

Summary

Executive summary

In spite of the country's weak economic performance, Berg Insight is of the opinion that the market for fleet management in South Africa is in a growth period which will continue in the years to come. The number of FM systems in active use is forecasted to grow at a compound annual growth rate (CAGR) of 12.6 percent from 1.1 million units at the end of 2016 to 1.9 million by 2021. The penetration rate in the total population of non-privately owned fleet vehicles used by businesses is at the same time estimated to increase from 24.1 percent in 2016 to 39.6 percent in 2021. South Africa is a relatively mature telematics market and the penetration is comparably high from an international perspective. Far from all deployments are however full-scale advanced FM solutions. A notable share of the installed fleet telematics systems on the South African market is represented by low-end tracking systems, e.g. light FM solutions, including SVR systems extended with basic FM features.

The South African fleet management market is dominated by five players with broad telematics portfolios which are all headquartered in the country and have installed bases of over 100,000 FM units each. Berg Insight ranks Cartrack and MiX Telematics as the largest providers of fleet management solutions in South Africa, both having estimated installed bases in the range of 150,000–200,000 active units in the country, followed by Ctrack and Altech Netstar. Tracker has also provided more than 100,000 active FM systems in the country where some of them are powered by TomTom Telematics. Other renowned international providers active on the market include Pointer Telocation and Geotab. Foreign telematics players have however generally not managed to achieve any top-ranking market shares on the South African fleet management market so far. Additional examples of domestic aftermarket players include Digit Vehicle Tracking (Digicell), GPS Tracking Solutions (Eqstra Fleet Management), SmartSurv Wireless, Autotrak and Autowatch Telematics (PFK Electronics). Commercial vehicle OEMs including Daimler, Scania, MAN and Volvo Group have moreover introduced fleet telematics solutions in South Africa, though the adoption levels generally remain relatively modest so far.