



Pedro Torres, CEO of RIWAL

IMAGE SOURCE: RIWAL

Pedro Torres, CEO of RIWAL: “The Green Deal professionalizes the rental sector and makes room for sustainable solutions”

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The European Green Deal is the hot topic of the moment in the machinery world, and rental industry makes no exception. ERA Convention 2022 in Riga that took place in June was the perfect opportunity for us to ask Pedro Torres, CEO of RIWAL to share his thoughts on the new EU regulations and on the challenges that he is already dealing with regarding the implementation.

Florentina Chiriță: How prepared do you think the European rental industry is to implement the EU Green Deal regulations by 2030?

Pedro Torres: I think next year will be a very important year for the rental industry when it comes to reaching our sustainability goals. There is definitely a high level and growing consciousness to make a big change, in

order to be able to achieve these goals **we need the support from the legislators in the different countries.** Northern Europe is getting more and more prepared, especially in Scandinavia. But also, the Dutch government is already embedding sustainability in all aspects of the economy: authorities are measuring the future CO2 emissions of buildings that will be constructed. South Europe is not there yet, but I hope that here too things will move fast in the next years.

One of the biggest challenges in achieving the Green Deal targets will be to have the needed technology available. Our fleet is already made up of more than 65% electrical machines, but charging your machine can sometimes be difficult, especially in remote places. But we are confident in the industry's innovative strength and are investing heavily in a more sustainable fleet. That is why it is our goal that by 2025 more than 75% of our fleet will be electric. Only the large machines are still difficult to replace due to the current capacity of the battery-powered equipment.

Being able to provide a battery-powered machine to our customers is an added value. This is something we need to actively sell in our industry. With our machines, we contribute to a cleaner world, and we decrease the carbon footprint of our customers. On top of that, they have to pay less for their 'fuel'. Of course, our job is to explain why the rent of an electrical equivalent is higher, but there are many advantages, so I'm sure we will succeed in levelling the playing field.

Florentina Chiriță: How do you think the Green Deal regulations will transform the European rental industry in the long run?

Pedro Torres: I think it will further professionalise the sector, as it will encourage the players to invest their resources in three essential aspects: innovation, digitization, and sustainability. Rental companies have no choice but to make sustainable solutions because ultimately the customers who rent the machines want to see what you have to offer in terms of sustainability and that as a supplier contribute to a healthier industry.

Florentina Chiriță: The implementation of the EU Green Deal might encourage contractors to buy less equipment and rent more, and this will be a great benefit for the rental industry. What is our opinion on this theory?

Pedro Torres: The industry already confirmed it, it is already happening. The rental penetration rate is going up - not at the desired speed, but it is moving forward. The UK is moving really fast, and the rest of Europe is following the same trend, so the indicators are showing us that this theory is correct. **The rental industry is the biggest promoter of sustainability.**

Florentina Chiriță: Do you think that the current political conflict in Ukraine will affect the implementation of this process?

Pedro Torres: Right now, the market is strong in terms of business for the majority of the companies in Europe, but there is also high inflation because the **prices are going up really fast in an uncontrollable way, plus there is a shortage of people on the labor market making things more difficult.** The war brings uncertainty, instability, and a big question mark. Investors are delaying projects, but I think from this point of view we don't see big effects yet. We do see an immediate effect when it comes to costs. We will probably see the outcome of this situation in 6 months.

Florentina Chiriță: What are your thoughts on the lack of components/equipment (shortage of supplies in general) that the industry is facing right now?

Pedro Torres: Indeed, manufacturers face delays in receiving their components. Transport also became problematic - and more expensive - but manageable at this point. However, the biggest problem for the market right now seems to be the fact that companies need to find a way to translate the increased investment to the customer. You have to explain why. You can't increase the percentage from day one, just because. We must give our products the right value.

Florentina Chiriță: What are Riwal's future business plans for next year?

Pedro Torres: We have 4 pillars in our company: innovation, sustainability, a great working environment and a close relationship with our customers. These are goals we work towards every day. Initially we launched the "The Riwal Way" project that aims to create standardized, repeatable systems for every aspect of our business, to ensure the same quality product and service for every customer, every time we do business, anywhere in the world. We are further developing our professional excellence in the activities we have on different continents; we track, we measure and with the data we continuously improve. We have instilled a culture of continuous improvement in the company, covering the entire rental cycle for all our customers.

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