



## MAN Truck & Bus SRM (Sales Region Middle East & Africa)

### Heavy commercials take a knock after strong 2011 growth

Despite several challenges facing the South African heavy commercial vehicle industry, including 'double-dip' global recession fears, domestic labour action, various supply-chain contingencies and negative rand/dollar exchange rates during 2011, both the heavy and extra-heavy truck markets recorded significant year-on-year growth compared to 2010.

The heavy truck segment (vehicles with a GVM 8501-16500kg) recorded a 5.7% growth during 2011 compared to 2010 with local extra-heavy truck sales up by 35.4% and export- into-Africa sales of extra-heavy trucks growing by 26.8% on 2010 figures.

Heavy bus sales for 2011 registered a 37.6% drop on 2010 sales figures which were significantly boosted by bus fleet expansion in preparation for the Soccer World Cup. However, month-on-month bus sales figures have stabilised in recent months, suggesting a normalisation of the new bus sales market where monthly sales volume fluctuations remain within single-digit parameters.

As threats of another credit crisis pervade international investor markets, January 2012 sales of heavy commercial vehicles suffered, with all segments recording fewer unit sales compared to the corresponding month last year.

Heavy trucks sales dropped by 8.3%, extra-heavy trucks by 19.4% and heavy buses by 2.9% respectively during January 2012 compared to January 2011.

These figures however do not represent a truly accurate picture of the total local heavy commercial vehicle market sales volumes due to non-disclosure of detailed/disaggregated sales data to Naamsa by Mercedes-Benz SA as of mid-December 2011.

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The National Association of Automobile Manufacturers of South Africa (Naamsa) states that, “The lack of comprehensive sales data, including export sales figures, by a major company in the South African Automotive Industry also precludes meaningful evaluation of the Industry’s performance and trends. It also reduces the ability of component companies, vehicle manufacturers and retail participants in planning and optimizing business operations covering areas such as production, importation, distribution, sales and marketing.”

According to Bruce Dickson, deputy CEO, MAN Truck & Bus SA, “Mercedes-Benz is MAN’s primary competitor and it is unfortunate not to be able to compare our truck and bus sales figures with their respective models. However, while awareness of competitor activity is important, MAN is focused on its specific markets, improving its market share through enhanced customer proximity.

“January is always an unpredictable month for sales teams as customers ease their way into the new year, invariably tightening their belts after the festive season. The growth in the heavy and extra-heavy truck segments recorded in 2011 however, does instil confidence that this industry is on a definite road to recovery after the 2008/2009 recession.”

MAN heavy truck sales in January this year rose by 50% compared to January 2011 while its extra-heavy derivatives recorded an increase of 39% year-to-date. MAN bus sales dropped marginally during January 2012 by 5.7% compared to the January 2011.

“The outlook for 2012 from MAN’s perspective is extremely positive. Several countries in Africa are proving to be strong burgeoning markets for both MAN trucks and buses. Furthermore, long-term direct foreign investment in South Africa and north of our borders in massive infrastructure development projects augers well for the continued procurement of heavy-duty trucks,” says Dickson.

Commenting on the evolving purchasing criteria of the commercial truck and bus fleet markets in South Africa, Dickson adds that “the operating environment in South Africa is becoming increasingly stringent with new

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legislation like AARTO, industry-specific emissions limitations, rigorous customer service-level agreements and escalating overload control have fleet customers demanding greater payload efficiency and guarantees of optimum vehicle uptime at lowest possible cost of ownership. The challenge for commercial vehicle suppliers this year will be the provision of standard factory models that are fuel efficient, robust, comprehensively supported by extended warranties with swift and budget-friendly repair and maintenance services, as well as customised finance and buy-back options,” concludes Dickson.

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### **For further information**

[www.mantruckandbus.com/media](http://www.mantruckandbus.com/media)

MAN Truck & Bus AG, headquartered in Munich, Germany, is the largest company of the MAN Group and a leading international supplier of efficient commercial vehicles and innovative transport solutions. In fiscal 2010 the enterprise, with around 31,000 employees, posted sales of more than 55,000 trucks and over 5,400 buses and bus chassis of the MAN and NEOPLAN brands worth 7.4 billion euros.