

**AUTO REPORT AFRICA** 

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From Africa to the World...

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MOTORS DIVISION CHANGAN

## **SMART CHOICE**

# Why MIKANO Partnered with Changan





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n the third quarter of 2023, Nigeria's Gross inconsequential gains and loss to the stakeholders. Domestic Product (GDP) had a real terms Q3 of 2023 increased by 2.87% YoY which is lower than the 3.93% growth rate of Q2 in 2023, but comparatively higher than 2.69% growth rate of Q3 in 2022. The decline recorded in third quarter is a of 2022. testament of automobile industry reactions to policy inconsistency, that is amplified by frequent reviews of import duties by the Nigeria Custom Services (NCS).

"The twin effect of subsidy removal and exchange rates harmonisation has impacted the industry with "

— President of the Lagos Chamber of Commerce & Industry (LCCI), Asiwaju Michael Olawale-Cole

"According to NBS, the imported used automobiles, year-on-year growth of 2.54%. However, the equipped with either diesel or semi-diesel engines, real GDP of motor vehicles and assembly in and having a cylinder capacity of less than 2.5 litres, had a significant Year-on-Year (YoY) increase of 375 percent, reaching N803.4 billion in the first half of 2023 compared to N169.1 billion in the same period

"This submission has been dispelled by automobile industry experts because it contradicts the reality of low sales/importation of automobiles."

ARA





## Stepping Up in Style

t's our anniversary and we are excited to step out in style with a fully digital edition. It is also a double celebration for us with the launch of our sister publication, **LUBES West Africa** digital magazine, at the same time.

is a monthly publication that will complement our online news service and leverage on the vast network and partnerships that we have built over the years across Africa and the world. your feedback to enable us serve you better.

We are also happy that we are launching out with the **Changan Brand**, a leading Chinese

vehicle Brand, that is being given a warm embrace by Nigerians as we express our gratitude to our patrons, supporters and industry stakeholders for all their support over the years.

**AUTO REPORT AFRICA** remains committed for the ideals which we have been known over **AUTO REPORT AFRICA** digital magazine the years and will continue to break the barriers of intra- African trade through our platforms as we continue to showcase Africa to the world.

Enjoy our maiden issue and we'll appreciate





## Driving Volkswagen Agenda for Africa

AAAM, joined the VW Group Africa team business relations.

The Volkswagen Group recently - Thomas Schäfer, Martina Biene Sabine took its agenda for Africa to the G20 Dall'Omo - for a unique opportunity to Investment Summit in Berlin, Germany. engage with high-ranking representatives As part of the German-Ghana business from business and governments to delegation, Jeffrey Opong Peprah, Chief forge a path and synergies to drive Executive Officer, Volkswagen Ghana. the Volkswagen Group agenda for Africa who is also Vice President (West Africa) at and further boost the German-African

# Coscharis Launches All-New Ford Territory in Nigeria

Nigeria, Coscharis Motors, has launched Sport Utility Vehicle into the Nigerian in the country, introduced the elegant model at a media/customer event which on Adeola Odeku Street, Victoria Island.

customers and media partners to the unveiling of the All New Ford Territory

Leading automobile dealership in officially into the Nigerian market, Deputy Group Managing Director, Coscharis the All-new Ford Territory mid-size Group, Mr. Fred Amobi, said the launch was part of the company's corporate market. Coscharis Motors, which holds objectives to continually deliver value the exclusive franchise for Ford vehicles to its stakeholders in any industry in which it finds itself as players.

was held at the new Ford showroom Motors, the Coscharis Group's flagship inside its newly-opened Coscharis Plaza subsidiary and the exclusive representative of the iconic Ford brand in Nigeria "is laying emphasis on the leadership status Welcoming the company's select within the Nigerian automobile ecosystem with the introduction of the All New

Amobi maintained that Coscharis Ford Territory today."



## **NEWSBITS**

## **All-New Nissan** Magnite Ez-Shift Breaks Cover in South-Africa

Nissan South Africa has launched the new Magnite Non-Turbo EZ-Shift (2 Pedal "AMT") into the local market with 3 grades. The new model is set with an automated manual transmission (AMT), offering a smooth and comfortable drive.

The new Nissan Magnite EZ-Shift is the most affordable 2-Pedal SUV in the market and comes with the 1.0-litre non-turbo engine and Automated Manual Transmission with almost similar features of the current 1.0L non-Turbo engine grades (Visia, Acenta and Acenta Plus).



RMI President, Jeánne Esterhuizen

#### **RMI Celebrates 115 Years of Excellence**

The Retail Motor Industry Organisation (RMI), with over 8, 500 member businesses in the retail automotive aftermarket in South Africa, has celebrated its 115th anniversary. The celebration came in a year marked by unprecedented economic challenges and worldwide uncertainties.

RMI President. Esterhuizen, says through strategic insight, a relentless commitment to its core values, and an unwavering dedication to its members and team. the RMI has shown consistent growth and innovation over the last decade. finishing this financial year in its strongest financial position yet.

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## South Africa, Morocco Are Great Examples of Bountiful Benefits in Stable, Progressive Automotive Policy

## Dave Coffey, AAAM CEO

**CEO** of the **African Association of Automotive Manufacturers (AAAM), Dave Coffey,** speaks on his association and its vision for the automotive industry in Africa. He says South Africa and Morocco are great examples of countries where significant auto investment continues to take place year after year whilst providing skilled employment at scale because of the political willingness to legislate and implement a stable and progressive automotive policy, which is the key to unlocking the economic opportunities. Excerpts.



#### BY OLAOLU OLUSINA

#### What are the objectives of AAAM?

he African Association of Automotive Manufacturers (AAAM) was founded in November 2015 by global OEMs. AAAM is an automotive association focused on the continent of Africa with the vision to expand and deepen the automotive industry by working with African governments to shape and implement policies and ecosystems that will attract investors and unlock the economic potential of the continent. The members of AAAM are global OEMs, assemblers, component manufacturers and service providers that contribute to the development of automotive ecosystems. With the effective implementation of the agreed continental automotive strategy and progressive national auto policies and ecosystems, AAAM believes that new vehicle demand could increase from 1.1m to at least 3.3m per year and possibly 5m by 2035.

## Tell us about AAAM's vision for Africa which aims at deepening the continent's auto industry and influencing policies.

Let me articulate the automotive vision for Africa. A Continental Automotive Strategy and Implementation Plan that was developed by the African Association of Automotive Manufacturers (AAAM), AfCFTA Secretariat, Africa Union (AU), UNECA, Afreximbank and ARSO was adopted as a living document by the AfCFTA Council of Ministers at a meeting in Botswana in February 2023. An AfCFTA Automotive Task Force has been formed to oversee, guide and implement this Strategy under the supervision of the Council of Ministers. Private sector/

manufacturers' representatives of State Parties can voluntarily participate in the Task Force with the immediate priority of the Task Force to resolve the Rules of Origin.

The architecture of the Continental Auto Strategy is built on a few important principles:

- Hub countries will assemble vehicles with neighboring economies sharing in the value chain; OEMs will not build a model in a Completely Knock Down (CKD) format in more than one country in Africa. The effective implementation of the continental automotive strategy will cause OEMs to decide where they manufacture what vehicles in Africa based on a country's competitive and sustainable advantage and as part of their global manufacturing footprint.
- · The component manufacturers follow the OEM investments,

"AAAM is supporting the government of Ghana to develop an appropriate vehicle finance framework that will unlock demand – in addition AAAM has a vehicle financing working group that is exploring financing activities in Ghana with expert service providers from successful ecosystems. All these learnings will be important for sharing across Africa."



benefitting from the scale whilst investing in the technology requirements of the OEM and benefitting from the demand for spare parts manufactured off the same equipment.

- The development of Regional Value Chains including the transformation of raw materials will facilitate inclusivity and support for the continental auto strategy.
- Countries are to implement independent but compatible national policies.
- The architecture of these national policies will support continental production and trade (scale) whilst driving manufacturing competitiveness.
- It is important for regional alignment in terms of complementarity, in order to facilitate scale. For example, we are currently exploring a bilateral between Ghana and Cote d'Ivoire where Ghana assembles light vehicles and Cote d'Ivoire assembles bus, truck and trailers. Such a bilateral would bring about automotive free trade in accelerated time frames, as opposed to a 5 year or longer tariff phase down once the rules of origin are agreed.
- As assembly capacity grows the importation of used vehicles will transition from an unregulated environment of imports to used vehicles coming from vehicles assembled in Africa. In the short term we are driving a strong initiative to ensure vehicles exported to Africa are roadworthy.
- Scale will be enhanced by:

The harmonisation of minimum standards for new and used vehicles, spare parts and fuel.

Providing affordable mobility solutions and access to affordable investment and vehicle asset finance.

Governments are to source locally assembled vehicles.

#### How successful was your last mission to Nigeria?

AAAM's purpose was to meet the automotive assemblers and to share the auto vision for Africa, our activities and progress on the continent. Nigeria has a key hub assembler role to play in Africa; it is important that the Nigerian private sector is aware of and in support of the continental strategy and gets on the AfCFTA auto stage. The strategy was well received. I want to note my appreciation for Luqman Mamudu who facilitated this meeting. We are linking auto private sector associations across Africa to promote collaboration – strong and aligned private sector associations are critical to realising the auto vision for Africa.

## What is AAAM doing about transiting from SKD to CKD to ensure local content development?

The continental automotive strategy drives scale which enables the transition to CKD and deep value addition.

## Is AAAM well-positioned to make auto financing work across sub-Saharan Africa?

AAAM is supporting the government of Ghana to develop an appropriate vehicle finance framework that will unlock demand – in addition AAAM has a vehicle financing working group that is

exploring financing activities in Ghana with expert service providers from successful ecosystems. All these learnings will be important for sharing across Africa. In addition, Afreximbank has committed \$1bn over 5 years to developing the full automotive value chain including vehicle and investment finance.

## What is the progress on the efforts at getting the Auto Policy Bill signed into Law by Nigeria's President, Bola Tinubu?

For the first time in a number of years, I am optimistic that the current Bill will be passed into law and implemented.

## AAAM and OEMs seem to have been focused on Ghana in the past six years or so. Why is it so?

Ghana adopted and implemented a progressive policy – long term certainty for investors is critical.

#### What are the prospects for Nigeria?

OEMs remain very interested in Nigeria – we need certainty of policy that has been passed into law and effectively implemented; this includes the required vehicle, fuel and parts standards to support investments.

## What is responsible for the growth of the automotive industry in North Africa and what can West Africa do to catch up?

Regulation of used vehicles in North Africa is well advanced.

#### What are the challenges facing the auto manufacturers in Africa?

The political willingness to legislate and implement a stable and progressive automotive policy is the key to unlocking the economic opportunity – South Africa and Morocco are great examples where significant auto investment continues to take place year after year whilst providing skilled employment at large scale.

#### Who is Dave Coffey?

Dave Coffey has spent most of his working career in the automotive industry. He graduated from the University of Natal in South Africa with a degree in B.Sc. Mechanical Engineering in 1984 and subsequently obtained an MBA from the University of Cape Town in 1992. He is currently the CEO of the African Association of Automotive Manufacturers (AAAM). He previously held senior positions within various automotive supplier companies including Dorbyl Automotive Technologies and Bel-Essex Engineering.

Before taking up his position at AAAM, he was the Managing Director of Shatterprufe, a manufacturer and distributor of automotive glass in South Africa. Dave has also been active in various business organisations during his career, including being President of the National Association of Automotive Component and Allied Manufacturers (NAACAM) twice, as well as being President of the Nelson Mandela Bay Chamber of Commerce.

## PROUDLY GERMAN WITH A SOUTH AFRICAN HEART:

## Meet Martina Biene, VWSA Chairperson/MD, Who's Leading Africa's Auto Manufacturers Group

#### **BY OLAOLU OLUSINA**

hairperson and Managing Director, Volkswagen Group South Africa's (VWSA), Martina Biene, is without doubt "Proudly German" with a South African heart. The newly-elected President of the African Association of Automotive Manufacturers (AAAM), who had one of her first official assignments clearly spelt out at the third edition of the Intra African Trade Fair (IATF 2023), which held recently in Cairo, Egypt, became passionate about Africa after an internship in Cape Town before joining Volkswagen in Germany.

Biene, who now leads the entire Volkswagen Group operations in Africa, with grand expansion plans for a continent with full potential, left no one in doubt as to her suitability and capability to lead the apex body of auto industry manufacturers in Africa.

Sporting a designer jacket from Laduma Ngxokolo of MAXHOSA, a South African luxury fashion brand with roots in the Eastern Cape province, where Volkswagen has its manufacturing plant, Biene, standing tall, bold and elegant, did not mince words in making a strong case for the development of the automotive industry in Africa.

As she joined other industry leaders and major stakeholders at different sessions of the well-attended Automotive Summit, which was a major part of the IATF 2023 event organised by AAAM with the full support of Afreximbank, Biene was more than convinced that the IATF's theme of "Connecting African Markets" was appropriate, "considering that Intra-African trade currently only accounts for 16 percent of total African trade."

Sharing her experience after the highly successful event, the AAAM President said: "I've just returned from the third instalment (edition) of the Intra-African Trade Fair (IATF) 2023, which was held in Cairo, Egypt, in my capacity as AAAM President.

"IATF's theme of "Connecting African Markets" was appropriate considering that Intra-African trade currently only accounts for 16 percent of total African trade.

"In my opening remarks, I stressed the fact that the time to act and boost trade on the continent was yesterday. Specifically for the automotive industry,



Martina Biene

addressing and focusing on AfCFTA advancing trade in Africa, auto policy development, a used car import ban, ideally for vehicles under five years, bi-lateral trade agreements, cleaner fuels for Africa, mineral transformation and raw material processing, as well as the transport and logistics value chain, will significantly grow the automotive industry on the continent.

"The World Bank states that manufacturing exports are anticipated to make the most gains: a 110 percent increase for intra-African trade and 46 percent for non-African trade. My greatest wish for the continent is to take advantage of the immense opportunities the AfCFTA provides by ensuring policies are in place to foster this growth.

"Thank you to Dave Coffey, CEO of AAAM, for the great work and collaboration in promoting the automotive sector across the continent."

#### **NOT NEW TO AFRICA**

Biene is not really new to Africa as she has a long - term experience with the continent and its people. She is also in love with the culture and tradition of her



Panelists at Session 2 roundtable at IATF 2023 in Cairo, Egypt. with Martina Biene, Jeffrey Peprah, Dave Coffe, Mike Whitfield and others

hosts even as she's proudly German. She disclosed that she became passionate about Africa after completing an internship in Cape Town before joining Volkswagen in Germany. Biene was Head of the Volkswagen Brand at VWSA from 1 October 2018 to August 2020 when she moved back to Germany for a new position at the Volkswagen headquarters in Wolfsburg from 1 September 2020. Biene, who had been in South Africa for nearly two years, took up a new position as Head of G1 Baureihe (Product Management of A0 cars) reporting to the Volkswagen Brand CEO Ralf Brandstätter.

Biene's ability and interest in embracing the South African culture and integrate into the local society, really enabled her to understand the local automotive market. In 2019, during her tenure as Head of the Volkswagen Brand, Volkswagen's market share in the passenger car market grew to a record 20.4 per cent, the highest since 1996.

#### **MOVING BACK TO GERMANY**

Commenting on Biene's ability and talent, Sales and Marketing Director for VWSA at the time, Mike Glendinning, said: "Martina's appointment is testimony to her talent and skill and whilst we are disappointed that she is leaving us, we wish her everything of the best for the next chapter in her career.

"Martina's stewardship of the Volkswagen Brand during her relatively short tenure has been excellent. She has made a positive impact with regard to strategy development especially on topics like digitalisation, connectivity and other future orientated aspects of our business."

#### **RETURN TO SOUTH AFRICA**

Biene, who has put in well over two decades of work experience at the Volkswagen Group, having worked in Sales, Marketing, Product Planning and Product

Marketing for Luxury Vehicles and the Volkswagen Brand in Germany, Belgium, Luxembourg and South Africa, returned to VWSA in October 2022 to take over from Robert Cisek as the Chairperson and Managing Director of VWSA.

Cisek had taken over the reins at VWSA in November 2020 at the height of the Covid-19 pandemic and successfully led VWSA through a turbulent period of semiconductor shortages, which impacted Kariega plant production and vehicle sales. Cisek also ensured that no jobs were lost at VWSA during the period.

Chairman of the Volkswagen Group, Thomas Schaefer, was full of praise and appreciation for Cisek and Biene on their new postings.

"I would like to thank Robert for steering VWSA to a stable position during a highly challenging period for the local and global automotive industry. I am looking forward to having him back in Wolfsburg to head our small and compact product line, which will play an important part in the future of our product portfolio in emerging markets like South Africa," Schaefer said.

He added, "Martina is returning to the market which she knows very well after her successful time as the Head of the Volkswagen Brand Sales and Marketing. Her mandate is to sustain VWSA's strong position in South Africa, and to continue to pursue Volkswagen's plans to grow the Brand in the Sub-Saharan Africa markets.

"I wish both Robert and Martina success in their new roles. I am confident that their experience and commitment to Volkswagen will benefit their teams positively."

#### **EMERGING AAAM PRESIDENT**

Barely a year after returning to South Africa, Biene is already achieving the tasks set for her as her performance

Continued on page 10 —





"I became passionate about Africa after completing an internship in Cape Town before joining Volkswagen in Germany. My career has allowed me to return to Africa to help with the industrialisation of Africa through the automotive industry which will help to create opportunities and sustainable jobs."

and impact ensured her emergence as the new President of AAAM), taking over from Mike Whitfield, Managing Director, Stellantis South Africa, who had been AAAM President since July 2020. Whitfield remains on the Executive of AAAM as the Immediate Past President.

Established in November 2015 with Jeff Nemeth from Ford as the first President and Mike Whitfield as the Vice President, AAAM is the only African body focusing on the expansion and deepening of the automotive industry across the continent, by working with governments to shape policies that will attract investors to unlock the economic potential of the continent and align a global network of stakeholders, committed to the development of the automotive industry in Africa.

During Whitfield's tenure at AAAM, a Continental Automotive Strategy and Implementation Plan was developed in conjunction with the AfCFTA Secretariat, Africa Union (AU), UNECA, Afreximbank and ARSO and this was adopted as a living document by the AfCFTA Council of Ministers at a meeting in Botswana in February 2023. An AfCFTA Automotive Task Force was also formed to oversee, guide and implement this Strategy under the supervision of the Council of Ministers with the immediate priority to resolve the Rules of Origin.

AAAM's role and importance in developing the automotive industry has also been recognised by the private sector which has resulted in AAAM's membership growing from some 17 members in 2020 to the current 63 members.

#### **AAAM EXCO**

Biene is currently joined on the new AAAM Executive by the following:

- Mike Whitfield, Managing Director Stellantis South Africa - Past President
- Andrew Kirby, President and CEO of Toyota South Africa Motors (TSAM) - Vice President
- Markus Thill, President, Region Africa, Robert Bosch - Vice President
- Jeffrey Oppong Peprah, CEO of Volkswagen Ghana - Vice President
- Dr. Ahmed Fikry, Managing Director for East Port

Said for Main Development Co. (EP) and Managing Director Egyptian German Automotive Co.(EGA) - Vice President

 Dave Coffev -Chief Executive Officer

#### **PASSION** FOR AFRICA

Looking back and reflecting on her journey so far, especially in Africa, Biene said: "I became passionate about Africa after completing an internship in Cape Town before joining Volkswagen in Germany.

"My career has allowed me to return to Africa to help with the industrialisation of Africa through the automotive industry which will help to create opportunities and sustainable jobs. I am thankful for the work that Mike and the AAAM team have done to date and I am humbled to be able to play a kev role through AAAM to grow the automotive manufacturing industry from the 1.1 million vehicles a year today to some 3.5 million or even 5 million by 2035," said Biene, after being voted into her new position by the voting members of AAAM."



## FixIt45 Moves to Unlock Potential in Kenya, Uganda



Fixit45 Founders from Left: Pankaj Bohhra, Chioma Ahueze-Okochukwu and Goodluck Ikporo

autotech aftermarket sector, is set to unlock the great potential in the Kenyan and Ugandan automotive markets. A new \$1.9 million in equity and working capital pre-seed funding round spearheaded by Launch Africa Soumobroto Ganguly and David DeLucia, will enable the company to achieve this goal. Fixit45 will therefore be leveraging on the confidence of an array of angel investors, who also underscoring their confidence in Kenya and Uganda.

Fixit45, a prominent player in the Fixit45's vision and potential, to move ahead with its East Africa expansion

This substantial capital injection really marks a pivotal moment for Fixit45 as it aims to extend its influence within the automotive industry. The Ventures, Africa's most active VC funding will be strategically allocated firm, along with prominent investors, to drive the growth of existing business operations in Nigeria by investing in technology and ambitious expansion plans with a primary focus on enhancing spare parts distribution through its O2O platform xparts.africa and venturing into ioined the latest funding round, thus new markets in East Africa, particularly

## **Nissan Renews Agreement with** Groupe Hasnaoui in Algeria

Nissan's long-standing Algerian partner. as the world's last automotive frontier Groupe Hasnaoui, has signed a renewed distributor agreement extending its history with the Japanese OEM, which dates back to 1993.

It is a brand-new beginning, says Nissan Africa President, Joni Paiva, in a very important market which was previously one of the top three automotive markets in Africa and is now ramping-up.

"It's a momentous occasion for us, as we seek to unite the entire continent under one organisation for the first time in our global company's 90-year history," he said. "This is part and parcel of our mid-term growth strategy, to unlock the potential that this continent has built Nissan Navara."

by providing the best line-up of models to answer Africa's mobility needs in a sustainable, safe and aspirational way.

Nissan Africa has a unique industrial footprint in the continent; being the only OEM on the continent to have two fully owned plants, in Egypt and South Africa and two DKD facilities in Ghana & Nigeria.

"We are excited about this partnership," Maciej Klenkiewicz, Nissan South Africa & Independent Markets Africa Country Director, said, adding, "We have ambitious plans for the Algerian market and specifically with the locally

## **NEWSBITS**

#### **Volkswagen Seals New Deal with Egypt**

Volkswagen has sealed a new deal with the Government of Egypt to develop a feasibility study on a shared automotive painting facility within the East Port Said Industrial Zone in the Fast Port Said Automotive Zone in Cairo.

The agreement was signed by the Chairman of the General Authority for the Suez Canal Economic Zone. Waleid Gamal Eldien, Chief Executive Officer of the Sovereign Fund of Egypt, Ayman Soliman, Managing Director of the East Port-Said Development Company, Dr. Ahmed Fikry and Chairperson and Managing Director of Volkswagen Group South Africa (VWSA), Martina Biene, in the presence of the Prime Minister of Egypt. Dr Mostafa Madboulv. at the headquarters of Council of Ministers in the New Administrative Capital. The signing ceremony was also witnessed by the Minister of Planning and Economic Development, Dr. Hala Al-Saeed.

#### **Carloha Brings Chery Back in Nigeria**

Carloha Nigeria has been appointed as the exclusive authorised dealer of Chery automobile for the Nigerian market. This strategic partnership, according to an official statement, marks a significant landmark in the expansion and growth of both organizations in the Nigerian automotive industry.

Chery Automobile, a global player in automotive manufacturing with a robust history of high-quality vehicles, is also excited in the partnership with Carloha Nigeria. The essence of this partnership is to provide Nigerian automobile lovers with the access to cutting-edge vehicles that combine state-ofthe-art technology, superior quality, affordability, and unrivaled reliability.



## SMART CHOICE

# Why Mikano Motors Partnered with Changan

• Reassures Geely Customers of Continued Support

#### **BY OLAOLU OLUSINA**

hangan, the leading Chinese vehicle brand, has found a home in Nigeria, and a comfortable one, for that matter. Fast-rising and leading automobile dealership, Mikano Motors, has given Changan, with its fascinating models, a warm embrace. The country's automobile market, therefore, has no problems, whatsoever, in putting this beautiful brand on a good rating with the way Nigerians are craving for it.

A random sample on the major roads in Lagos, Nigeria's social hub and commercial centre, as well as Abuja, the nation's capital, clearly shows that, indeed, Nigerians have really fallen in love with this beautiful Chinese vehicle brand with its various models already available in the local market.

From the exotic and luxury-class models such as the CHANGAN CS55 Plus to the mid-size SUVs and entry-level sedans and passenger cars, as well as the Changan pick-up for the commercial segment of the market, Nigerians are loving them all. Tested for its reliability for several months, especially for its suitability for the Nigerian

"Changan, which is the number one selling auto brands in the Middle East and the biggest export from China to Nigeria, has given us more models to market here Nigeria. This means we have a diverse range of models from this top Chinese automaker to offer Nigerians."

roads, it is interesting to note, but not surprising, that the Changan brand has already made the top list of nominees for the prestigious Nigeria's Car of the Year (COTY) for 2023 at the annual automobile awards being organised by Nigeria Auto Journalists Association (NAJA).

This is clearly unprecedented as it is happening just within the short period the brand has landed on Mikano Motors' product line-up as its sole distributor for Nigeria,

Stakeholders and observers of the emerging trend and popularity of the Changan models in Nigeria are unanimous in their opinion that Mikano Motors has, indeed, made not only the right choice but a smart one, too, with Changan.

"Mikano, according to Haidar, has future plans to bring in more brands to complement the existing line-up in order to grow its market share within the automotive market and provide Nigerians with premium and diverse options when selecting vehicles."

Managing Director of Mikano Motors, Ralph Haidar, quite agrees with this as he explained that the decision to take over the Changan franchise in Nigeria was not unconnected with Mikano Motors' efforts at expanding its operations, and also to avail Nigerians the opportunities to get a wide range of state-of-the-art vehicles at affordable prices.

Mikano, according to Haidar, has future plans to bring in more brands to complement the existing line-up in order to grow its market share within the automotive market and provide Nigerians with premium and diverse options when selecting vehicles.

He maintained that Mikano Motors took on Changan because of its versatility and the latest technology it offers as well as its arrays of models that it has placed under Mikano Motors in Nigeria.

"Changan, which is the number one selling auto brands in the Middle East and the biggest export from China to Nigeria, has given us more models to market here

Nigeria. This means we have a diverse range of models from this top Chinese automaker to offer Nigerians.

"It is the best brand in the Middle East and other regions, and has outstanding service in safety and innovation from its competitors. Changan is one of the top Chinese auto brands that is gaining immense popularity worldwide and is known for its value offering across automotive segments.

"In the Chinese language, CHANG means 'lasting' and AN means 'safety.' Therefore, CHANGAN together represents the idea of "Lasting Safety". It is one of the top four Automobile groups in China and the top selling domestic Chinese automobile brand.

"Changan has a different range of models for various levels of customers, and robust financing agreements with banks that will make ownership of the cars smooth. It is currently the only brand in Nigeria that can cater for any organization or governmental body and or individual who wishes to buy a brand new, efficient, safe, stylish and affordable car that has earned the admiration of many customers internationally," Haidar stated.

Bringing its over two years experience in the auto business in Nigeria to bear in pushing Changan into the market, Mikano continues to redefine the sector with its quality products and, after-sales back-up, making each of the brands the brands it represents, the most sought-after in the market presently just as its entry has also trigger stiffer competition in the industry as well as in the standards of vehicles.

Meanwhile, Mikano Motors has reassured its Geely customers of continued state-of-the-art after-sales support despite the review its relationship with Geely is currently undergoing following the addition of the Changan brand to its growing products line-up.

Haidar, however, maintained that though the threeyear-long Mikano- Geely relationship is undergoing some reviews, existing Geely customers would continue to enjoy adequate after-sales service from Mikano.

Just recently, Mikano Motors was honoured by The Association and Allied Services Group of The Lagos Chamber of Commerce and Industry with an appreciation award for its valued contributions and sponsorship at the LCCI Automobile Group Annual Symposium 2023. This award is a testament to the dedication of Mikano's team and its commitment to supporting the business community in Lagos.

Responding to the latest award, Mikano Motors said in a statement: "We are proud to be a part of such

a vibrant and dynamic city, and

we are committed to continuing to make a positive impact."



## **FEATURE**

## Autochek Africa Celebrates Int'l Men's Day with Conference

It was an unforgettable recently experience Autochek Africa celebrated the International Men's Day with a Conference for its male staff. The event brought together a panel of esteemed "Autochek Supermen" to share their insights and experiences on a range of topics relevant to men's well-being and success.

The panelists - Jacob Muddu, Okiemute Omuta, Antony Kairu, Tarek Ghanem, Ronald Mahomane, Othmane Sentissi and Hamed Sekou CISSE - who engaged in discussions

HUNTER



## **autochek**

audience, also delved into crucial health, marriage, financial planning, health.

With the host of the for all participants.

and shared personal experiences event, Francis Arihilam, who played that resonated deeply with the a pivotal role in making the conference a resounding success. aspects of men's lives, including the diverse perspectives and valuable contributions of the panelists wove a career advancement, and mental tapestry of wisdom and inspiration, creating an enriching experience



Hunter Engineering has released its updated vehicle information database and is now available for Hunter WinAlign® alignment users. Effective Nov. 1, the release covers new

models – those not yet in existence at the time of the previous release this past spring – as well as model year updates, covering OEM changes to existing vehicles.

With nearly half of all vehicles on the road today out of alignment, keeping current with alignment specifications is critical. Wheel alignments are among the highest-margin services repair shops can perform.

There are new specs for more than 300 new models, and more than 660 for existing models. All versions of a particular model are included in the update, encompassing hundreds of additional vehicles.

Also included are more than 450 new or updated CodeLink® applications.

The release incorporates updates to other popular WinAlign® features, such as the tools and kits database, TPMSpecs database and reset procedures, VIN recall support, adjustment assistance, safety system alignment procedures and more, service facilities around the world.

plus equipment connectivity to the HunterNet® customer portal.

To ensure a seamless installation, Hunter customers should contact their service reps to schedule the database update.

Encompassing more than 30 years of continual refinement, WinAlign® provides a wide range of difference-making benefits. including the fastest alignment readings in the industry, comprehensive pre- and post-alignment graphic printouts, and integration with shop and dealer management software.

WinAlign software has long been regarded as the industry standard, as evidenced by more than 100,000 units installed worldwide, including hundreds of OEM facilities. Powered by the industry's most extensive global vehicle information database, the software is available in 42 languages and backed by a three-year

Hunter Engineering Company® is the global leader in state-of-the-art wheel alignment systems, wheel balancers, brake lathes, tire changers, lift racks, autonomous alignment and tire inspection equipment, diagnostic scan tools and ADAS recalibration equipment. Hunter equipment is approved and used by vehicle manufacturers, automobile and truck dealers, tire dealers and

## **NADDC: Stepping Up Engagement** with Auto Stakeholders on NAIDP

new dawn is here at the National Automotive Design and Development Council (NADDC) as the new leadership, under the able direction of the Director General, Mr. Joseph Osanipin, is set to position Nigeria as one of the leading automotive manufacturing nations of the world. The Director General has therefore stepped up engagement with stakeholders in the Nigeria Automotive Industry as he met with major automakers in Lagos on Wednesday, November 22, 2023 to brainstorm on possible ways of promoting the industry in the country.

Top on the agenda at the meeting was the National Automotive Industry Development Plan (NAIDP) as the stakeholders deliberated extensively and stressed the need for legislative endorsement of the policy to ensure its sustained functionality and proper implementation.

Nigeria's Minister of Industry Trade and Investment (FMITI), Dr. Doris Nkiruka Uzoka-Arite, who addressed the stakeholders via zoom. urged them to target the initiative of the forum at propelling the nation to the global manufacturing pedestal.

The auto Industry is key to achieving economic diversification, and this is in line with the mandate of the ministry to ensure full diversification and full industrialisation of the economy," the Minister

She assured of engagement with different economic players to ease the difficulties in doing business and allow local manufacturers participate in the African Continental Free Trade Agreement (AfCTA) area to export their products in order to facilitate market access and

Welcoming the automakers to the meeting, the NADDC boss, Osanipin, stated that the NAIDP is a critical pillar of the government's effort to transform the automotive sector and position it as a key driver of economic growth and job creation.

The plan is designed to address the key challenges facing the sector such as low production level, insufficient local content and limited access to financing," he said.

Maintaining that the NAIDP 2023 is a comprehensive and ambitious plan that seeks to align local policies with AfCTA in such a manner that would allow the industry to compete favourably on the continental and eventually global level, the NADDC Director General said the policy would ensure sustainability and environmental responsibility as it offers incentives in the area of Compressed Natural Gas (CNG) and electric – powered vehicles.

Chairman of Nigerian Automobile Manufacturers Association (NAMA), Mr. Bawo Omagbitse, who reacted to the Director General's address on behalf of the stakeholders, expressed their appreciation to NADDC for organising the forum.

Reiterating the eagerness of NAMA to work closely with NADDC and other relevant authorities for proper implementation of the Auto Policy, Omagbitse maintained that NAMA would develop an internal guidance system to ensure that members operate in accordance with the rules and regulations provided in the NAIDP document.

The meeting also featured representatives from the Motorcycle Manufacturers Association of Nigeria (MOMAN), G.M Motors, Anammco, Innoson Vehicle Manufacturing ltd, Proforce, JET Motors, Mikano Motors, Nord Motors, Stallion, Perfection Motors, Toyota Nig. Ltd, Honda, CIG Motors, Dangote Sinotruck, Coscharis Motors, GAC, Kewalram, Dana Motors, VON Auto, Lanre Shittu Motors, CFAO and others. It was organised to address the challenges and harness the prospects for effective implementation of the 2023 Auto Policy with the expectation that the outcome would result in a more vibrant and sustainable automotive industry in Nigeria.

In a related development, the Chairman, Automobile and Allied Services Group of the Lagos Chamber of Commerce and Industry (PLCCI), Otunba Adekunle Jaiyesimi, identified some key factors affecting the Nigeria Auto Industry. Jaiyesimi, who listed the key



Mr. Joseph Osanipin

factors to include market dynamics, skills development, technology, sustainability and environmental concern, policy as well as regulations and supply chain disruptions, spoke at the 2023 annual symposium of the Group.

Noting that "the automotive sector plays a very significant role in our nation's economy," he said, "From manufacturing and distribution to maintenance and repair services, it contributes to employment, revenue, and technological advancement."

Maintaining that "the auto industry is witnessing rapid technological change as electric vehicles, gas-powered vehicles and connectivity solutions are reshaping the landscape, " he said "as stakeholders, we must adapt and embrace innovation," adding, "With increasing environmental awareness, there is a growing demand for cleaner and greener transportation options. How can we balance economic growth with environmental responsibility?

President of the Chamber, Asiwaju Michael Olawale-Cole, in his address presented by the Chamber's Deputy President, Mr. Gabriel Idahosa, said: "In the third quarter of 2023, Nigeria's Gross Domestic Product (GDP) had a real terms year-on-year growth of 2.54%. However, the real GDP of motor vehicles and assembly in Q3 of 2023 increased by 2.87% YoY which is lower than the 3.93% growth rate of Q2 in 2023, but comparatively higher than 2.69% growth rate of O3 in 2022."

He added: "The decline recorded in third quarter is a testament of automobile industry reactions to policy inconsistency, that is amplified by frequent reviews of import duties by the Nigeria Custom Services

"The twin effect of subsidy removal and exchange rates harmonisation has impacted the industry with inconsequential gains and loss to the

"According to NBS, the imported used automobiles, equipped with either diesel or semi-diesel engines, and having a cylinder capacity of less than 2.5 litres, had a significant Year-on-Year (YoY) increase of 375 percent, reaching N803.4 billion in the first half of 2023 compared to N169.1 billion in the same period of 2022.

"This submission has been dispelled by automobile industry experts because it contradicts the reality of low sales/importation of automobiles."

The event, which had "The Auto and Allied Sector, Present-Day Realities in Nigeria" as its theme, had the General Manager, Suzuki by CFAO, Ms. Aissatou Diouf; MD/CEO, CIG Motor, Chief Diana Chen; and COO Marketplace, Autochek Africa, Dr. Mayokun Fadeyibi, as panelists.

## Journey to IATF 2025 in Algeria Begins

The journey to Algeria, which won the bid to host the fourth Intra-African Trade Fair (IATF2025) in 2025, has begun in earnest. Chairman of the Advisory Council of the Intra-African Trade Fair and former President of Nigeria, Chief Olusegun Obasanjo, who announced the choice of Algeria in Cairo during the Presidential Summit of the third Intra-African Trade Fair (IATF2023), disclosed that the selection followed a rigorous review of bids received by the Advisory Council for the hosting of the continental event.

"We congratulate the government and people of Algeria for winning this bid," Obasanjo said, adding, "We look forward to converging in Algiers in 2025."

Algeria will therefore enter the record books as the third country to host the IATF. Egypt hosted the inaugural edition in Cairo in 2018 while the second edition was held in Durban, South Africa, in 2021 before the trade fair returned to Cairo for the 2023 edition.

Speaking while handing over the IATF flag to the Algerian authorities, Obasanjo said that the trade fair had established a tradition of each edition being better than the previous one and expressed a strong conviction that Algeria would maintain that tradition.

He noted that with the selection of Algeria as host, the job of the IATF2023 Advisory Council was coming to an end, adding, "from tomorrow, it will be IATF2025 Algiers."

The Algerian Ambassador to Egypt, Abdelaziz Benali Cherif, who received the IATF flag on behalf of the Algerian Government, said that with the new investment law implemented in his country, Algeria had introduced a lot of economic reforms empowering the private sector to become the engine of growth in the

The country was now open for partners to participate in a win-win situation in the economy, he said, adding that all Africans were welcome to become part of the new dynamics.

The ambassador expressed gratitude to the IATF Advisory Council for its decision to award the hosting of the next IATF to Algeria and pledged the country's commitment to ensuring a successful event.

"IATF2025 in Algiers will be a true platform for networking and collaboration," he said, adding that participants should use the event to explore new opportunities.

Executive Vice President, Intra-African Trade Bank, Afreximbank, Kanayo Awani, said that it was necessary to start early to prepare



Chief Olusegun Obasanjo, Chairman of the Advisory Council of the Intra-African Trade Fair and former President of Nigeria handing over the IATF flag to Abdelaziz Benali Cherif, Algerian Ambassador to Egypt

for the trade fair as the event entailed a lot of work. The CANEX WKND, normally hosted in the year preceding the IATF, served as a dry run for the IATF, she added.

Secretary-General of the African Continental Free Trade Area Secretariat, Wamkele Mene, noted that many Africans looked forward to participating in IATF and said that was critical to ensure that those Africans who wished to attend were not held back by issues like visa and duty on goods coming into host country temporarily for the trade fair.

African Union Commissioner for Economic Development, Trade, Tourism, Industry and Minerals, Albert Muchanga, also addressed the ceremony and commended Algeria for winning the bid.

Organised by the African Export-Import Bank, in partnership with the African Union

Commission and the African Continental Free Trade Area (AfCFTA) Secretariat, the IATF provides a unique platform for facilitating trade and investment information exchange in support of increased intra-African trade and investment, especially in the context of implementing the AfCFTA.

It is Africa's largest trade and investment event, attracting thousands of exhibitors. visitors and buvers and generating trade and investment deals running into tens of billions of dollars. Attendees include buyers, sellers, importers, exporters, investors, manufacturers, captains of industry, senior government ministers, trade finance and advisory specialists, trade and economic organisations, senior executives from corporates and multinationals and innovative entrepreneurs from across Africa and beyond.

## IATF2023: Unforgettable Week in Cairo

November 9 to 15, 2023 will surely remain evergreen in the memories of officials and dignitaries who attended the IATF 2023, physically in Cairo, the Egyptian capital, even as those who joined virtually from various locations across the world did not miss much too.

Egypt, according to the organising committee, had "graciously hosted the spectacular IATF 2023, which became a catalyst for forging connections that will shape the future of intra-African trade."

Hashtag #IATF2023, bringing together innovators, entrepreneurs, and leaders from across Africa to explore opportunities, foster partnerships, and strengthen Intra-African trade. From discussions on trade policies to the reins."

exploring emerging markets,

The organisers, in appreciation of the great experience the event turned out to be, said, in an emotional tribute: "A heartfelt thank you to Cairo, for being the gracious host city of #IATF2023. The vibrant energy, warm hospitality, and rich cultural heritage added a unique flavour to the event. Cairo's iconic landmarks provided a stunning backdrop to the discussions and collaborations that unfolded during the week.

"As IATF2023 concludes, let's carry forward the momentum of collaboration and unity, celebrating the spirit of African trade. Looking ahead, mark your calendars for the next IATF in 2025, with Algeria taking **We Surpassed All Expectations** - AfreximBank

Head of Intra-African Trade Bank at Afreximbank, Dr. Gainmore Zanamwe, has given his bank a pass mark for surpassing all expectations at the IATF 2023 in Cairo, Egypt. Describing the outcomes of the week-long event as "A Remarkable Journey, A Promising Future," while giving a scorecard of the achievements chalked at the continental trade and investment exhibition. Zanamwe expressed satisfaction at the turn-out. He listed the achievements to include: Exceeding the target with 1615 exhibitors, showcasing the diverse trade potential across Africa; Surpassed expectations with 45 African countries participating, fostering regional collaboration; and successfully hosting four special days, providing a platform for countries and companies to showcase their achievements."

Disclosing that "the results will undergo auditing, and the final outcomes will be announced," Zanamwe added



Dr. Gainmore Zanamwe

that "This edition ... is a testament to the collaborative spirit and commitment to fostering trade and economic growth within the African continent."

## **NEWSBITS**

#### **WANTED:** New Approach to Trade Rooted in **Equity, Justice,** Shared Heritage

Executive Director of the International Trade Centre, Dr. Pamela Coke-Hamilton, has stressed the need for Africans, especially those in the Diaspora, to share insights and profound collective memories of their history, urging the African Caribbeans, in particular, to turn their export potential into a tangible reality and ensure a more equitable future.

Speaking at the Diaspora event on the sidelines of the recently held IATF 2023 in Egypt, Dr. Coke-Hamilton maintained that this collective memory is important in shaping the economic and cultural bonds between Africa and its diaspora.





#### Ford Pro Doubles Down on European **Market Leadership**

It was double honours for Ford Pro, which emerged the International Van of the Year (IVOTY) , with its all-new Transit Custom van and all-new Ranger pickup scooping the International Pick-up Award (IPUA) during a special ceremony at the Solutrans Commercial Vehicle show in Lyon, France.

Ford Pro has therefore won the IVOTY and IPUA awards in the same vear on three occasions – more than any other manufacturer – following double wins in 2013 and 2020 as the awards have further validated Ford Pro's position as a leader in the European commercial vehicle market.

### **ZAMBIA/DRC BATTERY PRECURSOR PROJECT:** Feasibility Study Underway -Doherty

African Export-Import Bank (Afreximbank) savs preliminary work is moving on fast with the planned Zambia/DRC Battery Precursor Project being promoted by the bank in partnership with the Governments of Zambia and Democratic Republic of Congo (DRC).

Giving a progress report on the project at the Auto Forum panel session during the IATF 2023 in Egypt, the Director of Export Development at Afreximbank, Mrs. Oluranti Doherty, disclosed that Afreximbank had earmarked a whopping \$1 million for feasibility studies on the project as she confirmed the full cooperation of both DRC and Zambia for the project.

The project to be sited in either Zambia or DRC, according to her, would produce batteries and precursors for the automotive manufacturing hubs in North Africa and South Africa while at the same time impacting positively to the associated industries in the value chain.

Maintaining that Afreximbank's transformative journey strategy for Africa by 2026 is hinged on two pillars: to promote intra-African trade under AfCFTA and driving industrialisation, Doherty, who was joined at the discussion by Chipoka Mulenga, Zambian Minister of Commerce, Trade and Industry and Karol Bednarek of German Association of the Automotive



According to Doherty, central to this journey is the strategic development of minerals and acknowledging the rising demand for lithium, cobalt, nickel, graphite, and copper, saying the key lies in adding value to these strategic minerals within Africa . The African Mining Vision, she therefore stressed, emphasises that exporting raw materials historically deprived the continent of skills, jobs, and technology.

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# Tackling Counterfeits

#### BY OLAOLU OLUSINA

urbulent economies in most African countries and the effects on the purchasing powers of most end-users are boosting the activities of fake and substandard automotive parts dealers. While some of these counterfeiters are in most cases cashing in on the dwindling purchasing powers of their customers by offering them low-quality and substandard products instead of the original, others deliberately counterfeit and fake original products that we now see all over the African markets.

A worrisome trend is the case of bearings where an estimated 30 percent of all products in the market globally now are believed to be counterfeit and fake thus putting customers and end-users in a dilemma while ensuring that the parts they are buying are genuine, or at least matching quality parts.

Shawn Reddy is the Product Marketing Manager at Motus Aftermarket Parts, a South African leading dealership. He maintains that South Africa and the rest of Africa are facing a significant challenge of excessive counterfeit automotive parts. Reddy laments that as the African continent moves to avail more consumer independence, there is reduced guidance, inspection and control of products being dispatched to the market, saying the influx of counterfeit automotive parts is compromising both the safety of vehicle owners and passengers.

SKF Regional Sales Manager for Western and Northern Cape in South Africa, Lynette Nieuwenhuizen, also agrees, saying when it comes to bearings, specifically, it is very

important for customers to only buy their required brands through authorised distributors. Niewenhuizen, who has been a brand protection champion at SKF for the last two years, says from an industry perspective, distribution partners are closely monitored to ensure they are compliant and "clean suppliers".

According to Nieuwenhuizen, this ensures that the consumers are rest assured that they are not buying counterfeit products and it's a way that their distributors can also protect themselves.

"We offer our customers free Brand Protection Audits to check products in their warehouses and give them tips to know exactly how to look out for signs that should create alarm bells as in a "it's too good to be true" scenario," the SKF Regional Sales Manager says.

Customers are also advised to download the SKF Authenticate App for use when sourcing SKF products.

"In this way, they safeguard themselves and also have the peace of mind that their supplier is providing genuine products," she says, adding that customers, in most cases, cannot spot these fake parts by simply looking at the product or the packaging.

With a large number of customers uninformed as they buy counterfeit parts without the knowledge that these would be branded and designed similarly to the original parts, Nieuwenhuizen offers some warning tips to customers when making a choice.

She says SKF customers should be careful when the offer is presented as a bargain; when it comes with short delivery times, especially for special products and when product authenticity certificates and other documentation claim that the seller has a business affiliation with SKF.

"The golden rule if you suspect a product to be counterfeit, is to always check the authenticity via SKF Authenticate app if you are not buying from an accredited distributor," she maintains.

Vishall Premlall, National Director of the Tyre Equipment, Parts Association, a proud association of the Retail Motor Industry Organisation (RMI) in South Africa, urges consumers to also report any cases of counterfeit products. TEPA, which hosted a Blow the Whistle Compliance Forum for all industry stakeholders in the country recently, is actively calling out counterfeiters.

"Consumers need to be suspicious about what they buy and should never be afraid to approach the supplier directly to check authentication or to report the product on the Whistleblower hotline. Remember, if you have been scammed with parts purchases and suffered some consequence, it is key to report it. The more examples we have and the more we can share our knowledge and experiences with others, the harder we will make it for these unscrupulous suppliers to ply their trade," Premlall says.

A couple of months ago, SAGE CRANKSHAFT Industry, manufacturer of the SAGE brand of crankshafts and other automotive parts, said it had busted counterfeiters who bring fake and imitation of its branded SAGE products from China and India for sale to unsuspecting customers

Germany
Flasher Unit 24V

an info of marks Act CA

and spare parts dealers in Nigeria.
Warning of severe consequences

and legal actions against the infringement of the trademark of its products in the Nigerian market, SAGE said its products are officially registered under the Trade

Marks Act CAP 436 Laws of The Federation of Nigeria 1990; Section 22 (3) Regulation 65).

A copy of the Certificate Number 013895 RTM 40070 dated December 15, 2020 was made available to **AUTO REPORT AFRICA**.

In a strong warning to its customers across the Nigerian market , a copy of which was also made available to this magazine, the Turkish company said: "SAGE CRANKSHAFT INDUSTRY is a registered trademark in Nigeria. According to the news we have received, companies that bring and sell our SAGE branded products from China and India have been identified.

"We have started the legal process today. As of today, legal proceedings have been initiated by our lawyers against those who sell our imitation products and those who keep them in their firm.

"I am forwarding this warning so that you do not get hurt. Do not buy or sell our imitation products. otherwise you will get a bad situation from our lawyers."

Efforts to get detailed information on the steps being taken to deal with the ugly situation were not successful as no reply was given to the message sent to the company via their official WhatsApp number.

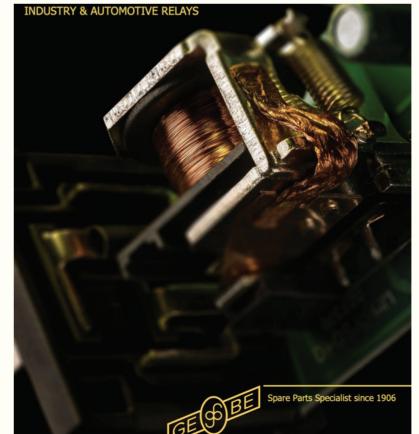
Head of Mechanical Products and Purchasing, IKA

Germany, Ibrahim Khalil, whose company's comprehensive portfolio includes: rotating electrics; bearings & mechanical parts; cable & harness components as well as engine management & sensors, is also worried about the challenge of counterfeit automotive parts in Africa.

"Counterfeit mechanical products have become an alarming concern in the African market. The influx of fake parts is not only compromising the performance of machinery but also posing threats to industries and consumer safety.

"The fight against counterfeit products like bearings for example in the African market requires a united front. By increasing awareness and strengthening regulations. Stakeholders can collectively work towards eliminating fake items and ensuring the reliability and safety of products in the market. Strengthening and enforcing regulations that penalise those involved in the production and distribution of fake parts is essential," Khalil told this magazine.

IKA Germany's products, which are of European origin, are readily available in the African market through authorised distributors, automotive parts dealers and wholesale traders with a very seamless and transparent process.



# Shipping Lines Going Round Africa Essential for Intra-African Trade

## Innoson

**Chairman** of **Innoson Vehicles Manufacturing (IVM), Chief Innocent Chukwuma**, looks back at the past 13 years of his automotive conglomerate, saying despite all challenges, the company is still standing strong. The Innoson boss, whose vehicles are also in high demand in some other African countries outside Nigeria, says if African countries want inter-Africa trade to grow, they should have shipping lines going round Africa. "Without that, trading among African countries will be difficult," he maintains. Excerpts;

## Tell us some of the challenges since you started the auto manufacturing journey of 13 years ago.

would say the journey has been full of ups and downs, but we still managed to survive. Starting from when I was building this factory, a lot of challenges came up. Some people came to the factory and kidnapped the workers, including (Chinese) foreigners and Nigerians.

They took them away and started calling me. The second one was when GTBank wanted to shut down this place. Every Nigerian knows about it. I went to court and finally defeated them. GTBank is still owning me up to today. When we started electricity was very poor even though it has improved now



Chief Innocent Chukwuma

requirements are higher. So I can say that foreign exchange depends on a number of things; sometimes, you do some export and get foreign exchange. Government allocation of foreign exchange is no longer working.

#### How do you get your funding?

Normally, banks are supposed to be sponsoring businesses, but they are not sponsoring the industries. Nigerian banks are trading in foreign exchange. They are no longer sponsoring productive ventures, like nanufacturing. They are trading from CBN to foreign exchange and they are not sponsoring industries. Any investor that relies entirely on banks will fail because the banks will even crush him.

Banks are not ready to support manufacturing. They can support people that import oil, but to support manufacturing, banks are not ready to wait, because manufacturing cannot bring that type of quick money they want on daily basis. We are trying to manage manufacturing very well, so that we don't need to borrow so much to manufacture because banks are not ready to sponsor it.

### What is the percentage of local content in your auto manufacturing, and how do you source them?

We source the items we use locally and we import some. For example, we produce plastic components of the vehicles like bumper, dashboard, front grille, etc, at our Innoson Technical and Industrial Company Ltd, in Enene, Enugu. We are in a position to buy any item that anybody can produce locally. We don't need to import any of the items we can get in Nigeria. But we are still importing engines and gearboxes. The country they come from depends on the model we are doing. I don't produce tyres but when we need tyres, we reach out to tyres dealers and tell them what we want.

### You gave tyre manufacturing a shot many years ago. How did it go?

The National Environmental Standards and Regulations Enforcement Agency (NESREA) said we cannot produce tyres because they did not authorise it. So we shut down, despite having invested a massive part of our resources in the project and imported some heavy equipment.

#### Tell us about your journey into the auto business?

What I am doing today in auto manufacturing, I had earlier done in the motorcycle industry and succeeded. The time I joined motorcycles, there were only five companies that were dealing in motorcycles in Nigeria: First was Leventis, dealing

"I have up to 15 contracts from different countries outside Nigeria. The reason we don't export from Nigeria to other African countries as often as we want is because Africa does not have shipping lines that go round the continent. Sometimes, when you export to Ghana, the vessel will first carry the containers to Europe before going to Ghana. But if we have shipping lines that go round Africa, Africa has a lot of things that they can export to each other."

in Honda; Yamako, dealing in Yamaha; Boulos Enterprises, dealing in Suzuki; and CFAO, dealing in Kawasaki and Moblet. I brought Jianshe motorcycles which were under me. I studied what the big companies were doing. They were bringing 36 fully built motorcycles in one 40-feet container. So with the 36 units in one 40ft container, they did all the expenses on the container and their cost was very high.

As a motorcycle expert, before I joined, I calculated the cost and expenditure. Then, the motorcycle was N150, 000 per unit, I calculated the component parts that make up one motorcycle and found out that the total cost was not up to N150, 000. So I decided to go and import the motorcycles in components (instead of ready made). I listed the parts and brought them in, and used local technicians to assemble them in Nnewi. My container of motorcycle components, the same 40 feet size, could carry as much 150 units in one, instead of 36 units those companies were bringing in as fully built.

As a result, my own motorcycle price was lower than theirs and I sold the first consignment at N80,000 per motorcycle, while they were selling N150, 000. Clients tested it and found out that it was equally good. I did it for about five years like that without competition before others discovered what I was doing and joined.

As they were joining, I found another way of making it cheaper. I opened a plastic factory in Enugu to produce the plastic components so that the price would be okay. When I started this component parts, some of them that joined started buying the component parts to sell their own. By then we had dropped the price of one motorcycle to N60, 000. From N150,000 to N60,000. Those who bought my plastic components were also selling N60,000, but those who were not buying from me were selling higher. So, they bought my plastic and business was moving. That was when I said let me go into the automobile. Before I did it, people were only using second-hand motorcycles. What I did was to stop the use of second hand (tokunbo) motorcycles, because the new motorcycles became cheaper than second-hand motorcycles. That was what chased tokunbo motorcycles away from the Nigerian market.

In Nigeria today, people are buying second hand vehicles. That was why I decided to go and develop the auto industry. If not for the foreign exchange issue, the weak naira against the US dollar at forex, people would have been buying new vehicles at cheaper prices in Nigeria now. For instance, I planned to sell one of my sports utility vehicles (SUVs) for N1 million for all to buy, but because of foreign exchange issues, the vehicle is going for N10 million now. People that import new vehicles cannot sell at our own price and that means we are still at an advantage.

#### What are your views about the automotive industry in Nigeria?

My view is that if everybody supports the automotive policy, it will go well. The Automotive industry is the way forward and I want Nigeria to be leading the industry in Africa.

## How much have you been able to export your products to other African countries?

I have up to 15 contracts from different countries outside Nigeria. The reason we don't export from Nigeria to other African countries as often as we want is because Africa does not have shipping lines that go round the continent. Sometimes, when you export to Ghana,

the vessel will first carry the containers to Europe before going to Ghana. But if we have shipping lines that go round Africa, Africa has a lot of things that they can export to each other. But getting something from other African countries is difficult. Unless you go to Cotonou to carry it, it is easy to come in. If African countries want inter-Africa trade to grow, they should have shipping lines going round Africa. Without that, trading among African countries will be difficult.

Meanwhile, I tried to service the 15 contracts but I found out what their problems were, which is unavailability of shipping lines to carry the consignments for them. When they run into that difficulty today, they will not come back to you tomorrow. For instance, some of the countries I have exported vehicles to, include: Ghana, Sierra Leone, Senegal and others.

## Where do you see Innoson in the next 13 years, now that you have celebrated 13 years of operation?

I believe that in the next 13 years, Innoson will be everywhere in Africa.

#### Tell us about your new factory in Umuezena, Nnewi.

That place is 400, 000 square-metre land space. One of the buildings I am putting up there is 40, 000 square metres. There will be three factory buildings, which brings the total to 120,000 square metres. Locating this factory in Nnewi is one of the good things that have happened to the South-Eastern part of Nigeria. For example, when the Nigerian Government decided to build an industrial hub for the auto industry, they located one in Lagos, another in Kaduna and one in Nnewi here because of this factory. In addition, it provided employment. When I finish constructing the factory I am now building in Nnewi, I will employ another 2,000 workers and I prefer to employ people who are at home here. It is one of the good things that have happened to the people.

#### You are also into Compressed Natural Gas vehicles. What are the advantages of, CNG-powered vehicles?

President Tinubu has done Nigeria good by removing subsidies and introducing CNG. Any day, people understand what CNG is, they will be happy with the government. I started the production of CNG two years ago, long before it was formally introduced following the removal of the oil subsidy on May 29 by the President. As at the time the government announced the removal of subsidy on petrol and the talk about CNG as an alternative commenced, I already have up to 100 units of vehicles running on CNG on ground; parked here in the factory. It happened that way because I knew that one day, the subsidy would be removed. I have vehicles that are powered by CNG in all the IVM models, and I also convert for people who are driving Innoson. I want to give them the advantage first because they are my customers.

#### What about electric vehicles?

I will shock you on what I am going to do with electric vehicles. I am doing vehicles; if you want me to power with electric, I will power it with electric. If you want CNG, gas, fuel, I will do it for you immediately.

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Stellantis sharing Purchasing and Supply Chain strategy to the 80 suppliers from 11 countries in attendance

# Stellantis MEA Hosts Inaugural Supplier Convention in Morocco

Stellantis Middle East and Africa (MEA) industry for the region and was attended hosted its first-ever supplier convention, in Morocco, on November 9 and 10. This convention chaired by Maxime Picat, Chief Purchasing & Supply Chain Officer, featured the presence of Ryad Mezzour, Minister of Industry and Trade of the kingdom of Morocco; Ali Seddiki, Managing Director of the Moroccan Agency for Investment and Export Development (AMDIE) and other prestigious guests from Public Administration.

This momentous event marked a significant step forward in the automotive

by over 180 participants, representing 80 suppliers from 11 countries (Morocco, China, India, Turkey, Romania, Portugal, Spain, Italia, France, Germany, Japan).

Samir Cherfan, Chief Operating Officer Stellantis Middle East and Africa, stressed the significance of the supplier convention, saying, "This convention is a testament to our unwavering commitment to the MEA region's growth and prosperity. We are dedicated to transforming the automotive landscape, and our vision is firmly aligned

with the "Dare Forward 2030" strategy. We believe in building a sustainable future by fostering local talent and sourcing strategies that empower our region and its automotive sector."

The supplier convention was held in the context of Stellantis ambitious "Dare Forward" 2030 strategy, a bold strategic plan for the coming decade that will drive Stellantis to be 'second to none' in value creation for all stakeholders. The plan also commits Stellantis to becoming a carbon net zero corporation by 2038.



## **Allianz Commercial Launches Emerging Risk Trend Talk Report**

team (ARC) has published a new report organizational skills, "explains Michael focusing on some of the potential risks posed by lithium-ion (Li-ion) batteries, the first in a new series of future publications that will highlight emerging risk topics, together with recommended risk mitigation and loss prevention measures.

"Emerging risks have unique characteristics that require specialist

Allianz Commercial's risk consulting technical, management and Bruch, Global Head of Advisory Services, Risk Consulting at Allianz Commercial. "Our risk consulting expertise across different industries and lines of insurance business around the world is key to helping companies understand and mitigate these. In our new Emerging Risk Trend Talk series, we will address such topics, highlight loss events and look

at targeted loss prevention measures."

The first report looks at Li-ion batteries, rechargeable batteries used to power a wide range of consumer and electronic goods, as well as electric vehicles (EVs). They are also widely used in grid-scale energy storage and aerospace applications. It is estimated that the global Li-ion battery market will grow by over 30 percent annually from 2022 to 2030.



#### Live Events & Activities of WBE 2024

- 2024 China Battery Industry (Guangzhou) Summit
- 2024 China Energy Storage Industry Ecology Conference
- 2024 World Hydrogen Energy Industry Conference
- 2024 Two-Day Factory Tour Programme

#### **Exhibitors Profile**

- 1) All kinds of Batteries, Battery pack & cell, BMS
- 2) Energy Storage Products
- 3) Battery Charging & Swapping products
- 4) Raw Material and Components for all kinds of batteries
- 5) Battery manufacturing equipment, testing equipment and instrument
- 6) Battery recycling and international logistics
- 7) Hydrogen energy and hydrogen energy application area

## **Auto Report Africa Partners with WBE 2024**

AUTO REPORT AFRICA has sealed a media partnership with the World Battery & Energy Storage Industry Expo (WBE 2024) https://en.battery-expo. com/ scheduled to hold from August 8-10, 2024 at the China Import and Export Fair Complex, Yuejiang Zhong Road, Guangzhou, China.

Organised by Guangzhou Honest Exhibition Co., Ltd, the 9th World Battery & Energy Storage Industry Expo (WBE 2023) is following the 2023 edition successfully held in August.

Spanning over 100,000 sq.m, the show occupied a total of 8 exhibition halls, setting up 3957 booths, almost double from last year. 1205 exhibiting

companies joined the show. The number of battery cells, packs and energy storage solutions exhibitors amounted to 476.

The bustling three days counted 137,500 visits in total, including overseas buyers from over 50 countries and regions, such as USA, Germany, Korea, France, Japan, UK, Sweden, Belgium, Czech Republic, Singapore, Malaysia, Indonesia, India, Thailand, Brazil. South Africa.

China Battery Industry (Guangzhou) Summit, China Energy Storage Industry Ecology Conference, World Hydrogen Energy & Fuel Cell Industry Conference and the first-ever two-day factory tour

programme constituted the biggest highlights of WBE 2023.

For the 2024 edition. WBE will strive to break its own show size record again in 2024, expecting to occupy a total of 13 exhibition halls, amounting to 165,000 sq.m to bring together an estimated 2000+ premium exhibitors.

Giving overseas buyers a first-hand and in-depth look at China's leading battery and battery equipment manufacturers, the highly recommended two-day factory tour program will make a grand comeback in 2024. We look forward to the active participation of more overseas visitors!



#### **OUR FLAGSHIP PRODUCTS**



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