

Big moves in big truck market

The decision of the German Federal Cartel Office last month to prohibit Cargotec from acquiring CVS Ferrari on competition grounds was made after a lengthy review process that is revealing of the lift truck and reach stacker industry.

As previously reported the Cartel Office stopped the sale on the basis that it would give Kalmar an unacceptable 60-70% share of the reach stacker market, a figure many might find surprising. In its research the Cartel Office asked all the main European manufacturers for information on price and market share and, while there were difficulties getting good lift truck data, the information on the reach stacker market is believed to be much more accurate.

Lift truck numbers

The Cartel Office divided the lift truck market into two categories: 7-25t and >25t. It found that Kalmar had a 30-40% share of the European and worldwide markets in each category over the period 2004-2006 (Table 1 on next page). Kalmar and CVS claimed the figures were inaccurate, and the glaring problem is coming up with worldwide figures without considering non-European producers. However, the accuracy of the data did not matter in the end as the Cartel Office held that even combined Kalmar and CVS's market share was not sufficient for it to object to the transaction.

The Cartel Office identified eight manufacturers active in the reach stacker market between 2004 and 2006: Kalmar, CVS Ferrari, Fantuzzi, Hyster, Kion/Linde, Konecranes, Liebherr and PPM-Terex. Kalmar and CVS submitted that Taylor, Dalian Forklift, Luna, Ormig, Meclift, Sany Heavy Industries (China), MLA Australia, ISO loader, Mitsubishi Heavy Industries and Anhui Forklift Truck were also active suppliers over the period, and they could have added China Harbour Engineering and perhaps TCM as well (Indital had by now been absorbed into Kalmar).

The Cartel Office had time to ask only five of them for input and just two responded, indicating they were no longer in the market. Although Kalmar and CVS argued the share of the "others" exceeded 10% the Cartel Office did not accept it was that high. It divided the market into machines under and above 12t and found that the combined share of Kalmar and CVS in the >12t market would be in the region of 60-70% if the transaction proceeded. Its market breakdown is given in Table 2 (also on next page).

Best available

While a 10% band is reasonably large, the data are perhaps the best available on the reach stacker market. One company's sales manager said the Cartel Office asked for reasonably detailed information and he believed the figures were accurate. With regard to price the Cartel Office found that the average price in the <12t capacity was approximately €250,000 and in the >12t class €340,000. It also polled customers who put the average prices at €230,000 and €380,000 respectively.

From its research the Cartel Office identified that CVS was the number two reach stacker supplier in Europe and the No.4 in the world. When added to Kalmar's existing 40-50% market share a combined Kalmar/ CVS would have 60-70% of the market in Europe and 50-60% globally. Importantly, it would have over 50% more market share than the next player (Fantuzzi) in Europe, which the Cartel Office held to be unacceptable.

Service spread

The Cartel Office also considered overall access to customers. It found that the product spread of both companies and Kalmar's position in the service market gave them access to a far greater customer base than competitors. It thought that the smaller players would be squeezed by Kalmar's increased economies of scale and its stated intention to keep the CVS brand that, according to the Cartel Office, was priced "substantially under the market average in the reach stacker market."

While one of Cargotec's most important acquisitions has fallen foul of the German competition authority, it is the high value of the Euro that is encouraging more competition elsewhere

Cargotec and CVS tried to make the transaction more palatable for the Cartel Office by offering to retain the straddle carrier and reach stacker business under the ownership of the Ferrari family and CVS management, but this was not accepted. In fact, it noted that during the review process "the impression was aroused" that the Ferrari family wanted

out of the business itself. In this circumstance the overriding interest of competition would not be served by splitting off straddle and reach stacker divisions.

CVS's new direction

Although the decision is not the outcome the Ferrari family wanted, CVS has quickly reaffirmed its commitment to the

market by announcing a plan to double production capacity within three years. As reported in last month's *WorldCargo News* (pp34-5), it has appointed a new CEO, Artemio Affaticati, who will also sit on the Board of CVS Spa. Affaticati has been given a new business plan to double capacity before 2010, improve profitability and streamline the group

structure.

Much of the increase in sales and output is expected to come from CVS's entry into the straddle carrier market, but CVS said it expected to boost reach stacker sales and increase forklift output by 10-15% per year. Production efficiency is expected from an "engineering optimization programme to achieve a higher degree of standardization between product lines." Growth is also expected in the service area of the business where CVS is currently analysing opportunities.

Competition in the US

In the US the falling value of the dollar is becoming a major problem for European big truck manufacturers. A benchmark €300,000 machine would have cost a customer paying in US dollars US\$372,000

(from p48) will be completed, but earlier estimates by hMach that the company could sell and produce 40 units a year proved optimistic and The Factory Company is now reassessing the market.

Can we fix it?

To differentiate itself in the market hMach went for a design that focused on simplicity and serviceability. There is still some market resistance, particularly outside of the port market, to what is seen as overly complicated electronic control systems for the main hydraulic system.

As noted in a previous article,

Hyster says its pilot operated controls (where low pressure fluid is routed through the joystick) are a market advantage in the US. Kalmar offers electrically- and hydraulically-operated joysticks and says that the maintenance and service for each require different skills and there are "pros and cons" for each type.

Some operators prefer electric joysticks as they feel they offer better control and handling and are actually easier to maintain as there are no hydraulic hoses running to the dashboard. However, Kalmar USA tends to build more forklifts with hydraulic joysticks

and says this is probably because most organisations have the experience with mechanical components. In the longer term Kalmar says this will probably change as the industry becomes more technical and service more sophisticated, but the preference is ultimately the customers' and Kalmar says it is its job to respond.

Electronic standard

Hoist takes a different view and builds electronic control systems as standard. "In this day and age, it's not simply a matter of whether you prefer hydraulics or electronics controlling your valve, it's what

you can do with those controls," said Miller. Hoist lift trucks utilise a CANbus network whose components make up a vehicle management system marketed as RemoteTech. "Vehicle management systems offer a multitude of enhanced capabilities not possible without CANbus components such as the electronic joysticks."

In addition to diagnostics RemoteTech controls other features such as control reconfiguration, adjustment capabilities and safety features. "Having the ability to reconfigure control functions also means that every truck can be custom-tailored to any given customer or application, without the need to use custom components," added Miller.

Another point Miller makes is that though CANbus networks are relatively simple by nature ("a two-wire system with components daisy-chained together"), the key to acceptance is in the interface provided to users to make adjustments, do diagnostics and monitor the vehicle.

The current Hoist interface uses a simple Windows-based programme with self-explanatory menu options. Hoist is now updating the system to include an on-board interactive display allowing adjustments and diagnostics to be made without the need for a laptop. This interactive display will be included on the new line of container handlers.

Trimodal handler

Konecranes Lifttrucks AB (ex-SMV Lifttrucks) has delivered its sixth giant (9m wheelbase, jackless) reach stacker for barge handling as well as truck and rail handling and stacking. The SMV 4545 TB3 has gone into service at CTB Group's new trimodal terminal in Liège, Belgium.

Besides containers, the machine can load neo-bulk cargo such as coils, slabs, billets, machinery and pumps, and flat racks using four slings positioned in each corner of the spreader.

The CTB barge terminal is expected to handle 2000 TEU a year - insufficient to justify a crane - and is the first phase in CTB's expansion as a barge terminal operator. A second barge terminal may be opened in three years time.

Its new reach stacker could well be the heaviest yet delivered by Konecranes, as it has a self-weight of 111.8t, almost 12t more than that of the fifth machine, which was delivered to the new



NTP Forklifts Australia's MD Nick Perdelis (left) hands over the latest Fantuzzi to Eric Filmer, general manager of Scott's Transport

inland C-Port at Friesoythe/Sedelsberg in Germany's Lower Saxony state earlier this year.

Length overall is 15m and width over front tyres is 4.6m. The long frame sits on 21.00-35 tyres. It can lift 30.5t from the third row of the barge from 1-high to 3-high and its negative lift reach (ie below quay level) is 2.3m (7.5ft). It is powered by a Stage 3 12-litre Scania engine (400 hp).

Commenting on how operators find driving such a large machine, Konecranes Lifttrucks' sales director Mikael Andersson says it presents no problems and, in fact, operating a 3t forklift in tight spaces is more difficult. The driver is assisted by a camera positioning system and can slide his cab backwards by 4m to improve visibility when stacking in the yard.

Trend setter

SMV delivered its and the world's first jackless, 9m wheelbase 3-wide barge handler, designated SMV 4545 TA3, to the DUK trimodal terminal at Dörpen on the Ems Canal in Germany in 1996. The latest two deliveries are part of the overall "second generation" heavy lift truck programme introduced two years ago (hence 'B' suffix).

The machines represent an investment of around €0.6M. This is very expensive in reach stacker terms but the machine is also a replacement for a quayside crane.

As far as safety is concerned the machine has the standard Konecranes overload system that monitors the hydraulic system and the state of the load against the load curve. This prevents unsafe lifts. An overload warning is issued at a preset limit, normally 90% of SWL.

Andersson says that Konecranes' seventh giant machine is in build and will be delivered to a trimodal terminal operator in Germany in December. Fantuzzi is also known to have supplied two giant machines - in Minden (D) and Baton Rouge (US).

Shorter, jacked

Some barge terminal operators prefer shorter wheelbase, jacked machines that are more like normal truck and rail handlers.

Andersson says Konecranes has stayed away from support jacks because they increase the cost of the paving. A larger machine requires a bigger turning circle, but can be used safely on standard paving and Andersson says this was the defining point for Konecranes.

However, the bottom line for operators is really whether the terminal already has, or can justify installing, a rail-mounted or mobile quay crane. At any rate, barge-handling reach stackers show the tremendous flexibility of the reach stacker concept.

New Fantuzzi dealer

NTP Forklifts Australia recently announced it has added the Fantuzzi range of port equipment to its range of material handlers.

Although NTP is an agent for TCM lift trucks, director Nick Perdelis said the company was "lacking in heavy duty machinery, and we agreed it was a market that we should be in, as one of Australia's largest, privately-owned materials handling companies. The Fantuzzi Group fitted our ethos and range of equipment well, fulfilling the gap in our range."

NTP has delivered a new Fantuzzi reach stacker to both Scott's Transport and Patrick's Port Link SA. The growth in both companies' Adelaide based operations meant they required more heavy duty handling equipment.

Scott's took delivery of a new CS45KE reach stacker last month, for use in several applications, but primarily for container parking and distribution. Patrick's reach stacker, delivered earlier this month, is the third it has received from Fantuzzi and they are used by Port Link and Patrick's rail operations in South Australia.

The relationship between NTP, Scott's and Patrick's is ongoing, with the provision of training, after sales service and support with each unit sold. NTP claims that within Australia large fleet operators such as P&O Brisbane, Pacific National and Toll Shipping have reported good up-time and low machinery running costs and describe the Fantuzzi product as robust and dependable. □

More spares from TVH

Belgium-based TVH Forklift Parts NV has recently expanded its range of spare parts and now caters for operators of heavy FLT's as well as other types of equipment, including telescopic forklifts, tail lifts, sweepers, scrubbers and tow tractors.

TVH has been selling spare parts for FLT's to resellers and rental companies in ports all over the world for more than 25 years. It has 450,000 parts in stock and

a database with more than 11M references. Parts are available for leading makes of heavy lift trucks and reach stackers, including Kalmar, Linde, Hyster, CVS, Konecranes Lifttrucks, Svetruck and Terex/PPM.

TVH has subsidiaries and affiliates in France (Manupiepe), South Africa, Australia, China, Malaysia, Singapore, USA (SMH and IMC), Sweden (Bozela), Brazil (Intrupa Brasil) and the UK. □

The THV parts centre near Waregem



two years ago, and that has risen to US\$416,000. Furthermore, the currency disparity is now such that a 5% increase in the Euro price is a 7% increase in the US\$ price.

Leg up for Hoist

It is not surprising that US port operators are supporting local production and Illinois-based Hoist is set to enter the market for container handlers early next year.

Earlier this year Hoist announced its re-entry into the port market with a 52,000 lb ro-ro machine based on its P-series forklift. The first machine has now been delivered to Ceres Marine

Terminals in Baltimore. The design features a compact 170-in wheelbase, double removable counterweights, Cummins 8.3L diesel, Dana 32,000 transmission and AxleTech drive axle.

Own spreaders

Hoist will begin production with empty handlers and the laden handlers will follow shortly thereafter. The company has decided to build its own spreaders. Bob Miller, head engineer at Hoist, says a third party supplier was considered but "ultimately the only way we can assure our industry-best delivery times and provide guar-

anteed parts support is to manufacture as many parts as is possible in-house. This also provides for more stringent quality control."

Hoist will base container handlers on its P-Series range. "Having a common truck platform not only affords the efficiency of buying and building in quantity, but also enables Hoist to provide superior parts support. Hoist's entry in the marina forklift market a couple years ago is a clear example of this approach.

The Neptune Series, like the forthcoming container handlers, was a spin-off of the P-Series. The Neptune Series and P-Series share

Table 1: Market share in mast trucks, according to the Cartel Office, in percent bands (2006 data)

	7-25t			>25t			Total		
	World	Europe	Germany	World	Europe	Germany	World	Europe	Germany
Kalmar	30-40	30-40	50-60	30-40	30-40	20-30	30-40	30-40	40-50
CVS	0-10	0-10	0-10	0-10	0-10	0-10	0-10	0-10	0-10
Fantuzzi	0-10	0-10	0-10	10-20	10-20	10-20	0-10	0-10	0-10
Hyster	30-40	10-20	10-20	10-20	10-20	10-20	30-40	10-20	10-20
Kion	0-10	0-10	0-10	0-10	0-10	0-10	0-10	0-10	0-10
Konecr.	0-10	0-10	0-10	10-20	10-20	0-10	0-10	0-10	0-10
Svet.k	10-20	20-30	0-10	10-20	30-40	30-40	10-20	20-30	20-30
Market worth	310-360 M€	130-180 M€	15-60 M€	100-150 M€	30-80 M€	< 10 M€	440-490 M€	190-240 M€	>15-60 M€

Table 2: Market share in reach stackers, in percent bands (2006 data). (ibid)

	< 12t			>12t			Total		
	World	Europe	Germany	World	Europe	Germany	World	Europe	Germany
Kalmar	40-50	50-60	60-70	40-50	40-50	40-50	40-50	40-50	40-50
CVS	30-40	20-30	10-20	0-10	10-20	10-20	10-20	10-20	10-20
Fantuzzi	10-20	10-20	20-30	10-20	0-10	0-10	10-20	0-10	0-10
Hyster	0-10	0-10	0-10	0-10	0-10	0-10	0-10	0-10	0-10
Kion	0-10	0-10	0-10	0-10	10-20	10-20	0-10	0-10	10-20
Kone	0-10	10-20	0-10	0-10	10-20	10-20	0-10	10-20	10-20
Liebherr	0-10	0-10	0-10	0-10	0-10	0-10	0-10	0-10	0-10
Terex	0-10	0-10	0-10	10-20	0-10	0-10	10-20	0-10	0-10
Market worth	< 20 M€	< 10 M€	< 10 M€	340-390 M€	110-160 M€	> 15-20 M€	360-410 M€	120-170 M€	>15-30 M€

almost all major components (engines, transmissions, drive axles, hydraulic pumps/valve, etc). The container handlers will share these same components, said Miller.

The current P-Series line-up is already fringing success with port operators. Maersk has purchased a 36,000 lb machine for its Terminal Island facility in California and Jones Stevedoring has purchased two 80,000 units for its Portland, Oregon operation.

Maersk's P360 will be built on a 115-in wheelbase with a 36-in load centre and feature a Cummins 6.7L turbocharged diesel engine, a Dana 32,000 automatic transmission, AxleTech heavy duty drive axle with wet disc brakes, fully-enclosed cab with air-ride seat, electronic hydraulic controls and RemoteTech vehicle diagnostics system.

The P800s for Jones will be the largest Hoist pneumatic forklifts to date with a 170-in wheelbase and 48-in load centre. The forklifts will have the same features as the Maersk P360, but will be powered by a Cummins QSM11 diesel engine and have a removable counterweight.

Head to head

In entering the port market Hoist is going head to head with Taylor, a family-owned business that never comments on sales. However, one Taylor dealer, AmeraMex, recently reported several large orders for Taylor mast trucks including a US\$5.5M contract for laden container handlers from Marine Terminals Corp. MTC operates over 300 Taylor machines and the latest machines will all be Taylor's relatively new 6-high design.



The Cartel Office had no problem with the competitiveness of a post-merger mast truck market, but drew the line over reach stackers



Kalmar set out to take on Taylor's position when it launched the DCF laden container handler series in late 2005. At around the same time Kalmar began building 9-18t lift trucks for the North American market at its terminal tractor facility in Ottawa. The first machines were assembled from knockdown kits shipped in from Sweden, but Kalmar said from the beginning that its desire was to source as many of the components locally as possible. The Ottawa plant now sources 70% of the components directly and many, including engines, tyres, frames, hydraulic fixtures and forks are sourced from North America.

which started the Magni-lift brand has recently put its efforts on hold. Last year hMach began building lift trucks in Spokane, Washington in partnership with RAHCO International and earlier this year delivered three to a terminal operator on the USWC, believed to be SSA Marine.

This April most of RAHCO was acquired by FLSmidth RAHCO Inc and then became part of the FLS Minerals Group. The manufacturing component of the company was retained by the sellers and is now called The Factory Company.

Spokesperson Miller Griffith says The Factory Company is in "pause mode" with regard to the hMach FLT's. Two trucks are still in production and (cont'd on p50)

Konecranes Liftrucks' type SMV 4545TB3 on test at the Markaryd, Sweden plant before delivery to CTB's new trimodal terminal in Liège



Samuk scores with 16-tonner

Samuk, the exclusive importer of Hangcha Lift Trucks in the UK, recently secured its first contract for the new RY1612 design. Delta Design Systems in Clacton, Essex uses its machine to unload diesel engines and generators from curtainside trailers.

As previously reported (World Cargo News, April 2007, pp31-33), the RY1612, rated at 16t-1200mm, is part of Hangcha's new medium-heavy range.

It is fitted with a 205 hp Cummins engine driving a ZF 171 transmission and 2950mm wide (over 12.00-24 tyres) Kessler hub reduction drive axle with disc

brakes through a ZF 171 transmission. The mast is said to be 500mm wider than "most trucks of this size" and the carriage rollers "are spread wider by up to 50% to resist swinging long loads and containers."

Samuk is run by Sir Neville Bowman-Shaw, the founder of Lancer Boss. Sir Neville says he plans to introduce dedicated EC trucks based on Hangcha's medium-heavy platform. Hangcha is the second largest Chinese FLT manufacturer, with a capacity for 40,000 truck/year. Single shift output is set to double next year on completion of its latest capital investment programme. □