

Overhead Crane Maker Order Intake Defies Economic Gloom

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The National Statistical Office reported zero growth for the last quarter adding to dire warnings of recession from the Chambers of Commerce and CBI. Despite this, UK industrial crane maker Street Crane Company (<http://www.streetcrane.co.uk>) has recorded the highest ever order intake in their 60 year history. Could it be we have a two speed economy? Andrew Pimblett, Street Crane's managing director certainly thinks so.

"Conservatively we are expecting our overall sales for 2008/9 to be at least 40 percent ahead of 2007/8 – and that too was very good year. In the first five months of the financial year starting in April, we have seen like for like monthly order intake up to 100 percent higher than the previous year," Andrew explained.

Factory cranes (<http://www.streetcrane.co.uk/cranes.html>) are a serious capital investment – a single unit could cost from tens of thousands of pounds up to several hundred thousands, depending on size and complexity. Most companies would expect a working life of at least 20 years and so these are investment decisions that they are making after serious consideration of their own prospects. Street Crane's current success is therefore a barometer of the confidence that UK manufacturers have in their future and an indicator of what is happening in the wider world economy.

"Within the UK, we are seeing some long-term customers who are continuing to invest and grow. The steel maker Corus (now owned by the Indian conglomerate TATA) have placed substantial orders with Street Crane over the past 12 months as part of upgrading and expanding capacity. At the other extreme, we have received significant orders from four UK luxury boat builders, Princess Yachts, Fairline Boats, Sunseeker and Sealine. The common factor is probably that our customers are doing well by serving a world market that is hungry for their products," concluded Andrew.

This pattern is reflected in Street Crane's own sales, whereas several years ago the company had a UK to export ratio of 60/40, the company has now more than reversed these proportions as export sales rise. This trend has been supported by two initiatives – new product development and active international partnering to become a supplier of high value components to other industrial crane makers overseas.

Early in 2008, Street Crane launched the ZX 6 and ZX 8 hoists (<http://www.streetcrane.co.uk/hoists.html>).

These hoists are the result of a £1.5 million investment programme by the company and were conceived as products for world markets. Their modular design makes it easy to customise them to meet different national standards and to meet individual industrial user needs. The unique design also makes the hoists easy to ship for local assembly and allows components to be standardised for more efficient manufacture.

The success of the new ZX hoists is already evident. New distribution arrangements have been made with two partners in the USA, two in the Middle East, two in Australia and one in India. Most of these new distributors have taken consignment stocks so that they can offer Street Crane hoists on their own locally built crane structures. These new distributors join an existing network of partners around the world that Street Crane has developed over the last decade.

To cope with the order intake Street has committed £750,000 to a factory extension that will increase the workshop area by around 30 percent and add a new steel stockyard. The new facilities will be on stream early in 2009. To meet immediate production space needs in the main factory, the company has leased additional warehouse space to relocate its parts storage and some CNC machines.

Street Crane expects around 20 new jobs to be created in the expanded factory, of which many will be design engineers to support the intensive product development programme. Providing trends continue, plans are also in hand for further expansion in 2009 with the building of a new dedicated hoist works.

“It is clear that we do have a two speed economy, sectors such as banking, housing and retail are certainly suffering, but as a manufacturer we are far from unique in bucking the trend. Our success and that of others who are doing well is based on three factors: facing outward to the world and not just relying on the UK, investing in world-class product development to meet world demand and, finally, chasing markets in the petrodollar economies that are keen to develop their industrial and economic infrastructure before the oil runs out,” Andrew concluded.

As if to underpin the last point, the company has just secured a £2.5 million order for cranes at a new aluminium smelter at Emirates Aluminium. This is a new venture that will be the largest facility of its kind in the world. Other significant recent orders are in steel and power generation.

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High/low resolution images are on the web at www.ainsmag.co.uk/st165/4582st1a.htm

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Note to Editors:

Street Crane Company is happy to host site visits for editors and industrial or economic correspondents at their Chapel-en-le-Frith factory in the High Peak. Alternatively, Andrew Pimblett is available for telephone interviews. Call Kevin Ainsworth on +44 (0)161 761 5606 to make arrangements.