Terminal tractor market in positive mood

Driven by automation and environmental concerns the terminal tractor market has made a 360 degree turn and now looks at new opportunities. World Port Development reports...

Over the years the choice of which terminal tractor to purchase was driven by drivers’ ergonomics in the cabin. With over 8 hours spent in a terminal tractor it was obvious that the driver was the focal point for many manufacturers and operators alike. The terminal tractor evolved around the driver and in June 2016, Kalmar launched their new T2 terminal tractor which they claimed was designed by their customers. The company said it is safer to operate, has an ergonomically designed cabin, easier to maintain and gives you over 100 different driveline combinations to choose from. Unfortunately, since that time, no major product launches have been revealed by any terminal tractor manufacturer. Also, the focus on the driver has shifted to automation and more environmentally friendly drive systems. “Environmental legislation is already pushing diesel engines to the next level putting more environmental solutions such as electric terminal tractors (TTs) right round the corner,” says Mikko Lehtinen, Business Development Director, Terminal Tractors, Kalmar. “The tipping point will be when battery technology becomes cheap enough which is why Kalmar has focused its electric TT development to the battery software.” Over the last 10 years, Netherlands-based Terberg Benschop also witnessed an increased interest towards greener solutions. “We introduced an LNG version and a full-electric version of our yard tractors,” Frank Oerlemans, Export Manager at Terberg Benschop told WPD. “For many years the trend has been towards higher capacity - this goes back even further than 10 years.” According to Oerlemans, the company has also seen a growing interest in technological devices to help monitor the tractor and the driver from a distance. “This demand is driven by the interest of safety first and secondly to keep the TCO of the equipment as low as possible. This drive has meant that we now can implement a device in our tractors to easily connect any telematics system to our CANbus system. This device protects the info on the CANbus and allows the user to read out all info required which is available on the CANbus,” Oerlemans added. The drive for safety has also seen the introduction of the ‘Saferoll’ system for cassette trailers. Introduced by Liftec last year, the Saferoll trailer is based on the Terberg Safeneck. The result is a safe combination to handle heavy loads on steep ramps while having all the advantages of the cassette system.

Although they are all competitors, one thing that all manufacturers share is their market outlook. All comment on the rise of uncertainty in investments caused by global economies, the decision of the United Kingdom to leave the European Union and concerns on how decisions of the Trump administration will affect [port] investments in the United States. But it is not only the manufacturers that are concerned. According to Lehtinen “even large terminals operators are rethinking their approach by putting some investments on hold.” This in turn creates doubts over larger project investments. Despite all concerns, 2016 was a good year for many manufacturers. For Kalmar, the Americas - their largest market for terminal tractors - stayed strong with no large fluctuations in 2016. “More like hesitation and slower movements,” comments Lehtinen. Global sales increased slightly for the company due to an increase in orders coming from Europe. In September 2016, Kalmar was awarded an order for five forklift trucks and two T2 terminal tractors from HeavyMovement in Barcelona, Spain. The delivery took place in December 2016 and was the first T2 terminal tractor order to be delivered to Iberia. HeavyMovement provides outsourced operations services such as warehouse management and handling of iron and steel products to the metal industry. The new equipment joined a fleet of over 30
Kalmar received a contract from Gulfainer Lebanon for their operations in the port of Tripoli to supply six Kalmar T2 terminal tractors and one Kalmar DCF80-45E7 empty container handler. “In 2016 we had our best year ever for the fourth time in a row,” reports Oerlemans. “Sales were slightly better compared to 2015. The increase of the costs of the tractors due to the implementation of the Stage 4 engines caused revenues to increase with a higher percentage.” But Oerlemans points out that “the market is never steady. One month is always different from the next. However, throughout the year we kept feeling that the market was in a positive mood with a slight decline at the end of the year.” Last year, Terberg also witnessed a slowdown in Asia where terminal operators were offering shipping lines reduced rates which caused a delay in terminal investments and a slowdown in order intake for Terberg. Despite all this the company received some interesting contracts including an order from C-Ro in Belgium for 117 RoRo tractors for their terminals in the UK and the Benelux - the biggest ever single order of this type of equipment for the company. It also received an order from MSC Valencia for a total of 20 yard tractors. Trieste Marine Terminal ordered an additional 5 units, STAM Tunisia ordered 14 units of their TT223 tractors and APM Terminals ordered tractors for their new terminals in Costa Rica and Valencia.

Positive outlook

This year, Terberg has already witnessed their customers showing an increase in trust towards the economy and therefore are more willing to invest. “We do notice a shift to more orders coming from Europe and less from outside Europe,” said Oerlemans. “This however can change any day by one or a few larger orders from outside Europe.” Asking Oerlemans about his market outlook for the coming year, he believes that 2017 will show a slightly slower market but he confirms that he has been saying this for the last 4 years and every year they experienced a growth in the end. So to avoid this he says: “We will see what 2017 will bring us.” For 2017, Lehtinen also adopts a positive market outlook. Perhaps this might come after the company’s recent annual Americas dealer network event, which was held at the beginning of February in Bonita Springs, Florida, signalling a strong market with orders that broke all previous records. During the event a total of 708 terminal tractor orders were received. The terminal tractors will be delivered to dealerships across USA, Canada and Mexico during 2017. The total value of the orders is approximately EUR 70 million. “This year’s Dealer Meeting was a great success. We made a record in orders received and surpassed our previous record of 512 units from 2015. We launched our Kalmar Ottawa T2 terminal tractor three years ago and since then we have been consistently gaining market share especially in the Americas,” said Dan Pettersson, Senior Vice President, Mobile Equipment, Kalmar. “Today, our terminal tractor offering comprises a superior product, service, spare parts and rental agreements supported by a dedicated team who has been contributing to this successful business since the beginning. This impressive result coupled with the feedback received from the attendees builds up our confidence in the North American market and its economic outlook for 2017.”

Future of the TT

Perhaps an obvious question to manufacturers will be how terminal tractors will evolve within a terminal over the next ten years. “In the next decade a lot will happen,” said Oerlemans. “Lots of new technologies are being developed around us. Some of these technologies for sure will find their way also to our tractors. Digitalisation and the IOT is only two of them.” Lehtinen already touched on the two major developments - the rise of automation and more environmental drive systems. “The other development will be true automation where the TT units operate under a single system as part of full container handling process,” he explains. “Not just tractor running autonomously on a pre-defined track, but a full system of free ranging tractors driving under a single operating system in concert with whatever existing structure the customer has.” This year, Kalmar will focus on customer experience instead of new product releases. “We have new developments in the pipeline, but that will be next year,” said Lehtinen. “This year we’ll work on quality and service which are the two largest elements translating to value for the customer.”

Terminal tractors container