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Asphalt

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

Study #2544 | October 2009 | \$4800 | 333 pages

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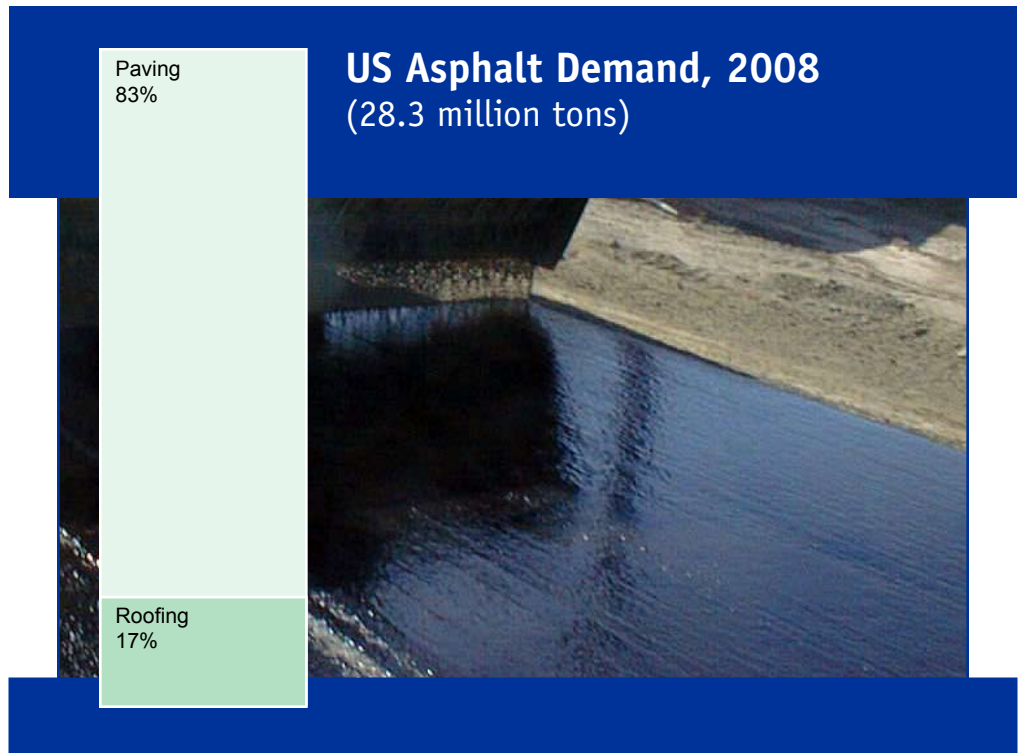
Gains in US asphalt demand will derive primarily from the recovery of new residential construction from its weak 2008 levels, benefiting both roofing and paving asphalt products.

US consumption to reach 30.8 million tons in 2013

US consumption of asphalt products is projected to increase 1.7 percent annually to 30.8 million tons in 2013. This equals 169 million barrels of primary asphalt, the vast majority of which is refined petroleum asphalt. The expected growth is a rebound from the 2003-2008 period, when consumption declined sharply. Demand gains will derive primarily from the recovery of new residential construction from its weak 2008 levels, benefiting both roofing and paving products. Gains will be moderated by slower than average growth in both residential and nonresidential improvement and repair applications and an outright decline in demand in new nonresidential building applications.

Road construction spending, lower asphalt prices to boost paving volume

Paving products accounted for more than 80 percent of overall asphalt consumption in 2008. Demand for asphalt paving products will benefit from increased federal and state spending on highway and road construction. Gains will advance from a weak 2008 base, when extremely high asphalt prices led to a rollback in paving activity. As paving asphalt prices moderate, the volume of paving asphalt consumed will expand. Overall, demand for asphalt in paving uses is forecast to increase 1.7 percent annually to 25.5 million tons in 2013.



Emulsified asphalts among best paving opportunities

Among the different types of asphalt paving products, emulsified asphalt will benefit from the use of in-place recycling, microsurfacing and chip-seal technologies. Continuing adoption of performance-based specifications for road projects will generate demand for polymer-modified asphalts. Asphalt cement will continue to be the dominant asphalt paving product.

Housing recovery to benefit steep slope roofing uses

Demand for asphalt in roofing and other applications is forecast to rise 1.6

percent annually to 5.3 million tons in 2013. This is a considerable improvement from the very weak levels of 2008, reflecting a recovery in construction of single-family housing, which will benefit asphalt roofing used in steep slope applications, primarily asphalt shingles. Demand will also benefit from the growing demand for modified asphaltic membranes in low-slope roofing applications, although much of this is a replacement of other asphalt products, such as standard asphalt felts and roofing asphalts. Growth opportunities will also continue to present themselves in maintenance and repair applications in both residential and nonresidential markets.

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Sample Text, Table & Chart

MARKETS

New -- Consumption of asphalt in new residential construction applications is projected to increase 5.7 percent annually to 1.5 million tons in 2013. Growth will derive primarily from a dramatic increase in new housing construction through 2013, which will spark demand for both roofing and paving asphalt products. The total consumption (in volume terms) consists of paving products, which are high weight, low value materials. Asphalt roofing products, on the other hand, are much higher value materials. Roofing products will be the primary impetus for growth through 2013, reflecting the continued use of asphalt shingles in residential roofing markets. Asphalt paving products, by contrast, compete with concrete, gravel and pavers in construction applications, and so will not benefit as dramatically from the strong growth in new home construction.

In addition, changing trends in home design could also increase demand for asphalt. For example, features such as three-car garages (which would result in increased driveway area), more complicated roof layouts (e.g., hip-and-ridge designs, dormers) and larger average house sizes (which increases total roof area) have been increasingly seen in recent years. Although the continuing switch to laminated asphalt shingles will boost the amount of asphalt used per shingle, as well as overall value, the longer term impact will be less positive, as these shingles require less frequent replacement.

Consumption of asphalt in new residential construction applications is projected to increase 5.7 percent annually from a very weak 2008 base to 1.5 million tons in 2013. The market is dominated by asphalt shingles, which accounted for 51.6 percent of total consumption in 2008. Other products used in residential roofing applications include standard asphaltic roofing felts (used as a roof underlayment in steep-slope applications and in built-up roofing for low-slope applications, such as apartment building roofs), modified asphalt membrane

**SAMPLE
TEXT**

154

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TABLE VII-6

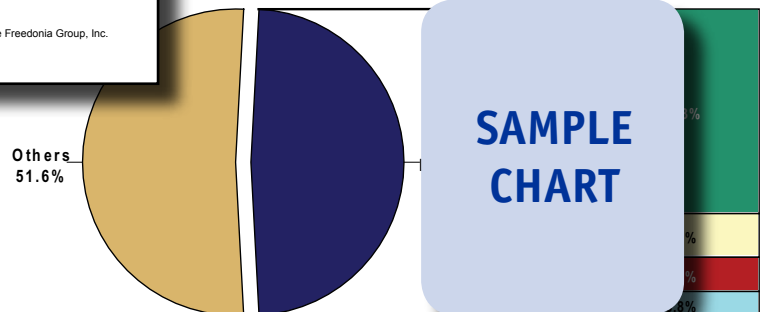
ASPHALT DEMAND BY REGION & TYPE
(thousand tons asphalt content)

Item	1998	2003	2008	2013	2018
Construction Expenditures (bil 2000\$)					
tons asphalt/mil \$ construction					
Asphalt Demand					
By Region:					
Northeast					
Midwest					
South					
West					
By Type:					
Paving					
Roofing & Other					
tons paving/highway mile					
Highway Mileage (000 miles)					

**SAMPLE
TABLE**

CHART VIII-2

ASPHALT PAVING PRODUCTS MARKET SHARE, 2008
(\$6.5 billion)

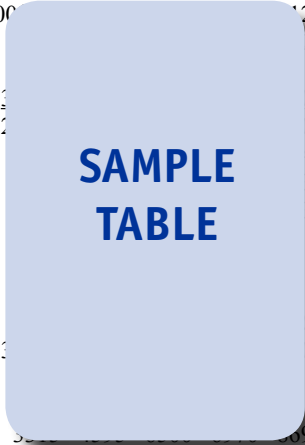


**SAMPLE
CHART**

Sample Profile, Table & Forecast

TABLE V-2
PAVING PRODUCTS -- ASPHALT DEMAND BY TYPE
 (thousand tons)

Item	1998	2003	2008	2013	2018
Capital & Maint Hwy Expend (bil 2000 tons asphalt/mil \$ highways				126	20
Asphalt Demand in Paving Products				100	100
Asphalt Cement				40	30
Asphalt Emulsions				30	30
Cutback Asphalt				30	30
Other Asphalt Paving Products				0	0
Primary Paving Asphalt (mil bbls)				7	7
% paving				9	9
Asphalt Demand				100	100
Addendum:					
Primary Paving Asphalt Shpts (mil \$)				890	890



COMPANY PROFILES

Road Science LLC
 6502 South Yale Avenue
 Tulsa, OK 74136
 918-960-3800
 http://www.roadscience.com

Annual Sales:
 Employment:
 Key Products:

SAMPLE PROFILE

Road Science LLC is a leading asphalt production and paving technology company formed in May 2009, when Rhone Midstream Holdings LLC (Chicago, Illinois), a capital management firm, acquired the branded asphalt production technologies of the SemMaterials LP subsidiary (Tulsa, Oklahoma) of SemGroup LP (Tulsa, Oklahoma). Road Science operates asphalt pavement technology laboratories at its headquarters complex in Tulsa, Oklahoma.

The Company's portfolio of asphalt production and paving technologies includes the following technologies: STYLINK polymer-modified asphalts, RECYCLE PLUS reclaimed pavement cold-mix asphalts, ENCORE hot in-place recycled asphalt, FORTRESS base stabilization asphalts, REFLEX cold in-place asphalt emulsions, ROADARMOR road maintenance treatment, STRATA crack sealing, NOVACHIP paving and RALUMAC microsurfacing. Road Science's STYLINK hot-mix polymer-modified asphalt technology is specified for use in paving high-traffic roads and highways requiring long lifespans, low noise levels and minimal maintenance. The technology can also be used in parking lots, bridges, runways, loading docks and other

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"The total weight of asphalt paving emulsion shipments is expected to reach 3.1 million tons in 2013, valued at \$720 million. Gains will result from increasing road construction and repair activity, coupled with greater use of asphalt emulsion technologies, largely at the expense of standard asphalt cement and cutback asphalts. Nevertheless ..."
 --Section V, pg. 113

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OTHER STUDIES

World Cement

This study analyzes the world cement industry. It presents historical demand data for 1998, 2003 and 2008, and forecasts for 2013 and 2018 by type (e.g., portland, blended), market (e.g., ready-mix concrete, construction contractors, consumer, concrete products), world region (e.g., Asia/Pacific, Western Europe, North America) and for major country. The study also considers market environment factors, details industry structure, evaluates company market share and profiles industry participants.

#2591 01/2010..... \$6100

World Construction Aggregates

The world market for construction aggregates is analyzed in this study. It presents historical demand data (1998, 2003, 2008) and forecasts for 2013 and 2018 by product (crushed stone, gravel, sand), market (non-building construction, residential and non-residential buildings), world region (e.g., North America, Asia/Pacific, Western Europe) and major country. The study also considers market environment factors, details industry structure, evaluates company market share and profiles industry players.

#2564 12/2009..... \$5600

Asphalt in China

Demand for asphalt in China is expected to rise 5% annually through 2012. Asphalt consumed in the manufacture of paving products will outpace roofing uses, driven by extensive infrastructure projects in paved surface construction. The ongoing Flat to Slope roof conversion project will benefit asphalt shingles. This study analyzes the 13.2 million metric ton asphalt industry in China, with forecasts for 2012 and 2017 by product, market and region. It also evaluates market share and profiles industry participants.

#2465 04/2009..... \$5200

World Cement & Concrete Additives

Global demand for cement and concrete additives will rise 6% yearly through 2012. Gains will be driven by more penetration of chemical and fiber additives in concrete construction, in both emerging markets in Asia and Eastern Europe as well as the more mature cement industry in North America. This study analyzes the \$12.1 billion world cement and concrete additive industry, with forecasts for 2012 and 2017 by type, market, world region and for 26 countries. It also evaluates market share and profiles industry players.

#2425 12/2008..... \$5700

World Roofing

Global roofing demand is forecast to expand 2.9 percent annually to 10.3 billion square meters in 2012, with a value of \$65 billion. The emerging economies of Asia will register the fastest growth in demand for roofing materials through 2012, and China will surpass the US as the world's largest roofing market by area. This study examines the world roofing industry, with forecasts for 2012 and 2017 by product and market in 31 countries. It also evaluates market shares and profiles industry participants worldwide.

#2368 06/2008..... \$5800

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