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Agreement

MAN and Sinotruk link to develop technically advanced trucks in China

Germany / Hong Kong / China – The new European holding company of MAN Nutzfahrzeuge AG, MAN SE, and Sinotruk (Hong Kong) Ltd (Sinotruk) - a publicly listed company on the Hong Kong stock exchange - have announced a long term strategic partnership through the signing of a number of agreements which relate to a subscription to convertible notes, share purchase, licensing technology and implementation of a cooperation project.

The companies state that under the terms of the agreements, MAN would grant Sinotruk and its affiliated companies, the exclusive right to use its technology in mainland China for producing heavy duty trucks and MAN engines that comply with the Euro III, Euro IV and Euro V emission standards. MAN would also cooperate with Sinotruk in the production and sale of technologically advanced heavy duty truck that adopts MAN's licensed technology.

The agreement also provides for MAN to become a shareholder in Sinotruk. (It is understood that in 2007, China Heavy Truck Group Company (CHTGC) formed a subsidiary company called Sinotruk (Hong Kong) Ltd, into which all of CHTGC's manufacturing subsidiaries associated with commercial vehicles were placed. By doing this, it allowed the Chinese manufacturer to attract foreign investment in its

company, an MAN SE spokesman explained. Thus, subject to approval from the shareholders in Sinotruk (Hong Kong) Ltd and providing CHTGC – the majority stakeholder in Sinotruk (see chart) - maintains its 51% controlling equity stake in Sinotruk, MAN SE will be able to proceed with the acquisition of 25% shareholding in Sinotruk plus one additional share. This, said a spokesman, would enable MAN SE to become the second largest shareholder in Sinotruk (Hong Kong) Ltd, give it a blocking minority and a certain influence in the truck manufacturing company. The total equity to be invested by MAN SE in Sinotruk is EUR560m. The price to be paid by MAN SE for Sinotruk's ordinary stock represents a 21% premium on the last 60 day trading average price. Once the above approvals are sanctioned, it is expected that MAN SE will subscribe to convertible notes which would then be converted into approximately 599 million new shares in Sinotruk. It will also purchase approximately 91 million existing shares. On completion of the transactions, MAN would hold a 25% equity stake plus one share in Sinotruk.

The spokesman for MAN SE added that MAN had more than 25 years of experience of working with China Heavy Truck Group Company through a licensing agreement with

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Expansion / Manufacture

Uzbekistan negotiating production of large buses and trucks

Uzbekistan – Uzavtosanoat, the Uzbek state-owned automotive company, plans to manufacture large buses and trucks in the country in addition to the current Samarqand Avtomobil Zavodi MChJ (SamAvto) plant in Samarqand, which mainly builds midi-buses and light commercial trucks.

According to Gairat Niyazov, vice chairman of Uzavtosanoat, negotiations with several well-known manufacturers were currently under way. The future partner could be different from Isuzu, Uzavtosanoat's current partner at

SamAvto, Niyazov says. A decision is expected to be made within two to three months. According to Niyazov, it is likely that the new vehicles would be manufactured in Samarqand initially, with production transferring to another purpose-built site in the future. Uzavtosanoat holds a majority share in SamAvto and in the passenger car plant, General Motors Uzbekistan YoAJ in Asaka.

It is also a partner in several Uzbek joint ventures with a number of South Korean suppliers.

Expansion / Contract

CVG to supply Nissan Diesel with interior cab components for latest truck designs

USA / Japan - Commercial Vehicle Group Inc (CVGI) of New Albany, Ohio, has announced its selection by Japan's Nissan Diesel Motors, a subsidiary of Sweden's Volvo AB, as the development partner for a new seat and suspension programme.

The new seats, as well as other interior components such as bunks, are planned for use in multiple Nissan Diesel vehicles to be launched later this year. These vehicles are to be assembled in Japan for domestic use and for export to certain global markets including South

America, Asia, Australia and the United States. CVG is to produce and supply the new model seats from its facility in Shanghai, China.

CVG supplies the global heavy truck market with components and fully integrated interior systems; products include suspension seat systems, interior trim systems (eg instrument and door panels, headliners, cabinetry, moulded products and floor systems), cab structures and exterior components and systems (eg mirrors, wiper systems, electronic wiring harness assemblies and controls).

Production

Paccar firm on delaying new engine plant

USA - Paccar Inc of Bellevue, Washington, parent company of Peterbilt Motors Co of Kirkland, Washington and Kenworth Truck Co of Denton, Texas, has re-confirmed its previously announced decision to delay the opening of a new heavy-duty engine plant in Columbus, Mississippi until the end of 2010.

Paccar still plans to manufacture 12.9-litre and 9.2-litre diesel engines based on models made by its European subsidiary, DAF Trucks NV of Eindhoven, the Netherlands, but has said that low truck demand had made it impractical to open the facility in the autumn, as had been scheduled originally.

Legislation

EPA plans laws to prohibit engine stock piling

USA — The US Environmental Protection Agency recently posted proposed changes to emission regulations aimed at prohibiting manufacturers from "stockpiling" EPA07 engines to delay and circumvent compliance with the more stringent emission standards set to take effect in 2010. Stockpiling tactics, which the EPA sees as a circumvention of the Clean Air Act, is the practice of keeping more engines than normal in inventory, and those that do not comply with the new emissions standards.

EPA has recognized in its proposal that there is a need for some market transition when standards change and believes this regulatory clarification would help provide guidance to vehicle and engine manufacturers. The agency has also been corresponding with manufacturers about the transition to 2010 models and new requirements.

Bankruptcy

Kögel goes bust again

Germany - Kögel Fahrzeugwerke GmbH of Burtenbach, has filed for insolvency with chartered accountants, Arndt Geiwitz of New Ulm. Approximately 1150 employees are affected; 830 in Germany. The company blames the complete collapse in the market, with demand for new trailers down by more than 90%.

The other subsidiary of parent Trailer Holding GmbH, French refrigerated trailer and body builder, Jean Chereau SAS of Avranches in France is not affected by the insolvency.

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Safety / Technology

Volvo to add virtual co-driver system to reduce accidents whilst in traffic

Sweden – Truck manufacturer, Volvo Truck Corporation of Gothenburg, is developing a system to help reduce the number of accidents which commonly occur in slow moving traffic. It states that a survey by the European Truck Accident Causation Study shows that 47% of all truck accidents take place in situations that are either repetitive and monotonous such as traffic jams or are stressful, such as at cross-roads and road works.

Volvo Trucks states that it is developing the technology to help to ensure that this type of accident becomes less frequent.

A consortium project, the European Union highly automated vehicles for intelligent transport (HAVEit) project, is focusing heavily on next-generation intelligent vehicles with advanced driver-assistance systems. Volvo states that the HAVEit project has a budget of EUR28m and aims to develop a system that works as if a driver has a virtual co-driver that responds constantly to the traffic situation and the driver's safety needs.

Project Coordinator for HAVEit, Reiner Hoeger, said: "One of the challenges is how the vehicle should communicate with the driver, what sort of displays, voice functions and so on, it should have. We all have different temperaments, so the system must recognise when the driver is feeling irritated or calm." Volvo Trucks states that the industry has been developing automated vehicles for some time and that there are already many features in production. A lot of the technologies, says Volvo, are now being optimised to assist the driver, not just by assisting them but by actually taking over certain tasks where necessary.

The technology is incredibly complex and relies on a number of sensors on the outside of the vehicle to respond to the traffic environment. In addition, this is combined with an internal sensing system which monitors the driver and interprets the needs of the driver.

Some 20 companies are involved in the project which started back in 2008. By 2011

the project, says Volvo, should be able to demonstrate new technology in some seven vehicles; three of them Volvo heavy trucks.

Currently, Volvo added, two trucks were undergoing digital transformation at its Volvo Technology site in Gothenburg, Sweden. One of the trucks focuses more on safety, whereas the other on environmental aspects. The safety truck is focused on the development of systems to assist the driver in low speed long traffic jams. Erika Jakobsson, Project Manager at Volvo Technology, explains: "The queue support system for trucks that is in production today works down to 30km/h (18mph) but this is still a relatively high speed. We are now working on a queue support system down to 0km/h. What is more, the truck should automatically stop if the vehicle in front stops, and start moving again without the driver pressing the accelerator." Another part of the automated queue support system the team is working on currently is dedicated at keeping the truck in the correct lane. Jakobsson adds: "Today's lane support system issues an audible warning which requires that the driver responds. Now we are examining an entirely automated process so that the truck always drives in the middle of its lane without the driver having to do anything."

Volvo explains that this degree of automation is achieved through nine sensors installed on the truck: a lane and object camera above the windscreen, a camera in the cab to monitor the driver's status, two short range radars on either side of the truck and three lasers. In addition, the truck is fitted with an E-Horizon system, a term for systems that collect information about the truck and its surrounding environment. It is also fitted with the Vehicle-to-Vehicle communication system, which is a similar system, but this system exchanges information with other vehicles in the vicinity.

The truck, which is focused on the environment, is being developed so that it is able to handle the use of a hybrid engine.

Safety / Technology

Interactive communications between vehicles will add to safety, says Volvo

Sweden – 'By getting vehicles to communicate with one another and using infrastructure in what is known as cooperative systems, it is possible to increase considerably safety levels,' states Volvo Trucks, which is part of Safespot – a comprehensive Pan-European research project into how cars and trucks can communicate with one another and how infrastructure can be developed to increase traffic safety.

The Safespot project, which was started in 2006 and today includes 51 participants from 12 European countries (including many of the major European vehicle manufacturers as well as suppliers, universities and road administration authorities) is designed to aid drivers avoid accidents. Volvo Trucks offers the following typical scenario:

Imagine sitting behind the wheel of a heavily loaded truck. You are driving on the motorway, a thick fog is beginning to descend and visibility is gradually getting worse. Suddenly you see a car stopped in front of you. You don't have a chance of braking – the poor visibility prevented you from seeing the traffic tail back before it was too late.

Now imagine being warned well in advance – by a display in your truck cab – that there is a queue of stationary vehicles in front of you. You can calmly and safely adjust your driving to suit. What is more, your truck automatically passes this information on to other vehicles behind you, which in turn also relays the information to other vehicles behind them.

With new solutions in telematics – integrated use of telecommunications and information – vehicles can be made increasingly intelligent, says Volvo, facilitating communication between vehicles and the road infrastructure. Safespot Projects Technical Solutions are still in the research stage and are unable to say when such cooperative systems will be fitted as standard in production vehicles.

Investment / Training

Millbrook invests in training for bus WVTA certification

UK – One of Europe's leading locations for the development, testing and demonstration of all land-type vehicles, Millbrook Proving Ground Ltd of Millbrook, UK has announced that it is investing in training of its staff to carry out whole vehicle type approval assessments (WVTA) on bus and coach.

The training programme, states Millbrook, is to be undertaken by the Vehicle Certification Agency (VCA) in accordance with the recast framework directive (2007/46/EC) with regard to ECE regulation 107.02, concerning public service vehicle construction.

This investment, says Millbrook, will put it at the forefront of transport Type Approval testing for bus and coach manufacturers, enabling the organisation to offer a wider portfolio of support to the industry.

Millbrook describes itself as a leading provider of legislation-driven transport solutions, offering expertise and advice in whole body vibration matters, emissions testing, the low carbon agenda and standards development and health and safety development for transport applications.

Subsidy / Environment

Another 98 LNG trucks for Long Beach Port

USA – The port of Long Beach has recently been awarded subsidies for another 98 liquefied natural gas trucks, which will add to its growing fleet of such trucks under the port's clean trucks programme.

Since the programme began in late 2008, nearly 5,000 clean trucks have been registered to work at the port. The trucks account for more than 50% of the cargo containers in and out of the port. By 2012, trucks that do not meet the

strict EPA 2007 emissions are to be banned from the port.

The clean trucks programme aims to reduce air pollution from harbour trucks by more than 80% by 2012. Beginning October 1, 2008, 1988 and older trucks were banned. Beginning January 1, 2010, 1993 and older trucks are to be banned and 1994-2003 trucks will need to be retro-fitted or replaced to meet the 2007 emissions standards.

Port of Long Beach LNG Truck options for Port operation

Truck Model	Cab Type	Fuel, Power Rating and Engine Type
Peterbilt 386 ISX-G	Day cab	LNG, 400hp, Westport ISX-G
Peterbilt 384 ISL-G	Day cab	LNG, 320hp, Cummins-Westport ISL-G
Kenworth T800 ISX-G	Extended day cab	LNG, 400hp, Westport ISX-G
Kenworth T800 ISX-G	Day cab	LNG, 400hp, Westport ISX-G
Kenworth T800 ISL-G	Day cab	LNG, 320hp, Cummins-Westport ISL-G
Freightliner M2-112 ISL-G	Extended day cab	LNG, 320hp, Cummins-Westport ISL-G
Freightliner M2-112 ISL-G	Day cab	LNG, 320hp, Cummins-Westport ISL-G
Sterling LT8,500	Day cab	LNG, 320hp, Cummins-Westport ISL-G

Source: Port Long Beach Authority