

Might 2013 mark a transport turning point?

Things may be looking up for transport. According to industry analyst Plimsoll Publishing, operators in the UK can expect to see significant growth during 2013 – substantially up on the previous 12 months.

Its latest market report, which looks into the financial performance of the UK's largest 1,000 hauliers, forecasts average growth as high as 7%, compared with 4.5% last year. Indeed, for the highest fliers (an elite band of 241 operators) that figure looks more like a mind-blowing 25%, as their work to improve productivity and cut costs comes to fruition.

How much of that growth filters down to alleviate seriously squeezed – and arguably unsustainably low – margins remains to be seen. However, Plimsoll chief analyst David Pattison is upbeat, insisting that growth will start to spread throughout the market in 2013 and that the bottom line will be a beneficiary.

As he puts it: "What seems to be different this time is that ... hauliers are not only seeing increases in volume, but many are achieving this with increasing profitability." Pattison also remarks that average margins across operators surveyed have now stabilised (at a surprisingly high 2.5%). And, while conceding that this figure is still too low, he makes the point that it's better than recent years, when some hauliers have found themselves with operating losses.

If this positive picture pans out as Plimsoll predicts, virtually every aspect of the transport industry is going to hot up. So OEMs, dealerships and workshops are going to find themselves under pressure – albeit very welcome pressure – to deliver. That means it's time to conduct a serious capability review, which, for vehicle manufacturers, is all about production and supply chain capacity at one level and network support at the other, while, for dealers, is the age old business of ensuring slick services, adequate staff and refreshed facilities. And it's a similar story for workshops (both franchised and independent) wanting to cash in – with the cautionary note that double checking your technicians' irtec licences, and validating your processes and competence through the IRTE's Workshop Accreditation scheme, will also be key to success.

Better start preparing. Because, looking at new vehicle sales – the only unambiguous measure of recent business activity – some haulage and distribution sectors may well be improving. Although both van and truck sales dropped worryingly last December (14.2% and 22.4% respectively) and indeed van sales were down a disappointing 7.9% against 2011, truck sales overall performed much better. We're looking at a very encouraging 6.4% growth year-on-year, led by DAF, Mercedes-Benz, Scania, MAN, Volvo Trucks, Iveco, Renault Trucks and Isuzu in descending market share order – and that despite record post-crash sales in 2011.

The only caveat: increasing truck sales were driven by rigids and mid-weight trucks, not artics, which witnessed a decline of 7.2%. But that, too, may change as we run up to the costly Euro 6 emissions deadline at the end of this year. Indeed, Iveco managing director Luca Sra suggests that poorer truck sales last year reflect nothing more sinister than "a more measured approach to fleet replacement". And the upside: "We're expecting an increase in demand of 6–8% overall – maybe 4% in medium trucks, but 10% in heavy trucks," he says. Watch this space.



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