

Local semi-trailer truck company rolls back into Eastern Canada

Burnaby's Lions Gate Trailers Ltd. acquires two Ontario companies as part of its corporate game plan to become a national enterprise



RICHARD LAM

Truck stop: trucks and trailers set for hauling goods sit in Lions Gate's Lower Mainland yard

Andrew Petrozzi

ts hammer down for Burnaby-headquartered **Lions Gate Trailers Ltd.**, which recently established a formidable beachhead in Eastern Canada with its acquisition of **Provincial Trailer Rentals (PTR)** and its sister company, **Contor Terminals**, of Mississauga, Ontario.

Lions Gate Trailers rents, repairs and sells semi-trailers out of locations in Coquitlam, Edmonton and Calgary. Buoyed by the growth of its western Canadian operations, the company decided to return to Ontario after leaving a decade ago.

"We thought it was time to become a national company," said Lions Gate president and CEO **Carl Vanderspek**.

He added that the company, which has approximately 5,300 trailers in its inventory, has been enjoying annual revenue growth of 30 per cent in recent years.

The addition of an intermodal terminal depot is a first, but

will allow the company to learn more about the intermodal business, which could provide future expansion opportunities, according to Vanderspek.

"We didn't intend to buy a container company, but it was in the package.

"We looked at it, and we thought it did add to the mix so we purchased it. But the trailer rental company was our first target."

PTR has facilities in Mississauga, Montreal, Hamilton and Cambridge.

The transaction closed last month, but it had been under consideration since August.

Vanderspek didn't disclose financial terms of the acquisition, but confirmed it was a cash deal.

Provincial Trailer Rentals and Contor Terminals will continue under their current management, he said, and no jobs were lost as a result of the acquisition.

Lions Gate has already taken steps to boost Provincial Trailer's inventory of approximately 3,700 units with an order for 200 more. It hopes to raise that inventory to 5,000 units within the next 18 months, Vanderspek said.

A cash shortage previously limited Provincial Trailers' ability to expand because it didn't have the inventory it needed to grow, according to Vanderspek.

He added that integration of accounting and customer support systems will result in better service and help attract national customers.

It also provides synergies for existing Lions Gate Trailers' clients who were already clients of Provincial Trailer Rentals in Ontario.

"This acquisition allows Lions Gate and PTR to provide their customers a full range of services from Vancouver to Quebec City," PTR president **Gord Box** told *Today's Trucking*.

Vanderspek said the shift in the global supply chain to containerization will boost Lions Gate PTR's supply of container chassis trailers, which, along with dry vans and reefer or refrigerated units, are now one of the top three trailer types in demand.

"When we started in the business there were only two types [of trailers]. That was 43 years ago. Now I think we have about 70 types of trailers," said Vanderspek.

Lions Gate is also a dealer for **Great Dane Trailers**.

Continued demand is expected to fuel annual company growth of at least 10 per cent.

"It looks very strong to us," said Vanderspek. "We wouldn't

be expanding at the rate we are if we were pessimistic."

Strong economic growth in Western Canada has driven demand for trucking services.

Trucking remains the dominant mode for transporting goods between Canada and the U.S., according to **Statistics Canada**.

In 2004, about 53 per cent of exports to the U.S. and 78 per cent of imports were moved by truck. In the same year, there were 358 B.C. trucking companies with annual revenues in excess of \$1 million, a 7.6 per cent increase over 2003.

According to the **B.C. Trucking Association**, approximately 66 per cent of goods exported from the province were destined for the U.S., with 46 per cent transported by truck. Almost a third (31 per cent) of all commodities exported from B.C. was shipped by truck. For-hire truck traffic is expected to increase by an average annual growth rate of 2.3 per cent between 1984 and 2010. The value of goods passing through the Pacific Highway crossing rose from \$7.5 billion in 1990 to \$19.1 billion in 2003. Higher port

traffic has also increased demand for trucking services.

Duncan Wilson, a spokesman for the **Vancouver Port Authority**, said excellent progress is being made by trucking companies signing new licence agreements needed to gain port access as required by the port's new trucking policy. As of December 13, 80 of 391 existing licence holders had reapplied.

The deadline is January 15, 2007.

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