



World Oilfield Equipment

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

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Table of Contents

EXECUTIVE SUMMARY

MARKET ENVIRONMENT

General	4
World Economic Overview	5
Recent Historical Trends	6
Macroeconomic Outlook	8
World Demographic Outlook	11
World Manufacturing Outlook	13
World Oil & Gas Outlook	14
World Petroleum Outlook	16
Reserves & Exploration	17
Production	20
Pricing Patterns	21
World Natural Gas Outlook	24
Reserves & Exploration	25
Production	27
Pricing Patterns	29
Oilfield Services Overview	31
Oilfield Equipment Pricing Trends	33
Environmental & Regulatory Issues	34

SUPPLY & DEMAND

General	36
World Oilfield Equipment Markets	37
World Oilfield Equipment Production	41
Producing Countries	41
Products	44
Drilling Equipment	46
Field Production Machinery	48
Pumps & Valves	50
Other Machinery & Equipment	52
International Trade Flows	54

NORTH AMERICA

General	57
United States	62
Canada	68
Mexico	72

LATIN AMERICA

General	78
Argentina	81
Brazil	85
Venezuela	90
Other Latin America	95

AFRICA/MIDEAST

General	100
Algeria	104

Iran	108
Kuwait	112
Libya	115
Nigeria	119
Qatar	122
Saudi Arabia	126
United Arab Emirates	130
Other Africa/Mideast	133

ASIA/PACIFIC

General	137
Australia	141
China	145
India	152
Indonesia	157
Kazakhstan	162
Malaysia	166
Other Asia/Pacific	170

WESTERN EUROPE

General	174
Norway	177
United Kingdom	183
Other Western Europe	188

EASTERN EUROPE

General	191
Russia	194
Other Eastern Europe	199

INDUSTRY STRUCTURE

General	203
Industry Composition & Market Share	204
Product Development & Manufacturing	209
Marketing & Distribution	212
Financial Requirements	215
Mergers, Acquisitions & Industry Restructuring	217

COMPANY PROFILES

Aker Solutions	221
Atlas Copco	225
Baker Hughes	227
BJ Services	232
Cameron International	235
Dover Corporation	238
Ebara Corporation	241
Emerson Electric	243
Flowserve Corporation	245
Foster Wheeler	249
Franklin (CE) Limited	251
General Electric	252
Halliburton Company	255
Ingersoll-Rand Company	259
ITT Corporation	260
Kitz Corporation	263

KSB AG	265
National Oilwell Varco	269
Rowan Companies	277
Sandvik AB	279
Schlumberger Limited	280
Schoeller-Bleckmann Oilfield Equipment	283
Smith International	285
Sulzer Limited	291
Technip SA	293
Tenaris SA	295
Tyco International	298
Vallourec SA	301
Weatherford International	304
Other Companies Mentioned in Study	309

List of Tables/Charts

EXECUTIVE SUMMARY

1 Summary Table	3
-----------------------	---

MARKET ENVIRONMENT

1 World Gross Domestic Product by Region	11
2 World Population by Region	12
3 World Manufacturing Value Added by Region	14
4 World Oil & Gas Output	16
5 World Petroleum Reserves by Country... 19 Cht World Petroleum Reserves by Region, 2007	20
6 World Crude Oil Production by Region .. 21 Cht Average Annual Spot Prices for Crude Oil, 1997-2007	24
7 World Natural Gas Reserves by Country, 2007	26
Cht Proven Natural Gas Reserves by Region, 2007	27
8 World Natural Gas Production by Region 29 Cht Average Annual Spot Prices for Natural Gas, 1997-2007	31
9 World Oilfield Service Indicators	33

SUPPLY & DEMAND

Cht Oilfield Equipment Demand/Crude Oil Production Relationship, 2007	38
1 World Oilfield Equipment Demand by Region	40
Cht World Oilfield Equipment Market by Region, 2007	40
2 World Oilfield Equipment Production by Region	43
Cht World Oilfield Equipment Production by Region, 2007	43

(continued on next page)

List of Tables/Charts

(continued from previous page)

SUPPLY & DEMAND

3 World Oilfield Equipment	
Market by Product	45
Cht World Oilfield Equipment	
Market by Product, 2007.....	45
4 World Drilling Equipment	
Market by Region	48
5 World Field Production Machinery	
Demand by Region.....	50
6 World Pumps & Valves	
Demand by Region.....	52
7 World Other Machinery & Equipment	
Demand by Region.....	54
8 World Oilfield Equipment	
Net Exports by Region.....	56

NORTH AMERICA

1 North America -- Oilfield Equipment	
Supply & Demand	60
2 North America -- Oilfield Equipment	
Market by Product	61
3 United States -- Oilfield Equipment	
Supply & Demand	65
4 United States -- Oilfield Equipment	
Market by Product	67
5 Canada -- Oilfield Equipment	
Supply & Demand	70
6 Canada -- Oilfield Equipment	
Market by Product	72
7 Mexico -- Oilfield Equipment	
Supply & Demand	75
8 Mexico -- Oilfield Equipment	
Market by Product	77

LATIN AMERICA

1 Latin America -- Oilfield Equipment	
Supply & Demand	80
2 Latin America -- Oilfield Equipment	
Market by Product	81
3 Argentina -- Oilfield Equipment	
Supply & Demand	84
4 Argentina -- Oilfield Equipment	
Market by Product	85
5 Brazil -- Oilfield Equipment	
Supply & Demand	88
6 Brazil -- Oilfield Equipment	
Market by Product	90
7 Venezuela -- Oilfield Equipment	
Supply & Demand	93
8 Venezuela -- Oilfield Equipment	
Market by Product	95

9 Other Latin America -- Oilfield	
Equipment Supply & Demand.....	98
10 Other Latin America -- Oilfield	
Equipment Market by Product	99

AFRICA/MIDEAST

1 Africa/Mideast-- Oilfield Equipment	
Supply & Demand	102
2 Africa/Mideast -- Oilfield Equipment	
Market by Product	104
3 Algeria -- Oilfield Equipment	
Supply & Demand	106
4 Algeria -- Oilfield Equipment	
Market by Product	108
5 Iran -- Oilfield Equipment	
Supply & Demand	110
6 Iran -- Oilfield Equipment	
Market by Product	112
7 Kuwait -- Oilfield Equipment	
Supply & Demand	114
8 Kuwait -- Oilfield Equipment	
Market by Product	115
9 Libya -- Oilfield Equipment	
Supply & Demand	117
10 Libya -- Oilfield Equipment	
Market by Product	119
11 Nigeria -- Oilfield Equipment	
Supply & Demand	121
12 Nigeria -- Oilfield Equipment	
Market by Product	122
13 Qatar -- Oilfield Equipment	
Supply & Demand	124
14 Qatar -- Oilfield Equipment	
Market by Product	125
15 Saudi Arabia -- Oilfield Equipment	
Supply & Demand	128
16 Saudi Arabia -- Oilfield Equipment	
Market by Product	130
17 UAE -- Oilfield Equipment	
Supply & Demand	132
18 UAE -- Oilfield Equipment	
Product by Market	133
19 Other Africa/Mideast -- Oilfield	
Equipment Supply & Demand.....	135
20 Other Africa/Mideast -- Oilfield	
Equipment Market by Product	136

ASIA/PACIFIC

1 Asia/Pacific -- Oilfield Equipment	
Supply & Demand	140
2 Asia/Pacific -- Oilfield Equipment	
Market by Product	141
3 Australia -- Oilfield Equipment	
Supply & Demand	143
4 Australia -- Oilfield Equipment	
Product by Market	145
5 China -- Oilfield Equipment	
Supply & Demand	149
6 China -- Oilfield Equipment	
Market by Product	152

7 India -- Oilfield Equipment	
Supply & Demand	155
8 India -- Oilfield Equipment	
Market by Product	157
9 Indonesia -- Oilfield Equipment	
Supply & Demand	160
10 Indonesia -- Oilfield Equipment	
Market by Product	161
11 Kazakhstan -- Oilfield Equipment	
Supply & Demand	164
12 Kazakhstan -- Oilfield Equipment	
Market by Product	166
13 Malaysia -- Oilfield Equipment	
Supply & Demand	168
14 Malaysia -- Oilfield Equipment	
Market by Product	169
15 Other Asia/Pacific -- Oilfield	
Equipment Supply & Demand.....	172
16 Other Asia/Pacific -- Oilfield	
Equipment Market by Product	173

WESTERN EUROPE

1 Western Europe -- Oilfield Equipment	
Supply & Demand	176
2 Western Europe -- Oilfield Equipment	
Market by Product	177
3 Norway -- Oilfield Equipment	
Supply & Demand	180
4 Norway -- Oilfield Equipment	
Market by Product	182
5 United Kingdom -- Oilfield Equipment	
Supply & Demand	186
6 United Kingdom -- Oilfield Equipment	
Market by Product	187
7 Other Western Europe -- Oilfield	
Equipment Supply & Demand.....	189
8 Other Western Europe -- Oilfield	
Equipment Market by Product	190

EASTERN EUROPE

1 Eastern Europe -- Oilfield Equipment	
Supply & Demand	193
2 Eastern Europe -- Oilfield Equipment	
Market by Product	194
3 Russia -- Oilfield Equipment	
Supply & Demand	197
4 Russia -- Oilfield Equipment	
Market by Product	199
5 Other Eastern Europe -- Oilfield	
Equipment Supply & Demand.....	201
6 Other Eastern Europe -- Oilfield	
Equipment Market by Product	202

INDUSTRY STRUCTURE

Cht World Oilfield Equipment	
Market Share by Company, 2007.....	206
1 Selected Cooperative Agreements.....	214
2 Selected Acquisitions & Divestitures..	218

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Growth is expected to accelerate after 2009, as heavily populated China and India continue to recover from temporary slowdowns and post robust economic growth that will require more energy.

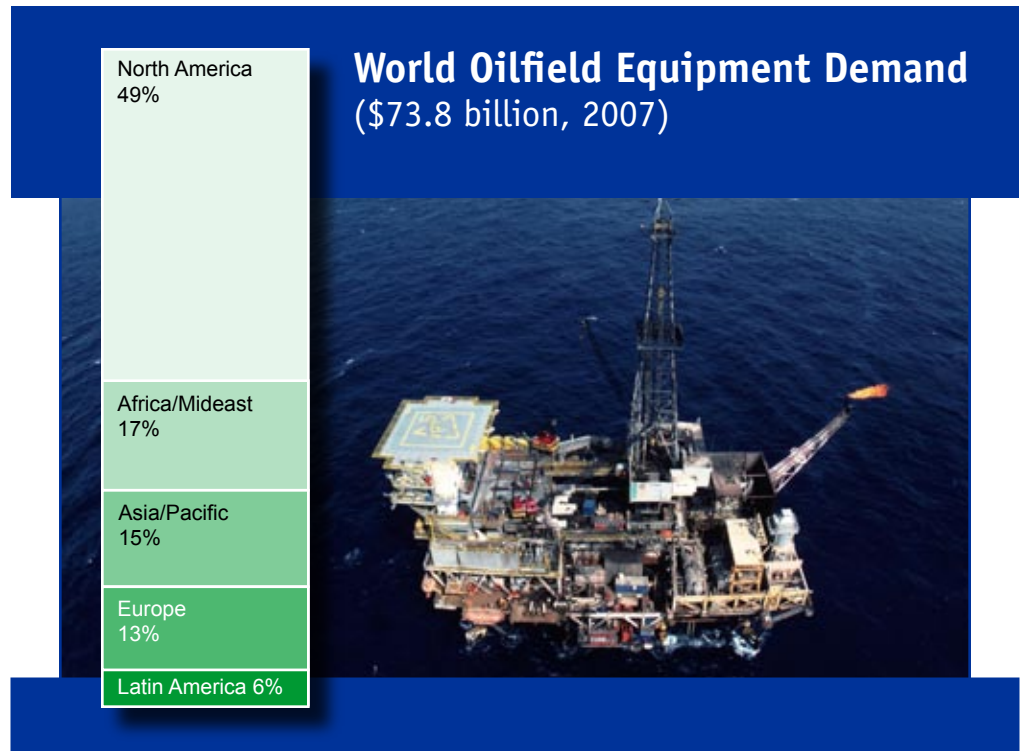
Global demand to rise 2.9% yearly through 2012

The world oilfield equipment market is projected to increase 2.9 percent per year through 2012 to \$85 billion. This will represent a drastic deceleration from the 2002-2007 pace, when persistently high global oil and gas prices and rapid economic development in China and India combined to create an environment conducive to worldwide oil and gas drilling and production activity. Nevertheless, growth is expected to accelerate as heavily populated China and India continue to recover from temporary slowdowns and post robust economic growth that will increase energy needs.

Brazil, China, Kazakhstan, Western Africa to be fastest growing markets

The most rapid growth in oilfield equipment demand through 2012 will occur in a few countries in the developing world where oil and/or gas production is expected to rise strongly, especially Brazil, China and Kazakhstan. Offshore regions of western Africa such as Nigeria and Angola also hold strong growth prospects, assuming the political and economic environments in those areas remain relatively stable. In China and Qatar, natural gas related drilling will grow especially fast.

In contrast, maturity and declining output of fields located in the US, Mexico, Venezuela, Norway, and the UK, will



work to suppress oilfield equipment markets in these countries, although there will be opportunities in repair/maintenance and enhanced oil recovery activities. In Mexico and Venezuela, growth could become stronger if foreign technologically advanced energy companies are allowed greater rights to drilling and exploration activities, a domain that is currently monopolized by inefficient state-controlled entities in both countries. In October 2008, the Mexican Senate approved important legislation that freed local oil producing monopoly Petróleos Mexicanos from certain government controls, portending favorably for foreign investment, although analysts agree that more needs to be done.

Fixed-cutter drill bits among best prospects

As drilling operations increase in complexity, the industry is becoming more reliant on high-technology services such as directional drilling control and logging-and measurement-while-drilling. Despite the overall market exhibiting weak gains through 2012, prospects for certain products are more favorable, particularly for fixed-cutter drill bits and advanced well logging equipment. The large tubular goods market will continue to benefit from increases in drilling efficiency, with gains in casing demand being bolstered by a trend toward greater footage drilled per rig.

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Sample Text, Table & Chart

SUPPLY & DEMAND

Drilling Equipment --

The world market for drilling equipment is projected to grow at a rate of 10 percent per year through 2012. This growth will be rising from a very strong 2007. The increase in oil and gas prices boosted drilling activity and is expected to continue through 2012. In Brazil, activity will increase most substantially through 2012. In the US, demand for new ultra-deepwater rigs will continue through 2012. Other areas that show significant potential for new ultra-deepwater rigs sales include India, the South China Sea region near China, and offshore Mexico (depending on government policy changes to a significant extent).

As the name indicates, drilling equipment is used to pierce through the earth in order to access crude oil (or natural gas) below the surface. Drilling may be performed on land (onshore) or undersea (offshore), with equipment used in the process referred to collectively as a drilling rig. The two principal methods of oilwell drilling are cable-tool and rotary.

Cable-tool (or percussion) drilling involves repeatedly dropping a heavy tool suspended on a cable into the earth's surface, in the process forming a hole through this punching or slamming action. The earliest type of drilling technology, cable-tool methods are most economical for shallow wells (typically less than 3,000 feet deep), as slow operation and high risk of blowouts (uncontrolled oil and gas eruptions causing tools to blow out of the hole) are disadvantages with deeper wells. Products associated with cable-tool drilling (which represents most of the "other drilling equipment" subsegment) include cable (or line), drill bits (the tools which drill the initial hole) and bailers (which remove rock, mud and other unwanted debris from the borehole), along with various others (pulleys, blocks, joints, etc.). As deeper wells have become more prevalent in both onshore and offshore settings, cable-tool drilling has largely

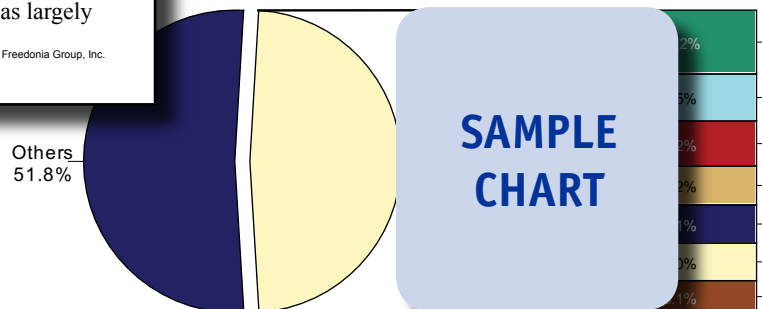
TABLE VI-15

SAUDI ARABIA OILFIELD EQUIPMENT SUPPLY & DEMAND (million dollars)

Item	1997	2002	2007	2012	2017
Population (million persons)	19	22	24	25	26
\$ GDP/capita	1,000	1,500	2,000	2,500	3,000
Gross Domestic Product (bil 2006\$)	100	150	200	250	300
barrels/mil \$ GDP	10	15	20	25	30
Crude Oil Output (million barrels)	5	10	15	20	25
\$ equipment/barrel	100	150	200	250	300
Natural Gas Output (tril cubic feet)	1	2	3	4	5
\$ equipment/million cubic feet	100	150	200	250	300
Oilfield Equipment Demand	100	150	200	250	300
net exports	0	0	0	0	0
Oilfield Equipment Shipments	100	150	200	250	300

CHART X-1

FIELD EQUIPMENT MARKET SHARE BY COMPANY (\$74 billion, 2007)

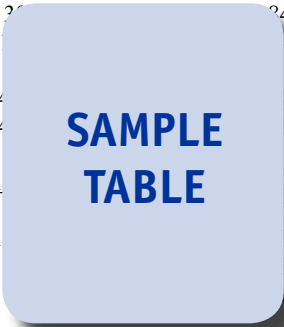


Sample Profile, Table & Forecast

TABLE VI-16

SAUDI ARABIA OILFIELD EQUIPMENT MARKET BY PRODUCT
(million dollars)

Item	1997	2002	2007	2012	2017
Gross Domestic Product (bil 2006\$)	20	20	20	24	24
% fixed investment					1
Gross Fixed Investment (bil 2006\$)	4	4	4	7	7
\$ equipment/000\$ investment	4	4	4	6	6
Oilfield Equipment Market	1	1	1	10	10
Drilling Equipment				7	7
Field Production Machinery	1	1	1	3	3
Pumps & Valves				3	3
Other Machinery & Equipment				3	3



COMPANY PROFILES

Weatherford International Limited
 515 Post Oak Boulevard, Suite 600
 Houston, TX 77027
 713-693-4000
<http://www.weatherford.com>

Revenues: \$
 Geographic R
 Latin America
 United States 15
 Employment:

Key Products
 installation pr
 completion sys

SAMPLE PROFILE

Weatherford International is a leading global supplier of products and services for the drilling, completion and production of oil and natural gas wells. The Company operates in 100 countries through 800 service, sales and manufacturing locations.

The Company participates in the world oilfield equipment industry through the production and marketing of a broad range of drilling and intervention products, including drilling systems and tools, cementing products, well installation products and services, and underbalanced drilling products. Weatherford also makes a range of completion systems and related products, and artificial lift systems.

Drilling & Intervention Products -- Among Weatherford's drilling systems are logging-while-drilling systems for measuring formation properties; REVOLUTION rotary-steerable systems designed to

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"Demand for oilfield equipment in Saudi Arabia is projected to advance 2.1 percent per year through 2012 to \$3.2 billion, with gains decelerating significantly in comparison to the performance of the 2002-2007 period. The number of drilling rigs in use in Saudi Arabia increased by 60 percent from 2005 to 2007, reflecting the favorable global crude oil pricing environment as well as concerns regarding faster depletion at existing wells in the country. The number of wells drilled in Saudi Arabia rose from 324 in 2002 to 610 in 2007."

--Section VI, pg. 128

OTHER STUDIES

World Material Handling Products

Global demand for material handling products will grow 5% annually through 2012, with the strongest gains in rapidly developing areas such as China and India. Growth in the nondurable goods sector will outpace the larger durable goods manufacturers market. Advanced/automated products will grow the fastest. This study analyzes the \$104.6 billion world material handling product industry, with forecasts for 2012 and 2017 by type, market, world region and 37 countries. It also evaluates market share and profiles industry players.

#2392 09/2008..... \$5700

World Agricultural Equipment

Global demand for agricultural equipment will rise 3.8% annually through 2012, paced by the accelerating mechanization of farming in large markets such as China and India. In industrialized areas, replacement demand will be aided by higher value "precision agriculture" equipment with GPS and wireless sensors. This study analyzes the \$93.2 billion world agricultural equipment industry, with forecasts for 2012 and 2017 by type, world region and 26 countries. It also evaluates market share and profiles industry competitors.

#2373 07/2008..... \$5600

Construction Machinery in China

Construction machinery demand in China will grow 12.7% annually through 2011, driven mainly by strong gains in construction activity and a shift to less labor-intensive techniques. Excavators and cranes will remain the most commonly used types while loaders, mixers and related equipment grow the fastest. This study analyzes the ¥100 billion market for construction machinery in China, with forecasts for 2011 and 2016 by product, market and region. It also evaluates market share and profiles major players.

#2333 04/2008..... \$5100

World Mining Equipment

Global demand for specialized mining machinery and equipment will grow 5.9% annually through 2011. Gains will be fueled by continued demand for commodities such as iron ore and copper, and an ongoing boost in coal output. China and India are the fastest growing markets. This study analyzes the \$25.2 billion world mining equipment industry, with forecasts for 2011 and 2016 by type, application, world region and for 33 countries. It also evaluates company market share and profiles major players.

#2308 03/2008..... \$5700

Drilling Products & Services

US drilling product and service demand will reach \$48.4 billion in 2012. Rising oil prices have made more projects profitable, and drilling them often involves higher costs (e.g., horizontal and directional drilling, deepwater fields). Services and fluids will be the fastest growing areas, while the Southern and Western regions lead gains. This study analyzes the US drilling product and service industry, with forecasts for 2012 and 2017 by type and region. It also evaluates market share and profiles major players.

#2288 03/2008..... \$4500

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The Freedonia Group, Inc., is a leading international industry market research company that provides its clients with information and analysis needed to make informed strategic decisions for their businesses. Studies help clients identify business opportunities, develop strategies, make investment decisions and evaluate opportunities and threats. Freedonia research is designed to deliver unbiased views and reliable outlooks to assist clients in making the right decisions. Freedonia capitalizes on the resources of its proprietary in-house research team of experienced economists, professional analysts, industry researchers and editorial groups. Freedonia covers a diverse group of industries throughout the United States, the emerging China market, and other world markets. Industries analyzed by Freedonia include:

- Chemicals • Plastics • Life Sciences • Packaging • Building Materials • Security & Electronics • Industrial Components & Equipment • Automotive & Transportation Equipment • Household Goods • Energy/Power Equipment

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