

Truck sales show modest growth for 2014

According to the latest results the South African truck market delivered a subdued performance during 2014, growing a modest 2.04% on 2013's results, to conclude the year on 31,554 unit sales.



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"I think the local truck market still managed to deliver a satisfactory performance, especially if one takes all the macro- and socio-economic challenges into consideration," said Rory Schulz, managing director of UD Trucks Southern Africa.

Looking at the year's performance of the various market segments against that of 2013, medium commercial vehicles (MCVS) declined by 4.86% to 11,021 units. Meanwhile, the heavy commercial vehicle (HCV) segment remained flat with a very slight 0.04% increase in sales to 5,476 units. The extra heavy commercial vehicle (EHCV) segment had a good run, with year-on-year sales increasing by 7.68% to a noticeable 13,804 units.

"A recovery in the platinum mining sector and increased activities in heavy construction and long haulage were the main drivers of demand for extra heavy trucks," explained Schulz. The star performer of the year turned out to be the bus segment, with a significant 19.79% growth on its 2013 performance, logging 1,253 sales during 2014.

Top sellers

Mercedes-Benz remained the top selling commercial vehicle brand in South Africa, with a 16.35% share of the market, followed by Isuzu with 12.84% and Hino with 12.77%. UD Trucks, in fourth position overall, managed to increase its market share from 9.96% in 2013 to 10.66% last year. In terms of growth, UD Trucks increased overall sales by 9.29%, outperforming the 2.04% industry average.

In the MCV segment, UD Trucks managed to increase sales of its now discontinued U41 range by 3.96% to 657 units. The last unit of this legendary range was produced in October 2014, with more than 13,000 units sold since its introduction in 1996.

UD Trucks was also once again the top-performing HCV range in the market, with a 23.94% market share. The company's best-performing segment was its Quon extra heavy range, which grew by a significant 24.9% compared to 7.68% for the total EHCV market. This performance pushed UD Trucks to the fourth position in the segment, gaining ground from its 8.77% market share in 2013, to 10.12% in 2014.

During 2014, UD Trucks also continued to play a significant role in the export market. The brand's total sales in sub-Saharan Africa, excluding South Africa, increased by 44.68% to 544 units.

Positive forecast

The forecast for the truck market remains positive for 2015, as some macro-economic factors are beginning to show signs of improvement. The GDP is expected to increase slightly to 2.5%, a downward revision from previous forecasts, while some credit rating downgrades remain a concern. Meanwhile the Gross Fixed Capital Formation (GFCF) index is set to decrease marginally as investment in construction and non-residential buildings decline - an indicator that there will be a decrease in demand for construction-related truck applications.

"Exchange rates remain a problem for the industry, with the effects of rand weakness in 2013 and 2014 to be felt through higher than inflation product price increases in 2015 by all truck manufacturers," said Schulz. "We are also hoping that labour relations will be better after the prolonged industrial action in various segments throughout 2014."

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