US demand to grow 4.8% per year through 2009

Demand for protective coatings in the US is forecast to rise 4.8 percent per year to $4.8 billion in 2009. In general, higher value coatings -- especially those that provide multiple functions, exhibit favorable environmental profiles or are used in niche applications -- will offer the best opportunities.

Products that will post the most rapid gains include fire-resistant, anti-graffiti and conformal coatings, although research and development efforts will provide opportunities for most products to some degree. Fire-resistant coatings, for example, will experience greater use due to the introduction of improved formulations that allow coated metal to be used in a greater number of building designs, as well as greater safety concerns regarding the structural integrity of metal in fire situations.

In corrosion control, coil coating formulations that provide not only corrosion resistance, but also antimicrobial properties or textures will see greater use.

Machinery, aerospace, electronics production to drive durables sector

Protective coatings are indispensable in the production of various durable goods, particularly those with metal substrates. As such, protective coating demand will benefit from an acceleration in durable goods shipments, as the manufacturing sector continues to recover from the recessionary 2001 period. The most favorable opportunities will arise in industrial machinery and equipment, aerospace equipment and electronics, although the potential displacement of coated metal by alternative materials (particularly plastics) in certain durable goods will offset some of these gains.

Improvements, new construction to benefit maintenance end uses

In industrial maintenance end uses, protective coating demand will benefit as US firms invest in the improvement and maintenance of existing facilities and equipment. In addition, demand will also be promoted by a significant acceleration in industrial construction expenditures, where spending is rebounding from declines during the 1999-2004 period. The introduction of more efficient coating formulations during the 1990s will limit growth somewhat, as the use of these formulations extends the period between regular maintenance.

Bridges, decks, fences to support gains in construction market

In construction end uses, protective coating demand will be spurred by the aging of the bridge inventory and relatively frequent maintenance requirements for the large installed base of decking and fencing. Limiting gains will be a gradual shift to materials that require less maintenance such as wood-plastic composites, vinyl and polyethylene.

Study coverage

Protective Coatings is a new Freedonia industry study available for $4100. It provides historical US demand data (1994, 1999, 2004) plus forecasts to 2009 and 2014. This study also evaluates US market share data and profiles 35 industry competitors.
Coil Coatings

Coil-coating demand is forecast to increase 3.6 percent per annum to $775 million in 2009, benefitting from an acceleration in durable goods shipments. In addition, growth will be promoted by product development that is expanding the usefulness of these coatings. Coil coatings are applied to metal substrates, thus continued competition from alternative materials (e.g., plastics) will continue to limit gains somewhat.

The coil coating process was commercialized roughly 40 years ago. Unlike most other coating processes, coil coating is typically completed off-site by professional coil coaters. During the coil coating process, coils of metal (e.g., steel or aluminum) are unwound, pretreated, coated and then rewound for shipment to businesses that will fabricate the metal into various durable goods. Coil coating primarily competes with electrodeposition coatings, where each has advantages and disadvantages. In coil coating, for example, companies experience cost savings by outsourcing their priming requirements. However, the inability of coil-coated metals to be welded limits the potential application range. Nevertheless, coil coatings find use in the production of a number of durable goods, including appliances (e.g., casings for refrigerators, ovens, microwaves and laundry machines), automotive parts, construction products (e.g., roof panels, siding, soffits, panels and trim), containers, furniture (e.g., filing cabinets), and heating, ventilation and air conditioning equipment, as well as lighting fixtures, bakeware and window blinds. Valspar, for example, offers coil coatings under the FLUOROPAN, COIL CLAD, DYNAPON and ALAMO WHITE brand names for use in the production of construction products.

Product development, such as the incorporation of specialty pigments or additives, will continue to expand the useful application range of coil coatings. For example, coil coatings can be formulated to include solar-reflective pigments, making these materials beneficial in the production of “cool” metal roofing. In another example, the addition of anti-microbial agents in coil coating formulations allow these materials to be used in the coating of metal furniture.

This study can help you:

• Determine your market & sales potential
• Learn more about industry competitors
• Assess new products & technologies
• Identify firms to merge with or acquire
• Complement your research & planning
• Gather data for presentations
• Confirm your own internal data
• Make better business decisions

TABLE V-2
PRODUCT MANUFACTURING END USES FOR PROTECTIVE COATINGS DEMAND BY SEGMENT & PRODUCT (million dollars)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Durable Goods Shipments (bil $)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Protective coating demand</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By Segment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metal Building Components</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial Machinery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aerospace</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appliances</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By Product</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrosion Control</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anti-Wear</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: The Freedonia Group, Inc.

Metal Building Components

In 2004, metal building components accounted for 27 percent of total protective coatings demand in product manufacturing end uses. Protective coatings can be applied to a variety of metal components designed for use in buildings, including roofing, primary framing materials, gutters and downsputs, and wall panels. Protective coatings demand in metal building components is influenced largely by nonresidential building activity, particularly in the industrial and commercial segments. Building design trends also play an important role, where the incorporation of more metal components is beneficial to protective coatings demand.
Coated Fabrics
This study examines the US market for coated fabrics. It presents historical demand data (1994, 1999, 2004) and forecasts to 2009 and 2014 by coating (e.g., vinyl, polyurethane, acrylic, rubber), by substrate (e.g., polyester, nylon, cotton, fiberglass) and by market (e.g., motor vehicles, marine, protective clothing, furniture, industrial products, wallcoverings, books, awnings, tents). The study also examines the market environment, details industry structure, evaluates market share and profiles leading competitors.
#1904..........................03/2005.............................$4200

Flame Retardants
The US market for flame retardants will grow 6.5% annually through 2008 driven by higher value specialty and environmentally favorable types. Bromine and phosphorus compounds, antimony trioxide (ATO) and magnesium dihydrate (MDH) will see the strongest gains. Flammable plastics used in electronics will remain an important market. The study analyzes the $375 million US flame retardant industry to 2008 and 2013 by product and market. It also evaluates company market share and profiles major producers.
#1880..........................01/2005.............................$3900

World Dyes & Organic Pigments
Global demand for organic colorants will grow 4.9% annually through 2008. Pigments will continue to outpace gains in dyes; the dominant textiles market will continue to trail advances in printing inks and other segments. The Asia/Pacific region will supplant North America as the largest regional market. This study analyzes the US$8.4 billion global dye and organic pigment industry to 2008 and 2013 by product, market, world region and for 15 countries. It also evaluates market share and profiles major firms.
#1875..........................12/2004.............................$5100

World Paints & Coatings
World demand for paints and coatings will reach US$83 billion in 2007 driven by higher quality, environmentally friendlier products (e.g., powder-based, rad-cure). Emerging markets in Asia/Pacific, Latin America and Eastern Europe will lead gains while the North American and Western European regions remain dominant. This study analyzes the global paint and coating industry to 2007 and 2012 by type, world region and for 25 countries. It also evaluates market share and profiles leading firms.
#1771..........................03/2004.............................$5200

Wood Protection
Coatings & Preservatives
US demand for wood coatings and preservatives will reach $2.6 billion in 2007 based on higher value, less toxic formulations and solid repair and improvement activity. Furniture, flooring and cabinet applications will lead gains. Maintenance coatings will pace growth in exterior uses due to the large installed base of wooden housing and decks. This study analyzes the US wood coating and preservative industry to 2007 and 2012 by product, application and market. It also evaluates market share and profiles major firms.
#1751..........................02/2004.............................$3900

Other Titles from The Freedonia Group

Need analysis on a topic not covered by Freedonia Industry Studies? Call Customer Service for details on Freedonia Custom Research