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Waxes

US Industry Study with Forecasts for **2013 & 2018**

Study #2456 | April 2009 | \$4600 | 237 pages

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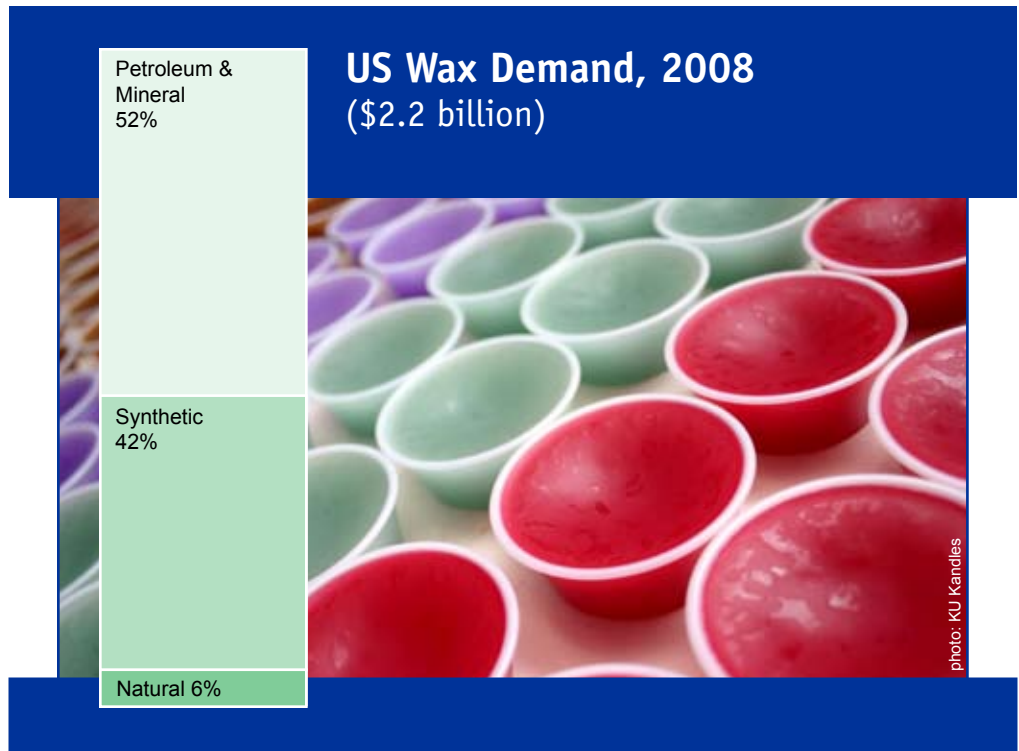
Some growth in average wax prices will be supported by a shift in product mix from lower cost petroleum waxes to more expensive synthetic and natural products through 2013.

US wax demand to reach \$2.5 billion in 2013

Demand for waxes in the US is forecast to grow 2.2 percent per year to \$2.5 billion in 2013, aided by an eventual recovery in the manufacturing and construction sectors of the economy. Market value growth will decelerate sharply due to an expected moderation in petroleum wax price increases after significant spikes in the 2003 to 2008 period. However, some growth in average prices will be supported by a shift in product mix from lower cost petroleum waxes to more expensive synthetic and natural products. Volume growth will be driven by increased sales to a variety of markets, notably building boards, coatings, adhesives, plastics and rubber.

Synthetic waxes to provide best growth opportunities

Significant changes are occurring in the dominant petroleum waxes market, due primarily to changes in the petroleum refining sector (which is reducing supply) and competition from other waxes and non-wax products such as plastics. Since 1998, petroleum waxes have suffered severe losses in nearly all applications but especially in key markets such as paper packaging and candles. This has occurred due to spiking prices for petroleum waxes, making alternative products more competitive. In addition, environmental reasons are driving the elimination of wax use altogether in some markets



(paper packaging) or the substitution of natural products in others (candles, firelogs, cosmetics).

Demand for synthetic waxes will surpass the \$1 billion mark by 2013 and provide the best growth opportunities in the wax industry. One of the major advantages of synthetic waxes is that they can be manufactured in a broad spectrum of grades with properties tailored to specific applications. For example, they can be designed to have low, medium or high melt viscosity, making them ideal viscosity modifiers for plastics, adhesives, elastomers and other wax blends. Synthetic waxes are also valued for their relatively high melt point, good heat resistance and fast set time. They are

often used in premium products, sometimes serving as substitutes for higher priced natural waxes, or they may be blended with petroleum waxes for value added applications.

Natural waxes will continue to account for less than ten percent of the wax market with sales reaching \$190 million by 2013. Good opportunities exist for growth, primarily in soy waxes but also in a variety of waxes used in blends with lower cost synthetic or petroleum products. Demand for natural waxes will also benefit from the current strong consumer interest in all natural products. This will particularly aid sales in the cosmetics and toiletries, candles and food processing markets.

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Sample Text, Table & Chart

NATURAL WAXES

Beeswax -- Demand for beeswax is forecast to increase as a result of price increases.

SAMPLE TEXT

expanding opportunities in cosmetics for all-natural ingredients. Further increasing use of beeswax in blends of beeswax tailored to specific applications will be hampered by intense competition from natural waxes in the candles market and declining beeswax production and higher prices compared to other products.

Beeswax continues to benefit from consumer interest in natural ingredients in cosmetics and toiletries, with positive growth opportunities in lotions, facial creams, lipsticks, lip glosses, sun protection compounds, moisturizers, liquid makeup, ointments, salves and depilatories. Development of beeswax dispersions, which eliminate the need to melt wax prior to use, expands applications in the fast growing pre-moistened towelettes and wipes sector. In addition, the popularity of candles for home decorating is expected to support continued growth, with candle manufacturers valuing the wax for its light weight, aroma, and long and clean burn properties. Other beeswax applications include shoe polishes; boot waterproofing; confections; pharmaceuticals; art preservation; engraving; lithography; polishes; precision castings; and textile, wood, leather and paper finishes.

On a less positive note, synthetic waxes have made inroads in many traditional beeswax markets, such as wax toilet rings, which increasingly utilize more cost-effective blends and synthetics. Demand for beeswax has also declined in the manufacture of picture frame foundations, where use of less expensive plastic honeycombs has substantially reduced wax demand in this niche market. As a natural product, beeswax is subject to pricing and supply fluctuations. Following a decade punctuated by

TABLE VII-2

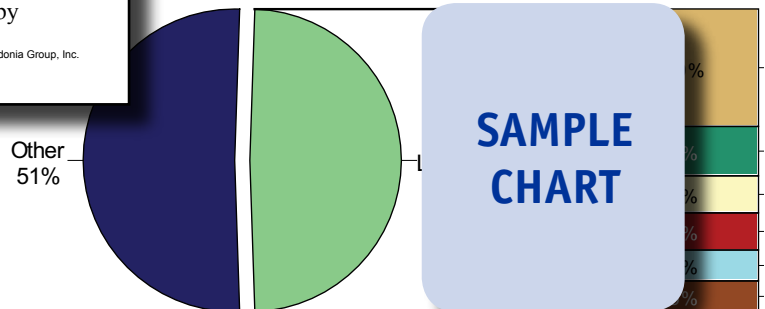
INDUSTRIAL WAX MARKET
(million dollars)

Item	1998	2003	2008	2013	2018
Nondurable Goods Shipments (bil \$)					75
\$ wax/mil \$ nondurables					0
Industrial Wax Demand					0
Plastics & Rubber					2
Paper & Paperboard					1
Adhesives					4
Building Boards					2
Coatings & Inks					6
Other					5
% industrial					5
Total Wax Demand					00

SAMPLE TABLE

CHART V-2

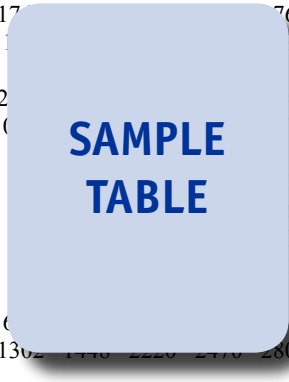
SYNTHETIC WAX MARKET SHARE, 2008
(\$925 million)



Sample Profile, Table & Forecast

TABLE IV-1
PETROLEUM & MINERAL WAX DEMAND BY TYPE
 (million dollars)

Item	1998	2003	2008	2013	2018
Nondurable Goods Shpts (bil 2000\$)	17	17	17	17	17
lb wax/000\$ nondurables					
Petroleum & Mineral Wax (mil lb)	2	2	2	2	2
\$/lb					
Petroleum & Mineral Wax Demand					
Paraffin					
Microcrystalline					
Other					
% petroleum & mineral					
Total Wax Demand	1302	1410	2220	2170	2800



COMPANY PROFILES

International Flora Technologies Limited
 291 East El Prado Court
 Chandler, AZ 85225
 480-545-7000
 http://www.floratech.com

Annual Sales (2008) \$10.1 million (2009)
 Employment 100

Key Products: paraffin waxes, microcrystalline waxes, Fischer-Tropsch synthesized wax particles

International: International as Floratech, manufactures personal care and cosmetic products. Floratech operates a large botanical derivative research and manufacturing center in Chandler, Arizona. The Company markets its products in the US and internationally, both directly and under the FLORATECH tradename through various distributors. In addition to operations in the US, Floratech maintains marketing and distribution offices in Italy and Taiwan.

The Company participates in the US wax industry through the manufacture of various natural waxes, which are sold under several brand names. Natural waxes from Floratech include FLORASOLVS jojoba wax esters, which are formulated to act as emollients in cosmetic and hair care applications. Additional wax products from the Company include FLORABEADS carnauba waxes, jojoba esters and ricebran waxes, which are designed for use as exfoliating ingredients for cosmetic and skin care products; FLORAPEARLS colored jojoba ester spheres; METABEADS microcrystalline wax microspheres; METAPEARLS polyethylene wax free-flowing spheres; and Fischer-Tropsch

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“Demand for paraffin waxes is expected to remain flat at \$830 million in 2013, a sharp deceleration from the rate seen in the 2003-2008 period due to a moderation in prices. In addition, advances overall will be weak due to growth in low-cost imports (which holds down market value) and competition from synthetic and natural waxes and non-wax alternatives. However, in volume terms the market will stabilize after the sharp losses suffered in the 1998-2008 period. Improvement in the US economy, particularly in the construction industry, will provide some upward momentum for wax-using products such as particleboard, coatings and adhesives. In addition ...”
 --Section IV, pg. 40

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OTHER STUDIES

Wood Protection Coatings & Preservatives

US demand for wood protection products is forecast to increase 2.2% per year through 2013. Higher value formulations will continue to gain market share, primarily due to environmental and performance issues. Interior wood applications will achieve the best gains, promoted by a rebound in both housing starts and remodeling. This study analyzes the \$2.7 billion US wood protection industry, with forecasts for 2013 and 2018 by product, application and market. It also evaluates market share and profiles industry players.

#2509 07/2009..... \$4800

Powder Coatings

US demand for powder coatings is forecast to grow 3.5% annually through 2013. The key motor vehicle market will be the fastest growing segment, followed by construction materials and lawn and garden equipment. Both thermoset and thermoplastic powder coatings will grow at the same pace. This study analyzes the 375 million pound US powder coating industry, with forecasts for 2013 and 2018 by raw material, product and market. It also evaluates company market share and profiles industry competitors.

#2518 06/2009..... \$4700

Sealants & Caulks

US sealants and caulks demand will rise at an improved rate of 2.9% yearly through 2012. Gains will be driven by recoveries in the residential building and nonbuilding construction markets, and improved prospects for motor vehicles and aircraft. High performance materials such as silicones and polyurethanes will lead gains. This study analyzes the \$3.2 billion US sealants and caulks industry, with forecasts for 2012 and 2017 by material, type and market. It also evaluates market share and profiles major players.

#2393 09/2008..... \$4600

Paint & Coatings

US demand for paint and coatings will rise 3.1% annually through 2012, aided by an improving outlook for construction and manufacturing activity and favorable export opportunities. A rebounding residential market will pace the dominant architectural paint segment, with interior paint outpacing exterior. This study analyzes the \$19.7 billion US paint and coating industry, with forecasts for 2012 and 2017 by market, application, end use and formulation. It also evaluates company market share and profiles industry players.

#2386 08/2008..... \$4600

Automotive Coatings, Adhesives & Sealants

US demand for automotive coatings, adhesives and sealants will reach \$5.3 billion in 2012. Slow gains in the dominant coatings segment will offset faster growth in adhesives and sealants. Design trends will favor adhesives over mechanical fasteners and liquid over mechanical gaskets. This study analyzes the \$4.6 billion US automotive coating, adhesive and sealant industry, with forecasts for 2012 and 2017 by product, application and market. It also evaluates market share and profiles industry competitors.

#2317 05/2008..... \$4500

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