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PRODUCT NEWS

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HANSEN TRANSMISSIONS SOUTH AFRICA (Pty) Ltd (HTSA) ON INDUSTRIAL GEARBOX INDUSTRY TRENDS

Hansen Transmissions South Africa (Pty) Ltd (HTSA), local subsidiary of Belgium-based Hansen Industrial Transmissions nv, a global leader in industrial gearbox technology, is one of the fastest growing suppliers of large industrial drives to Southern African mining and industry.

When HTSA first entered the Southern African market in 1969 (then known as CE Hulquist), mining and other industry quickly recognised the company as a trusted partner with a remarkable reputation for superior quality, reliable products and exemplary service. HTSA cornered substantial market share and the company continued to build on the trust invested by local captains of industry, maintaining a stable market share for more than four decades. The success story continues, even through the 2009/10 global recession. In fact, in June 2010 HTSA supplied the 10 000th gearboxes to the local mining industry.

“We have, since 2006, and throughout the third quarter of 2008, shown remarkable annual growth in excess of 30%, largely driven by increased industry demand and high prices for commodities”, says Fritz Fourie, Managing Director HTSA.

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“A rather sharp decline in demand became noticeable during the latter part of 2008 when credit constraints became severe.

Demand for commodities fell drastically, funding for new projects were insufficient and mining companies instituted a strict capital conservation strategy. Even major mining houses cut capital expenditure drastically, in some instances by as much as 40%, negating even the best efforts of governments to stimulate global economies. Most South African mining companies adopted a ‘wait and see’ policy, not canceling projects but rather putting them on hold with projects in the platinum mining sector bearing the brunt of the credit crunch. Projects were cut to the bone as platinum prices continued a downward spiral in 2009”, notes Fourie.

According to Fourie, mining and water treatment industries are the main local business sources for industrial gearbox suppliers, “although” says Fourie, “the water industry has been relatively quiet during the past 24 months. Anticipated growth has been rather disappointing, despite substantial government funding being made available to the water treatment industry. Popular opinion is that this is due to lack of capacity at local government level but with increased environmental and service delivery pressures being brought to bear on local government, I believe an upward trend in this sector is imminent”.

The coal mining sector remained quite active and stable throughout the economic saga with the drivers being expansion of existing and new mines to support the Medupi and Kusile power station projects and to meet expanded export capacity expected from Richards Bay Coal Terminal's phase 5 expansion project. The large helical and bevel helical gearbox market, driven by coal mining projects as well as anticipated increase in commodities demand from China, thus showed recovery in the latter part of 2009. New mining projects normally have long lead times, but projects that were put on hold were activated rather earlier than expected to meet the upswing in international demands, according to Fourie.

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“Unsurprisingly then, the energy sector has also emerged as a major player with the Medupi and Kusile power plant projects accounting for approximately 60% of the total industrial gearbox and geared motor revenue, while the automotive and food and beverage industries deliver in the region of 30%.

As the geared motor market relies on the motor, food and beverage industries, this sector was therefore expected to be hardest hit”, adds Fourie.

HTSA is an integral part of the South African industrial landscape and the company’s ethic of quality and service remains unwavering. The Hansen Industrial Gearbox brand is one of the most respected in Africa and Fourie firmly believes that these are the qualities that successfully steered the company through the recent economic doldrums. HTSA celebrated 40 years of service to Southern African industry in 2010 and Fourie says that superior quality and locally assembled products, combined with exemplary service and a policy of strong customer relations management, have, and will, sustain the company through the many ups and downs of market trends.

“We have secured numerous large orders from collieries as well as the energy sector during 2010 and again in 2011 and we are optimistic that this is just the beginning. The positive signs for growth across all sectors are there. We are more than ready; as a subsidiary of Hansen Industrial Transmissions nv, we have access to world class R & D as well as cutting edge technology to ensure continued delivery of state-of-the art drive solutions to local mining and industry,” concludes Fourie.

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About Hansen Industrial Transmissions:

Hansen Industrial Transmissions nv (HIT) is an established global industrial gearbox designer, manufacturer and supplier. The Company provides durable gear drives for a wide range of industrial applications throughout the world and has established a dedicated international service network.

In addition to its principal state-of-the-art manufacturing facility located in Flanders, Belgium, HIT has assembly, sales and service centres in the US, the UK, Brazil, China, South Africa and Australia. Strong in-house R&D operations maintain HIT’s technological leadership.

Since 4 March 2011 HIT is a 100% subsidiary of Sumitomo Heavy Industries Ltd.

and HIT employs over 600 people worldwide.

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