US demand to grow 6% annually

US demand for industrial controls is projected to grow six percent annually (including price increases) through 2005, reaching $19.4 billion. Advances will be fueled by continuing technological innovation in solid-state control products and rising demand for associated control software and system integration services. In addition, pressure on end-use industries to improve operational efficiency will provide opportunities.

Advanced controls to outpace conventional

Advanced controls will continue to have better growth prospects than conventional control devices, due to their superior performance and productivity enhancement capabilities. As the information processing and communication capabilities of industrial controls become more sophisticated, demand for system integration services and industrial control software will rise at above average rates.

Among conventional controls, special-purpose devices sold to niche markets will outperform widely used general-purpose controls. Demand for rheostats and resistors, as well as industrial control relays, will continue to fall, with these electromechanical products being replaced by more technologically advanced and cost-effective substitute products.

Service industries, chemicals, utilities to lead market gains

Durable goods industries accounted for the largest share of demand in 2000, with over 60 percent of the total. The dominance is due in large part to the use of industrial controls by industrial machinery and electrical and electronic equipment manufacturers. Service industries, chemicals and utilities are expected to be the fastest growing markets through 2005. Service industry demand will rise, as this sector continues to grow at a faster pace than the overall economy. Increases in chemical industry control sales will be led by the specialty chemicals segment, which includes the fast-growing pharmaceutical and electronic chemical industries. Utility demand will climb as producers step up their efforts to modernize and boost the efficiency of their operations in response to growing competition from alternative power producers. The best opportunities for industrial control producers though 2005 will be in the maintenance/repair/operations market.

Study coverage

Details on these and other findings are available in the 232-page Freedonia study, *Industrial Controls*, priced at $3700. The study provides historical data and forecasts through 2005 and 2010 by product and market. It also presents market share data and profiles 39 key companies.

About Freedonia

The Freedonia Group is a leading international database business research company. Since 1985, Freedonia has published more than 1,600 multiclient industry studies that have proven to be outstanding aids to market and corporate analysis and strategic planning. Freedonia can save you time and money on research you would otherwise have to do yourself or contract out.

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Electronic Library

Analysts also use Freedonia’s comprehensive electronic library of corporate reports, trade literature and government data.

Extensive Interviews

Freedonia analysts expand their investigations by interviewing key industry participants, experts and end-users.

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Freedonia’s high quality analysis, concise overviews and consistent framework of economic indicators provide our clients with a competitive edge. All writing, editing, compilation of data and analysis for Freedonia studies is done in-house to assure quality control.
**ADVANCED INDUSTRIAL CONTROLS**

**Industrial Control Software**

The market for dedicated third-party (packaged) industrial control software is forecast to annually increase the fastest growth rate of any industrial span. Given the standardized nature of most complexity of industrial control systems, demand for more direct manufacturing control-type functions -- proliferate. For control system performance and efficiency, is the move toward open systems and "plug-and-play" being driven almost exclusively by software, a critical role in the use of the Internet and company intranets to remotely monitor, program and regulate the activities of Web-enabled control devices. Preventing even more rapid growth in industrial control software demand is the already well-developed state of the market (making incremental gains more difficult to achieve) and flat-to-declining prices for new generations of software (suppressing value gains).

The available universe of factory automation software impacting upon industrial control-related functions is vast, and identifying and defining an "industrial control software" segment is a highly subjective endeavor. This has become all the more so as integrated manufacturing process planning-type programs -- addressing everything from product design, bill-of-materials, cost estimating, process modeling and the like, as well as more direct manufacturing control-type functions -- proliferate. For this study, industrial control software is defined as general-purpose computer-aided manufacturing (CAM) packages that address some aspect of production process control in discrete parts industries; and applications involving control-related functions such as handling control, packing and shipping, material handling, robotics, robotics, etc.

**Sample Table**

**Sample Table**

Demand for each product provided in current US dollars at the manufacturers' level

**Table V-2**

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<td>General-Purpose Ind Control Sales</td>
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<td>AC &amp; DC Starters &amp; Contactors</td>
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<td>Motor Control Centers</td>
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<td>Pushbutton Controls</td>
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<td>Limit Switches &amp; Related Products</td>
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<td>Industrial Control Relays</td>
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BY INDUSTRY & TYPE
(million dollars)

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<td>1100</td>
<td>1270</td>
<td>1550</td>
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Uninterruptible Power Supplies (UPS) & Other Power Protection Systems

Demand for UPS and other power protection systems in the US will grow at above-average rates to 2005. Gains will result from the continuing proliferation of energy-intensive information technology, opportunities for alternative UPS modalities (based on fuel cells, microturbines), and pressures on the utility grid from energy supply/ demand imbalances. This study analyzes the US power protection systems industry to 2005 and 2010 by product and end-use. It also evaluates market share and profiles key firms.

Plastics Processing Machinery

Gains in US demand for plastic processing machinery will result from further inroads plastics make against competitive materials in many applications. Growth will also be bolstered by more advanced machine designs which will benefit more expensive, higher-end equipment as plastic processors seek to improve efficiency and quality. This study analyzes the $2.4 billion US plastic processing machinery industry to 2005 and 2010 by type and application. It also evaluates market share and profiles key firms.

 Passive Components

Passive electronic component demand will exceed $21 billion in the US by 2005. Growth will be driven by applications in wireless and fiber optic communications, defense and aerospace, and motor vehicles. Connectors will remain the largest product segment, while microwave components and inductance devices exhibit the best growth. This study analyzes the $17.8 billion US passive components industry to 2005 and 2010 by product and market. It also presents market share data and profiles key companies.

 World Advanced Ceramics

World demand for advanced ceramics will increase over 7% annually, driven by the manufacture of a wide variety of electronic components. Alumina will remain the primary material used to produce advanced ceramics; while ferrites, beryllia and zirconia ceramics continue to erode alumina’s market share. This study analyzes the US $24 billion world advanced ceramics industry to 2004 and 2009 by material, end-use, region and for 11 key countries. It also evaluates market share and profiles key companies.

World Electronic Components

World electronic component demand will grow over 9% annually based on further development of the Internet, new generations of handheld and wireless computers, and rising electronic content in original equipment. High-end integrated circuit (IC) devices such as microprocessors and digital logic ICs will lead gains. This study analyzes the $278 billion world electronic components industry to 2004 and 2009 by product, market and region, and for 33 countries. It also details market shares and profiles key vendors.

World Insulated Wire & Cable

Worldwide demand for insulated wire and cable will grow over 5% annually. The best opportunities will come in the largest market, communications and information processing. Growth in wireless communications will benefit wire and cable in applications such as antenna towers and base station transmission units. This study analyzes the $67 billion world insulated wire and cable industry to 2004 and 2009 by type, market, material, region, and for 23 countries. It also details market shares and profiles key firms.

Insulated Wire & Cable

Demand for insulated wire and cable in the US will grow over 5% annually. Gains will be driven by continuing growth in fiber optic computer networking and multimedia communications, as well as the ongoing deregulation of electric power generation. Communications will remain the largest market, even with the onset of wireless technology. This study analyzes the US insulated wire and cable industry to 2004 and 2009 by material, product and market. It also details market share and profiles key companies.

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