-cost carrier, after Velvet Sky, Mango, 1time and Kulula.

“Flying still remains largely for white people. It is not because black people cannot afford flight fares, but the issue is how to get there (airports) if you don't have your own car. Metered taxis are very expensive. Our airline cost will have a flat fee structure, which will range between R500 and R600,” said Jabulani Mthembu, the president of Santaco.

Having previously operated in Iraq, AirQuarius Aviation is to partner the taxi council. The plan is for 100-seater aircraft (this probably implies they plan to use AirQuarius's Fokker 100 jets, which can seat up to 107 people) to be supplied and operated initially by AirQuarius Aviation (which has the crew and aviation licences), which would transfer skills to Santaco over an 18- to 24-month period.

Door to door

Buthelezi has described the airline venture as a door-to-door service, allowing a traveller to take a taxi from near his/her home to Park Station, enter a special taxi rank section for Santaco passengers, book in, hand in baggage, obtain a boarding pass, go through security, and travel by taxi to Lanseria to be received by the ground crew and then board the aircraft.

When the passengers land, they and their baggage will be taken on a shuttle to the taxi rank in Bisho, which is to be developed into a major hub.

The Lanseria-to-Bisho route will be the first, and others will be considered only if Santaco can be convinced that traffic between the two provinces is guaranteed to produce a load factor of no less than 80%, compared with the international 66% load factor to break even.

Expanding flights to other Southern African Development Community countries will be considered on the same basis; and as soon as the African Union could get countries to agree on freeing up the skies from stifling rules.

For funding, the first phase will be to sell shares to Santaco members at a date to be announced “in due course”, with the second phase offered to private investors. The third level of capitalisation will be a listing on the Johannesburg Securities Exchange, according to Buthelezi.

Aviation in South Africa is strictly controlled; and in aviation circles, there is no doubt that the South African Civil Aviation Authority will ensure the airline is properly run to the same rules and regulations as other airlines.

Santaco itself is undergoing a process of modernisation and restructuring. To modernise itself, it has hired an entire team of professional businesspeople including former bankers and financial planners who understand what Santaco wants to achieve.

The clout of the industry – and therefore Santaco – to achieve its objectives is considerable. According to official government information based on the previous census and estimates, public transport by taxis accounts for 65% of the transport total, 20% by bus and 15% by rail.

The taxi industry, in turn, consists of minibuses dominating 90% of the market, and metered taxis active in the remaining 10% of the market.

Described as South Africa’s “economic backbone”, the non-metered minibus industry consists of approximately 150 000 public minibus taxis, generating an estimated R16.5 billion in revenue each year.

The industry is a major player in the public transport industry, carrying an average of 15 million passengers a day countrywide. It is by far the single largest and most accessible service provider in the public transport industry.

Annually, it spends R15bn on fuel, R10bn on vehicles and R150m on tyres.

The taxi industry is probably the most reviled in South Africa, however. It has suffered many strikes, which often turn violent. The average minibus taxi is notoriously unroadworthy and, according to the Automobile Association, involved in some 70 000 accidents a year, with dozens of people dying en masse on South Africa’s perilous roads.

To shake off this reputation and strive for new objectives, Santaco last year launched its TR3 2020 Strategy, which involves redefining, restructuring and repositioning the taxi industry in order to achieve tangible outcomes such as safe taxis, as well as intangible outcomes such as embracing good customer-client attitude and relationship.

Battle

The battle to make the taxi industry safer is being fought from two fronts: improving the safety of the vehicles, and bettering the skills of the drivers who take them onto the roads.

The government, through the Department of Transport, has responded by committing itself to set up new academies to train taxi drivers. Last year, about R5m was allocated toward this project.

Santaco now wants to start a training academy, the first project of which will be to train 100 women drivers from all the provinces.

When they complete their training, they will be exchanged for 100 more (untrained) drivers to be trained at the academy to inspire more drivers to be instructed.

Last year, the brandhouse/Road Traffic Management Corporation No. 1 Taxi Driver Campaign, which was launched during the Fifa Soccer World Cup, drew more than 50 000 taxi driver registrations from about 450 participating taxi ranks nationwide, and educated and tested more than 2 240 taxi drivers throughout the country – almost double the figure of the previous year.

It involved a practical testing phase; and the feedback from the Toyota Advanced Driving Academy instructors was that never before had they experienced participants who were more interested in what they were learning.

This was followed by Santaco’s much-lauded Operation Hlokomela campaign in November 2010, which saw Santaco technical safety specialists visit taxi ranks across the country to inspect the safety standards of taxis. During these technical safety inspections, Santaco’s representatives advise taxi owners and operators on general rules on road safety and customer care.

The campaign was intensified in May this year in support of the Decade of Action for Road Safety 2011–2020 launched by the National Department of Transport, with Toyota South Africa Motors assigning technical specialists to the campaign to train Operation Hlokomela representatives on vehicle inspection techniques and safety assistance.

Together with its main aim of fleet renewal, the government’s taxi recapitalisation programme brought with it a set of new safety requirements, subject to regular review.

One of the regulatory requirements now being enforced is that all new minibus taxis should be fitted with an emergency escape hatch in the roof. For example, the latest version of Toyota’s best-selling Ses’fikile – released for sale in mid-August – fully meets this requirement and leads the way in regulatory compliance.

Selling more than 1 000 units a month, Toyota has increased seating capacity from 14 to 15, and supplied vinyl seat covers in place of cloth in response to requests from operators.

In fact, having used many taxis over the past year as part of a personal study project in Gauteng and the Western Cape, I can vouch for the fact that the taxi industry has been improving slowly – not only in terms of safety, but also in terms of passenger comfort. However, there are still many old taxis out there that should have been scrapped long ago; as well as drivers – licensed and unlicensed – who have no respect for traffic regulations and the passengers they carry.

Hopefully, the recent clampdown on unroadworthy public transport vehicles at roadblocks, the training of drivers at academies, and a massive cleanup of our dirty, unhygienic taxi ranks will accelerate the improvements being made in the industry and lead to the achievement of objectives Santaco has set for itself.

As for Santaco wishing to get airborne and seaborne – it will not be Mission Impossible if the groundwork is done first.

Andy Cole



Green Supply Chain Awards 2011

Eco-aware companies
recognised at 2011 Green
Supply Chain Awards



Best Project R1 to R10 Million – Distell



Best Project Under R1 Million – Hooghiemstra Logistical Services

Top companies were once again recognised and rewarded for their efforts in greening their supply chains at the third annual Green Supply Chain Awards, which took place on 26 August 2011 at the offices of the Consumer Goods Council of South Africa (CGCSA) in Randburg. The awards are a joint initiative of the Chartered Institute of Logistics and Transport South Africa (CILTSA), the CGCSA and *Supply Chain Today* magazine. The awards are traditionally divided into three categories: Industry Leader, Best Project and Best Product.

Industry Leader – Abrie de Swardt, Marketing Director: IMPERIAL Logistics

Abrie de Swardt, marketing director of IMPERIAL Logistics, won the prestigious Industry Leader Award for the company's leading role in the "green logistics" evolution.

The award was due to his far-reaching work on bringing "green" to the supply chain, both within IMPERIAL Logistics and by spreading the message broadly throughout the supply chain and business communities.

On receipt of the Industry Leader Award, De Swardt said: "We need to develop a sophisticated view of the impact that we have on the environment. We need to change our paradigm,

our behaviour and the way in which we look at 'green'. I have experienced that journey in IMPERIAL Logistics."

Speaking of the need for greater collaboration, he noted: "Whether we compete in the market, this is a great opportunity to embrace collaboration and, across boundaries, work together."

IMPERIAL Logistics is on a sustainability-focused growth path that balances people, planet and profit – a factor that contributes to the group being a leading global logistics and supply chain player.

"Within IMPERIAL Logistics, there are many inspiring, collaborative examples of greening operations and customer supply chains," continued De Swardt. "Best practice formulation and application has been pioneered through introducing South Africa's first Euro 5 specification vehicles; innovative water management system development, specifically for the needs of transport companies; 'extra-distance' analysis and network redesign for cutting carbon emissions and cost simultaneously; as well as an investment in zero-emission vehicle refrigeration that operates in complete silence – no moving parts, no harmful emissions and absolutely no noise."

Best Product Under R1 Million – Stab-a-Load

Stab-A-Load won the category Best Product Under R1 Million



Best Product Over R1 Million – TrenStar

for its solar-powered docking equipment system. Stab-a-Load specialises in the planning, design and manufacturing of integrated dock-loading solutions for cold storage, warehousing and distribution applications throughout southern Africa.

The company is the first in South Africa to offer a solar-powered system for materials handling equipment. The system operates single or multiple Stab-a-Load pneumatic dock levellers, Star 4 truck restraints, LED dock lights and motorised sectional doors, without being connected to a permanent electricity supply.

The system reduces electrical reticulation and running costs and can operate in blackout conditions (power cuts and low ultraviolet light penetration). Its deep-cycle absorbent glass material batteries hold a 50% reserve, enabling the equipment to remain operational for up to five consecutive days in the event of total unavailable UV light.

Best Product Over R1 Million – TrenStar

TrenStar's specialised returnable packaging solution took the honours in the category Best Product Over R1 Million. This specialised, custom-designed returnable packaging material is a more cost-effective and environmentally friendly method of protecting a transported component while in transit. The returnable interlayer replaces typical end-of-journey disposable



Best Product Highly Commended – City Power

internal dunnage. After the component is unpacked, the interlayer collapses to occupy minimal space and fits into its returnable container, ready for return transport. Both products are 100% recyclable at the end of their respective life cycles.

Best Product Highly Commended – City Power

City Power's recycling project reduced the waste stream to landfill sites by disposing of biodegradable waste that decomposes to hydrogen sulphide and methane gas, saving landfill airspace. City Power distributed colour-coded bins and stainless steel bins, recycling posters, as well as internal recycling boxes.

The project is a phase 1 implementation being rolled out to all 10 City Power depots.

The revenue collected from this project will be used for environmental sustainability, such as the planting of indigenous trees and shrubs, as well as biodiversity.

Best Project Under R1 Million – Hooghiemstra Logistical Services

Hooghiemstra Logistical Services' "Green Fleet Management Project" resulted in cost savings and a reduced carbon print for its client. Through its fleet management tracking system, the client's fuel consumption and fleet operating costs stayed within



Best Project Over R1 Million – Adcock Ingram



Best Product Under R1 Million – Stab-a-Load

the desired parameters, while ensuring the carbon footprint of the company was reduced.

Best Project R1–R10 Million – Distell

Distell Ltd's "Give Back Get Back" project resulted in 35.2 million bottles being returned in 2010/2011 in the company's northern and central regions, compared to 31.4 million in the previous year. The additional 3.8 million returns amounted to a cost of sales saving in excess of R5m.

Nationwide, total reused glass amounted to 125.5 million units, which equates to 68 500 tonnes of glass and a reduction of carbon dioxide and related emissions of 103 440 tonnes.

Distell managed to create job opportunities for 413 bottle merchants in the northern and central region.

The aim of the project was to increase the return ratio (return versus sales) from 39% to 50%, thereby decreasing input costs and maximising profitability, and at the same time reducing CO₂ emissions and raw materials required to produce additional glass.

Best Project Over R10 Million – Adcock Ingram

With a simple but aggressive approach to energy savings, Adcock Ingram was able to halve the expected power requirement at its new National Distribution Centre in Midrand.

Its consulting engineers advised that the new facility would require up to 1 800 kilovolt-amperes to operate. The existing supply was only 1 000KVA, and the local authorities would require up to seven years to upgrade the electrical supply.

Assisted by Industrial Logistic Systems, Adcock Ingram re-engineered the building, lighting, air conditioning, incoming power supply infrastructure, operational processes and management systems. As a result, Adcock Ingram was able to reduce overall demand to below 900KVA – half the expected power requirement.

Certificate of Merit – MTN

Cellphone provider, MTN, received a special certificate for its Business Transport and Logistics Application. The aim of the project was to increase the efficiency and productivity of logistics businesses while reducing costs and waste, through the availability of live, always-on, electronic field data. For the first time, African businesses could get mobility solutions bundled with cellular data contracts – providing software, hardware, data, support and services.

Sponsors

Leading extra-heavy vehicle manufacturer, Scania, was the lead sponsor of the 2011 Awards. Co-sponsors were Barloworld Logistics, Improvon as well as trophy sponsor, TrenStar.



Level 4 for Cargo Carriers

Cargo Carriers has increased its BBEE score from a Level 7 to a Level 4 logistics service provider in only four years, becoming one of SA's leading empowered logistics companies

The logistics and supply chain industry has placed an increased focus on transformation. A great majority of South Africa's top industry players are under pressure to meet Level 4 criteria or better.

Cargo Carriers, a leading logistics services provider, recently achieved Level 4 Black Economic Empowerment (BEE) status. The company has been steadily increasing its empowerment credentials, moving from a Level 7 to a Level 4 in a matter of only four years.

This stems from the company's long-term plan to raise its BEE score – not merely for the sake of compliance, but for the ability to win more business and create a greater capacity for growth. In order to do this, years ago Cargo Carriers formed a BEE committee to launch the company into a new age of compliance.

“Our diverse and extensive Broad-Based BEE (BBBEE) programme has placed Cargo Carriers in South Africa's top three listed and empowered transport companies,” says Andre van Vuuren, marketing director at Cargo Carriers.

“The reason we now enjoy an increased score has a lot to do with our skills and enterprise development programmes, as well as our commitment to social development in the communities in which we operate.”

Cargo Carriers promotes education, training, employment equity, and the creation and mentoring of small businesses in order to make a lasting contribution to the industry. These programmes have been put in place both for compliance and the overall good it does for the business and for the country.

Skills development was by far Cargo Carriers' most improved score, rising from 5.6 in 2010 to 15 – the maximum number of points that can be awarded.

“In terms of equity-based empowerment”, says Boitumelo Choche, group audit and risk manager at Cargo Carriers, “we have set up and now support a number of owner-driver businesses, and have established several industry-focused and empowered businesses with previously disadvantaged industry participants.”

The owner-drivers are well looked after, as Cargo Carriers assists with financial planning, offering training courses to further their abilities as both drivers and business owners. These owner-driver schemes are subject to a very careful selection process, after which a rigorous monthly operational and financial mentoring process begins.

Through various social development programmes, the company achieved the maximum of five points in the socio-economic development section of the scorecard. This was done through a contribution to HIV testing and mobile clinics for all staff.

“As a company that believes that South Africa's future can only be secured through real transformation, we continuously strive to improve our BBBEE scores,” says Choche.

It is this commitment to transformation that wins and maintains large contracts for Cargo Carriers. The leap from Level 4 to Level 3 may take some time to achieve, but Cargo Carriers is already making a concerted effort to become the most empowered logistics services provider in the country.

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The Rosslyn Automotive Supplier Park

The Automotive Supplier Park (ASP), located in Rosslyn, north of Tshwane, is managed by the Supplier Park Development Company (SPDC) Pty Ltd, a subsidiary of Blue IQ Investment Holdings Pty Ltd, and an initiative of the Gauteng Provincial Government. The ASP was established in 2002 to support the automotive industry through location management in Gauteng and to stimulate sustainable economic growth and job creation in the province.

ASP is located within close proximity to original equipment manufacturers (OEMs) within Gauteng, and close to all major rail and road links for ease of access.

The park comprises an area of over 130 hectares, and is developed in five phases. Infrastructure for Phase 1 & 2 (60ha) is complete and 130 000m² buildings are erected.

The Strategic Goals of SPDC

- Provision of infrastructure for automotive manufacturers and related industries and suppliers;
- Reduction of the cost of doing business;
- Attraction and retention of manufacturers into the Gauteng province; and
- Facilitate the creation of jobs in Gauteng.

The ASP started with two anchor tenants; and since its inception, it currently has 15 strategic tenants.

There has been great impact of SPDC's interventions with positive improvement in economic impact/gross domestic product contribution of the ASP over the past years. ASP has also created over 20 000 direct jobs since inception and more than 1 500 people are currently employed. The ASP addresses logistics costs by bringing suppliers closer and has thus reduced logistics costs and the general cost of doing business.

Influencing factors for location decisions

A market for domestic consumption and export does exist for South African OEMs; and although it is small, government

incentives such as the Motor Industry Development Programme and Automotive Production and Development Programme have made local production viable. Location near OEMs to support the production process and guarantee supply of critical parts. Trade relationships unique to South Africa or Africa have the ability to open up markets that would otherwise be inaccessible. Therefore, cost remains the biggest driver for location decisions.

SPDC continuously seeks to improve value offering of the ASP to its current and future customers. The SPDC Value Proposition Offering addresses all location decision factors, namely: location, property management, shared services, and logistics optimisation.

Increased real-estate flexibility and minimised risk on property investment

- Turnkey infrastructure development with custom tailored buildings, flexible lease arrangements with OEM contract alignment options, and freely available land for development.

Shared Facilities

- The Central Hub incorporates offices for service providers, 4-star graded conference centre with full conferencing facilities, central canteen, coffee shop, fast food outlet and automated teller machine, as well as medical centre to service the tenants of the ASP on a shared service basis.

ICT

- Shared funding and resourcing, economies of scale, Business continuity & Disaster recovery as well as modular design to allow customers to "slot in".

Logistics

- Several logistics players within the park with over 41 000m² of warehousing and centrally located container depot, which is able to handle all inbound and outbound container traffic of the park.

THE VISION

- To increase production volume, local content and job creation.



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KEEPING THE TRANSPORT AND LOGISTICS INDUSTRY HEALTHY



The National Bargaining Council for the Road Freight and Logistics Industry (NBCRFLI) is working hard to protect the health and well-being of the transport industry. We are proud to have launched the new NBCRFLI Wellness Fund Health Plan on 1st July 2011 which entitles all eligible contributors, together with one eligible spouse, to a range of medical benefits.



Eligibility Criteria

All active members who have been contributing to the Wellness Fund are eligible for qualification based on the following existing categories:

- Permanent employees within the defined bargaining unit are eligible for full cover as per the Health Plan as well as the ARV programme.
- Temporary Employment Service employees who are placed at a client on a continuous and full-time basis within the defined bargaining unit and are fully contributing to the Wellness Fund are eligible for full cover as per the Health Plan as well as the ARV programme.
- Extended Bargaining Unit and Voluntary employees who are voluntary contributors to the Wellness Fund are eligible for full cover as per the Health Plan as well as the ARV programme only if they contribute continuously without interruption on the basis of the defined minimum wages contribution per month as per the Main Collective Agreement for the duration of the agreement (1% of basic wage by employer and 0.5% by employee).
- All casual/relief employees, as per the definition in the Main Collective Agreement, are only eligible for the ARV programme managed by CareWorks for the duration of their casual/relief contract period, provided they contribute to the Wellness Fund.



WELLNESS FUND HEALTH PLAN BENEFITS



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- Basic pathology – list of covered blood tests.
- Basic optometry – includes an annual eye test, clear plastic single vision or bi-focal lenses and one basic frame every 24 months.
- Basic dentistry – limited to R1 000 per Eligible Principal Member and Eligible Spouse with a sub-limit of R500 per incident, and R2 000 with a sub-limit of R1 000 for emergencies, every 24 months.

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Alternatively contact our call centre on **0861 872 333**

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- 24-hour emergency assistance through ER24 in the event of accidents and emergencies.
- For more information call **084 124**

Accident Casualty Benefit

Available to the Eligible Principal Member and Eligible Spouse.

- Basic emergency treatment, limited to R7 500, in a hospital emergency room for accidental injury.
- For more information call **0861 227 282**

Hospital Cash Back Plan Benefits

Available to the Eligible Principal Member, Eligible Spouse and Child Dependants.

- A benefit of R250 is payable per day whilst in hospital for more than one day.
- A R500 benefit is payable per day whilst in intensive care.
- For more information call **0861 227 282**

The NBCRFLI Wellness Fund Health Plan is provided via the National Bargaining Council for the Road Freight and Logistics Industry Wellness Fund, registered in terms of the Labour Relations Act.

For further information or assistance, go to www.nbcrfli-health.co.za or contact:

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Hospital Cash Back Plan 0861 227 282
Email nbcrfli@universal.co.za
Fax 086 586 2161





WELLNESS FUND HEALTH PLAN BENEFITS

Frequently Asked Questions

1. Who can become a member of the NBCRFLI Wellness Fund Health Plan?

The NBCRFLI Wellness Fund Health Plan welcomes all employees who qualify for Scheme membership in terms of the rules as set out in the eligibility criteria section.

2. Is the NBCRFLI Wellness Fund Health Plan available to all employees registered with the NBCRFLI?

All those who contribute to the Wellness Fund as per the eligibility criteria outlined will qualify for membership of the NBCRFLI Wellness Fund Health Plan.

3. Is membership to the NBCRFLI Wellness Fund Health Plan open to any other employees who do not fall under the umbrella or scope of the Bargaining Council?

Unfortunately not. Membership of the NBCRFLI Wellness Fund Health Plan is only available to those who fall under NBCRFLI jurisdiction in terms of the rules of the Fund.

4. How does the contribution work, who pays for the NBCRFLI Wellness Fund Health Plan?

Employees who qualify for membership are not required to pay an additional contribution towards the NBCRFLI Wellness Fund Health Plan. The Health Plan contribution is already included in the wellness fund levy. Apart from the 1% monthly employer contribution and the 0.5% contribution of wages for the employee, there are no additional costs. The contribution calculation will remain the same.

5. How do I become a member of the NBCRFLI Wellness Fund Health Plan?

Prior to the launch of the NBCRFLI Wellness Fund Health Plan on 1 July 2011 a membership file with eligible employees was compiled by the NBCRFLI. When the Health Plan was launched all these employees were active members contributing towards the Wellness Fund. This entitles them to full access to all benefits of the NBCRFLI Wellness Fund Health Plan.

Welcome packs containing all the relevant information were distributed to qualifying employees within each employer group. Those who have not as yet received their welcome packs can collect them from their human resources department or payroll office.





In order to ensure that membership information remains current and fully updated, a membership file listing all eligible employees is prepared on a monthly basis. Once the membership file is loaded all new employees listed on the membership file will receive a welcome pack containing all the relevant information about the NBCRFLI Wellness Fund Health Plan.

6. Can valid NBCRFLI members add dependants such as their spouses and children?

The welcome pack includes a registration form, which must be completed before an eligible spouse is registered. The Fund covers one registered eligible spouse in terms of the Primary Healthcare Benefits, as well as the Emergency Medical Services. Children are however covered on the Hospital Cash Back Plan.

7. Is the NBCRFLI Wellness Fund Health Plan a medical scheme? For example, if an employee resigns from a traditional medical scheme, will the membership of the NBCRFLI Wellness Fund Health Plan be taken into consideration in terms of the standard waiting period that precedes new medical scheme membership?

The NBCRFLI Wellness Fund Health Plan is not a medical aid. It is the Sick Fund of the National Bargaining Council for the Road Freight and Logistics Industry. It is registered in terms of the Labour Relations Act. The NBCRFLI Wellness Fund Health Plan will therefore not ensure continuous medical scheme membership.

8. Will all employees contributing to the council levies, automatically be registered on the NBCRFLI Wellness Fund Health Plan?

No, employees contributing council levies will not be registered as valid members of the NBCRFLI Wellness Fund Health Plan. Only employees contributing to the Wellness Fund levy will be registered in line with the rules of the Fund. Council levy contribution is not a criterion for membership.

9. Will members receive a membership card?

A temporary Membership Card for each employee shown on the registration file was distributed to all employer groups during the first week of July 2011 with the initial take-on of the NBCRFLI employer groups. Members are afforded the opportunity to register an eligible spouse. A permanent membership card will be distributed once the eligible spouse has been registered. In instances where a member does not register an eligible spouse, a permanent membership will automatically be issued.

Any new member who appears on the monthly membership file will receive a permanent plastic membership card. If an eligible spouse is registered, a second membership card, reflecting the spouse's details will be posted to the member. The member will retain the original card, as it reflects his/her details as principal member.



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