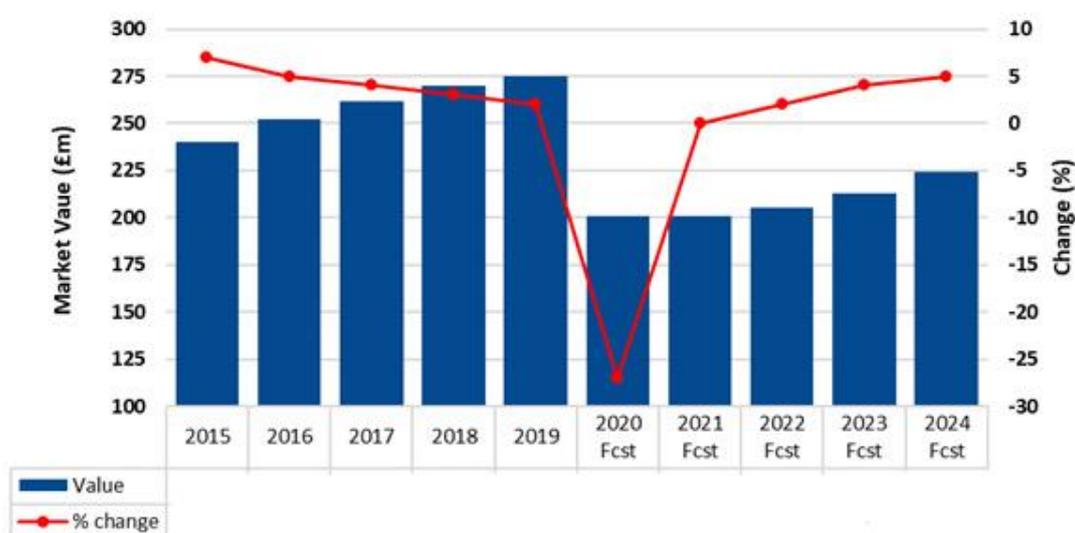


Generator Hire companies need to be adaptable due to Covid-19 Pandemic

UK Diesel Generator Hire Market Size 2015 to 2024 - by Value (£m at Hire Market Prices)



Source: AMA Research Ltd/Trade Estimates

Generator hire companies' need to be adaptable to the changing environment and the extremely tough trading conditions expected in the short to medium term, according to the latest Generator Hire Market Report from AMA Research.

Companies with inefficient operations are likely to suffer as market conditions are expected to be challenging. However, those with a focus on operational efficiencies and delivering improved margins are likely to fare better.

Generator hire is a competitive market, but benefits from the wide range of end-use applications and subsequently the performance of the UK economy has a direct impact on the level of generator hire demand. In the construction sector new orders collapsed to an historic all-time low in the wake of the Covid-19 lockdown, with new orders in Great Britain decreasing by 51% in April-June 2020. The UK economy was sent into

recession due to the Covid-19 impact, but construction output grew by 24% in June which may indicate the possibility of a much-needed V-shape recovery.

Both construction and non-construction activity stimulate generator hire demand, with factors impacting on market development including construction and industrial performances, emergencies (such as flooding) and major events as well as 'critical' applications requiring back-up support.

Construction is a key market and tends to be cyclical and exposed to economic downturns. Consequently, many hire companies also work in sectors that are less cyclical such as facilities management, retail operations, commercial fit-out, property and utilities. The pandemic impact is likely to see hirers move into sectors with the most opportunities and intensify market competition. Those with the best offering and operations will survive the challenge, but it is likely that others will not.

Aside from the Covid-19 pandemic issue, the uncertainties regarding the Brexit trade deal also impact on market development. Furthermore, the UK saw its largest ever decline in GDP growth in Q2 with 20% fall. Levels of confidence and investment remain a key risk factor adding to the complexity of assessing future market prospects.

Whilst Covid-19 and the Brexit negotiations have introduced uncertainty into the UK economy and end-use sectors of generator hire, the diversity of applications and range of positive underlying drivers, provides some expectation for continued demand, albeit at lower levels than previously achieved. The 'generator only' hire market is expected to recover and grow to 2024 as demand for temporary power is expected to rise, supported by increasing levels of construction as well as other non-construction activities.

The information was taken from the [Generator Hire Market Report – UK 2020-2024](#) by AMA Research, which is available to purchase now at www.amaresearch.co.uk or by calling 01242 235724.

Editors Note:

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About AMA Research

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