

Commercial vehicle market competition on the rise in Africa

The regional market for commercial vehicles (CVs) like rigid trucks and flatbed trailers is being strengthened by rising urbanisation and infrastructural developments in Africa.

According to Frost & Sullivan, Asian original equipment manufacturers (OEMs) such as Isuzu, Mitsubishi, Dongfeng, Sinotruk, Tata, and Ashok Leyland have started making rapid inroads into the African market and currently account for 73.1% of the total CV market. As these foreign OEMs offer value trucks built for local conditions and customer preferences, market competition is intensifying.



“There is a significant opportunity for OEMs to leverage their already existing platforms in emerging markets, such as China, India and the ASEAN, to build synergies across these regions and Africa for higher operational efficiency and lower costs,” says Frost & Sullivan mobility industry analyst Marshall Martin. “Meanwhile, regional manufacturers will get a huge boost from the growing emphasis on urban transport, along with government incentives to produce vehicles locally.”

African Commercial Vehicles Market, Forecast to 2025 is part of Frost & Sullivan's commercial vehicle/transport/logistics/rail growth partnership subscription. The market is expected to grow from 317,533 units in 2016 to 538,774 units in 2025, at a compound annual growth rate (CAGR) of 6.1%.

SA largest contributor to Africa CV market

South Africa, with 53%, is the largest contributor to the CV market in Africa. However, Nigeria, Kenya, and Morocco are expected to be the fastest-growing markets and the only ones to increase their share by 2025.

While the market's potential is undisputed, it has been growing at a modest pace due to the subdued industry sentiment in Africa as a result of falling oil and commodity prices. Issues related to automotive infrastructure, financing, and labour rein in the CV market, even as the spending on urban infrastructure offsets the negative impact.

“Furthermore, the demand for cleaner air in cities will create opportunities for greener public transport such as compressed natural gas (CNG) and electric buses,” notes Martin. “Other CV technologies such as advanced telematics are expected to be highly popular in regions around South Africa, encouraging investments and partnerships in the African market.”

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