

Bucking the

UK trailer makers have been investing heavily in bigger premises, smarter manufacturing and new products. But will Brexit throw a spanner in their works? Brian Weatherley detects positive signs

TREND

Something unusual has been going on in UK trailer manufacturing. After years of consolidation and fiscal retrenchment, Britain's trailer makers have been spending money at levels the industry hasn't seen for a long time. The investment list is impressive. Don-Bur: £4 million in new plant equipment and handling processes (pictured below), in readiness for a new range of 'standard' trailers. Lawrence David: £3 million in steel-fabrication capability, including a new laser, with an automated loading and warehousing system to help create a fully automated production line. Montracon: £5m to introduce a single-flow production line to improve quality and order throughput at its Doncaster site. SDC: £7m to boost production capability and output at its Toombridge HQ. Then there's Tiger Trailers' whopping £22m in an all-new HQ and production site at Winsford, allowing it to double its production volumes (pictured, above right).

But with Brexit the elephant in the room, what sort of market will UK trailer manufacturers soon be facing? In his latest West European Trailer Market Report, Gary Beecroft, boss of Clear International Consulting and respected market-watcher of the global trailer industry, describes it as the classic curate's egg. Since its previous report in March, Beecroft notes that several west European economies have again

downgraded their forecasts for 2019/20 economic growth, prompting him to report that the forecast of a slowdown in trailer demand in the region during 2019 is likely to occur. "In the first five months, trailer demand fell by an estimated 2%, and a 7% fall is forecast for the year."

And yet the UK is bucking that trend. "For the first five months of this year the [UK] trailer market was up 3% on 2018," notes Beecroft, before cautioning, "At the moment I'm assuming it will be weaker in the second half, leading to a fall in demand for the year as a whole." Last year, around 21,000 domestic trailers were sold out of a total UK market of 24,500. But despite an earlier expectation that the 2019 figure would fall to 18,000-19,000, Beecroft admits that the UK market is showing resilience.

So how do UK trailer makers, especially those who've recently spent heavily on new facilities, see a post-Brexit future? Tiger Trailers' joint managing director Steven Cartwright takes a positive view: "We think Brexit puts the UK manufacturers in a very strong position. Granted, if tariffs are placed on the imported components we use this will affect pricing of finished products. But there are plenty of alternative component suppliers outside of Europe. In addition, we see the UK component supply increasing. We think there have been many operators holding back on procurement until after the Brexit outcome and we're anticipating with the conversations we are having that there will be a lot of activity later on in the year post-Brexit."






value of sterling has been another deterrent to foreign competitors, says Burton.

If the UK market does suffer a downturn, given the recent investment in production capability by domestic trailer makers, isn't there a danger of over-capacity? Burton says unequivocally: "There hasn't been over-capacity in this marketplace for at least 15 years." Indeed, Owens confirms a healthy forward-order book.

At the heart of Don-Bur's recent investment are plans for a new range of 'standard' trailers: 'Configure to Order' for rental spec-type product and 'Engineer to Order', the latter referring to Don-Bur's traditional bespoke products.

Currently, CTO trailers will go down the same production lines as Don-Bur's engineering 'specials'. But with the recent purchase of land adjacent to its main factory that could eventually change. Meanwhile, Owens confirms Don-Bur's new standard products will augment its existing bespoke business, rather than lead to any major changes in its product mix or traditional sales focus.

In a typical year, the company builds 2,000-2,500 units (including rigid bodies) and Owens says that figure could grow to 3,000-3,500 units following the addition of its standard range. "On turnover, we're currently around £50m a year, aiming to get up to around £60m over the next three years, with the ultimate goal of £70m over a 5-10 year period. To a large degree, that £50m of core business based on our more customised solutions will grow steadily, maybe up to £55m. So in terms of percentages, I guess a sixth [of turnover] will be configure-to-order products as a proportion. Whether that grows as the marketplace continues to change, I don't know yet, but we're continuing to watch the market trends, and short-term rental products seem to be on the 'up', as is the market generally. There's no sign of a slowdown yet, with or without Brexit." 

Two years ago, Tiger had outgrown the production capability of its original, leased, five-acre site. Cartwright reports: "We took the decision to design and build our own purpose-built facility on nearly 20 acres. Also there's an attraction in owning our site and designing a factory perfect for our own requirements." Since moving to its new premises in January, Tiger has effectively doubled its production to 50 units a week, with the potential to increase to 60-75 units over the next 12 months.

Next year, Tiger will launch a new range of temperature-controlled trailers to add to its current range of rigid bodies, single- and double-deck trailers, forklift and plant carriers, and urban delivery vehicles. Cartwright reports that while the "number one trailer in the UK is the curtainsider in all forms, second to that we've seen a massive increase in fixed and moving-deck double-deck trailers".



Don Burton, founder of the company that proudly still bears his name after 38 years, predicts some challenging times ahead. "I've never known so much change," he says, insisting that the Holy Grail of trailer-making – standardisation – remains as elusive now as ever before.

If tariffs were applied to imported trailers, Richard Owens, group marketing manager at the Stoke-on-Trent manufacturer reckons "it would restrict any more coming into the UK". However, even without them, he maintains there are plenty of UK hauliers who won't buy a continental trailer for the simple reason of height. While EU hauliers are restricted by the continent's de facto 4m height limit, Owens reports the standard height for a UK curtainsider is historically 4.2m, while 4.5 or 4.6m is commonplace.

Burton concurs: "It's the most important thing that keeps the continentals out. If you asked them to build a 4.9m trailer, they'd look at you as if you were crazy." The relatively low