

[CLICK TO VIEW](#)

[Table of Contents 2](#)

[List of Tables & Charts 3](#)

[Study Overview 4](#)

[Sample Text, Table
& Chart 5](#)

[Sample Profile, Table &
Forecast 6](#)

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World Oilfield Chemicals

Industry Study with Forecasts for **2014 & 2019**

Study #2702 | December 2010 | \$5900 | 412 pages



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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	12
World Manufacturing Outlook	14
World Oil & Gas Outlook	15
World Petroleum Outlook	17
Reserves & Exploration	18
Production	21
Pricing Patterns	24
World Natural Gas Outlook	27
Reserves & Exploration	28
Production	30
Pricing Patterns	34
Oilfield Services Overview	36
Environmental & Regulatory Issues	38

OILFIELD TECHNOLOGY

General	42
Well Drilling	43
Directional Drilling	44
Horizontal Drilling	45
Expandable Technologies	47
Coiled Tubing Drilling	48
Dual-Gradient Drilling	49
Other Drilling Technologies	50
Drilling Fluids	51
Well Completion & Workover	52
Well Stimulation	55
Hydraulic Fracturing	56
Nitrogen Fracturing	58
Acidizing	59
Types	60
Uses	60
Retardation of Acid Reactions	62
Fracture Acidizing	64
Other Well Stimulation Techniques & Technology	65
Enhanced Oil Recovery	67
Thermal Recovery	67
Gas Recovery	68
Chemical Recovery	69
Other Enhanced Oil Recovery Methods	69
Other Oilfield Technologies	71
Oil Sands Recovery	72
Coal Bed Methane	73
Shale Gas	74

OVERVIEW

Regional Overview	76
Product Overview	80
Drilling Fluids	83
Formulation Characteristics	88
Offshore & Deepwater Drilling	90

Stimulation & Enhanced Oil Recovery (EOR) Chemicals	92
Stimulation Chemicals	94
EOR Chemicals	96
Production Chemicals	97
Demulsifiers	102
Corrosion & Scale Inhibitors	103
Biocides	104
Other	105
Completion & Workover Fluids	106
Oilfield Cement & Cement Additives	109
Chemical Consumption Trends	113

NORTH AMERICA

General	118
United States	125
Canada	132
Mexico	138

CENTRAL & SOUTH AMERICA

General	145
Argentina	152
Brazil	157
Venezuela	162
Other Central & South America	167

EUROPE

General	173
Norway	181
Russia	188
United Kingdom	196
Other Europe	201

AFRICA/MIDEAST

General	208
Africa	215
Algeria	221
Angola	223
Egypt	225
Libya	226
Nigeria	228
Other Africa	230
Middle East	232
Iran	239
Iraq	241
Kuwait	243
Qatar	246
Saudi Arabia	247
Syria	249
United Arab Emirates	250
Other Middle East	251

ASIA/PACIFIC

General	254
China	262
India	270

Indonesia	275
Kazakhstan	280
Malaysia	285
Other Asia/Pacific	290

INDUSTRY STRUCTURE

General	296
Market Share	298
Drilling Fluids	301
Production Chemicals	303
Completion & Workover Fluids	305
Other Oilfield Chemicals	306
Industry Restructuring	307
Competitive Strategies	310
Cooperative Agreements	313
Marketing & Distribution	315

COMPANY PROFILES

Akzo Nobel	319
Albemarle Corporation	321
AMCOL International	323
Ashland Incorporated	325
Baker Hughes	329
BASF SE	336
Buzzi Unicem	338
Champion Technologies	340
Chemtura Corporation	343
Chevron Phillips Chemical	344
China National Petroleum	346
Clariant International	347
Cognis GmbH	350
Dow Chemical	351
DuPont (EI) de Nemours	354
Emery Oleochemicals	356
Enerchem International Incorporated	357
Gumpro Drilling Fluids	358
Halliburton Company	359
Henan Puyang Kaili Chemical	363
Holcim Limited	364
Imdex Limited	367
Israel Chemicals	369
Kemira Oyj	371
Lafarge SA	373
Nalco Holding	375
Navdeep Chemicals	378
Newpark Resources	379
Nigerian-German Chemicals	382
PT Tesso Tetra Chemika	383
Rhodia SA	385
Roemex Limited	387
Schlumberger Limited	388
Scmi Group Bhd	394
Sichem	396
TETRA Technologies	397
Texas Industries	399
Thermax Group	401
Additional Companies Mentioned in the Study ...	403

List of Tables/Charts

EXECUTIVE SUMMARY

1 Summary Table 3

MARKET ENVIRONMENT

1 World Gross Domestic Product by Region..... 12
 2 World Population by Region..... 14
 3 World Manufacturing Value Added by Region 15
 4 World Oil & Gas Output 17
 5 World Petroleum Reserves by Country, 2009..20
 Cht World Petroleum Reserves by Region, 2009 ..21
 6 World Petroleum Production by Region23
 Cht World Petroleum Production
 by Region, 2009.....24
 Cht Average Annual Spot Prices for
 Crude Oil, 1999-200927
 7 World Natural Gas Reserves
 by Country, 2009.....29
 Cht World Natural Gas Reserves
 by Region, 2009.....30
 8 World Natural Gas Production by Region33
 Cht World Natural Gas Production
 by Region, 2009.....34
 Cht Average Annual Spot Prices for
 Natural Gas, 1999-2009.....36
 9 World Oilfield Services Indicators.....38

OVERVIEW

1 World Oilfield Chemical Demand by Region...79
 Cht World Oilfield Chemical Demand
 by Region, 2009.....80
 2 World Oilfield Chemical Demand by Type82
 Cht World Oilfield Chemical Demand
 by Type, 2009.....83
 3 Drilling Fluid Demand by Region.....87
 Cht World Drilling Fluid Demand
 by Region, 2009.....88
 4 World Well Stimulation & Enhanced Oil
 Recovery (EOR) Chemical
 Demand by Type & Region93
 Cht World Well Stimulation & Enhanced Oil
 Recovery (EOR) Chemical
 Demand by Region, 2009.....94
 5 World Production Chemical Demand
 by Type & Region 100
 Cht World Production Chemical
 Demand by Type, 2009 101
 Cht World Production Chemical
 Demand by Region, 2009..... 102
 6 World Completion & Workover Fluid
 Demand by Region..... 108
 Cht World Completion & Workover Fluid
 Demand by Region, 2009..... 109
 7 World Oilfield Cement & Cement Additive
 Demand by Type & Region 112
 Cht World Oilfield Cement & Cement Additive
 Demand by Region, 2009..... 113
 Cht Oilfield Chemical Demand Relationship
 to Oil & Gas Production, 2009 117

NORTH AMERICA

1 North America: Key Indicators for
 Oilfield Chemical Demand 120
 Cht North America: Oil & Gas Production
 by Country, 2009..... 122
 2 North America: Oilfield Chemical Demand... 124
 Cht North America: Oilfield Chemical
 Demand by Country, 2009 125
 3 United States: Key Indicators for
 Oilfield Chemical Demand 130
 4 United States: Oilfield Chemical Demand... 132
 5 Canada: Key Indicators for Oilfield
 Chemical Demand 136
 6 Canada: Oilfield Chemical Demand 138
 7 Mexico: Key Indicators for Oilfield
 Chemical Demand 142
 8 Mexico: Oilfield Chemical Demand..... 144

CENTRAL & SOUTH AMERICA

1 Central & South America: Key Indicators
 for Oilfield Chemical Demand..... 147
 Cht Central & South America: Oil & Gas
 Production by Country, 2009 149
 2 Central & South America: Oilfield
 Chemical Demand 151
 Cht Central & South America: Oilfield Chemical
 Demand by Country, 2009 152
 3 Argentina: Key Indicators for Oilfield
 Chemical Demand 155
 4 Argentina: Oilfield Chemical Demand 157
 5 Brazil: Key Indicators for Oilfield
 Chemical Demand 160
 6 Brazil: Oilfield Chemical Demand 162
 7 Venezuela: Key Indicators for Oilfield
 Chemical Demand 165
 8 Venezuela: Oilfield Chemical Demand..... 167
 9 Other Central/South America: Key Indicators
 for Oilfield Chemical Demand..... 170
 10 Other Central & South America: Oilfield
 Chemical Demand by Country & Product . 172

EUROPE

1 Europe: Key Indicators for Oilfield
 Chemical Demand 174
 Cht Europe: Oil & Gas Production, 2009 178
 2 Europe: Oilfield Chemical Demand..... 180
 Cht Europe: Oilfield Chemical Demand
 by Country, 2009..... 181
 3 Norway: Key Indicators for Oilfield
 Chemical Demand 185
 4 Norway: Oilfield Chemical Demand 188
 5 Russia: Key Indicators for Oilfield
 Chemical Demand 192
 6 Russia: Oilfield Chemical Demand 195
 7 United Kingdom: Key Indicators for
 Oilfield Chemical Demand 198
 8 United Kingdom: Oilfield Chemical Demand 201
 9 Other Europe: Key Indicators for
 Oilfield Chemical Demand 204
 10 Other Europe: Oilfield Chemical
 Demand by Country & Product 207

AFRICA/MIDEAST

1 Africa/Mideast: Key Indicators for
 Oilfield Chemical Demand 210
 Cht Africa/Mideast: Oil & Gas Production
 by Country, 2009..... 212
 2 Africa/Mideast: Oilfield Chemical
 Demand by Region & Product 214
 3 Africa: Key Indicators for Oilfield
 Chemical Demand 217
 4 Africa: Oilfield Chemical Demand
 by Country & Product 220
 Cht Africa: Oilfield Chemical Demand
 by Country, 2009 221
 5 Middle East: Key Indicators for
 Oilfield Chemical Demand 234
 6 Middle East: Oilfield Chemical Demand
 by Country & Product 238
 Cht Middle East: Oilfield Chemical
 Demand by Country, 2009 239

ASIA/PACIFIC

1 Asia/Pacific: Key Indicators for
 Oilfield Chemical Demand 256
 Cht Asia/Pacific: Oil & Gas Production
 by Country, 2009 258
 2 Asia/Pacific: Oilfield Chemical Demand 261
 Cht Asia/Pacific: Oilfield Chemical
 Demand by Country, 2009 262
 3 China: Key Indicators for Oilfield
 Chemical Demand 267
 4 China: Oilfield Chemical Demand 270
 5 India: Key Indicators for Oilfield
 Chemical Demand 273
 6 India: Oilfield Chemical Demand 275
 7 Indonesia: Key Indicators for Oilfield
 Chemical Demand 278
 8 Indonesia: Oilfield Chemical Demand 280
 9 Kazakhstan: Key Indicators for Oilfield
 Chemical Demand 283
 10 Kazakhstan: Oilfield Chemical Demand 285
 11 Malaysia: Key Indicators for Oilfield
 Chemical Demand 288
 12 Malaysia: Oilfield Chemical Demand..... 290
 13 Other Asia/Pacific: Key Indicators for
 Oilfield Chemical Demand 293
 14 Other Asia/Pacific: Oilfield
 Chemical Demand 295

INDUSTRY STRUCTURE

1 World Oilfield Chemical Sales
 by Company, 2009 297
 Cht World Oilfield Chemical Market Share, 2009 301
 Cht World Drilling Fluid Market Share, 2009 303
 Cht World Production Chemical
 Market Share, 2009..... 304
 Cht World Completion & Workover
 Market Share, 2009..... 306
 2 Selected Acquisitions & Divestitures 309
 3 Selected Cooperative Agreements 314

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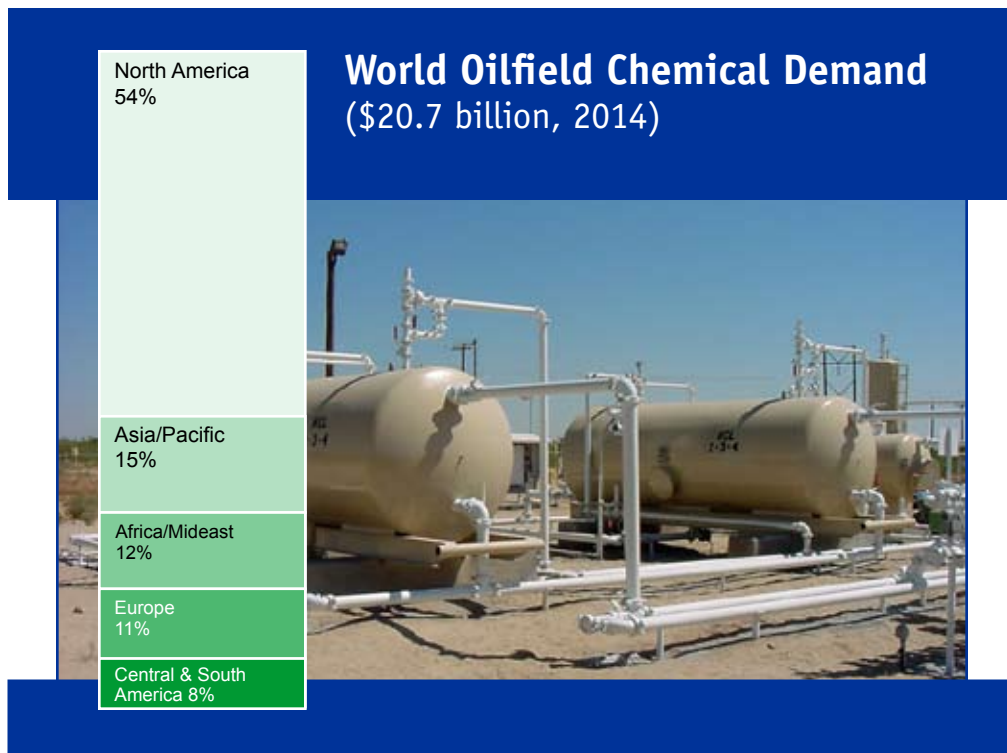
An expected increase in global oil and gas prices will create impetus for additional drilling and well completion activity, which drive demand for oilfield chemicals.

Global demand to grow 8.6% yearly through 2014

World demand for oilfield chemicals is projected to increase 8.6 percent annually to nearly \$21 billion in 2014. Gains will be the result of recovery in the oil and gas industry from a subpar 2009, a year of declines in oil and gas production, rig counts and drilling activity in many of the major markets, including the United States and Canada. Going forward, an expected increase in global oil and gas prices will create impetus for additional drilling and well completion activity, which drive demand for oilfield chemicals.

North America to remain dominant market

In the North American market, which will remain the largest regional market for oilfield chemicals, growth will also be above the world average. The large US market -- one of the most intensive users of oilfield chemicals -- will register healthy advances, prompted by increased drilling activity in shale gas formations and other unconventional production settings following a downturn in 2009. The Canadian market is expected to recover from particularly steep declines in 2009. In Mexico, production declines will hamper growth to some extent. However, more aggressive attempts to sustain production levels will boost demand for chemicals used in stimulation processes and other efforts.



Across the board, growth for oilfield chemical demand will be strong. The fastest advances are expected for Central and South America. Oil and gas production gains in the region will be well above the global average. Brazil will continue its ascendancy to a spot among the world's oil powerhouses, Argentina will rebound from a disappointing 2009, and several other countries are expected to increase hydrocarbon production.

Gains in the Asia/Pacific region will come mainly from China, due to ongoing efforts to meet growing domestic energy needs with domestic oil and gas production from aging oilfields. Kazakhstan and other Central Asian republics are also expected to offer strong opportunities for

growth. Growth in the European market will be constrained by declining North Sea production, although that will be offset to some extent by strong growth in the modernizing Russian market. Shale gas may offer favorable opportunities in the longer term for continental Europe. The Africa/Mideast region is far less volatile than other areas in terms of rig counts and drilling activity. As a result, gains there will be lower than in the areas which suffered most during the 2009 downturn. The best growth opportunities in the region lie with West African offshore activity and ongoing efforts to boost natural gas production, especially in countries that have long been significant crude oil producers.

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Sample Text, Table & Chart

ASIA/PACIFIC

India: Oilfield Chemical Demand

Demand for oilfield chemicals in India is projected to increase by 10 percent annually to \$235 million by 2019, above the 2009 average. Growth will be supported by the government's emphasis on offshore exploration and development, particularly in the Gulf of Mexico, to maintain production from existing fields. To meet the country's growing energy needs, the government has made oil and gas exploration a priority, and has been operating in the sector since 2005, resulting in modest increases in oil and gas production. Part of the government's plan to increase production has been to increase recovery rates from existing fields, primarily through EOR and stimulation techniques. However, gains will be somewhat muted due to India's heavy reliance on combustion techniques in its EOR operations in Gujarat, as these processes tend to be less chemically intensive.

Although much of India's oil and gas production is onshore, the more rapid expansion of offshore activity will drive chemical gains. Drilling fluids especially will benefit from the government's leasing of numerous exploration blocks offshore, although gains will be somewhat limited by the general reluctance of major international corporations to pursue these options, most of which have been purchased by Indian companies. A significant factor for growth will be the increasing technological sophistication of India's oil and gas industry, aided by the limited involvement of foreign firms. The technology boost and the emphasis on offshore activity will support the use of higher value chemical products. India has become somewhat more stringent in terms of environmental policy, which will encourage the use of higher cost, environmentally friendly products.

A number of domestic firms manufacture oilfield chemicals, such as Gumpro Drilling Fluids, Kalpana Chemicals, Kubo Chemicals, and others.

273

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**SAMPLE
TEXT**

TABLE IX-5

INDIA: KEY INDICATORS FOR OILFIELD CHEMICAL DEMAND

Item	1999	2004	2009	2014	2019
Population (million persons)					
GDP/capita					
Gross Domestic Product (bil 2008\$)					
000 Btu/\$ GDP					
Oil & Gas Production (quad Btu)					
Crude Oil Production (mil bbl)					
Dry Natural Gas Production (tril cu ft)					
Drilling Rigs in Use					

**SAMPLE
TABLE**

CHART X-4

WORLD COMPLETION & WORKOVER MARKET SHARE (\$1.1 billion, 2009)

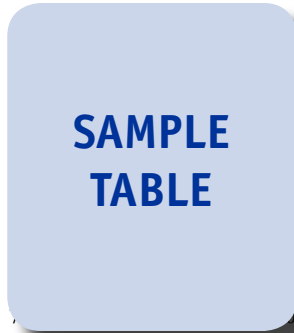


**SAMPLE
CHART**

Sample Profile, Table & Forecast

TABLE IX-6
INDIA: OILFIELD CHEMICAL DEMAND
 (million dollars)

Item	1999	2004	2009	2014	2019
Oil & Gas Production (quad Btu)					
\$ chem/bil Btu					
Oilfield Chemical Demand					
Drilling Fluids					
Production Chemicals					
Completion & Workover Fluids					
Other					
% India					
Asia/Pacific Oilfield Chemicals					



COMPANY PROFILES

Enerchem International Incorporated
 Ernst & Young Tower, Suite 450
 440 2nd Avenue Southwest
 Calgary, Alberta T2P 5E9
 Canada
 403-269-1500
 http://www.enerchem.com

Revenue
 Employe
 Key Pro
 solvents

SAMPLE PROFILE

Enerchem International Incorporated distributes hydrocarbon-based drilling and fracturing fluids, and solvents. In addition, the Company is a provider of energy marketing, fluid transportation and related oilfield services. Enerchem operates in three segments: Oilfield Services, Energy Marketing and Transportation Services. In 2010, Company was acquired by Trinity Capital Partners Limited.

The Company competes in the world oilfield chemicals industry via the Oilfield Services segment, which generated revenues of US\$56 million in 2009. Through the segment, Enerchem International manufactures and sells hydrocarbon-based drilling and fracturing fluids, and solvents. The Company's drilling and fracturing fluids are designed for use in deep well drilling and workover activities at depths greater than 1,850 meters. Drilling fluids include DRILLSOL and DRILLSOL PLUS oil-based, biodegradable fluids, which are formulated to provide enhanced hole stability and are suitable for use in deep wells affected by shale sloughing. Enerchem manufactures and markets fracturing fluids under the FRACSOL brand name. These oil-based chemicals are

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"Gains in natural gas production are expected to exceed those in the oil sector. Gas production is projected to increase 4.7 percent annually to 1.85 trillion cubic feet in 2014. Much of this expansion is expected to come from improvements in infrastructure, a reduction in gas flaring and improved production from existing fields, in addition to gains from bringing new fields online."

--Section IX, page. 272

OTHER STUDIES

World Industrial Gases

Global demand for industrial gases will increase 8% yearly to 2014. The Asia/Pacific region will remain the fastest growing based on its ever expanding manufacturing base. The Africa/Mideast region will also exceed average growth rates, driven in part by its large oil reserves and refining industry. This study analyzes the \$35.7 billion world industrial gas industry, with forecasts for 2014 and 2019 by market, type, world region and for 27 countries. It also evaluates company market share and profiles industry participants.

#2659 08/2010 \$5900

Well Stimulation Materials

US demand for oil and gas well stimulation materials is projected to increase 14% annually through 2014. Gains will be buoyed by renewed efforts to reduce dependence on foreign energy sources. The largest segment, proppants, will also be one of the fastest growing, along with gases and other materials. This study analyzes the \$3.8 billion US well stimulation material industry, with forecasts for 2014 and 2019 by product and US regional market. It also evaluates company market share and profiles industry players.

#2636 05/2010 \$4900

Refinery Chemicals

US refinery chemical demand will rise 5% annually through 2014, driven by the use of new, higher-value products that offer enhanced performance. Merchant hydrogen will remain the largest product type and grow the fastest. Petroleum treatment and conversion will remain the largest and fastest growing applications. This study analyzes the \$5.5 billion US refinery chemical industry, with forecasts for 2014 and 2019 by application and product. It also evaluates company market share and profiles industry players.

#2629 04/2010 \$4700

World Hydrogen

Global demand for hydrogen is forecast to expand 3.4% yearly through 2013. Gains will be driven in part by the use of more hydrogen in refining low sulfur fuels. The Asia/Pacific region will surpass North America as the global leader in hydrogen consumption by 2013. This study analyzes the \$39 billion world hydrogen industry, with forecasts for 2013 and 2018 by market, world region and for 17 countries. It also discusses the "hydrogen economy," evaluates company market share and profiles industry participants.

#2605 02/2010 \$5300

World Refinery Chemicals

Global oil refinery chemical demand will rise 3.5% yearly through 2013, driven by tightening environmental laws and efforts to boost gasoline and diesel fuel yields. North America will remain the dominant regional market, while the Asia/Pacific and Africa/Mideast regions grow the fastest. This study analyzes the 15.4 million metric ton world refinery chemical industry, with forecasts for 2013 and 2018 by application, product, world region and for 19 countries. It also evaluates company market share and profiles industry players.

#2570 12/2009 \$5700

About The Freedonia Group

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:

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