

BITA MARKET INDEX

FACTSHEET

Annualised deliveries point to a resilient forklift sector but wider economic pressures continue to dictate growth.

“Annualised deliveries have risen 8.2% on last year with 33,407 units sold by September 2017.”

The forklift truck industry has demonstrated its resilience as annualised deliveries continue to improve on 2016 levels reaching 33,407 in the twelve months up to the third quarter of 2017. This 8.2% increase in deliveries on last year paints a picture of a sector that can withstand short term economic fluctuations. However, with quarterly deliveries dipping after a peak at the end of the 2016 and into 2017, it is clear that the performance of key industries drives growth.

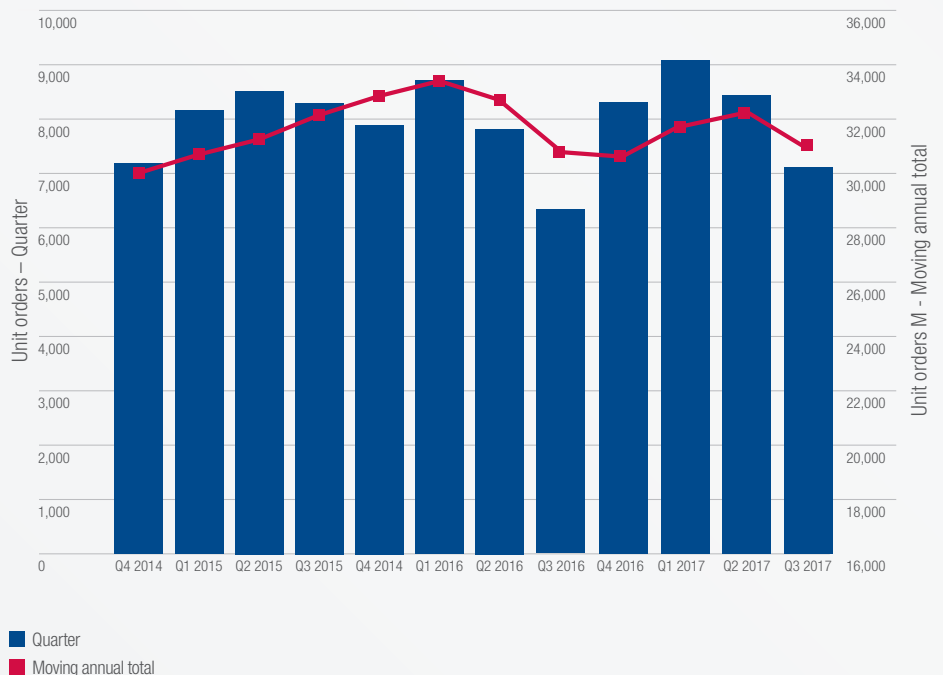
Deliveries into manufacturing sectors were again high as forklifts support the increase in UK manufacturing output seen this quarter with a 5.9% improvement on the previous year’s deliveries figures. The more positive picture for construction deliveries at the beginning of the year, where a comparison with 2016 showed a 26% increase in annualised

deliveries, has subsided with the latest figures pointing to a 3.4% reduction on the previous year’s deliveries. Two consecutive quarters of contraction in the construction sector will likely have contributed to this decline. The retail distribution sector remains robust as a significant growth area over the last 12 months with annualised deliveries to September gaining 40% on 2016 figures.

Deliveries of electric pedestrian warehouse trucks have continued to grow significantly. The dip in annualised deliveries in mid-2016 has been replaced with a 23% growth by the end of Q3 2017. While engine powered trucks maintain their prominence in deliveries, electric pedestrian warehouse trucks have now grown their market share to 39%.

UK FORKLIFT TRUCK MARKET

Unit orders



SECTOR FOCUS

“Retail distribution remains a major growth area with latest annualised deliveries up 40% on last year.”

UK manufacturing output saw a return to growth of 1% following a weaker Q2 and the deliveries into related sectors continue to make up around a third (34.3%) of truck deliveries. Recent figures also showed unexpected quarter-on-quarter growth in the economy supported by these forklifts that boost GDP by moving raw materials and machinery. Recent figures from the Purchasing Managers Index highlighted solid growth and an increase for new orders into the third quarter. Not only does this underline the positive manufacturing picture that has led to truck deliveries holding up well, it could also allow a cautiously optimistic end to 2017.

Retail distribution remains a major growth area and the dip during 2016 has since been replaced by a strong recovery with latest annualised deliveries up 40% on last year. The British Retail Consortium (BRC) figures for September highlighted a 10.7% surge in online deliveries, above the 10% three month average seen previously, as consumers responded to online offers and a more convenient shopping experience.

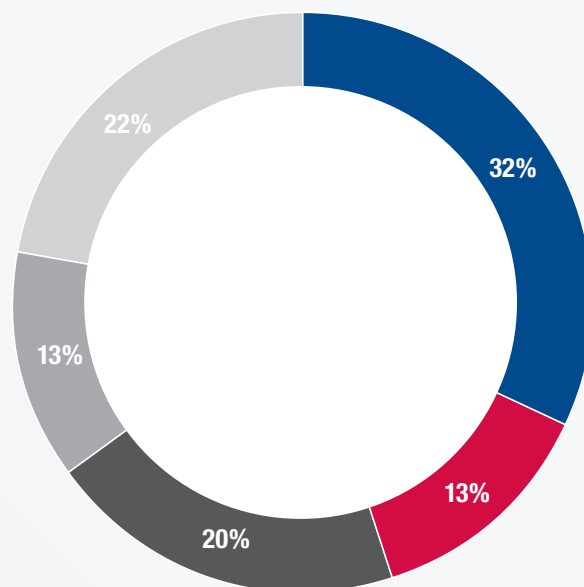
The analysis of forklift deliveries for the first two quarters of 2017 showed annualised deliveries into wholesale distribution falling significantly. While this has not turned around, the figures by September showed the decline to be just 3.9% compared with 12.6% by the end of Q2.

Although UK retail deliveries saw some growth in September, the BRC’s latest analysis recognised this partly reflects cost increases filtering through to consumers rather than purely increasing deliveries. A growth in deliveries and products to consumers would be a welcome catalyst for deliveries into the wholesale distribution sector.

The latest figures from the Office for National Statistics noted that household consumption has remained more or less unchanged and with an interest rate rise, amongst other economic factors, this may fall further during a time of high consumer debt.

SHARE OF THE MARKET BY SECTOR

%



- Manufacturing industries
- Wholesale distribution
- Retail distribution
- Logistics/Freight
- Other (including: Transport and warehousing, primary industries, public services and rental)

TRUCK TYPE FOCUS

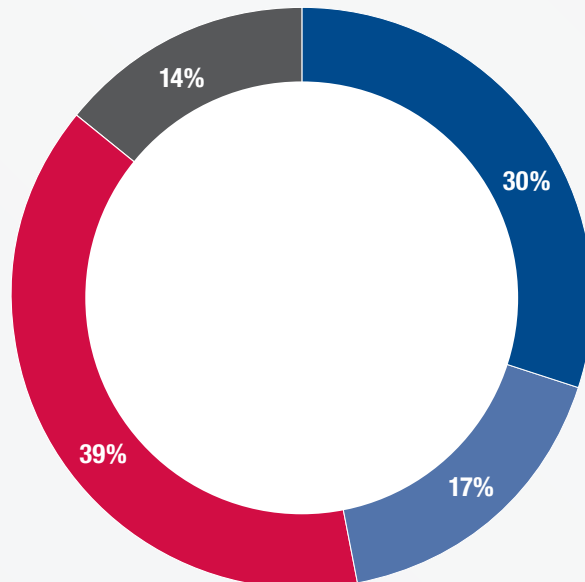
“Pedestrian warehouse trucks made up 34.5% of deliveries in Q3 and 38.8% over the last 12 months.”

The proportion of counterbalance trucks remains more or less unchanged in the latest annualised figures. The share of electric and diesel counterbalance trucks sold into the manufacturing sector in the last 12 months has risen slightly to 56.1%. These truck types also make up 47.5% of overall deliveries.

Engine powered counterbalance trucks made up 30% of deliveries over the last year, this is marginally down on where they were up to the same point last year. However, as a proportion of Q3 deliveries alone they made up 34.9%, suggesting their ongoing importance to key sectors like manufacturing and logistics. Their prominence overall has again following a drop in Q1 2017 when electric pedestrian warehouse trucks increased their proportion of quarterly deliveries to 43%.

Pedestrian warehouse truck deliveries in Q3 made up 34.5%, only a few points lower than their annualised share of deliveries (38.8%) which saw a large influx of deliveries at the start of 2017. These trucks are most popular in major forklift using sectors of manufacturing, retail distribution and warehousing, all of which show potential for future growth depending on wider economic conditions.

SHARE OF THE MARKET BY CLASS %



- Engine counterbalance trucks
- Electric counterbalance trucks
- Warehouse pedestrian trucks
- Warehouse rider trucks

MEDIA CONTACTS

Floyd Jebson

+44 (0)1869 353 813
floyd.jebson@instinctif.com

Tim Field

+44 (0)1869 353 805
tim.field@instinctif.com

BITA CONTACT

James Clark

Secretary General
+44 (0)1344 623 800
james.clark@bita.org.uk

Notes for Editors

The quarterly market index looks at the deliveries of forklift trucks and highlights the changes and trends in these figures over the previous 12 months. Direct comparisons with reports prior to Q2 2017 can't be made due to changes in the data gathered.