

ReMaTecNews

REMANUFACTURING INTERNATIONAL

JUNE 2014 | NO 3 | VOLUME 14



Reman alliance for Middle East TransAxle partners OWS in Dubai



**New chairman of
MERA**



**Taking reman to higher
levels: Caterpillar**



**Ganzeboom: Making
customers happy**

The Middle East - a prospective market for remanufacturers?

For visitors it may be difficult to understand offhand, considering the vast number of new, nearly new or extremely well-kept vehicles on Dubai's or Abu Dhabi's sun-baked avenues and boulevards. Yet, annual sales of automotive and heavy-duty parts amount to more than ten billion dollars a year in Dubai alone. Predictions are that the number is set to rise very considerably over the coming years. How do remanufacturers figure in this? ReMaTecNews put the question to some representatives of foreign companies that have monitored developments in recent years. Here are their answers:

Mickey Matthews, WABCO Reman Solutions

Remanufacturing is a new concept that the Middle East is looking at right now. Middle Eastern customers, however, are short of reman know-how. Because the customers are not well-educated in reman and are not sure of the quality of the products, we have to develop the supply chain ourselves. Cost is also very important to customers and many, if they have money they will prefer to buy new.

Truck or fleet operators who have had huge profit margins before are becoming more careful as the cost of fuel goes up, spare parts become more expensive, repair costs rise and even time becomes precious. This gives reman some opportunities that we follow closely.



Mickey Matthews, WABCO

Jürgen Stempa, Head of WAiglobal Europe

Remanufacturing in the Middle East is something very new and we definitely see more interest. Governments, too, would like to see companies willing to invest in local remanufacturing. It's not easy, however, because remanufactured products are already imported from Malaysia and Thailand, at very very low prices but still think there is quality difference. I believe that Saudi Arabia will also come into remanufacturing. As for Waiglobal, we have been in this market for many years so we know a lot of customers and yes, we're aware that the time may have come to do something more than we do today.



Jürgen Stempa, WAiglobal, Europe

Harald Benninger, IKA, Germany

For those who want to sell spare parts rather than whole units it's quite difficult here in Dubai and in Saudi Arabia whereas it's easier in countries like Jordan, Lebanon and Iran where more parts are repaired than in The Emirates or in Saudi Arabia. The only products that we sell well in Dubai and Saudi Arabia are the heavy duty spare parts.

To be honest, I'm not certain about the longer-term opportunities but we certainly do not give up. That's the reason why we have come here for years. We know it takes patience to develop a business here.

Oscar Villafranca, Remaned, Spain

The potential here is big because the market is growing very fast and the region has easy access to Europe, Africa and Asia. The car parks are demanding a lot of parts and, although we have to put in a great effort to explain to buyers and consumers the quality of reman, I think remanufactured goods will become important in the Middle East over the next five years.



Oscar Villafranca, Remaned, Spain

Vitobello, Italy

We're working towards developing Asian and Middle Eastern markets, including Pakistan, Iran and Iraq. These countries are developing fast and we want to be part of the growth. We think there will be good opportunities here and we hope to bring our business here up on the same level as it is in Europe.

We believe we can do that in two or three years, more or less. ■



Luca and Alixia Vitobello, Vitobello, Italy