

TOP 20 TRAILER BUILDERS

A NEW DYNAMIC

GLOBAL TRAILER'S INAUGURAL OEM RANKING, PUBLISHED TO COINCIDE WITH THE 2016 IAA COMMERCIAL VEHICLE SHOW IN GERMANY, PROVED A WORLDWIDE SUCCESS – SO MUCH SO THAT IT HAS NOW BECOME AN ANNUAL FIXTURE ON OUR EDITORIAL SCHEDULE. [Story by Sebastian Grote]

In mid-2016, *Global Trailer's* editorial team embarked on a journey into the unknown. In a world-first, it attempted to catalogue the world's leading trailer manufacturing businesses and rank them by output, bringing a new level of transparency to an industry traditionally known for being fiercely discreet.

The response to the inaugural listing was overwhelmingly positive, with many an OEM now using it as a global performance benchmark and experts from around the world praising the *Global Trailer* research team for breaking through a psychological barrier long considered insurmountable.

"Thank you for dragging the issue out of the shadow and into the public space," one OEM representative, who asked not to be named, told *Global Trailer* at an official IAA media briefing in 2016. "The industry still has to become more professional, and so need our reporting processes – automotive is a long way ahead in that respect. *Global Trailer's* work is the first step in the right direction."

While the first edition of our OEM ranking featured the world's 30 leading manufacturers in celebration of the magazine's 30th edition, *Global Trailer* opted for the more common top 20 format for the follow-up edition – with a surprising result: The global trailer building community has seen a fundamental change in dynamic in the space of a single year, with four new businesses entering the top 20 and illustrious names such as Ohio-based MAC Trailers and recently reinvigorated French OEM Chereau not making the cut.

While Chinese multi-national, CIMC Vehicles, is still leading the pack – bolstered by the 2016 acquisition of SDC Trailers, it is now producing more than twice as many trailers as the second-ranking OEM, and more than ranks nine to 20 combined – the formerly US-dominated list is now much more diverse than a year ago.

Even though the Chinese economy grew at the slowest pace in a quarter of a century in 2016, the nation's many manufacturing businesses have been especially productive in the year gone, for example – arguably due to the local Government's commitment to establishing and enforcing more consistent heavy vehicle standards, which led to a historic spike in investment in a relatively short period of time.

Even though some 25 per cent of all names on the 2017 OEM ranking hail from China, though, the meteoric rise of hitherto unknown brands such as Hong Dong, Chang Hua and Long YiDa could be short-lived, as Robert Perkins, Senior Global Business Consultant at US research company, ACT,

FAST FACT

CIMC Vehicles' local Chinese brands, CIMC Tonghua and CIMC Huajun, have had a successful 2016-17 season, too, with sales above the 15,000 unit mark each. As such, they would rank in the top 10 of this year's listing.



In July 2017, Schmitz Cargobull acquired 33 per cent of the shares of South African OEM, GRW.

suspects: "Unlike other new policies, [China's new legislation was] accompanied by the 'Opinions on Improving the Management of the Illegal Modification of Truck and Oversized and Overloaded Trucks'," he explains.

"This 'overloading project' is administered by five ministries, which serve as the enforcement arm. What this means for commercial vehicles in the short-term is increased demand, while the long-term impact will translate to a decrease in unit demand as fleets adjust to the new requirements/new products as transport efficiencies increase."

FAST FACT

As opposed to the powered commercial vehicle segment, which quickly embraced the concept of globalisation in the wake of World War II, trailer manufacturing has remained a highly regionalised business for the most part of the 20th century. Even though the industry was, and still is, closely tied to the success of the truck market, the cost of shipping a 'box on wheels' was long considered uneconomical – especially given the trailer's standing as a commodity item with a low cost margin and little added value. Since the turn of the century, however, that perspective has slowly changed, with a handful of trailer manufacturing businesses now actively pursuing a globalisation strategy – some by sending a knocked down (CKD) kit abroad and assembling it locally, and some by investing into a local partnership and/or production facility.

As such, the true success story of the 2016-17 ranking may actually be that of German OEM Schmitz Cargobull, which took the second rank from trans-Atlantic rival, Wabash National. Bolstered by strong demand in central and western Europe, as well as the acquisition of 33 per cent of the shares of South African OEM, GRW, the family-owned juggernaut managed to increase production by more than 10 per cent to 56,000. "In terms of production volume and order intake, we have clearly exceeded our target of 47,000 trailers," says CEO, Andreas Schmitz, who foresaw a possible step change all the way back in March on the back of the highly successful unveiling of Schmitz Cargobull's new van body range.

In delivering on the CEO's prediction, Schmitz Cargobull not only overtook last year's number two, Wabash National, which saw a 13 per cent decrease in production

A 91-tonne Randon combination on trial at a secure testing facility in Brazil. Image Credit: Willian Gianezini



volume compared to last year, but also US runner-up Great Dane, which had to take a nine per cent hit in the year gone, according to a *Global Trailer* estimate (see breakout box for details on the data collection process). Now ranked fifth, Great Dane is on par with Germany's second biggest OEM, Krone, which saw production drop slightly compared to the 2015-16 listing.

The third German name in the top 10, Kögel, ranked ninth again despite an impressive 26 per cent jump in productivity – mostly due to US company, Stoughton, being able to slightly increase production to 16,400 units over the past 12-month period.

It is followed closely by ambitious Polish OEM Wielton, the only brand in the top ten that is not from China, the US or Germany. Having taken over long-standing French OEM Fruehauf in 2015, Wielton recently acquired an 80 per cent stake in Germany's Langendorf Group, making for a double-digit rise in overall output. At the end of 2016, Wielton also established a subsidiary in the African nation of Ivory Coast, where it is planning to establish a trailer assembly plant that could put additional pressure on Kögel in the year to come.

While some 65 per cent of all businesses in the top 20 hail from Germany, the US or China (unchanged from 2016), it is a company based in Dubai that evolved the most since the first OEM Ranking. Regional powerhouse, Gorica, improved from rank 26 to 19 on the back of a record-breaking 50 per cent growth in production volume.

FAST FACT

Throughout the production process, it has come to *Global Trailer's* attention that a portion of the data provided may contain truck bodies, too. *Global Trailer* was not able to verify if any other figure was biased and thus decided to trust in the respective OEM as a source.

According to Domen Bockor, General Manager, Sales and Marketing at Gorica, the jump comes on the back of the OEM opening a fifth factory specialised in the production of aluminium tankers and tippers for the UAE market. "With this milestone, Gorica has become the first Middle Eastern OEM producing aluminium trailers locally," he says, noting that lightweight aluminium equipment had to be imported from the US or Europe in the past. Another source of growth is Gorica's on-going success on the African continent, he adds, "where we have recently concluded some key projects in aggregate transportation and the waste management industry".

While Brazil's Randon once again missed the top ten, the 69-year-old company – which would have made the number two spot in 2014 with 60,208 units built – is now on the path to recovery, as COO, Alexandre Gazzi, reveals. "The commercial vehicle industry saw a sharp drop in production volume over the past three years to almost a third of its historical peak in 2016," he says.

"We believe that 2016 was the low point and that a recovery of volumes in the second half of 2017 is possible. Being conservative, we expect the recovery to be in the 10 to 20 per cent region. We also believe that the country has the potential to return to regular volumes, which are about twice as high as the current volume."

While the global trailer manufacturing industry is still highly fragmented and almost impossible to map exhaustively – Gazzi points out that "the trailer business is a regional one, unlike truck- and car-manufacturing" – *Global Trailer's* second international OEM ranking exposed a notable push for consolidation in the space that could see the market's dynamic change even more dramatically in the year to come as short-term economic distortions ease off. Until, then, the ranking must be used as a general guideline only. **GT**

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DISCLAIMER

While *Global Trailer's* Top 20 OEM ranking has been compiled with the utmost commitment to accuracy and professionalism, it is still supplied without liability. All up, we reached out to more than 100 OEMs globally since June 2017, with a response rate of just over 40 per cent. The official deadline was 31 July 2017. If we were not able to obtain an official production number directly from the OEM, our source of choice, we consulted a range of industry sources to obtain an estimate. If no estimate was available, the brand was not considered. Build numbers cover the timeframe between 1 July 2016 and 30 June 2017 unless stated otherwise.



Gorica has seen a record-breaking 50 per cent in production volume in 2016-17, also due to a strong focus on lightweight aluminium equipment.

01


CIMC VEHICLES | 118,631 UNITS | 2016 RANK: 1 ◀ ▶

CIMC Vehicles has defended the title of the world's largest trailer OEM by output. Part of the China International Marine Container (CIMC) Group, CIMC Vehicles is becoming an increasingly global brand, with a network including US-based brand Vanguard as well as Northern Ireland's SDC Trailers, and a new factory in Poland under construction.

02


SCHMITZ CARGOBULL | 56,000 UNITS | 2016 RANK: 4 ▲

German powerhouse Schmitz Cargobull has hit back against trans-Atlantic rival Wabash National and is now the world's second-largest OEM. During the first half of 2017, the company also entered the highly competitive truck body market and is expecting a strong 2017-18 season.

03


WABASH NATIONAL | 55,450 UNITS | 2016 RANK: 2 ▼

Despite having dropped a spot, Wabash National is on the move. In August 2017, the OEM acquired Indiana-based truck body specialist, Supreme Industries, in a move to strengthen its presence in the booming finale mile market. Supreme is the second largest US manufacturer of truck bodies, with 2016 sales of \$299 million (€254 million).

04


HYUNDAI TRANSLEAD | 50,706 UNITS | 2016 RANK: 5 ▲

A subsidiary of Korea's Hyundai Motor Company, San Diego-based Hyundai Translead entered the US transport equipment market in 1994. The company, which has a manufacturing facility in Tijuana, Mexico, tends to keep a low media profile and did not respond to *Global Trailer's* data request two years in a row. As such, the production figure is an expert estimate only.

05


GREAT DANE | 48,000 UNITS | 2016 RANK: 3 ▼

Despite dropping to fifth, Chicago-based Great Dane Trailers is a force to be reckoned with. Confirmed to be attending the new NACV Show next month, Great Dane has invested heavily in new safety technology in 2016-17 and continued to build on its truck body offering. The company also has ties to Chinese OEM, Icebear, even though news on the collaboration have become rare since it commenced in 2012.

05


KRONE | 48,000 UNITS | 2016 RANK: 7 ▲

Unfazed by political turf wars in the UK and neighbouring France – and with a refreshingly indifferent attitude towards the competition – Krone has set its own pace for much of 2016-17 and is now benefitting from a finely balanced product portfolio, future-proof processes and a strong project pipeline. In a recent *Global Trailer* interview, Managing Partner, Bernard Krone, indicated that the company is also exploring new opportunities in the electro mobility field.

07


UTILITY TRAILER MANUFACTURING | 46,040 UNITS | 2016 RANK: 6 ▼

Despite having dropped a spot in the 2016-17 ranking, refrigerated equipment specialist, Utility Trailer, is optimistic about its 2017-18 performance – even though the US market is expected to contract slightly. The company, which holds a 54.2 per cent share in the US reefer segment, is a known critic of the recently introduced GHG Phase 2 regulation (US Greenhouse Gas emissions legislation).

08


STOUGHTON TRAILERS | 16,400 UNITS | 2016 RANK: 8 ◀ ▶

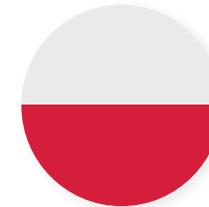
Stoughton Trailers, which recently acquired additional land to strengthen its manufacturing site in Wisconsin, has not reacted to any requests for information by *Global Trailer*, forcing the research team to consult various US market experts to obtain an estimate. An upgrade to its dry van range introduced in March could prove beneficial for Stoughton's 2017-18 performance.

09


KÖGEL | 16,341 UNITS | 2016 RANK: 9 ◀ ▶

The unchanged ranking does not reflect that Kögel has had an especially successful 2016-17, with production going up significantly on the back of some high-profile deals signed across Europe, including rival Wielton's home country of Poland. The next big project for the OEM will be the promotion of the proprietary Kögel Trailer Axle (KTA).

10


WIELTON | 13,900 UNITS | 2016 RANK: 10 ◀ ▶

Poland's Wielton, which is listed on the Warsaw Stock Exchange and made headlines in 2015 when it took over long-standing French OEM, Fruehauf, continues to grow at a rapid pace. In May 2017, the company acquired an 80 per cent stake in Germany's Langendorf Group – and with it access to the company's sales network in Germany, BeNeLux, Switzerland and in Scandinavia.

11


RANDON | 10,338 UNITS | 2016 RANK: 12 ▲

After years of lacklustre growth, Brazilian OEM Randon is on the road to recovery. According to local news outlet, *Amanha*, the company sold 3,063 semi-trailers in Q2'17, some 14 per cent more than in the same period last year. According to COO, Alexandre Gazzi, a recovery of volumes in the second half of 2017 is possible.

12


TIRSAN | 10,220 UNITS | 2016 RANK: 14 ▲

Turkish powerhouse Tirsan, the company behind the Kässbohrer and Talson brands, arguably didn't have an easy 2016-17 with view to political instability in Turkey and the surrounding region – and yet it managed to grow total output by 10 per cent and deliver on an important prestige project on time, the opening of a new assembly site in Kässbohrer's historic home town of Ulm in southern Germany.

13


SCHWARZMÜLLER | 8,866 UNITS | 2016 RANK: 16 ▲

Austrian OEM, Schwarzmüller, has reported a five per cent sales increase in the first half of 2017 as the company converts from a traditional, static production model to a 'sequence flow' set up. For the full year result, Schwarzmüller is equally optimistic, predicting sales of €360 million for 2017 – an increase of five per cent compared to 2016.

14


HONGTAI | 8,848 UNITS | 2016 RANK: 19 ▲

Established in 2004, Hongtai is considered one of the biggest trailer manufacturers in China and benefitted significantly from the local transport market's legislation-fuelled sales boom. Experts estimate Hongtai's current production to be around the 9,000-unit mark, with potential to ramp it up to 15,000.

15

**LECITRAILER | 7,250 UNITS | 2016 RANK: 18 ▲**

Founded in 1988, family-owned trailer manufacturing company, Lecitrailer, is one of the youngest and fastest growing trailer building businesses in Europe. Some 50 per cent of the company's turnover are generated in its home country of Spain, where it reportedly holds a market share of more than 25 per cent.

16

**MANAC | 7,200 UNITS | 2016 RANK: 15 ▼**

Like many a North American OEM, Manac lost a spot compared to last year's ranking due to a softening of the US market that began in the second half of 2016. Some 70 per cent of Manac's production volume are taken up by vans and flat beds, with the remaining 30 per cent falling to various vocational product lines, according to CEO, Charles Dutil.

17

**HONGDONG | 6,751 UNITS | 2016 RANK: N/A**

Shandong-based OEM, Hongdong, is one of the Chinese OEMs that have benefitted substantially from the recent boom in local transport equipment sales, with a portfolio covering standard semis as well as tippers and tankers. More than half of the company's sales are generated domestically, according to Alibaba, with Africa being the company's main export market.

18

**CHANGHUA | 6,319 UNITS | 2016 RANK: N/A**

Located in the Hebei province in the northeast of China, 25-year-old OEM Changhua specialises in tanker and storage tank manufacturing and has a maximum production capacity of around 10,000 units. With a 60 staff strong R&D department, the company is confident about making the high 2017 entry more than a one-off.

19

**GORICA | 6,000 UNITS | 2016 RANK: 26 ▲**

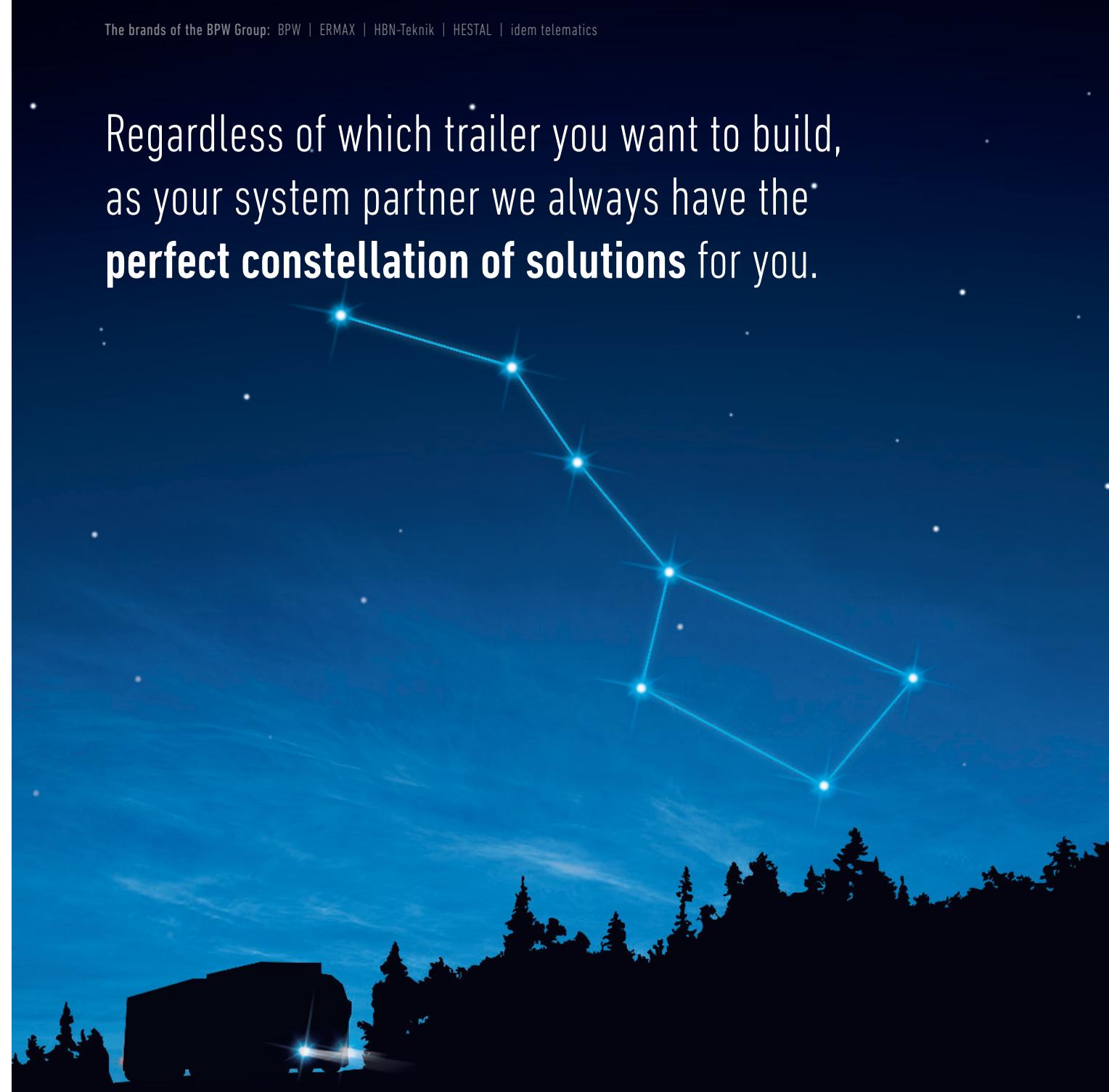
Dubai-based Gorica managed to break into the top 20 on the back of strong demand across the Middle East and Africa, and the opening of a new production facility specialising in aluminium equipment. The company saw the biggest improvement compared to *Global Trailer's* 2016 listing, both in production volume and rank.

20

**LONGYIDA | 5,380 UNITS | 2016 RANK: N/A**

Based in Yuncheng, a town in the Shandong province in the east of China, Longyida focuses on simple and sturdy equipment such as low loaders, skels and flat bed trailers, but is also able to manufacture tankers and tippers, as well as car transporters – a segment that has seen special scrutiny by local authorities in 2016. A key export market for the company is Russia.

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