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# World HVAC Equipment

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Industry Study with Forecasts for **2012 & 2017**

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Study #2336 | May 2008 | \$5600 | 305 pages

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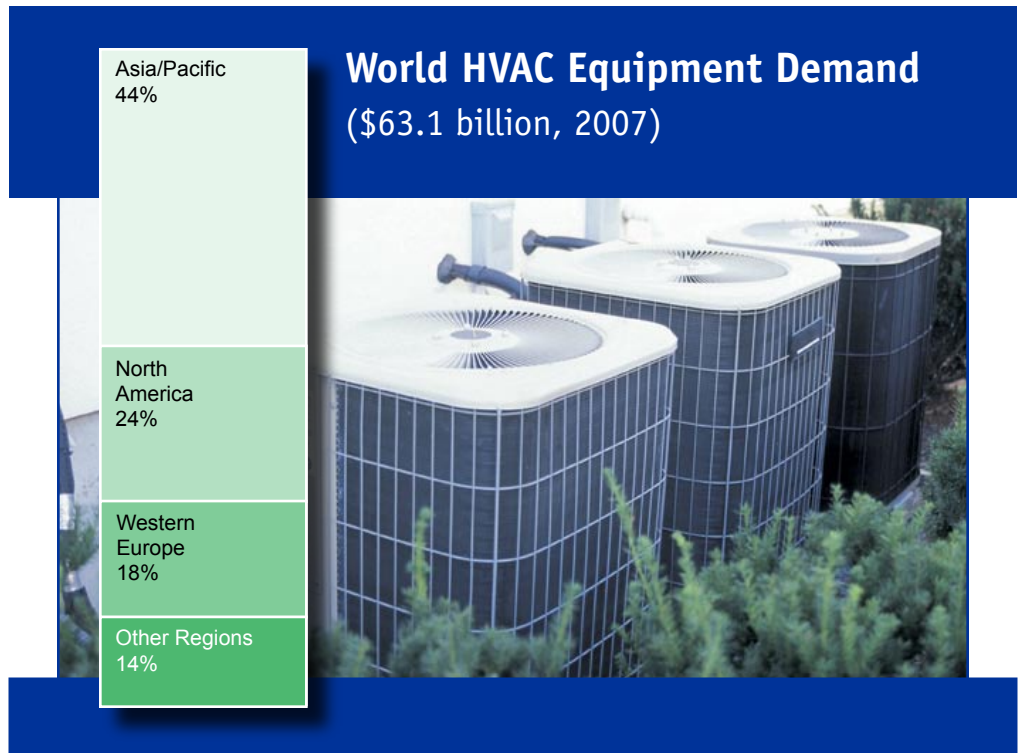
*Demand in the Asia/Pacific region will outpace the global average through 2012, with China the fastest growing national market, comprising 40 percent of global demand growth.*

## China to lead gains in global HVAC equipment demand

World demand for HVAC equipment is projected to rise 5.8 percent per year through 2012, reaching \$83.7 billion. Demand in the Asia/Pacific region will outpace the global average, rising 6.9 percent annually through 2012. China will be the fastest growing national market, comprising 40 percent of global demand growth through 2012. Above-average growth will also occur in India due to solid gains in the number of households and rising per capita incomes. China has grown into the largest supplier of HVAC equipment, due to its inexpensive labor pool, which has made the pricing of Chinese goods especially competitive. China is a leading producer in the room air conditioner segment, exporting products to the US, Western Europe and throughout Asia.

## Developed regions to also offer growth opportunities

In addition to China, the US and Japan are also major producers of HVAC equipment, each with 2007 shipments of over \$5.5 billion. Other important world class sources of supply (with 2007 shipments of more than \$2 billion) include Germany and Italy. Opportunities will also exist in these developed regions. Demand in the US, for example, will exhibit recovery by 2012 after a period of sluggishness resulting from the housing crisis. In Western Europe, air



conditioning will become more common in residential buildings. After battling heat waves in recent years, consumers in Western Europe are increasingly interested in comfort cooling systems. As in the US, many of these citizens have grown accustomed to having air conditioning in their cars and places of business and have decided to install it at home as well. Additionally, the global economy is forcing more and more Europeans to work summers instead of slowing down or going on vacation, as was traditional. However, in some areas there is a cultural bias against air conditioning for manufacturers to contend with. For instance, many Europeans, particularly older ones, believe that air conditioning is unhealthy

and consequently prefer natural ventilation and fans.

## Cooling equipment to continue outpacing heating

Among product types, cooling equipment will continue to outpace heating equipment gains through 2012. This is due to the lower penetration rates of air conditioning equipment in Western Europe. Room air conditioners will post the strongest gains worldwide because of their low cost and ease of installation. Rising income levels in Asia, especially China, will bolster demand for room air conditioners.

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## Sample Text, Table & Chart

### ASIA/PACIFIC

#### South Korea: Supply & Demand

In 2007, demand for HVAC equipment in South Korea was \$1.4 billion, representing the fourth largest market in the region behind Japan and India. Per capita product use is well above regional global norms, although still below levels of demand that characterize developed world areas. Equipment sales in the country contracted in the late 1990s and early 2000s, negatively impacted by fallout from the 1997-1998 Asian financial crisis and later global economic slowdown. However, product demand -- along with construction spending -- has recovered since then, climbing at a 3.6 percent annual pace between 2006 and 2007.

HVAC equipment shipments from facilities in South Korea were valued at \$1.4 billion in 2007, making the nation the third largest producer in the Asia/Pacific region behind China and Japan. The country has a significant trade surplus, accounting for 20 percent of shipments in 2007. Local producers of HVAC equipment include LG and Samsung. Among the multinationals that manufacture in South Korea is Carrier, which is represented in the country by Carrier Limited Korea. Trane and Emerson Electric also serve the South Korean market.

The market for HVAC equipment in South Korea is projected to grow at a 3.6 percent annual pace through 2017, reaching \$1.8 billion, below the regional average of 4.5 percent. The pace posted during the 2000s was stimulated by an accelerated pace of construction during the early 2000s. Large cities in Seoul and Gyeonggi-do, including the Songdo International City in Incheon, a \$12.7 billion urban center development project, include residences, offices, schools and a hospital (completed in 2020).

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**SAMPLE TEXT**

TABLE VI-13

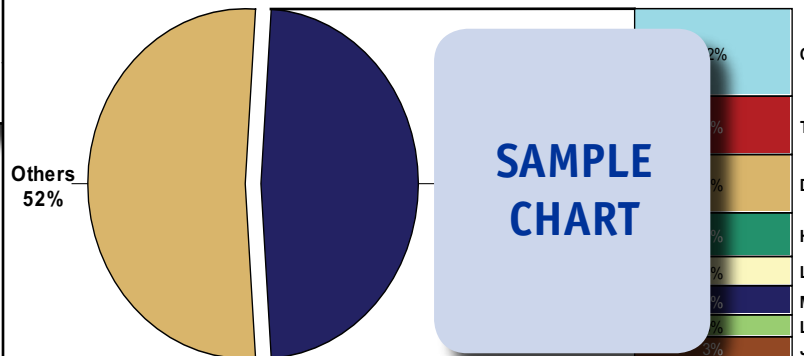
### SOUTH KOREA HVAC EQUIPMENT SUPPLY & DEMAND (million dollars)

Item	1997	2002	2007	2012	2017
Population (million persons)			45.7		
Gross Domestic Product (bil 2006\$)			1,000		
Gross Fixed Investment (bil 2006\$)			1,000		
Bldg Construct Expend (bil 2006\$)			1,000		
\$ HVAC equipment/capita			4		
\$ HVAC equipment/000\$ GDP			0		
\$ HVAC equipment/000\$ GFI			5		
\$ HVAC equip/000\$ construction			8		
HVAC Equipment Demand			1,000		
net exports			0		
HVAC Equipment Shipments			1,000		1,070

**SAMPLE TABLE**

CHART VIII-1

### WORLD HVAC EQUIPMENT MARKET SHARE BY COMPANY, 2007 (\$63.1 billion)



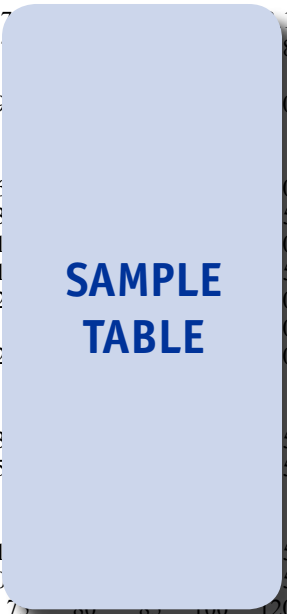
**SAMPLE CHART**

## Sample Profile, Table & Forecast

**TABLE VI-14**  
**SOUTH KOREA**  
**HVAC EQUIPMENT DEMAND BY TYPE & MARKET**  
**(million dollars)**

Item	1997	2002	2007	2012	2017
Bldg Construct Expend (bil 2006\$)	127	127	127	127	127
\$ HVAC equip/000\$ construction					
HVAC Equipment Demand	9	9	9	9	9
By Type:					
Cooling Equipment	6	6	6	6	6
Room Air Conditioners	3	3	3	3	3
Unitary Air Conditioners	1	1	1	1	1
Other Cooling Equipment	1	1	1	1	1
Heating Equipment	2	2	2	2	2
Warm Air Furnaces					
Boilers & Other	2	2	2	2	2
By Market:					
Residential	3	3	3	3	3
Commercial	5	5	5	5	5
Selected HVAC Demand (000 units)					
Unitary Air Conditioners	1	1	1	1	1
Room Air Conditioners	10	10	10	10	10
Warm Air Furnaces	75	80	85	100	120

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### COMPANY PROFILES

**Gree Electric Appliances Incorporated**  
 West Jinji Road  
 Qianshan  
 Zhuhai 519020  
 China  
 86-756-861-4883  
 http://www.gree.com.cn

Annual Sales (2007) \$1.8 billion (8)  
 Employees 10,000

Key Products: Chillers & compressors

Gree is a leading manufacturer of residential air conditioners in China. The Company is a major operating subsidiary of Gree Group Company Limited (Zhuhai, China).

The Company participates in the world HVAC equipment industry through the production of air conditioners and dehumidifiers for the residential market, and chillers and packaged units for the commercial market. Gree Electric Appliances produces more than 7,000 types of air conditioners, including multi-split, window, floor standing, cassette and ceiling types. For example, the GREEN SERIES multi-split air conditioners features a sleep function; an independent dehumidification system; a high-efficiency curved heat exchanger; and a dry anti-mildew design. Additionally, the HUMMER window air conditioner series feature a rapid cooling function, a quiet design and low voltage startup. The Company's commercial chillers include water- and air-cooled types, as well as packaged terminal air conditioners and packaged rooftop units.

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"South Korea's shipments of HVAC equipment are forecast to expand 4.7 percent per year through 2012 to \$1.7 billion. Gains will result from not only the recovery of capital investment in the domestic market, but also from export opportunities to developing nations in the region."

--Section VI, pg. 137

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**OTHER STUDIES**

**Commercial Refrigeration Equipment**

This study analyzes the US commercial refrigeration equipment industry. It presents historical demand data (1997, 2002, 2007) and forecasts for 2012 and 2017 by product (e.g., transportation refrigeration, beverage refrigeration, reach-in refrigerators and freezers, display cases, walk-in refrigerators and freezers, refrigerated vending machines, ice machines, cryogenic equipment, liquid chillers); and by market. The study also considers market environment factors, evaluates market share and profiles leading competitors.

#2365 ..... 06/2008..... \$4500

**World Security Equipment**

Global demand for security equipment will climb 7.8% annually through 2012. Strongest gains will occur in the underdeveloped markets of Asia, Eastern Europe, Africa/Middle East and Latin America. Electronic security products will post stronger sales advances than mechanical security equipment. This study analyzes the \$62.1 billion world security equipment industry, with forecasts for 2012 and 2017 by product, market, world region and for 28 countries. It also evaluates market share and profiles industry players.

#2343 ..... 05/2008..... \$5900

**Filters in China**

Demand for filters in China will jump 14.4% annually through 2011. Air filters will post the fastest gains, spurred by rising output of products that include filters or are made in clean-air factories. The motor vehicle market will remain dominant while the water and waste treatment segment of the utilities and consumer markets grows the fastest. This study analyzes the ¥20.9 billion Chinese filter industry, with forecasts for 2011 and 2016 by product and market. It also evaluates company market share and profiles major players

#2310 ..... 05/2008..... \$5100

**World Filters**

Global filter demand will climb 5.6% annually through 2011. Developing areas will lead gains based on faster-growing economies and the enactment of stricter environmental laws. China, India and Russia will post some of the strongest sales growth. Air and fluid filters will be the fastest growing types. This study analyzes the \$37 billion world filter industry, with forecasts for 2011 and 2016 by product, market, world region and for 26 countries. It also evaluates company market share and profiles major players.

#2295 ..... 03/2008..... \$5800

**World Major Household Appliances**

Global white goods demand will grow 3.1% yearly through 2011. India will lead gains based on low penetration rates and rising living standards. Replacement demand will spur growth in developed areas as users replace broken appliances and trade up for newer models like more efficient "green" types. This study analyzes the 413 million unit world white goods industry, with forecasts for 2011 and 2016 by product, world region and for 25 countries. It also evaluates market share and profiles major players.

#2279 ..... 01/2008..... \$5800

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