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# World Siding (Cladding)

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Industry Study with Forecasts to **2010 & 2015**

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Study #2159 | February 2007 | \$5500 | 367 pages

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### INDUSTRY STRUCTURE

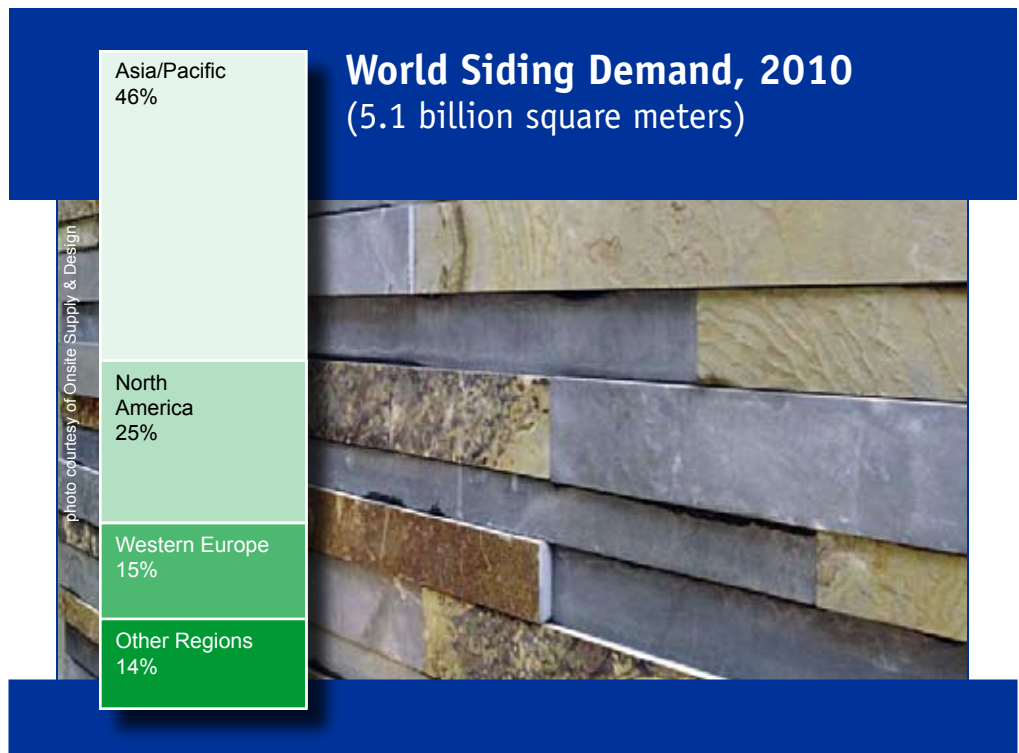
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*Market advances through 2010 will be stimulated by a pickup in nonresidential building construction activity and rising income levels that will help make finished siding more affordable.*

## Global demand to rise 3.8% annually through 2010

World demand for exterior siding (or cladding) is forecast to climb 3.8 percent per year through 2010 to 5.1 billion square meters, valued at \$69 billion. Market advances will be stimulated by a pickup in nonresidential building construction activity as global economic growth accelerates and industrialization efforts continue in less developed parts of the world. Single-layer construction methods will continue to be used in many countries, but rising income levels will help make finished siding more affordable, leading to increased product use. China will record the largest gains of any national market. Annual product demand in the nation will expand by 400 million square meters from 2005 to 2010, and China will surpass the US to become the largest cladding market in the world. Sales growth is also expected to be strong in India and Russia, as well as in lower-volume markets in the developing world.

Demand for siding in developed countries will rise too, although the rate of increase will be less robust than in developing parts of the world. Product sales in Western Europe will accelerate through 2010, and siding demand in Japan is expected to exhibit renewed strength following an extended period of decline. Market gains will be fueled by generally favorable economic conditions and higher income levels in these areas, leading to growth in both repair/remodel-



ing activity and new building construction. In the US, overall siding sales levels will remain essentially flat. Although nonresidential building construction expenditures will increase through 2010, new housing starts are expected to decline, preventing cladding sales in the nation from expanding at a faster pace.

## Metal, concrete and stone siding to grow the fastest

Globally, masonry and concrete cladding products are the most popular, accounting for over two-thirds of all demand in 2005, with brick and tile being the single most widely used product type. However, demand for metal, and concrete and stone siding will register the strongest

market gains through 2010. Sales of metal siding will be spurred by increased spending for industrial and other types of nonresidential building construction, the largest market for these products, while suppliers of concrete and stone siding will benefit from a growing preference for durable, upper-end products as business and personal incomes climb. Fiber cement siding demand will also rise at an above-average rate, driven by performance attributes that include resistance to moisture, fire, rot, warping and insect infestations; comparatively low cost; and the ability to mimic the appearance of other cladding materials. More favorable sales conditions in Japan, the leading national market, will also contribute to increases in fiber cement siding demand.



## Sample Text, Table & Chart

### ASIA/PACIFIC

#### Japan: Siding Demand

With domestic demand of 290 million square meters in 2005, Japan represents the third largest market for siding products behind the US and China. As one of the leading industrial powers, Japan has substantial stocks of buildings, and intensity of siding usage (relative to indicators like building construction spend and population) is above world norms. Unlike in Western Europe, many homes are extremely old, the life cycle of housing in Japan is relatively short, with houses being demolished and replaced every 30 years on average, boosting related siding demand. However, demand fell an average of 1.0 percent per year from 1995 to 2005, due to declines in construction activity in a sluggish economic environment, which resulted in the postponement or cancellation of numerous construction projects.

Most Japanese cladding demand is accounted for by masonry and concrete products. However, in contrast to many other Asia/Pacific countries -- where the use of brick and tile products predominates -- cement is the most popular siding material in Japan, accounting for 40 percent of the market total in 2005. The next most common products are stucco and EIFS, followed by concrete and stone, and brick and tile. Although demand levels remain modest, vinyl is the only siding type to register sales gains over the last decade, bolstered by growth in Western style home construction.

Leading Japanese manufacturers of cladding products include Daiken, JS Group, Konoshima Chemical, Kubota Matsushitadenko, Mitsubishi Chemical, Nichiha, Nippon Electric Glass, and Topy Brick. Foreign participation in the industry is largely limited to distribution operations.

Japan is projected to increase siding demand to 310 million square meters in 2010, a notable 7 percent increase over 2005.

TABLE VI-8

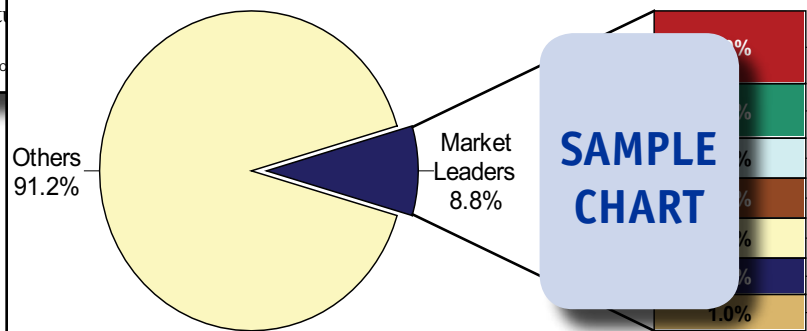
JAPAN - SIDING DEMAND  
(million square meters)

Item	1995	2000	2005	2010	2015
Bldg Construction Expend (bil 2000\$)	312.4	285.9	270.5	298.3	321.7
sq m siding/000\$ bldg construction	1.02	1.04	1.07	1.10	1.13
Siding Demand	290	280	265	285	310
By Type:					
Masonry & Concrete	140	135	125	135	145
Brick & Tile	70	65	60	65	70
Stucco & EIFS	20	20	20	20	20
Concrete & Stone	80	80	80	80	80
Fiber Cement	70	70	70	70	70
Vinyl	10	15	20	25	30
Metal	5	5	5	5	5
Wood	5	5	5	5	5
Other	5	5	5	5	5
By Market:					
Residential Buildings	150	145	135	145	155
New Construction	70	65	60	65	70
Improvement & Repair	80	80	75	80	85
Nonresidential Buildings	140	135	130	140	155
New Construction	70	65	60	70	80
Improvement & Repair	70	70	70	70	75
% Japan	88	85	80	85	90
Asia/Pacific Siding Demand	1025	1205	1780	2360	3100

SAMPLE  
TABLE

CHART VIII-1

WORLD SIDING MARKET SHARE BY COMPANY, 2005  
(\$50.9 billion)

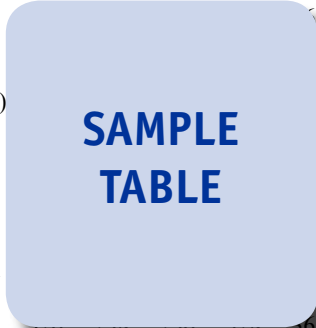


SAMPLE  
CHART

## Sample Profile, Table & Forecast

**TABLE VI-5**  
**JAPAN - ECONOMIC INDICATORS**

Item	1995	2000	2005	2010	2015
Population (millions)	125.4	126.9	127.7	127.7	126.9
per capita GDP	24550	25830	27410	30110	32820
Gross Domestic Product (bil 2000\$)					55
% building construction					7
Bldg Construction Expend (bil 2000\$)					7
Residential					6
Nonresidential					1
sq m siding/capita					9
sq m siding/mil \$ GDP					8
sq m siding/000\$ bldg construction					3
Siding Demand (mil sq m)	320	270	270	320	365



**COMPANY PROFILES**

**Kingspan Group plc**  
 Dublin Road  
 Kingscove  
 Ireland  
 353-42-9  
 http://www

**Revenue**  
**Geograph**  
 Ireland 1  
**Employment**

**Key Products:** steel composite exterior wall panels

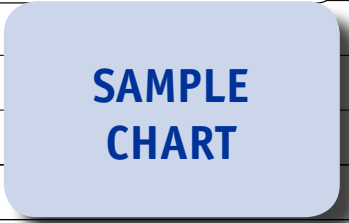
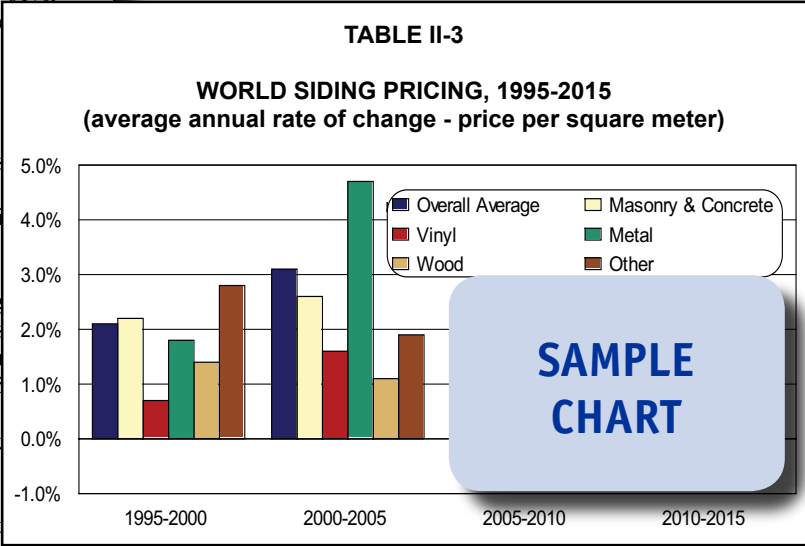
Kingspan Group is a global building products company focus on construction systems and solutions. The Company operates in segments: Insulated Panels & Boards, Off-Site & Structural, Environmental Containers and Access Floors.

The Company is involved in the world siding industry through the Insulated Panels & Boards segment, which generated revenues \$857 million in 2005. The segment produces steel composite insulated panels and rigid insulation products. Of the Company's total 2005 sales, insulated panels accounted for 38 percent, or about \$590 million. These insulated panels are designed for use in wall and roof applications in the commercial and industrial markets.

The wall panels, which are engineered with durability for exterior cladding applications, are made in four main lines: architectural, OPTIMO, trapezoidal and LONGSPAN. These panels can generally be installed vertically and horizontally on numerous building types. However, architectural and OPTIMO wall panels are not suitable for

290

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**OTHER STUDIES**

**Gypsum Products in North America**

Demand for gypsum products in the US, Canada and Mexico will reach 54.6 metric tons in 2011. Nonresidential buildings will offer the best opportunities and help offset weakness in the key residential construction market. Synthetic gypsum will continue to supplant mined gypsum for use in calcined gypsum products. This study analyzes the North American gypsum industry, with forecasts for 2011 and 2016 by product, market and country. It also evaluates company market share and profiles major producers.

#2225 ..... 08/2007..... \$4500

**World Insulation**

Global consumption of thermal and acoustical insulation will reach 20.2 billion square meters in 2011. Developing Asian countries will continue to lead gains, driven by strong construction and manufacturing activity. Foamed plastic will remain dominant while mineral wool will grow the fastest. This study analyzes the \$26.5 billion world insulation industry with forecasts for 2011 and 2016 presented by material, market, world region and for 46 countries. It also evaluates market share and profiles major producers.

#2202 ..... 06/2007..... \$5500

**Construction Outlook in China**

Construction expenditures in China will rise 8.8% annually through 2011. Nonbuilding construction will lead gains, followed closely by the nonresidential and residential sectors. An expanding domestic economy, ongoing infrastructure upgrades and sustained foreign investment will be among the growth factors. This study analyzes the outlook for construction in China, with forecasts for 2011 and 2016 by market, application and region. The study also evaluates market share and profiles major contractors.

#2193 ..... 05/2007..... \$4900

**World Cement & Concrete Additives**

Global demand for cement and concrete additives will grow 5.1% annually through 2010. Gains will be fueled by the increased acceptance of additives in high-volume developing markets for cement, and by higher additive loadings and costlier product (e.g., superplasticizers) use in mature markets. This study analyzes the \$8.7 billion world cement and concrete additive industry to 2010 and 2015 by type, market, world region and for 24 countries. It also evaluates company market share and profiles major producers.

#2135 ..... 12/2006..... \$5400

**Siding**

US demand for siding will remain flat through 2010. Strong growth in nonresidential markets will offset declines in the larger residential building segment, based on decreasing single family home construction. The best growth will be in stucco EIFS and metal panels due to heavy use in the fast growing nonresidential sector. This study analyzes the \$10.4 billion US siding industry to 2010 and 2015 by siding material, market and region. It also evaluates company market share and profiles major players.

#2096 ..... 09/2006..... \$4400

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