

CRANE DRAIN



Representatives from United Equipment Group, Wolffkran and NFT Specialized in Tower Cranes discuss the strain currently being placed on the cranes industry and the way forward for operators

Eight years on from the global economic crisis in 2008, the dip in global oil prices has once again placed pressure on the construction segment in the region and by extension the cranes business. With this pressure has come the slowdown of many projects, and this can only mean less money for cranes.

Speaking on the subject at the recent Cranes and Transport Middle East (CATME) conference in Dubai — the first event of its kind in the region, hosted by the UK-based KHL Group and *Cranes International* magazine — were representatives from United Equipment Group (UEG), the Liebherr dealer for Qatar, Wolffkran and Abu Dhabi's NFT Specialized in Tower Cranes.

Broaching first the subject of the general business environment in the wake of the dip in oil prices, Samir Al-Mughanni, managing director of UEG, said: "We are cancelling some projects. There is a big demand for cranes, but with the [current] cash flow in the markets, a big effort is required from our side to find the right solution: the right machines at the right cost for the customer."

Dr Peter Schiefer, owner and CEO, Wolffkran, concurred: "It's a very challenging environment. We've seen Saudi fall off the cliff a year ago. It is a tough marketplace. There

are still a lot of projects here in Dubai, but the payment, getting the money, and rental rates — it's all very challenging.

"We've been in the region now for a decade. We've seen tough times before, and this is a characteristic of the market — it's something that you have to deal with. So we will get through this tough time."

For many local companies, establishing a broad business base, by one means or another, has played a critical role maintaining their business and cash flow. A strong example is the significant regional crane rental player NFT Specialized in Tower Cranes.

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Nabil Al Zahlawi, CEO and MD of the company, noted: "Our business model is very different. Rather than diversify in type of equipment, we decided to diversify in geography. We did not stay in one country. Today we are available and providing services in 35 countries: renting cranes, selling cranes, reconditioning cranes, and we always have a promising market somewhere."

However, he reiterated Al-Mughanni's emphasis on the need for additional effort on the part of the seller: "The idea is that we can reply to any enquiry, and so we have small, medium, large cranes. Today, since it's a buyer's time, we have to be close to the customer and to understand what he wants — this is why we move go to his location and bring the equipment and whatever else he needs."

Al Zahlawi expressed strong optimism, however, that the market in the Gulf continue to hold promise — even if for the moment his company is also looking for business in other markets to make use of its crane fleet.

PURSuing PRODUCTIVITY

However, for both crane companies that are based solely in the Gulf and, like Al Zahlawi's, that also look further afield, the collective response to tough market conditions is even greater attention to the customer.



Wolffkran cranes, big and small, support the construction of a power station's core and walls in the Netherlands.

Al Zahlawi said: "There is a lot to do — even in Saudi Arabia, where crane business has fallen by 80%. The key is planning. In the region, we are still assisting customers to select cranes, because many clients do not know, even now, what type of crane they need."

"In the region, you unfortunately see flat-top or hammerhead cranes touching buildings or clashing with each other. You do not see this in Europe or North America, but here this is the reality. Our job is to convince the customer to opt for the right solution, and to propose the suitable crane for their job — but it is not always so easy."

Wolffkran's Schiefer continued: "Planning is the key — our cranes basically come with a lifetime availability of our project support team and we, basically calculates plans and designs for sites all over the world — from a single-crane site up to a project with 10, 20 or 50 cranes on site."

"Sometimes, like Nabil said, some clients are not sure what kind of crane they need, and sometimes, when you really dive into the lifting requirements, you can find out that a different crane setup or different crane location actually make more sense, and you get more efficiency out of it."

He noted that the company quite often finds that a job could actually be handled by

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a smaller crane than that selected, or even sites where two or three cranes could be consolidated into a single larger crane that would provide greater flexibility due to the higher lifting capacity. But again, he reiterated: "It's always about planning and getting that right in the first place."

UEG's Al-Mughanni commented: "Studying the logistics and lifting plans is definitely very important — we have to work with the customers as a partner and not as a supplier."

"Since our experience is normally greater than the contractors in this field, we have to



Potain cranes from NFT Specialised in Tower Cranes.



Istanbul New Airport has 58 Liebherr tower cranes.

study everything — the ins and outs of the projects. We have to study the lifting capacities that they need and the height and size of the cranes — this helps a lot in minimising the cost for the customers."

OEM OFFERING

The crane business is an industry segment where the input of original equipment manufacturers (OEMs) is particularly important. Tower cranes are typically highly tailored to a project, combining commercial off-the-shelf parts in a myriad of different permutations to suit the site conditions.

It is therefore of vital importance that the OEMs are up to date on the regional and situational requirements, and in the Middle East, this is not always necessarily the case.

Al Zahlawi declared: "The manufacturers are working not enough for us. The demand here is part of the work, because we have new enquiries every day. The challenge today is to build something unique much faster."

As one example, he noted Potain's CCS system, which allows the operator to trade load capacity for speed — and so operate either at low capacity but high speed or at high capacity but lower speed — depending on the situation.

Schiefer agreed and affirmed that Wolffkran, as an OEM is doing its best to adapt to the



■ The construction of the Jeddah Tower in Saudi Arabia is being supported by both Wolffkran and Liebherr cranes.

changing demands of each market: “The world and the demand are changing fast and you have to be really quick. Today, we design new cranes is about seven to eight months from idea to prototype out of production. Wolffkran even developed a novel, enhanced crane for World Trade Centre 3 in just three months.

“The other thing we stress is efficiency on site. At the end of the day, if you look at overall efficiency, uptime is the most important point and you lose time wherever you run into unsafe situations — and that does not necessarily mean accidents.

“Our number one focus is automation through the computer system in the crane. We want to make sure that with our developments that we can help the crane operator to avoid any mistakes. If you can eliminate those errors, in our eyes, that’s going to be the biggest help on the construction site.”

However, he added, there are always going to be a basic set of limitations guiding crane operations, and wind speed is one of them.

He stated: “At the end of the day there are limits set by the geometry of the crane; the wind area and the physics, and if you don’t want to put the crane, the driver and everybody on site in unsafe conditions, there is always a cut-off point at a certain wind speed where you should just not work.”

BLAME GAME

Al Zahlawi points to another set of problems, including the role of human error, in the overwhelming majority of accidents — either through overloading, incorrect positioning of the jib during parking or inadequate maintenance — as well as the fundamental problem of ageing equipment.

He said: “What we need today in this region is to reduce the age of the cranes, because you see cranes on the job site that are 40 years old and still operational. What is being done to test the structure and fatigue in the steel?”

“I believe 80% of crane accidents are due to the age of the crane and fatigue. The recommendation is to use cranes for 10, 15 or a maximum 20 years. After that, save money

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Dr Peter Schiefer,
owner and CEO, Wolffkran



■ NFT cranes with Abu Dhabi-based contractor NPC.



■ A view of the anchor system of a Wolffkran crane.

elsewhere, but don’t save money on cranes.”

Al-Mughanni added that routine training from the manufacturer should be an essential, as should be the use of genuine parts — otherwise operators are at risk of invalidating their own insurance.

Al Zahlawi also pointed to the impact that the intensive project environment in the region has on the life span of the cranes: “On most jobs here, the cranes are working 24 hours and six to seven days — so the uptime of the cranes is three times that in Europe, which means 20 years here is like 60 years there.”

He added that on most of the projects today in the region, his customers ask for cranes that are three to five years old and so the company is continuing to invest in new tower cranes to renew its fleet, despite the tough times.

Al-Mughanni noted that an alternative is to approach third parties capable of carrying out thorough crane examinations. He added that data logging functions can anticipate maintenance requirements and inform operators if their cranes are being mishandled, but that most customers do not ask for it.

In general, customers are asking for more for less. Fundamentally, stricter legislation is needed regulate the cranes segment, but in its absence, the industry itself continues to make a compelling value case for high standards. **ENR**