

Bell is bullish about the impact of Bauma Conexpo Africa

South Africa's premium homegrown manufacturer, Bell Equipment, has capitalised on Bauma Conexpo Africa 2015 to showcase its extensive product offering available on the continent and reaffirm its commitment to the African market in the face of tough trading conditions.

In the weeks leading up to the show Bell Equipment released its mid-year results, which showed a modest improvement relative to 2014 with favourable exchange rates, efficiency improvements and a focus on the Northern Hemisphere construction equipment markets dulling the impact of the major difficulties in some of the company's major markets and industries.

While revenue was R2,9 billion, down 16% from R3,4 billion in the same period last year, the company's profit after tax increased 67% to R101 million and earnings per share increased 71% to 106 cents. "There has been no



significant recovery in the mining activity so we are competing for a slice of a much smaller global pie but as a company we are in much better shape," said Bell Group Chief Executive, Gary Bell.



Bell Equipment's after sales services and products featured strongly on the company's Bauma Conexpo Africa 2015 stand, which included a Bell service vehicle, various Bell Lubricant products and Bell Reman components.



Centrally located at Nasrec at outdoor stand ES230, the Bell Equipment stand was one of the largest and varied equipment displays at Bauma Conexpo Africa where it generated a large amount of foot traffic.

He added: "Work in the domestic construction industry is at a low level but we are fortunate that the construction markets in the United States and United Kingdom are doing relatively well at this time. With a greater portion of sales revenue coming from the Northern Hemisphere, our German factory has produced at a higher rate than the past 10 years and it is our intention to localise more product to the region to lower manufacturing costs and manufacture in closer proximity to our major markets."

While the Russian market is currently a fraction of its previous size due to sanctions and the reliance on mining, Bell has an alliance with Nefaz, a Russian company, whereby Nefaz will manufacture bins for Bell trucks to allow the company to get a foothold in the market when it recovers.

Commenting on the African region, Bell said: "The mining industry in Africa, like elsewhere in the world, is experiencing an unprecedented downturn but our broader range of products that we are able to offer today through our strategic alliances with John Deere, Liebherr, Bomag and Finlay means that we are not totally dependent on mining activity. We're continuing to introduce new partner products to provide customers with innovative solutions,

like the Finlay Dual Power units, which are aimed at giving significant savings on energy costs."

Among the new partner products on show at BCA 2015 were the Bomag MPH 364 Recycler, which has been developed for smaller projects and entry level contractors as well as the Bomag BMP 8500 multipurpose compactor.



Bell continued: "Not only do we provide a full line of equipment to focus on other sectors, like construction and industry, but we have also continued to invest in our support network in the region and have opened four new Customer Service Centres in recent months."

Bell welcomed Bauma Conexpo Africa 2015 as an opportunity to meet and network with a large number of current and potential customers. "With the tough economic conditions we've seen a trend towards customers 'buying down' with a stronger demand for used machines than new machines. As a company we are focused on trading back, upgrading and putting our machines back to work as premium used machines because they offer good value compared to the low cost, less reliable new products coming from the East," he said.

“Customers are also looking to extend the life of their products and as a result the support of our aftermarket, spare parts and service is receiving higher priority so that we can be competitive in terms of what we offer our customers in the way of parts pricing. We are continually monitoring availability levels to ensure we improve our service quality.”

The company, whose 60 year history has been characterised by being adaptable and innovative, has noticed a market trend towards smaller construction machines and has increased the company’s production rate of Tractor Loader Backhoes to cater for demand. Conversely, no improvement in the commodity demand is expected in the short term and production rates for Articulated Dump Trucks at the Bell factory in Richards Bay have been adjusted accordingly.

In spite of the subdued demand for mining machinery globally, progress continues on completing the line of Bell

E-series trucks with the larger B35E to B50E range planned for release into Europe in mid-2016. A B50E pre-production machine generated a large amount of interest at Bauma Conexpo Africa and Bell said the company will continue to invest in its ADT research and development programme to drive down operating costs and improve ADT efficiencies while at the same time meeting more stringent global environmental requirements.

Commenting on the success of Bauma Conexpo Africa, Bell Marketing Director, Stephen Jones, said that the company was satisfied with the quality of visitors. “It was great to interface with so many customers,

the majority of whom were decision-makers. While we noticed that most of our visitors were from South Africa we were pleased that several customers from other Africa countries, including Tanzania and Kenya, accepted our invitation to visit the Bell stand and we have been encouraged by the positive feedback.”



Zambia-based Amatheon Agri bought two Bell 315SK TLBs at Bauma Conexpo Africa. Bell Director of Sales and Marketing, Terry Gillham, congratulates Amatheon Agri representative, Michael Kaminski. With them are John Fleetwood and Mark Timmerman of Bell Zambia.



A delegation of representatives from Bell Trucks America and Bell dealers from North America joined President of Bell Equipment North America, Neville Paynter, on a visit to South Africa where they visited the show before going to Richards Bay for a factory tour.



Phunga Holdings also bought two Bell 315SK TLBs at Bauma Conexpo Africa (from left): Graeme Higgs (Business Development Manager, Phunga Holdings), Terry Gillham (Director of Sales and Marketing, Bell Equipment), Dakalo Raphunga (CEO, Phunga Holdings) and Bevan Veall (Central Region Sales Manager, Bell Equipment).