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Asphalt

US Industry Study with Forecasts for **2017 & 2022**

Study #3062 | August 2013 | \$5300 | 345 pages



The Freedonia Group

767 Beta Drive

Cleveland, OH • 44143-2326 • USA

Toll Free US Tel: 800.927.5900 or +1 440.684.9600

Fax: +1 440.646.0484

E-mail: info@freedoniagroup.com

www.freedoniagroup.com

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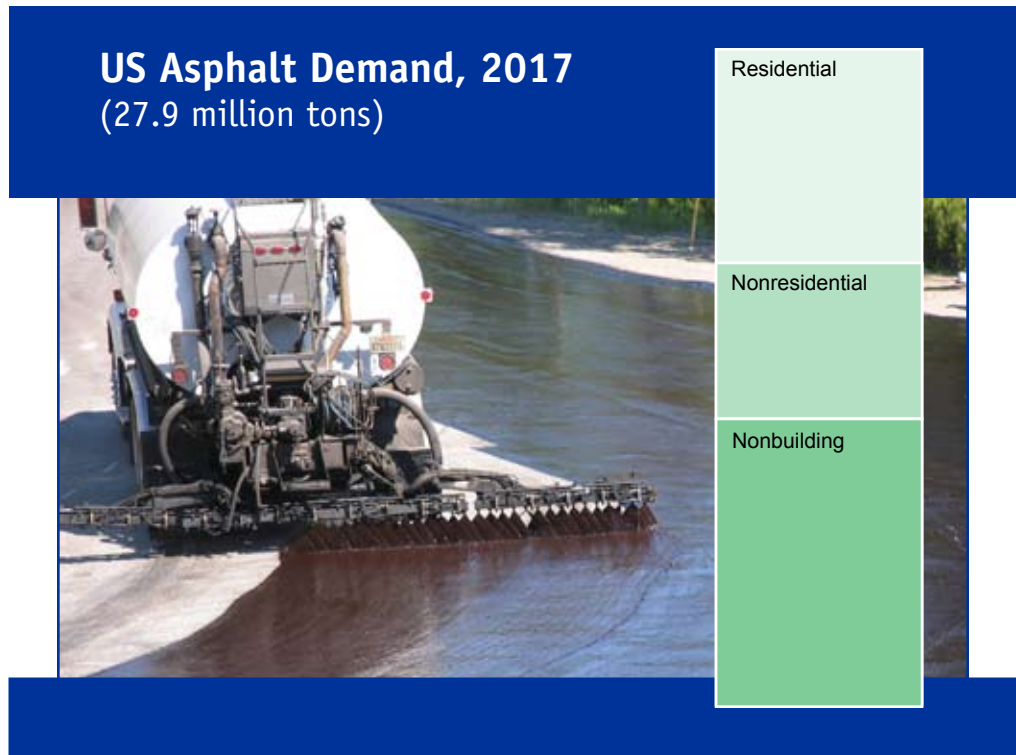
Demand for asphalt is expected to advance from its low 2012 base, spurred by growth in spending on highway and road construction and building construction, the two largest markets.

US demand to rise 3.7% annually through 2017

US demand for asphalt is forecast to increase 3.7 percent annually to 27.9 million tons in 2017. This is equivalent to 154 million barrels of primary asphalt, the vast majority of which is refined petroleum asphalt. Demand for asphalt is expected to advance from its low 2012 base, spurred by growth in spending on highway and road construction and building construction, the two largest markets. However, asphalt demand in 2017 will not reach the level seen in 2007. Rising use of recycled asphalt pavement (RAP) and increasing interest in rehabilitating and repairing older or worn surfaces -- instead of building new roads -- will serve as a check on asphalt demand advances.

Paving products to remain dominant, grow the fastest

Paving products accounted for 71 percent of asphalt consumption in 2012, and will remain the leading application for asphalt going forward, with demand rising 3.9 percent annually to 20.2 million tons 2017. The passage of the Moving Ahead for Progress in the 21st Century Act (MAP-21), which guarantees funding for highway and road construction projects through October 2014, will provide an immediate boost to demand for paving materials. However, long term gains will be checked by the efforts of government agencies to maintain existing road networks, rather than build new ones.



RAP to favor emulsions, suppress asphalt cement

Paving product demand will also be negatively affected by increasing use of in-place recycling road construction methods, such as those that use RAP. These methods are favored by state transportation agencies because they are less costly; however, reusing old pavement to make new road surfaces suppresses demand for asphalt cement, the most frequently specified paving material. Demand for asphalt emulsions, however, will benefit from rising use of RAP, as emulsions can be blended with old pavements to rejuvenate worn highway surfaces and repair moderately damaged highways.

Residential segment to pace asphalt roofing market

Demand for asphalt used to make roofing and other products is forecast to rise 3.0 percent annually to 7.7 million tons in 2017. Advances will be spurred by the rebound in building construction expenditures. The residential market will see the fastest growth, as strong gains in single-family housing completions will boost demand for asphalt shingles. In the nonresidential segment, rising construction spending will support demand for low-slope roofing products, such as modified bitumen membranes, roll roofing, and mopping asphalts.

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Sample Text, Table & Chart

ASPHALT PRODUCTS

Roofing Products

Demand for asphalt in roofing products is projected to increase from 3.4 million tons, equivalent to 3.4 million tons, in 2012 to 3.8 million tons, equivalent to 3.8 million tons, in 2017 and 4.2 million tons, equivalent to 4.2 million tons, in 2022, when the residential construction market is expected to see the most rapid growth. Demand for asphalt in roofing products is projected to increase from 3.4 million tons, equivalent to 3.4 million tons, in 2012 to 3.8 million tons, equivalent to 3.8 million tons, in 2017 and 4.2 million tons, equivalent to 4.2 million tons, in 2022, when the residential construction market is expected to see the most rapid growth.

Going forward, the anticipated rebound in building construction spending will boost demand for asphalt in roofing products. The residential market is expected to see the most rapid growth. Double-digit annual increases in housing completions will spur demand for asphalt shingles, the roofing material most commonly installed on residential buildings. Advances in nonresidential building construction expenditures will support demand for bituminous low-slope roofing membranes and mopping asphalts used to apply them.

One factor that may reduce long term asphalt consumption in roofing materials is the trend to use less asphalt in the formulation of roofing materials, such as shingles and bituminous low-slope membranes. Concerns about the cost of primary asphalt and interest in improving the performance properties of roofing materials have spurred manufacturers to use less asphalt, instead opting for polymer modifiers and fillers to provide desired performance properties. This trend is expected to continue, as improvements in processing technology and advanced types of modifiers and additives available will make it possible for asphalt roofing manufacturers to replace asphalt with composite materials that replicate the durability and moisture resistance of asphalt for

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TABLE VI-3

RESIDENTIAL BUILDING MARKET FOR ASPHALT BY PRODUCT & MATERIAL (thousand tons asphalt content)

Item	2002	2007	2012	2017	2022
Residential Bldg Constr (bil 2005\$)	347.1	355.0	252.0	276.3	303.4
tons asphalt/mil \$ residential constr					
Residential Building Asphalt Demand					
By Product:					
Roofing Products					
Asphalt Shingles					
Modified Bitumen Membranes					
Mopping Asphalt					
Standard Asphaltic Roofing Felt					
Other Roofing					
Paving & Other Asphalt Products					
By Application:					
New					
Improvement & Repair					
% residential building					
Asphalt Demand In Construction	347.1	355.0	252.0	276.3	303.4

SAMPLE TABLE

CHART VIII-3

ASPHALT ROOFING PRODUCTS MARKET SHARE, 2012 (\$13.1 billion)



SAMPLE CHART

Sample Profile, Table & Forecast

COMPANY PROFILES

Fortifiber Corp
 300 Industrial Drive
 Fernley, NV 89408
 775-333-6400
<http://www.fortifiber.com>

Annual Sales: \$100 million (estimated)
 Employment: 300 (estimated)

Key Products: asphalt based moisture control flashing systems, flooring underlays, scribing papers, vapor retarder membranes, and weather resistive barriers

Fortifiber produces and distributes building protection systems, paper packaging systems, and coated paper for battery composites. The privately held company operates through two main groups: Fortifiber Building Systems and Fortifiber Industrial Products.

the US asphalt industry via the Fernley, Nevada), which manufactures systems that prevent water intrusion. These products are sold under the and include asphalt based weather flashing systems, flooring underlays, Building Systems' weather resistive barrier JUMBO TEX, WEATHER TEX, and example, JUMBO TEX puncture- and barrier consist of one or two plies of asphalt-saturated kraft paper. These materials prevent water from seeping into walls, floors and ceilings, but remain permeable to water vapor. JUMBO

**SAMPLE
PROFILE**

TABLE V-2

USE OF ASPHALT IN PAVING PRODUCTS (thousand tons)

Item	2002	2007	2012	2017	2022
Highway Spending (bil 2005\$) tons asphalt/mil \$ hwy spending					
Use of Asphalt in Paving Products					
Asphalt Cement					
Asphalt Emulsions					
Cutback Asphalt					
Other Asphalt Paving Products					
Primary Paving Asphalt Demand (mil)					
% paving Asphalt Demand					
Addendum: Primary Paving Asphalt Demand (mil)					

**SAMPLE
TABLE**

STUDY COVERAGE

This Freedonia study, **Asphalt**, offers historical data (2002, 2007, 2012) plus forecasts for 2017 and 2022 for asphalt in millions of dollars and millions of barrels by product, market and US region. The study also considers market environment factors, evaluates company market share and profiles 39 competitors in the US asphalt industry.

OTHER STUDIES

World Asphalt

World demand for asphalt is projected to rise 3.6 percent annually through 2017 from a weak 2012 base to 121 million metric tons. The Asia/Pacific region has overtaken North America as the largest regional market and will continue to record the fastest advances, driven primarily by strong growth in China and India. This study analyzes the 101.2 million metric ton world asphalt industry, with forecasts for 2017 and 2022 for primary asphalt, asphalt products, world regions and 24 countries. The study also evaluates company market share and profiles industry players.

#3129 February 2014 \$6300

World Cement

World sales for cement are forecast to expand more than five percent annually through 2017 to over 4.7 billion metric tons. Demand will rebound sharply in North America and Western Europe, while growth in China will decelerate yet still achieve impressive gains. Blended cement will account for over three-fourths of all new demand. This study analyzes the 3.7 billion metric ton world cement industry, with forecasts for 2017 and 2022 by type, market, world region, and for 45 countries. The study also evaluates company market share and profiles industry participants.

#3096 October 2013 \$6400

World Housing

World construction of new housing units will rise 3.3 percent per annum to 60.9 million units in 2017. Over 80 percent of global new housing construction will take place in the Asia/Pacific and Africa/Mideast regions, while North America and Western Europe will have the highest rates of growth. This study analyzes the two billion unit world housing industry, with forecasts for 2017 and 2022 by housing type, world region, and for 22 countries. The study also considers market environment factors such as world economic trends, demographics, and housing construction.

#3087 October 2013 \$5700

Roofing

US demand for roofing is projected to rise 3.5 percent annually to 268 million squares in 2017, valued at \$27.2 billion. Asphalt shingles will remain the dominant product and will offer the best growth opportunities, to be outpaced only by the much smaller segments of roofing tile and other roofing materials. The West will lead gains by region. This study analyzes the 225.6 million square meter US roofing industry, with forecasts for 2017 and 2022 by product, market and region. The study also evaluates company market share and profiles industry players.

#3082 September 2013 \$5300

World Construction Aggregates

World sales of construction aggregates will rise 5.8 percent annually to 53.2 billion metric tons in 2017. The Asia/Pacific region will remain the dominant market and grow the fastest. Crushed stone and other aggregates will offer the best prospects. Hydraulic cement will continue to be a key application. This study analyzes the 40.2 billion metric ton world construction aggregates industry, with forecasts for 2017 and 2022 by type, market, application, world region, and for 28 countries. The study also evaluates company market share and profiles industry players.

#3078 December 2013 \$6100

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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