Large Diameter Pipe

US Industry Study with Forecasts for 2015 & 2020

Study #2745 | April 2011 | $4900 | 224 pages

www.freedoniagroup.com
Table of Contents

EXECUTIVE SUMMARY

MATERIALS
General .............................................. 79
Pipe Demand by Value .......................... 80
Pipe Demand by Length ...................... 83
Pipe Demand by Weight ...................... 85
Steel Pipe ......................................... 87
Markets ............................................. 89
Oil & Gas .......................................... 91
Other ............................................... 93
Producers ......................................... 94
Concrete Pipe ..................................... 96
Markets ............................................. 97
Storm Sewer ...................................... 99
Sanitary Sewer ................................... 101
Drainage & Culvert ............................. 103
Water & Irrigation .............................. 104
Producers ......................................... 106
High Density Polyethylene .................. 107
Markets ............................................. 109
Producers ......................................... 113
Ductile Iron ....................................... 114
Markets ............................................. 116
Producers ......................................... 118
Polyvinyl Chloride ............................ 119
Markets ............................................. 120
Producers ......................................... 122
Fiberglass & Other ............................ 123
Markets ............................................. 125
Producers ......................................... 127

COMPANY PROFILES
Advanced Drainage Systems ............... 148
American Cast Iron Pipe .................. 151
Ameron International ....................... 153
AMSTED Industries ......................... 157
Berkshire Hathaway ......................... 159
BoreFlex Industries ......................... 161
Cambridge-Lee Industries ............... 162
Can-Clay Corporation ...................... 163
CEMEX SAB ...................................... 165
Charlotte Pipe & Foundry .............. 167
Chevron Phillips Chemical ............... 168
CONTECH Construction Products .... 171
Cretex Companies ......................... 175
Denali Incorporated ....................... 177
Duininck Companies ....................... 179
Evratz Group SA ............................. 181
Future Pipe Industries ................. 183
Hastings Irrigation Pipe ................. 185
HeidelbergCement AG .................... 186
HOBAS Engineering GmbH ............. 189
Independent Pipe Products ............ 191
J-M Manufacturing ....................... 192
KWH Group ...................................... 195
Lane Enterprises ............................ 196
Logan Clay Products .................... 198
MCP Industries ............................. 199
McWane Incorporated ................... 201
Mitsubishi Corporation ................. 204
Mueller Industries ......................... 206
Mueller Water Products ................ 208
National Oilwell Varco .................. 210
National Pipe & Plastics ............... 212
Northwest Pipe ............................. 213
Pacific Corrugated Pipe ............... 215
PolyPipe Incorporated .................. 217
REHAU AG ...................................... 219
Roscoe Steel & Culvert ................. 220
Saint-Gobain ................................. 222
Synalloy Corporation .................... 224
United States Steel ..................... 225
Vianini Pipe ................................. 227
Westlake Chemical ...................... 228

INDUSTRY STRUCTURE
General ........................................... 130
Market Share .................................... 132
Mergers & Acquisitions .................. 136
Manufacturing Requirements .......... 139
Marketing Strategies ..................... 140
Channels of Distribution ............... 141
Research & Development ............... 142
Competitive Strategies ................. 144
Cooperative Agreements ................. 144

MARKETS
General ........................................... 33
Sewer ............................................. 35
Sewer Construction Outlook .......... 36
Pipe Demand by Material .............. 38
Storm Sewers .................................. 40
Sanitary Sewers ............................ 43
Oil & Gas ........................................ 46
Oil & Gas Industry Overview .......... 47
Pipe Demand by Material .............. 49
Natural Gas .................................... 50
Crude Oil ...................................... 53
Water Transmission ....................... 56
Water Use & Withdrawal Outlook .... 57
Pipe Demand by Material .............. 60
Drainage ......................................... 63
Highway Spending ......................... 64
Pipe Demand by Material .............. 65
Industrial Processing ................. 68
Manufacturing Outlook ............... 68
Pipe Demand by Material .............. 71
Irrigation & Other ......................... 74
Agricultural Outlook ..................... 74
Pipe Demand by Material .............. 76

macEt Environm Ent

macEtS

markEt S

markEtS

Study #2745
April 2011
$4900
224 Pages

Large Diameter Pipe
US Industry Study with Forecasts for 2015 & 2020

Click here to purchase online

Order now, click here!
List of Tables/Charts

EXECUTIVE SUMMARY

1 Summary Table..................................... 3

MARKET ENVIRONMENT

1 Macroeconomic Indicators ............... 8
2 Population Trends.......................... 12
3 Construction Expenditures .............. 15
4 Building Construction
   Expenditures .................................... 17
5 Nonbuilding Construction
   Expenditures .................................... 19
6 Pipe Industry Overview .................. 21

Cht Large Diameter Share of Total
   Pipe Demand by Material, 2010 .. 21

7 Large Diameter Pipe
   Market, 2000-2010 ......................... 23

Cht Large Diameter Pipe
   Market, 2000-2010 ......................... 24

8 Large Diameter Pipe Pricing Trends 26

MARKETS

1 Large Diameter Pipe
   Demand by Market ......................... 34

Cht Large Diameter Pipe Demand
   by Market, 2010 ......................... 35

2 Sewer Construction Expenditures .. 37

3 Large Diameter Sewer Pipe Demand
   by Material & Market Segment .... 39

Cht Large Diameter Sewer Pipe
   Demand by Material & Market Segment .... 39

4 Large Diameter Steel Pipe Demand
   by Material ................................. 43

5 Large Diameter Sanitary Sewer
   Pipe Demand by Material .......... 46

6 Oil & Gas Indicators....................... 48

7 Large Diameter Oil & Gas Pipe
   Demand by Material & Market Segment .... 50

8 Large Diameter Natural Gas
   Pipe Demand by Material .......... 53

9 Large Diameter Oil Pipe
   Demand by Material ..................... 56

10 Water Use & Withdrawal ............... 60

11 Large Diameter Water Transmission
   Pipe Demand by Material ............. 63

12 Highway Spending .................... 65

13 Large Diameter Drainage Pipe
   Demand by Material .................. 67

14 Manufacturers' Shipments ................ 71

15 Large Diameter Industrial
   Processing Pipe Demand
   by Material .................................... 73

16 Agricultural Indicators .................. 76

17 Large Diameter Irrigation & Other
   Pipe Demand by Material ........... 78

MATERIALS

Cht Average Large Diameter Pipe
   Weight Per Foot, 2010 ................. 80

1 Large Diameter Pipe Demand
   by Material in Dollars ............. 82

Cht Large Diameter Pipe Demand
   by Material in Linear Feet ......... 84

2 Large Diameter Pipe Demand
   by Material in Linear Feet, 2010 .. 85

Cht Large Diameter Pipe Demand
   by Material in Pounds ............ 86

Cht Large Diameter Pipe Demand
   by Material in Pounds, 2010 ....... 87

4 Large Diameter Steel Pipe Demand 88

5 Large Diameter Steel Pipe
   Demand by Market .................. 90

Cht Large Diameter Steel Pipe
   Demand by Market, 2010 ........... 90

6 Large Diameter Steel Oil &
   Gas Pipe Demand by Material &
   Market Segment ......................... 93

7 Large Diameter Concrete
   Pipe Demand .............................. 97

8 Large Diameter Concrete Pipe
   Demand by Market .................. 98

Cht Large Diameter Concrete Pipe
   Demand by Market, 2010 ........... 99

9 Large Diameter Concrete Storm
   Sewer Pipe Demand by Size ...... 101

10 Large Diameter Concrete Sanitary
    Sewer Pipe Demand by Size ...... 103

11 Large Diameter Concrete Drainage
   & Culvert Pipe Demand .......... 104

12 Large Diameter Concrete Water &
   Irrigation Pipe Demand by Size. 106

13 Large Diameter High Density
   Polyethylene Pipe Demand ....... 109

14 Large Diameter High Density
   Polyethylene Pipe
   Demand by Market .................. 112

Cht Large Diameter HDPE Pipe
   Demand by Market, 2010 ........... 113

15 Large Diameter Ductile
   Iron Pipe Demand ................. 116

16 Large Diameter Ductile Iron Pipe
   Demand by Market ................. 117

17 Large Diameter Polyvinyl Chloride
   Pipe Demand ......................... 120

18 Large Diameter Polyvinyl Chloride
   Pipe Demand by Market .......... 125

19 Large Diameter Fiberglass & Other
   Pipe Demand by Material .......... 127

20 Large Diameter Fiberglass & Other
   Pipe Demand by Market ........... 127

INDUSTRY STRUCTURE

1 Large Diameter Pipe Sales
   by Company, 2010 .................... 131

Cht US Large Diameter Pipe Market
   Share by Company, 2010 .......... 132

2 Selected Acquisitions
   & Divestitures ......................... 137

3 Selected Cooperative
   Agreements .............................. 146
US demand to rise 6.2% annually through 2015

US demand for large diameter pipe -- defined as pipe with a diameter of 15 inches or more -- will rise 6.2 percent per year to $8.2 billion in 2015. Gains will rebound strongly from the declining demand experienced during the 2005-2010 period, in which large diameter pipe markets were negatively impacted by the 2007-2009 recession. Going forward, rising demand will be fueled by a more favorable environment for public infrastructure spending, as state and municipal governments faced severe budgetary constraints in 2010 that caused many major projects to be delayed. Other factors benefiting large diameter pipe demand through 2015 include healthy increases in construction spending and process manufacturing activity, as well as the continued need to upgrade and repair the country’s aging sewer and water pipe network.

Storm, sanitary sewers to remain leading outlet

Sewers -- including both storm and sanitary sewers -- will remain the leading outlet for large diameter pipe through 2015, accounting for about half of total demand. Sanitary sewers will be the faster growing of the two sectors, with advances bolstered by rebounds in building construction spending and public infrastructure investment. These factors will also drive rapid gains in demand for large diameter drainage and water transmission pipe. Demand advances for oil and gas pipe -- one of the few markets to see healthy growth during the 2005-2010 period -- will decelerate through 2015, as pipeline construction activity slows, although the development of unconventional gas resources will continue to provide opportunities.

Ductile iron, plastic pipe to be fastest growing

Steel and concrete were the leading large diameter pipe materials in 2010, combining to account for about two-thirds of total demand. However, steel will be the slowest-growing pipe material in value terms through 2015, restrained by moderating price increases, a deceleration in oil and gas applications, and market maturity in steel sewer pipe. Concrete pipe will fare better, rising at an above-average pace and rebounding from significant declines in demand during the 2005-2010 period. The most rapid gains in demand through 2015 will be for ductile iron pipe, driven by robust growth in the water and sanitary sewer markets. However, as with concrete, the bulk of these advances will be regaining demand levels lost during the 2007-2009 recession. Over the long term, the most favorable growth prospects are expected for large diameter plastic pipe, most notably high density polyethylene (HDPE), but also polyvinyl chloride (PVC) and fiberglass pipe.

Copyright 2011 The Freedonia Group, Inc.
Materials

Oil & Gas -- Demand for large diameter steel oil and gas line pipe is projected to rise 4.4 percent per year to $1.5 billion in 2015. Pipe for oil and gas applications is divided into two segments: oil country tubular goods (OCTG) and line pipe. OCTG accounts for the overwhelming majority of large diameter pipe, with over 90 percent of 2010 demand. Large diameter line pipe accounts for the remainder of large diameter steel pipe -- over 90 percent of 2010 demand. OCTG is used in two very different markets, while large diameter pipe is used for transmission and distribution pipelines. Large diameter line pipe can range up to 120 inches in diameter, but the majority of demand is for pipe between 24 and 48 inches. The large diameter line pipe segment is dependent on the existence of large pipeline projects, which means the business tends to experience periods of high activity and periods where there are no projects requiring pipe. Demand for transmission pipe tends to fluctuate considerably from year to year due to barriers such as obtaining environmental approvals and rights of way, and is dependent on a small number of large pipeline construction projects to generate demand. In general, however, pipeline construction spending is greatest when energy prices and well drilling activity are high.

OCTG are the steel casing, tubing and drill pipe products used in oil and gas wells and in downhole drilling applications. While the vast majority of OCTG are produced in small diameters, well casing and riser pipe can be manufactured at diameters of up to 26 inches, qualifying as large diameter for the purposes of this study. Casing pipe is used to reinforce the borehole. Several casings may be used, one inside the other. The outer casing, called the surface pipe, shuts out water and serves as a foundation for subsequent drilling. The pipe that extends vertically in the well, carrying water, steam or gas, is called the riser pipe. The OCTG industry is capital intensive, driven by drilling and inventory cycles, as well as the number of working oil wells.
Independent Pipe Products Incorporated
4949 Joseph Hardin Drive
Dallas, TX  75236
972-641-2080
http://www.indpipe.net

Annual Sales:  $50 million (verified by company, 3/11)
Employment:  165 (verified by company, 3/11)
Key Products:  high density polyethylene pipe

Independent Pipe is a manufacturer of high density polyethylene (HDPE) pipe, fittings, valves and related products. The Company is privately held.

Independent Pipe competes in the US large diameter pipe through the production of HDPE pipe for potable water, sanitary sewer, mining, industrial, oil and natural gas applications. These pipes are marketed under the DESIGN-FLOW brand name, and are available in diameters of 2 to 36 inches. DESIGN-FLOW pipes feature smooth inner walls, ultraviolet light stability and weatherability. The Company also manufactures DESIGN-FLOW HDPE fittings that can be used with pipes of 1/2 inch to 63 inches in diameter.

The Company manufactures its HDPE pipes at a 275,000-square-foot plant in Dallas, Texas. The Dallas site also houses Independent Pipe’s headquarters, customer service, and engineering and development operations. In 2009, this facility had nine extrusion lines and a production capacity of 40 million pounds of HDPE product.

In July 2010, Independent Pipe began operations of a 52,000-square-foot HDPE pipe plant in Abbeville, South Carolina. The facility

"High density polyethylene pipe demand in large diameter storm sewer applications is projected to rise 5.2 percent per annum to $420 million in 2015. In storm sewer applications, HDPE pipe will benefit from improvements in crush resistance, coupled with the resin’s corrosion resistance, durability and light weight in larger diameter uses. Recent code approvals by ASTM International are creating opportunities for corrugated HDPE pipe in large diameter municipal storm sewer applications."
--Section III, pg. 42
ORDER INFORMATION

Five Convenient Ways to Order

ONLINE: www.freedoniagroup.com

MAIL: Print out and complete the order form and send to The Freedonia Group (see address at the bottom of this form)

PHONE: Call toll free, 800.927.5900 (US) or +1 440.684.9600

FAX: +1 440.646.0484 (US)

EMAIL: info@freedoniagroup.com

Free Handling & Shipping
There is NO charge for handling or UPS shipping in the US. Expect delivery in 3 to 5 business days. Outside the US, Freedonia provides free airmail service. Express delivery is available at cost.

Orders Outside of the US
Checks must be made payable in US funds, drawn against a US bank and mailed directly to The Freedonia Group. For wire transfers please contact our customer service department at info@freedoniagroup.com. Credit cards accepted.

Credit Card Orders
For convenience, Freedonia accepts American Express, MasterCard or Visa. Credit card purchases must include account number, expiration date and authorized signature.

Save 15%
If you order three (3) different titles at the same time, you can receive a 15% discount. If your order is accompanied by a check or wire transfer, you may take a 5% cash discount (discounts do not apply to Corporate Use Licenses).

Corporate Use License
Now every decision maker in your organization can act on the key intelligence found in all Freedonia studies. For an additional $2600, companies receive unlimited use of an electronic version (PDF) of the study. Place it on your intranet, e-mail it to coworkers around the world, or print it as many times as you like.

Click here to learn more about the Corporate Use License

ORDER FORM

Large Diameter Pipe .............................................. $4900

☐ Corporate Use License (add to study price) * + $2600

☐ Additional Print Copies @ $600 each *

Total (including selected option) $__________________________

☐ Enclosed is my check (5% discount) drawn on a US bank and payable to The Freedonia Group, Inc., in US funds (Ohio residents add 7.75% sales tax)

☐ Bill my company ☐ American Express ☐ MasterCard ☐ Visa

Name ____________________________________________

Title ____________________________________________

Company _________________________________________

Division _________________________________________

Street _____________________________________________

(No PO Box please)

City/State/Zip ______________________________________

Country ___________________________________________

Phone _____________________________________________

Email _____________________________________________

Expitation Date

Signature __________________________________________

☐ Individual Use License Agreement

The undersigned hereby represents that the above captioned study will be used by only ___ individual(s) who are employees of the company and that the study will not be loaded on a network for multiple users. In the event that usage of the study changes, the Company will promptly notify Freedonia of such change and will pay to Freedonia the appropriate fee based on Freedonia’s standard fee schedule then in effect. Note: Entire company corporate use license, add $2600; one additional user, add $600; two additional users, add $1200; three additional users, add $1800.

☐ Corporate Use License Agreement

The above captioned study may be stored on the company’s intranet or shared directory, available to company employees. Copies of the study may be made, but the undersigned represents that distribution of the study will be limited to employees of the company.

Signature __________________________________________
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:

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

Freedonia Custom Research

Freedonia Custom Research delivers the same high quality, thorough and unbiased assessment of an industry or market as an industry study. Since the research initiative is based upon a company’s specific needs, companies harness Freedonia’s research capabilities and resources to answer unique questions. When you leverage the results of a Freedonia Custom Research engagement, you are able to obtain important answers to specific questions and issues associated with: mergers and acquisitions, new product launches/development, geographic expansion, entry into new markets, strategic business planning, and investment and funding decisions.

Freedonia Custom Research is ideal for companies seeking to make a strategic difference in the status quo and focus on future business growth. Working side by side with clients, Freedonia’s team is able to define a research project that is custom-tailored to answer specific questions and provide the basis from which a company can make informed business decisions.