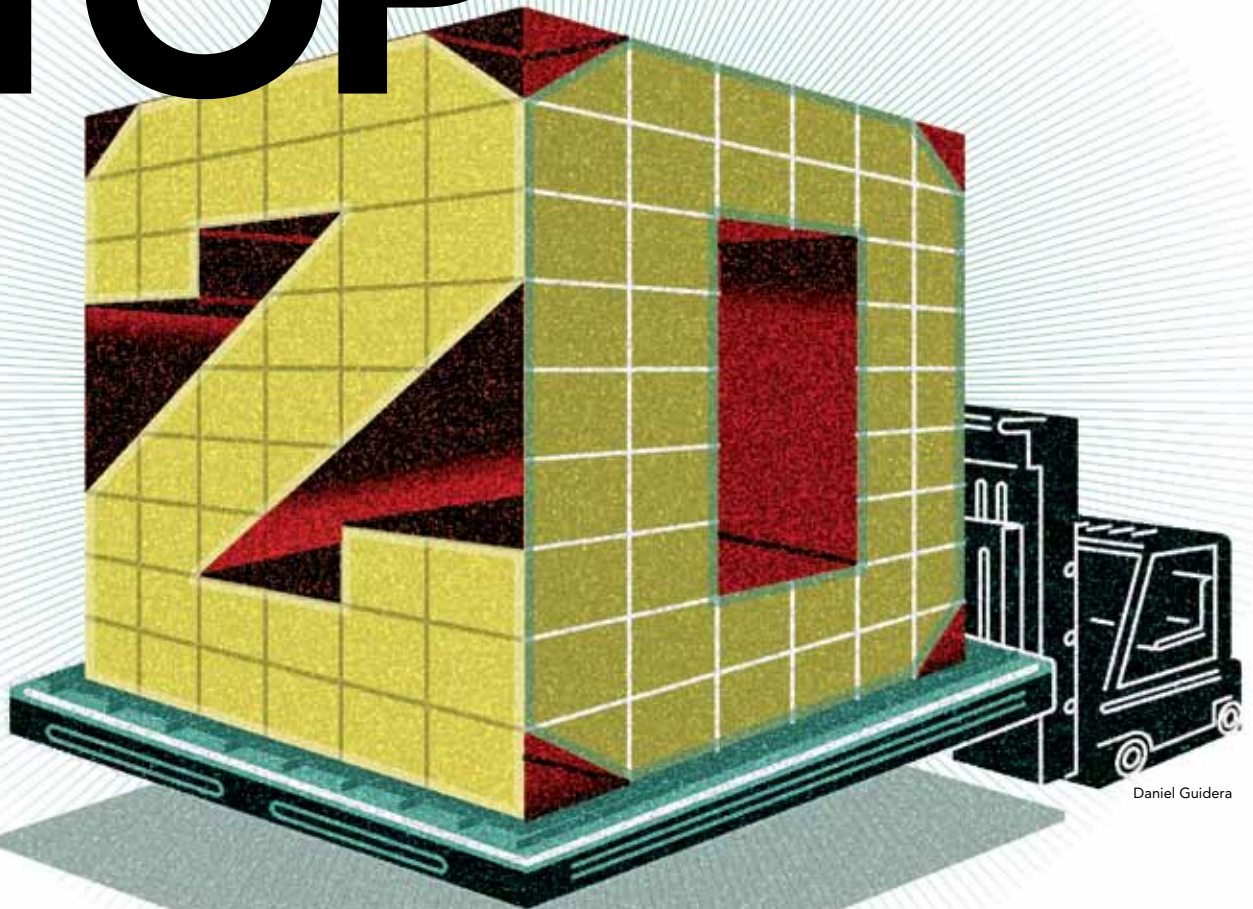


TOP

The worldwide industrial lift truck industry spent the better part of 2009 in a rut. Sales were down 39%, but it appears the worst may be over.



Daniel Guidera

LIFT TRUCK SUPPLIERS

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The lift truck industry spent the better part of 2009 stalled out. In last year's Top 20 lift truck suppliers story, *Modern* reported "the fourth quarter [of 2008] saw sales come to a screeching halt." Unfortunately, that trend continued for the next four fiscal quarters; worldwide lift truck revenue for 2009 went in reverse, contracting by 39%.

But before you read on about last year's industry woes, know this: Things appear to be turning around in 2010. In fact, Jeff Rufener, president of the Industrial Truck Association (ITA, 202-296-9880, www.indtrk.org) and vice president of marketing for Mitsubishi Caterpillar Forklift of America (MCFA, 713-365-1000, www.mcfa.com), says, "last year we thought things couldn't get any worse. The industry bumped



LIFT TRUCK SUPPLIERS

MODERN special report

World's top 20 industrial lift truck suppliers

Rank	Company	2008 rank	2009 revenue*	North American brands	World headquarters
1	Toyota Industries Corp.	1	\$4.6 billion	Toyota, Raymond	Aichi, Japan
2	Kion Group	2	\$4.1 billion	Linde, Still, OM, Baoli	Wiesbaden, Germany
3	Jungheinrich Lift Truck Corp.	3	\$2.3 billion	Jungheinrich	Hamburg, Germany
4	Crown Equipment Corp.	5	\$1.6 billion	Crown, Hamech	New Bremen, Ohio
5	NACCO Industries	4	\$1.5 billion	Hyster, Yale	Cleveland, Ohio
6	Mitsubishi Caterpillar Forklift	6	\$920 million	Mitsubishi, CAT	Sagamihara, Japan
7	Komatsu Utility Co.	8	\$750 million	Komatsu, Tusk	Tokyo, Japan
8	Anhui Forklift Group	9	\$668 million	Heli	Hefei, Anhui, China
9	Nissan Forklift Corp.	7	\$624 million	Nissan, Barrett, Atlet	Tokyo, Japan
10	TCM Corp.	10	\$593 million	TCM	Tokyo, Japan
11	Nippon Yusoki Co.	11	\$559 million	Not available in North America	Kyoto, Japan
12	Doosan Infracore	15	\$418 million	Doosan Infracore	Seoul, South Korea
13	Clark Material Handling	12	\$405 million	Clark	Seoul, South Korea
14	Manitou	13	\$296 million**	Manitou	Ancenis, France
15	Zhejiang Hangcha Engineering Machinery Co.	14	\$251 million**	HC	Hangzhou, China
16	Hyundai Heavy Industries	16	\$237 million	Hyundai	Ulsan, South Korea
17	Tailift	18	\$100 million**	Tailift, World-Lift	Taichung, Taiwan
18	Combilift	19	\$98 million	Combilift	Monaghan, Ireland
19	Hytsu	N/A	\$86 million	Hytsu	Shanghai, China
20	Hubtex	20	\$60 million	Hubtex	Fulda, Germany

*Fiscal year 2009 worldwide sales revenue. **Figure based on industry estimate. Figures based on foreign exchange rates as of 12/31/09.

along in 2009, but the last fiscal quarter started to show some increase.”

So, with the stage set for improvement this year, just how bad was last year? Wicked bad. According to ITA's worldwide industrial truck figures, shipments were down 39% in 2009.

And, it was down around the globe. Europe and Oceania took the biggest hit, each suffering a 48% decline from the previous year. The Americas weren't far behind, experiencing a 43% decline. Africa saw shipments decline by 40%, which is significant because last year it was the only region to hold its ground and avoid the economic attack. Asia's decline of 23% was this year's lowest, but still a big blow, considering it only saw a 5% decline last year. (See the “Worldwide lift truck orders” table on right.)

So now that we know how the worldwide regions held up, or down, how did the Top 20 lift truck suppliers fare independently? Last year's top five suppliers—Toyota, Kion, Jungheinrich, NACCO and Crown—still hold the top five positions. (See the table on p. 36 for the complete list of the world's Top 20 industrial lift truck suppliers.)

Toyota maintained the top spot with \$4.6 billion in revenue. The Kion Group (North American brands: Linde, Still, OM and Baoli), which acquired the Chinese Jingjiang Baoli Forklift Truck Co. in January of 2009, remains in the No. 2 position with \$4.1 billion in revenue.

Jungheinrich also hung onto the No. 3 position with \$2.3 billion in revenue for 2009. Rounding out the top five, Crown (No. 4) and NACCO (North American brands: Hyster, Yale) (No. 5) trade places in this year's ranking with \$1.6 billion and \$1.5 billion, respectively.

Each of these companies topped the billion dollar mark, and combined they reached more than \$14 billion in revenue for 2009, compared to \$20.1 billion in the previous year.

To make the list, suppliers had to make at least \$60 million in revenue last year compared to \$98 million in 2008.



LIFT TRUCK SUPPLIERS

MODERN special report

Worldwide lift truck orders

Region	Number of orders	Percent change
Europe	207,082	-48%
Oceania	12,451	-48%
Americas	128,246	-43%
Africa	9,953	-40%
Asia	207,207	-23%
TOTAL	564,939	-39%

Source: World Industrial Truck Association statistics

New to *Modern's* Top 20 worldwide industrial lift truck ranking this year is Hysu, which has headquarters in Shanghai, China. It makes an appearance at No. 19 with 2009 revenue of \$86 million.

The combined 2009 revenue for all 20 companies on *Modern's* list comes to \$20.17 billion, compared to \$28.99 billion in 2008 and \$31.67 billion in 2007. But that downward spiral appears to be reversing itself. According to Rufener, this year the industry's growth is already better than expected. He says that in the April 2010 quarterly reports, ITA member companies are reporting 15% growth over 2009, and through May, the suppliers are expecting more than 40% growth over the same time period last year.

That growth is extremely positive and 40% is good. But, Rufener says to remember that the first three months of 2009 were very slow with plenty of room for improvement. "I don't expect that rate to continue," he says, "but I do think it's realistic to expect 2010 to average out at 25% growth over last year."

It's also realistic and highly likely, Rufener adds, that the industry will wrap up the year in the black, not the red.

Rufener attributes the annual growth to a number of factors. First of all, he points out that the capital goods business is cyclical. Secondly, he says, "The industry tends to track in proximity to what's going on in the economy in gen-

Making the list

To be eligible for *Modern's* annual Top 20 lift truck suppliers ranking, companies must manufacture and sell lift trucks in at least one of the Industrial Truck Association's seven truck classes: electric motor rider; electric motor hand trucks; internal combustion engine; pneumatic tire; electric and internal combustion engine tow tractors; and rough terrain lift trucks.

Rankings are based on worldwide revenue from powered industrial trucks during each company's most recent fiscal year. Revenue figures submitted in foreign currency are calculated using the Dec. 31, 2009 exchange rate.

eral, meaning the industry is GDP-sensitive. GDP in excess of 2.6% almost ensures the lift truck industry will grow."

The general economy isn't the only factor playing a role in the industry's P&L statement. According to Rufener, companies are doing a much better job of leveraging their existing businesses. For example, he explains, NACCO has had a change in their distribution strategy. Where some dealers would represent either Hyster or Yale, they are now representing both.

Another example of maximizing an existing investment is the recent manufacturing and distribution agreement between Jungheinrich and MCFA. With the German company exiting the North American market, Jungheinrich products will be designed and manufactured at MCFA's Houston, Texas, operation and MCFA will be the exclusive distributor of the Jungheinrich brand. Jungheinrich has a successful brand and MCFA has a strong distribution network. So, the strategy is to put the two together and grow the respective businesses.

Chugging along

For the past two years, *Modern* has recommended keeping an eye on the emerging lift truck markets in China and India. Unfortunately, during the past two years, we've watched the overall industry submerge. But, with numbers finally headed upward and the industry getting back on a growth track, the third time is the charm and we repeat again: *Modern* will be keeping tabs on emerging Indian and Chinese lift truck suppliers.

In China, so far from January 2010 to June 2010, domestic forklift sales hit the 90,000-unit mark, up nearly 113% from 2009. Sales are expected to grow further, possibly reaching 180,000 lift trucks by the end of the year.

We'll also stay tuned into electric trucks. In 2005, 55% of all industry orders were electric. By 2009, that figure had grown to 68%. While the orders for electric trucks are relatively unchanged for 2010, we'll watch to see who plugs in by the end of the year.

Last, and certainly, not least, *Modern* will carefully watch the greening of the industry. True, during an economic downturn, internal combustion orders go down and electric orders go up because industries like food and beverage that traditionally use electric trucks tend to be more recession proof. But even as the economy improves and internal combustion numbers increase, the shift toward electric will be sustained for ecological reasons.

"Green is significant," says Rufener. "Concern for the environment, concern for the cost of fossil fuel, and advances in technology and performance will result in the continued purchase of electric lift trucks." □