

SA should prepare for new era of vehicles

Speakers at the CAR conference last week at the Johannesburg International Motor Show, themed Technology and Change, say that rapid progress is being made in terms of connectivity and electronic technology embedded in automobiles of the not too distant future.

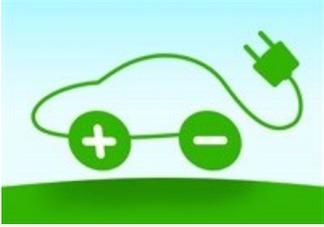


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Barlow Manilal, CEO of the Automotive Industry Development Centre (AIDC), chaired the conference. The AIDC is a subsidiary of the Gauteng Growth and Development Agency (GGDA) and co-sponsored the event along with Tracker and Ramsay Media. Manilal said that technological changes involved both business processes and product technology per se.

"Rapid changes in technology will have an impact on the South African automotive industry, especially in terms of skills development and our ability to produce and maintain technologically advanced vehicles," said Manilal.

Speakers included both international and local experts. Doug Newcomb, a well-known American commentator on the connected car, described a shift "from steel to silicon".

Development of connectivity with cars

He said that by 2015 there will be 25-billion connected electronic devices such as smartphones and in the world and this figure will grow to 50-billion devices by 2020, so this makes the rapid development of connectivity with cars increasingly important. Newcomb added that car buyers had ranked the importance of infotainment in the features of a car highly, rising from 25th to 5th in their list of priorities, according to research company JD Power.

Telematics and the ability of cars to integrate with other devices, emerged as a major trend that could have massive safety and in-car convenience spin-offs. "The autonomous car is not so farfetched anymore," said Manilal. "In fact, vehicle and system manufacturers are pursuing the possibilities of this for accident avoidance and general road safety."

Of South African origin, Oona Scheepers, the manager of colour and trim at Volkswagen AG in Germany, shared information on the many electronic features under development by Volkswagen for future cars. She also indicated that

environmental considerations extended to the way in which products and processes were developed.

This ranged from issues such as how leather was dried to the sustainability of materials used in the trims of vehicles.

Advancement of technology

The CEO of the Retail Motor Industry organisation (RMI), Jakkie Olivier, warned the audience that the rapid advances in automotive technology were taxing for independent workshops which have to purchase specialised testing equipment and need to have specially trained technicians to work on many of the latest models.

Olivier said his organisation represented 18,000 companies with 280,000 employees, which were divided into 14 different interest groups in the RMI, and not only were many of these existing companies faced with the high costs of diagnostics and repair equipment but the cost of starting a retail motor business today was rocketing due to the rapid increase in technological developments in vehicles and the equipment needed to repair them, which increased investment costs substantially.

Local motor industry

The effects of the recent strike in the local motor industry and related repercussions in terms the negative impact on South Africa's reputation as a reliable supplier - particularly to the export market - and its decreasing competitiveness in global terms were raised by a number of speakers, including the president of the National Association of Automobile Manufacturers of SA (NAAMSA), Dr Johan van Zyl, and the president and CEO of Mercedes-Benz SA, Dr Martin Zimmermann.

Van Zyl, who also spelled out the requirements for meeting the tough target of producing 1.2-million vehicles per year by 2020, said it was important that there was a change to a much more positive mindset in the industry as a precursor to facing up to the many challenges that had to be overcome to meet the industry's latest volume objective.

Zimmermann used the example of the way technology was being incorporated into production processes at the Mercedes-Benz plant in East London as it geared up to produce 100,000 of the new C-Class models a year from next year.

Earlier in the programme the acting deputy director-general of industrial development policy development at the Department of Trade and Industry, Garth Strachan, had spelled out a host of supporting policies which the government was implementing in support of increasing local vehicle production and particularly exports. Speakers raised a number of constraints including electricity, logistics, high port charges, the cost of raw material and import parity pricing for steel.

Former industry executive, Brand Pretorius stressed that the extent of technological changes and the fact that they are already arriving in South Africa on new models means that those involved in the local industry must adapt quickly to a rapidly changing environment if they want their businesses to remain sustainable into the future.

Manilal agrees. "The targets that have been set are very ambitious when considering the many challenges that still remain as impediments to our global competitiveness, but they can be achieved only if government, organised labour and industry collaborate very closely and adopt a single minded approach to growing the industry," he says.