US specialty film demand to grow 4.7% annually through 2012

Demand for specialty films is forecast to advance 4.7 percent per annum to $7.6 billion in 2012. Gains will be driven by the increasing need for high-performance plastic films that offer such advantages as barrier properties, mechanical strength and chemical resistance in packaging and construction applications. Additionally, the penetration of specialty films into new, high-growth market areas such as photovoltaic modules and biodegradable bags will also bolster demand. The rapid adoption of modified atmosphere packaging and case-ready packaging will fuel further gains, as will improved processing methods in film coating and metallization.

However, demand growth will be inhibited by market maturity or weak demand for end-use products in a number of specialty film applications, such as PVC decorative films, microporous films for personal care products and interlayer films for automotive windows.

Barrier films to stay largest specialty film function

Barrier films will remain the largest segment of the specialty films industry, accounting for over half of total demand in 2012. Above-average growth will be driven by the rapid rise of case-ready technology in meat packaging, which requires barrier films to maintain an optimum atmosphere inside the package.

Biodegradable, water soluble films to grow fastest

The most rapid growth in specialty films will occur in biodegradable and water soluble films, which will see double-digit gains from a small base. Demand for biodegradable films, which are used to produce compostable kitchen and lawn bags, will benefit from environmental concerns and increased commercialization of bio-based polymers. Water soluble film demand will receive a boost from the introduction of medicinal and health products in dissolvable thin film form.

Packaging to remain dominant market

Packaging will remain the dominant outlet for specialty films through 2012, accounting for over half of demand. Gains will result from trends toward more specialized, functional packaging systems in meat, produce and pharmaceutical packaging applications. Electronics markets for specialty films will also see above-average advances, driven by opportunities in emerging markets such as photovoltaic modules and fuel cells.

Study coverage

This new Freedonia industry study, Specialty Films, is available for $4700. It presents historical demand data (1997, 2002 and 2007) plus forecasts for 2012 and 2017 by product, function and market. The study also considers market environment factors, evaluates company market share and profiles 38 US industry competitors.
Specialty Films

Introduction

EXECUTIVE SUMMARY
1 Summary Table

MARKET ENVIRONMENT
General
Macroeconomic Overview
Demographic Trends
Consumer Spending Trends
Manufacturing Trends
Plastic Film Industry Overview
Technological Developments
Raw Materials
Pricing Trends
Historical Market Trends
Regulatory & Environmental Considerations
Foreign Trade
International Activity

LIST OF TABLES & CHARTS:
1 Macroeconomic Indicators
2 Demographic Indicators
3 Personal Consumption Expenditures
4 Manufacturers’ Shipments
5 Plastic Film Demand
6 Specialty Film Raw Materials Demand
7 Specialty Films Market, 1997-2007
Cht Specialty Films Market, 1997-2007

PRODUCTS
General
Polyolefin Films
Polyvinyl Chloride Films
Polyester Films
Polyethylene Terephthalate Films
Polyethylene Naphthalate Films
Other Polyester Films
Polyvinyl Butyral Films
Nylon Films
Polyvinylidene Chloride Films
Ethylene Vinyl Alcohol Films
Other Specialty Films
Polyimide Films
Fluoropolymer Films
Bio-Based Polymer Films
All Other Specialty Films

LIST OF TABLES & CHARTS:
1 Specialty Films Demand by Type
Cht Specialty Films Demand by Type, 2007
2 Polyolefin Specialty Films Demand
3 Polyvinyl Chloride Specialty Films Demand
4 Polyester Specialty Films Demand
5 Polyvinyl Butyral Specialty Films Demand
6 Nylon Specialty Films Demand
7 Polyvinylidene Chloride Specialty Films Demand
8 Ethylene Vinyl Alcohol Specialty Films Demand
9 Other Specialty Films Demand

MARKETS
General
Packaging
Packaging Market Overview
Specialty Films Demand
Meat, Poultry & Seafood Packaging
Snacks
Pharmaceutical & Medical
Produce
Other Packaging
Construction
Construction Outlook
Specialty Films Demand
Kitchen & Bathroom Cabinets
Windows
Vapor Barriers
Other Construction
Personal Care Products
Disposable Hygiene Products
Other Construction
Electronics
Electronic Components Industry Overview
Specialty Films Demand
Displays
Other Electronics
Transportation Equipment
Transportation Equipment Industry Overview
Specialty Films Demand
Automotive
Aerospace & Other

Furniture
Furniture Industry Outlook
Specialty Films Demand
Other Markets
Store Fixtures
Health & Medical Products
Bags
Breath Strips
All Other Markets

LIST OF TABLES & CHARTS:
1 Specialty Films Demand by Market
Cht Specialty Films Demand by Market, 2007
2 Packaging Shipments
3 Packaging Markets for Specialty Films
4 Meat, Poultry & Seafood Packaging Markets for Specialty Films
5 Snack Packaging Markets for Specialty Films
6 Pharmaceutical & Medical Packaging Markets for Specialty Films
7 Produce Packaging Markets for Specialty Films
8 Other Packaging Markets for Specialty Films
9 Construction Expenditures
10 Construction Markets for Specialty Films
11 Kitchen & Bathroom Cabinets Market for Specialty Films
12 Window Markets for Specialty Films
13 Vapor Barrier Markets for Specialty Films
14 Other Construction Markets for Specialty Films
15 Disposable Hygiene Product Sales
16 Personal Care Products Market for Specialty Films
17 Electronics Industry Indicators
18 Electronics Markets for Specialty Films
19 Printed Circuit Board Markets for Specialty Films
20 Display Markets for Specialty Films
21 Other Electronics Markets for Specialty Films
22 Transportation Equipment Indicators
23 Transportation Equipment Markets for Specialty Films
24 Automotive Markets for Specialty Films
25 Aerospace & Other Markets for Specialty Films
26 Furniture Shipments
27 Furniture Markets for Specialty Films
28 Other Markets for Specialty Films

INDUSTRY STRUCTURE
General
Market Share
Cooperative Agreements
Marketing & Distribution
Research & Development
Competitive Strategies

LIST OF TABLES & CHARTS:
1 Specialty Films Sales by Company, 2007
Cht Specialty Films Market Share, 2007
2 Selected Cooperative Agreements

Company Profiles
Meat, Poultry & Seafood -- Demand for specialty films in meat packaging markets is forecast to increase by 5.1 percent annually to $1.5 billion in 2012. Growth will derive from increased use of barrier films for vacuum packaging and modified atmosphere packaging of fresh and processed meats, creating lighter, more attractive and more convenient packages which also extend product shelf life. Innovations such as shelf stable tuna pouches and case-ready packaging for fresh poultry and red meats will continue to propel demand for specialty films. Value demand will also be fueled by increased consumption of enhanced performance films with greater strength, puncture resistance and anti-fog properties as such films are favored by meat, poultry and seafood processors shipping items ready for display in stores.

Case-ready packaging has made tremendous gains in the packaging of meat products for retail sale. Meats utilize specialty barrier films and modified atmosphere packaging systems designed to extend their shelf life and meet the respiration needs of specific meat types. Benefits to retailers include reduced labor costs from shifting the cutting of meat to central processing facilities rather than in-house. Retailer concerns regarding food safety and sanitation will also support heightened demand for case-ready meat and poultry, with reduced waste due to spoilage a further driver of advances. At the processor level, case-ready meat will be increasingly favored for increased branding and marketing opportunities for items that have historically been unbranded.

Specialty barrier films in meat packaging are typically used in lidding functions rather than conventional overwrapping. Lidding films are used for sealing case-ready meat trays and as the top layer in forming film structures. Lidding films for case-ready meats provide oxygen barriers to keep meats fresh and feature anti-fog and controlled shrink properties to help maintain product appearance. Film lidded trays are less costly and faster to process on automated equipment than traditional overwrapped trays. In addition, advantages include better stacking for shipping and display, and better leakproof performance.

Oxygen & Other Gas Barrier Films
Demand for oxygen and other gas barrier films is projected to increase by 5.2 percent annually to $3.3 billion in 2012. This represents a slight deceleration from the previous period, reflecting increased market maturity for specialty films in food packaging. Nevertheless, gas barrier films in food packaging will continue to record solid gains, led by the increasing use of high-barrier packaging in meat products and snack foods. However, the most rapid gains will be found in gas barrier films for pharmaceutical and chemical packaging, representing strong growth in pharmaceutical shipments as well as increasing barrier requirements in

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<td>Other Barrier Films</td>
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Freedonia’s methods involve:

- Establishing consistent economic and market forecasts
- Using input/output ratios, flow charts and other economic methods to quantify data
- Employing in-house analysts who meet stringent quality standards
- Interviewing key industry participants, experts and end users
- Researching a proprietary database that includes trade publications, government reports and corporate literature
Other Titles from The Freedonia Group

World Pressure Sensitive Tapes
This study analyzes the global pressure sensitive tape (PSA) tape industry. It presents historical demand data (1997, 2002, 2007) and forecasts for 2012 and 2017 by product type (e.g., carton sealing, masking, electrical and electronic, double-sided, medical, backing material (e.g., polypropylene, PVC, paper), raw material, world region and major country. The study also considers market environment factors, details industry structure, evaluates company market share and profiles industry competitors. #2451... 02/2009 ... $5800

Plastic Film
US demand for plastic film will reach 16 billion pounds in 2012. Gains will reflect film's cost, performance and source reduction advantages over rigid packaging, as well as opportunities in products such as pouches and modified atmosphere packaging. LDPE will remain the top film, while the lower volume degradable plastic segment leads gains. This study analyzes the $25.4 billion US plastic film industry, with forecasts for 2012 and 2017 by type, application and market. It also evaluates market share and profiles industry players. #2371... 07/2008 ... $4700

Converted Flexible Packaging
US converted flexible packaging demand will grow 4.2% annually through 2011. Gains will be driven in part by advantages over most rigid packaging and by developments in breathable and self-venting films and resealable features. Pouches will be the fastest growing type while bags remain the largest segment. This study analyzes the $13.4 billion US converted flexible packaging industry, with forecasts for 2011 and 2016 by type, market and resin. It also evaluates market share and profiles major players. #2275... 11/2007 ... $4600

Stretch & Shrink Film
US stretch and shrink film demand will grow 4.7% annually through 2011, driven in part by retail trends favoring shrink-wrapped multi-packs and pallet wrap. Stretch and shrink film will grow at a similar pace, with shrink film remaining the larger segment. The dominant resin, LDPE, offers the best growth opportunities. This study analyzes the $3.7 billion US stretch and shrink film industry, with forecasts for 2011 and 2016 by type, market and resin. It also evaluates market share and profiles major players. #2254... 10/2007 ... $4400

Active & Intelligent Packaging
US demand for active and intelligent packaging will grow 13% yearly through 2011. Intelligent packaging will grow the fastest, driven by the emergence of lower cost time-temperature indicator (TTI) labels. Active packaging will be paced by gas scavengers, pharmaceuticals, beverages and food will offer the best market prospects. This study analyzes the US active and intelligent packaging industry, with forecasts for 2011 and 2016 by product and market. It also details market share and profiles major players. #2236... 08/2007 ... $4400

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