World Commercial Refrigeration Equipment

Industry Study with Forecasts for 2016 & 2021

Study #2953 | December 2012 | $6200 | 372 pages
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Demand will benefit from strong growth in a number of the world’s larger developing nations, particularly in Asia, as China and India will continue to be the fastest growing markets.

World demand to increase 4.6% yearly through 2016

Global demand for commercial refrigeration equipment is forecast to rise 4.6 percent per year through 2016, an acceleration from the 2006-2011 pace, to $32.5 billion. Demand will benefit from strong growth in a number of the world’s larger developing nations, particularly in Asia, as China and India will continue to be the fastest growing national markets for commercial refrigeration equipment. The US market, which suffered during the 2007-2009 recession, will recover and post substantially stronger growth in demand, although gains will slightly trail the world average.

China to remain fastest growing national market

China was by far the fastest growing world market for commercial refrigeration products between 2001 and 2011, posting double-digit annual growth rates and quadrupling in size over those ten years. As economic growth in the country slows, demand growth for commercial refrigeration products will decelerate, but will remain the fastest in the world. India, despite its massive size, remains a relatively small market for commercial refrigeration equipment, with per capita demand ranking among the smallest in the world. However, heavy investment in electrical infrastructure and rising incomes will create strong potential for growth, and demand gains for these products in India will be the second fastest in the world. Other developing nations with strong growth prospects include Indonesia and Thailand.

United States to remain largest national market

Although demand gains for commercial refrigeration equipment are expected to be slower in developed countries, the outlook is still strong relative to the 2006-2011 period. The US is the world’s largest market for these products, and will account for nearly a quarter of global sales growth through 2016. Gains will result from an improved macroeconomic outlook, as rising consumer spending encourages food industry participants to expand the number of retail outlets and restaurants. In addition, food industry participants will be more willing to make equipment upgrades that had been deferred due to a weak economy. Japan was the third largest market for commercial refrigeration equipment in 2011, but has declined in size since 2006, reflecting both poor economic conditions and the maturity of the market. Demand for commercial refrigeration products in Japan is forecast to return to positive growth through 2016, but gains will be significantly slower than the world average.

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Demand for commercial refrigeration equipment in India is the third largest market in the Asia/Pacific region. The Indian commercial refrigeration market has grown rapidly in recent years, with an 8.9 percent annual growth rate from 2006 to 2011. This rapid expansion of commercial refrigeration equipment sales has been propelled by ongoing industrialization and rising income levels, which has increased the intensity of product use -- especially in terms of frequency of use and the number of refrigerators per household. Much of rural India lacks access to electricity, and low usage of household refrigerators further suppresses demand for products requiring refrigeration.

India’s food distribution network has historically been plagued by inefficiencies. Food is often spoiled in transport, and most retail sales are undertaken by very small, independent merchants. Supermarkets represent a small percentage of the retail food and beverage industry. These factors have kept per capita commercial refrigeration equipment usage low, even by the standards of developing nations.

India’s shipments of commercial refrigeration equipment totaled $430 million in 2011, making the nation the fourth largest producer in the Asia/Pacific region. Advances in industry output outpaced those in domestic demand between 2006 and 2011, but the nation still registered a trade deficit equivalent to 12 percent of demand. Imports of commercial refrigeration equipment tend to come from other countries within the Asia/Pacific region, particularly China, Japan, and South Korea. India is the home base for Voltas, a producer of low end refrigerators, coolers, and other display cases. Other commercial refrigeration equipment suppliers active in the country include Danfoss (Denmark), Emerson Electric (US), Frigoglass (Greece), Panasonic (Japan), Tecumseh (US), and United Technologies (US).
Sample Profile, Table & Forecast

COMPANY PROFILES

Brema Ice Makers SpA
Via del’Industria, 10
20020 Villa Cortese, Milano
Italy
39-03-3143-3833
http://www.bremaice.it

Annual Sales: over $50 million (estimated)
Employment: over 100 (estimated)
Key Products: ice makers

Brema Ice Makers is a manufacturer of ice makers for hospitality, foodservice, supermarket, medical, industrial, and other applications. The Company is privately held.

The Company competes in the world commercial refrigeration industry via the production of ice makers. Among the Company’s ice makers are ice cube- and ice finger-producing units, fast ice makers, and ice flake and pebble making types. Ice cube machines made by Brema Ice Makers feature daily production capacities of 21 to 155 kilograms. Specific ice cube units include FRESHMAKER and IW45 models that have chilled water dispensers, and DSS continuous ice dispensing types. Ice finger makers comprise IMF series machines, which have daily production capacities of 25 to 75 kilograms of ice. Brema Ice Makers’ fast ice makers utilize vertical evaporators to produce up to 770 kilograms of small, lightweight ice cubes per day. Flakers feature daily production capacities of 90 to 1,000 kilograms and make flaked ice used to chill fresh foods and fruit. Additionally, the Company manufactures MUSTER cold flake machines, which produce ice flakes at temperatures of minus 5 to minus 30 degrees Celsius. These extra cold flakes are used primarily to ship fish, dairy products, and meats.

“...The market for commercial refrigeration equipment in India will continue to expand quickly going forward. Demand for these products will rise 8.3 percent annually to $730 million in 2016, continuing to trail only China in average annual growth. Product demand will be fueled by strong economic growth and continuing investment in modernization and infrastructure. Expanded access to electricity will allow for higher ownership rates for ...”

--Section VI, pg. 144-5
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