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The impact of the 2009 recession on future trailer demand

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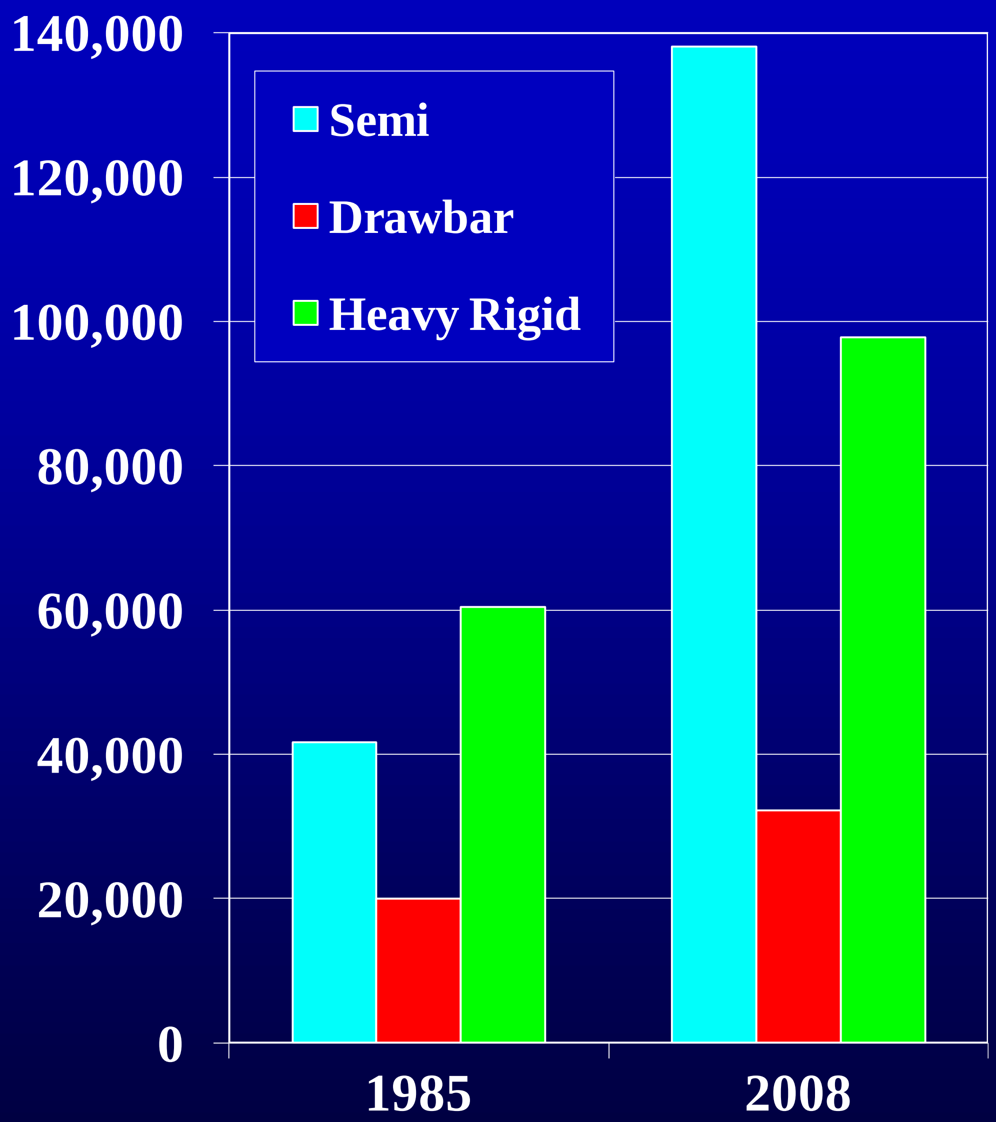
- **Clear is focused on projects that help clients quantify the future demand for products, technologies and services within the automotive and transport industries**
- **In 2003 it launched a regular forecast of the trailer industry to meet the demands of component and vehicle manufacturers, plus investment banks and government bodies**

Introduction

- **77% of goods in Western Europe move by road**
  - **Most of that amount moves on a trailer**
  - **In the UK 78% of goods that travel by road move on a trailer (measured in tonne-km)**
  - **~60% of all good movements are by trailer**
  - **Only chronic congestion is likely to change this figure**
- **Does the trailer market actually exist ?**
  - **Fulfilling the demand for transport**
  - **Who cares ?**

New Trailer Demand 1985 & 2008 – Big 7

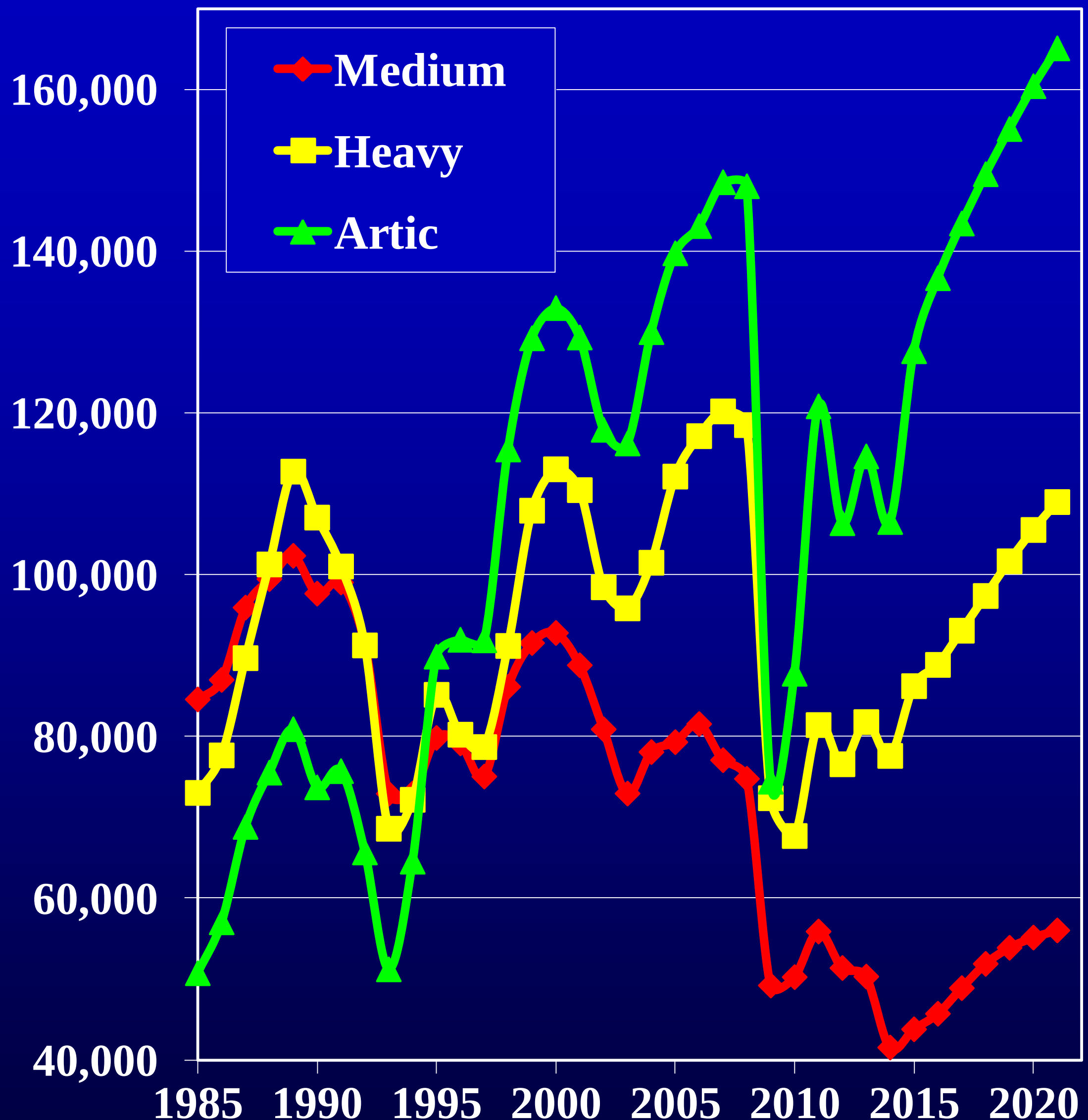


- In 1985 the trailer market amounted to 60,000 units split between semi and drawbar trailers 2:1
- In 2008, demand reached a record level of 174,000 split 4.3:1 in favour of semi-trailers
- Heavy rigids increased by 60% - semis by 230%
- Will we ever see the demand levels of 2008 again ?

Drawbar trailer demand

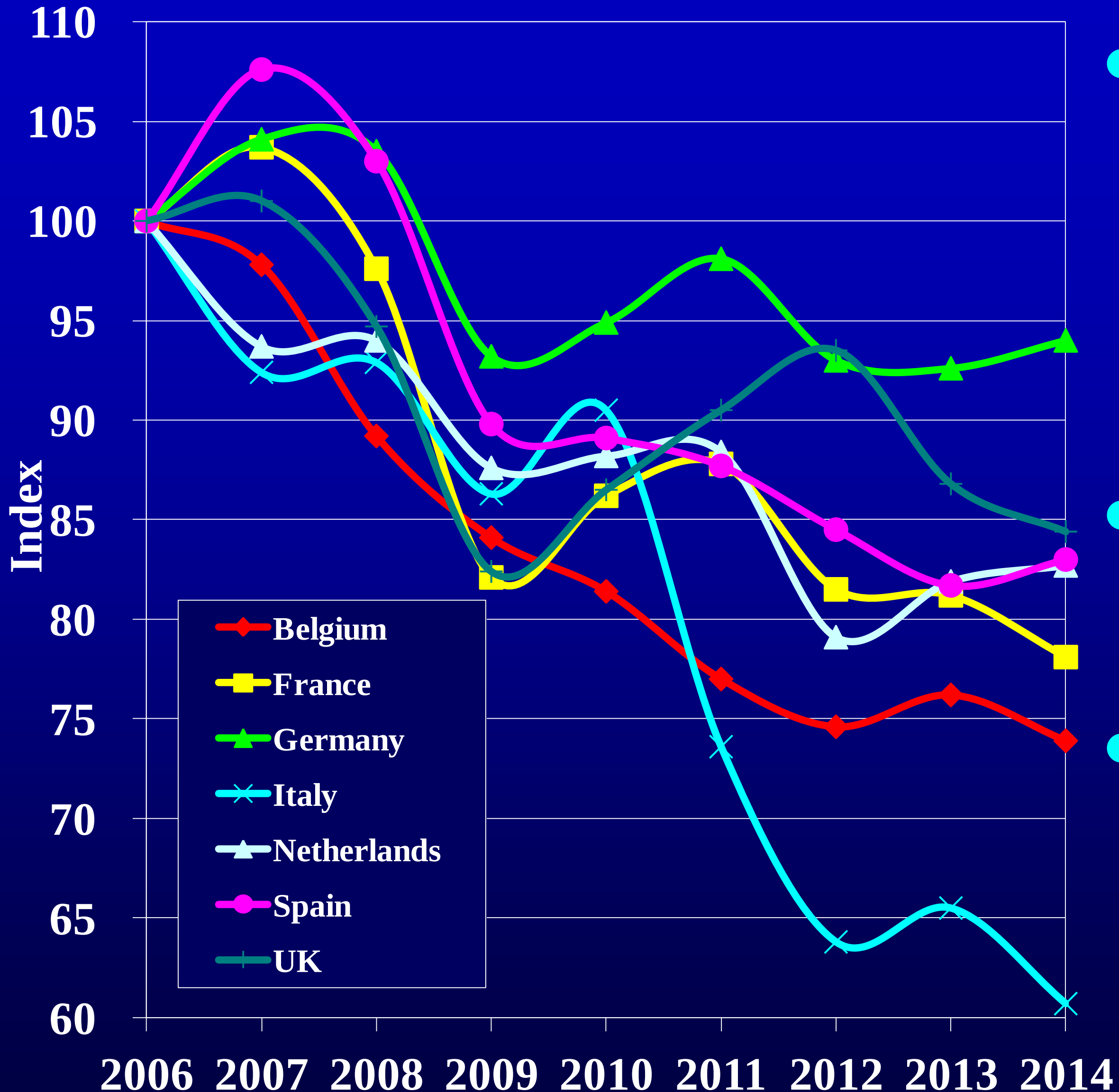
- **Drawbar trailers are only popular in certain countries:**
  - **Alpine: Germany, Austria and Switzerland**
  - **Scandinavian: Norway, Finland and Sweden**
- **In the seven largest economies in Western Europe, Germany accounts for three-quarters of drawbar demand**
- **In Germany there is a large market for swap-body and tipping drawbar trailers**

Truck registrations – Western Europe



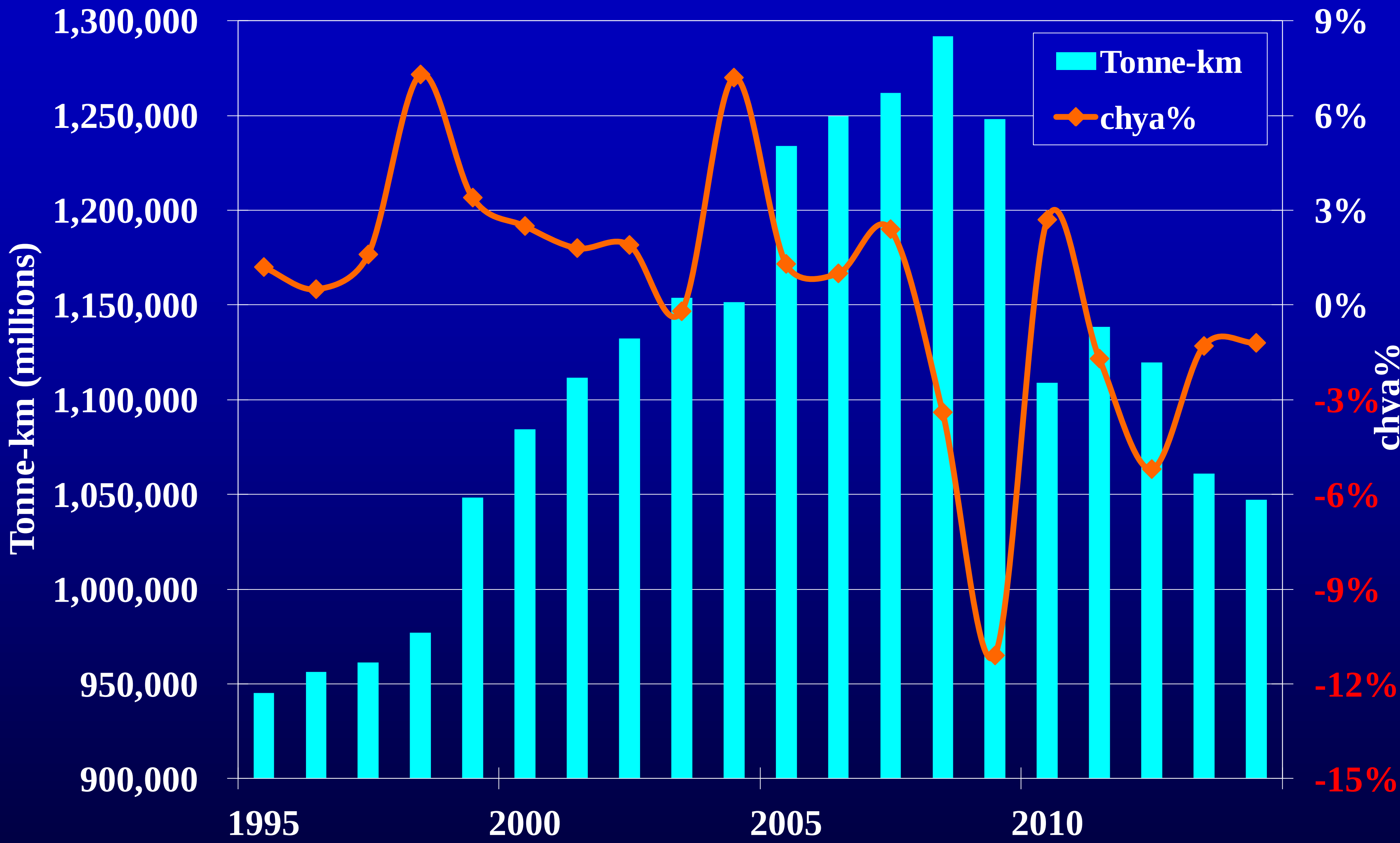
- In the mid-1990s all segments were about 80,000 p.a.
- In 1996 Artic registrations took off
- Forecast is <60k Medium, 110k Heavy and 160k Artic
- Transport companies have moved from the cheapest to the most efficient solution
- (Source LMC)

Goods transport index (tonne km) 2006=100

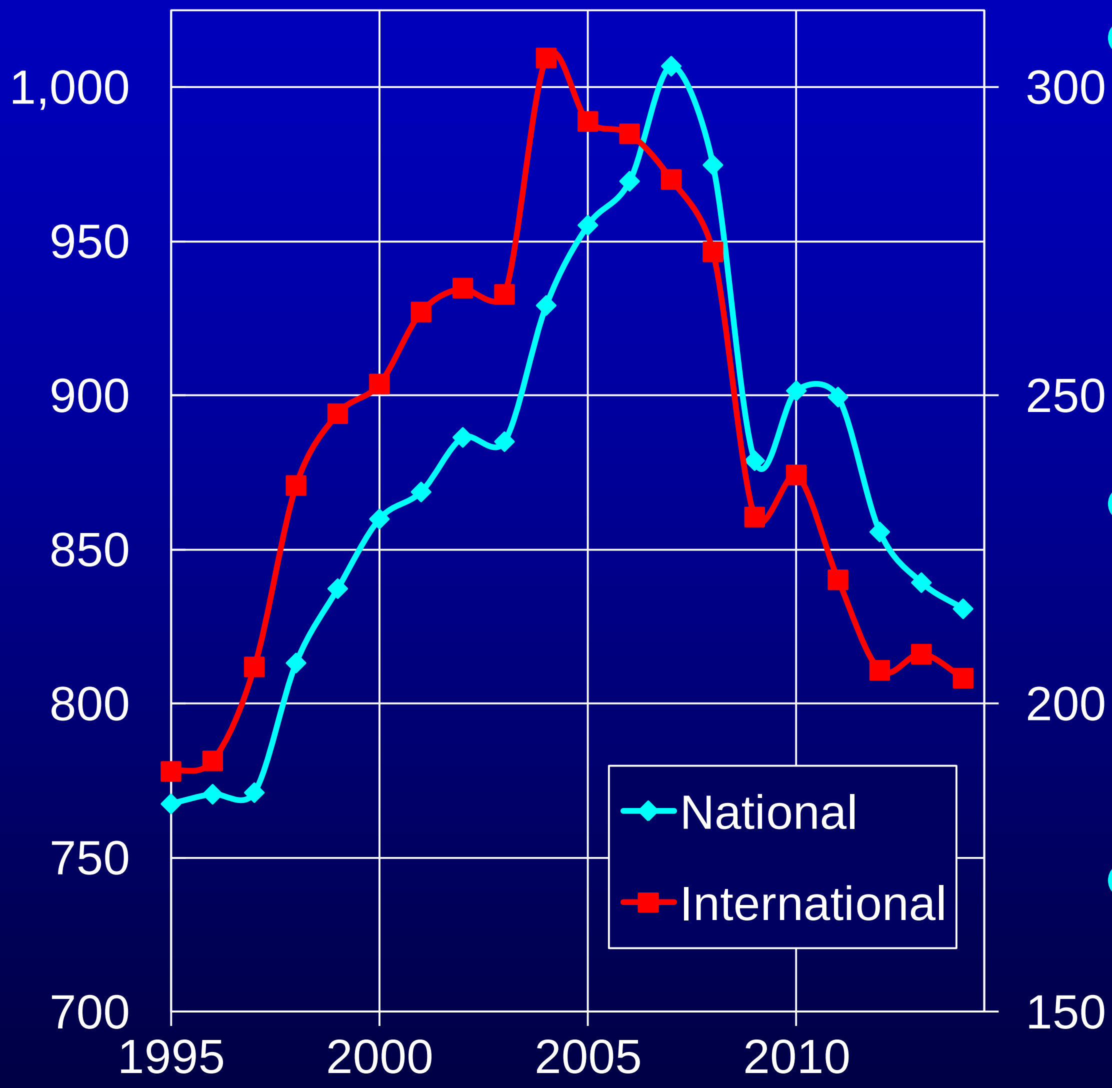


- **In 2011 the average figure for the seven countries is 81.5 or 18.5% below the 2006 demand for transport.**
- **There is no recovery in Italy, Belgium and France**
- **Germany is almost back to the level of 2006 (index 98.5)**

Demand for road transport (Big 7)

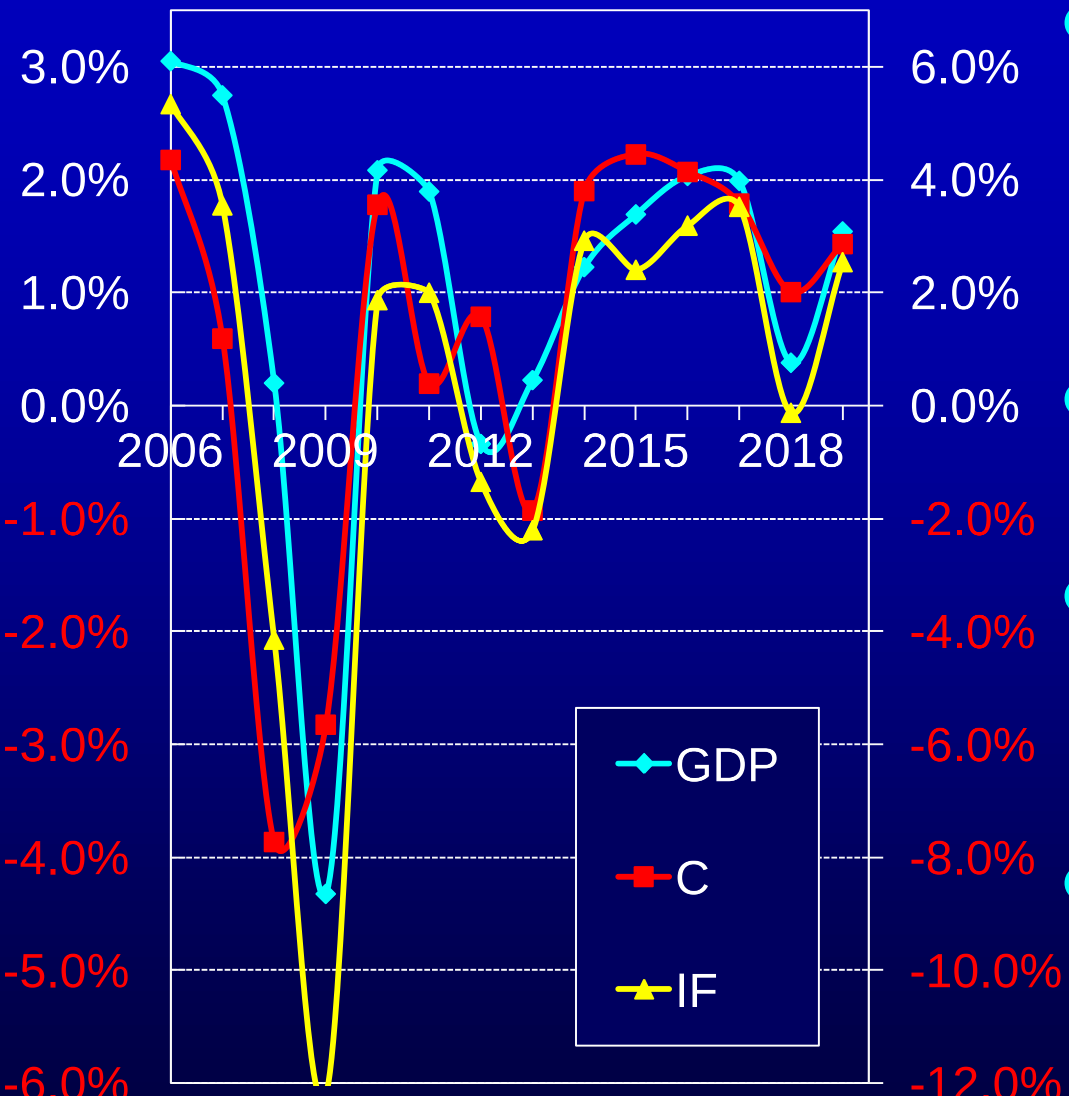


Transport demand for big 7 (tonne-km bn)



- **International road transport accounts for ~20% of demand (right scale)**
- **International demand has fallen further and faster to the level of 2000**
- **The level fell again in 2011 – entirely due to Italy**

GDP, Consumption (C) & Investment (IF)

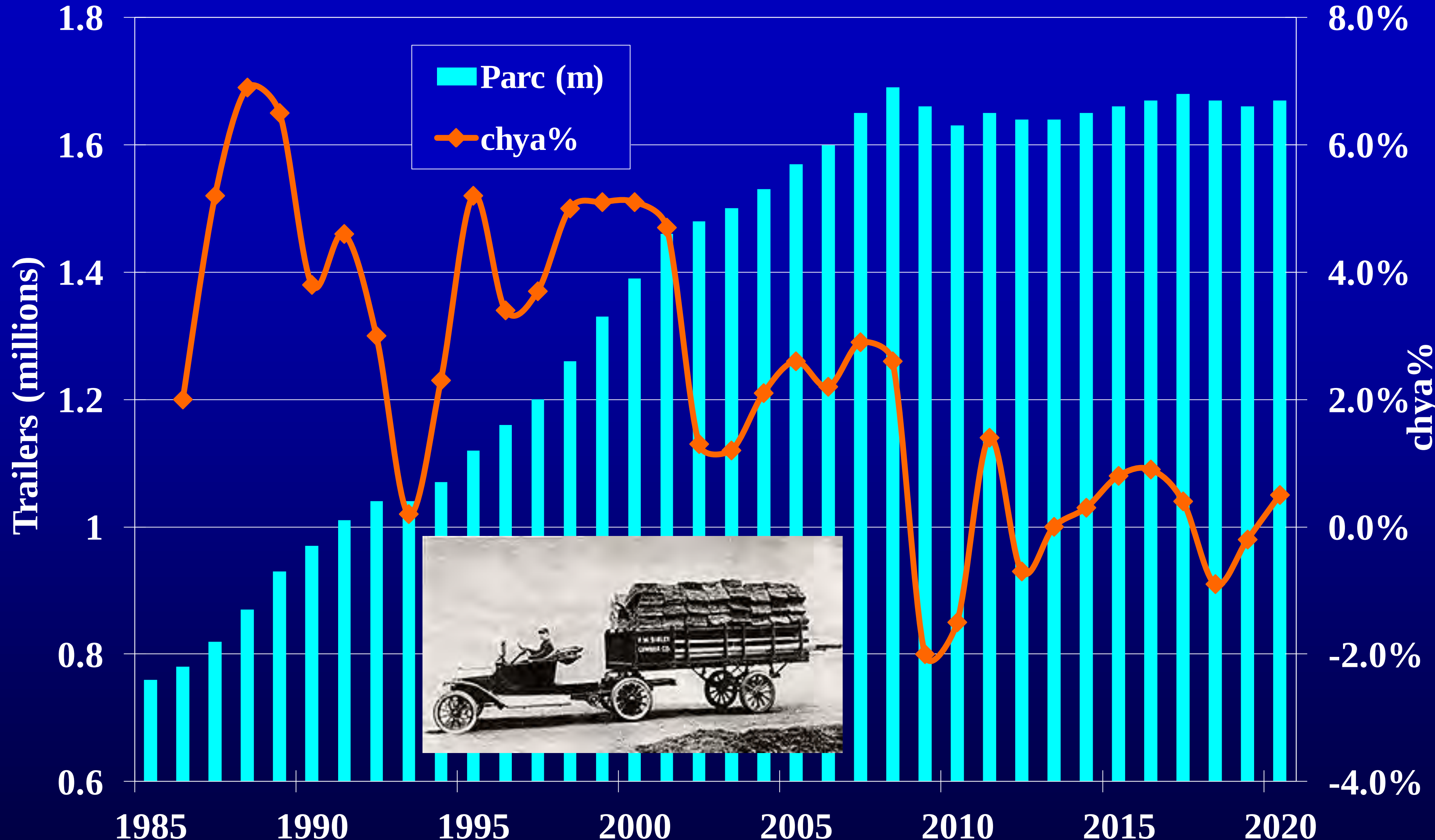


- **From 2007 to 2013 only 2010/11 was positive for the Big 7 countries.**
- **Economic recovery started at end 2013**
- **Better growth outlook from 2014 to 2017**
- **Italy, France and Belgium are on a weaker growth path**

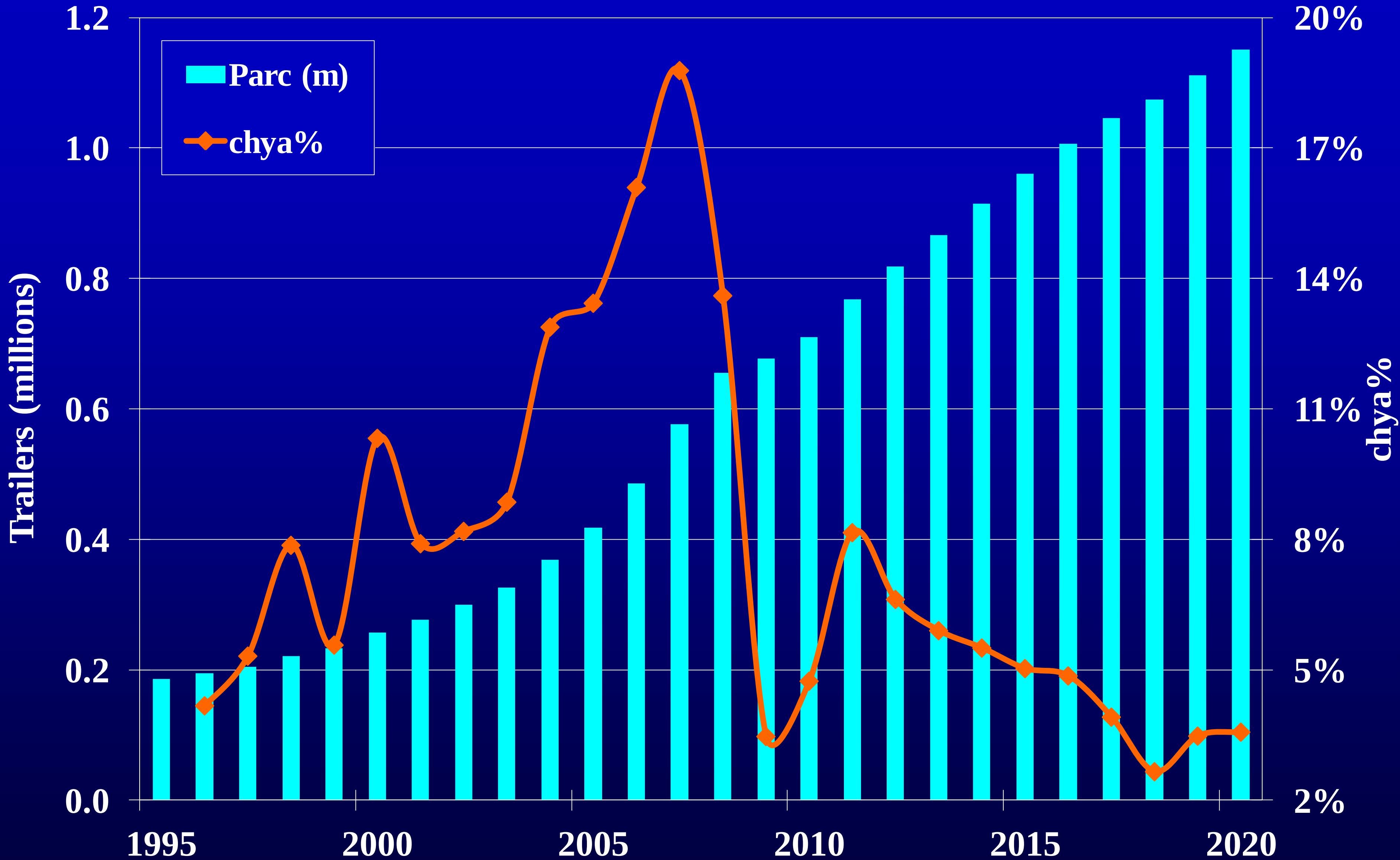
Future trends ?

- What will be the impact in the future of the reduced demand for transport since 2009 ?
- Could it indicate a permanent change in the trailer market ?
- Reasonable economic growth 2014-2017
- A slowdown (but not a recession) forecast for 2018

Trailer Parc and growth rate (Big 7)



Trailer Parc and growth Eastern Europe



Trailer parc

- **The trailer parc has NEVER fallen until 2009**
- **The lowest growth figures were 0.2% in 1993 and 1.2% in 2003 – so the parc grew even during recessions**
- **Parc growth was supported by the shift from rigid trucks to articulated tractor units**
- **The Big 7 trailer parc of 2008 was 1.69 million trailers – that figure will not quite be matched in this decade**
- **For the purposes of the trailer forecast this is a permanent change**

Trailer Registrations – 7 largest economies

- **Clearly registrations are correlated with economic growth – falling in 1993, 2003 and 2009 and growing in the late 1980s and 1990s plus 2006-2008**
- **From 2009 to 2012 new trailer demand remained at the level of the late 1990s**

Conclusion

- Low / negative economic growth has led to a fall in the demand for transport in Europe (New)
- As a consequence of low demand for trailers since 2009 the size of the trailer parc has fallen (New)
- The trailer parc fell until it matched the lower transport demand
- New trailer demand will not recover to the level of 2007/8 during this decade (New)
- The modal shift from rigid trucks to trailers is essentially complete so the market has altered fundamentally (New)