Bearings

US Industry Study with Forecasts for 2017 & 2022

Study #3069 | August 2013 | $5100 | 282 pages
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**INDUSTRY STRUCTURE**

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Gains will be supported by an ongoing recovery in motor vehicle manufacturing, healthy levels of machinery production, and increased output of construction, oilfield, and mining equipment.

**US demand to rise 4.4% annually through 2017**

Bearing demand in the US is forecast to increase 4.4 percent per year to $12.9 billion in 2017, a notable improvement from the modest growth registered during the 2007 to 2012 period. Of this demand, $10.6 billion will be attributable to ball and roller bearings, and $2.3 billion will be attributable to plain bearings. Market gains will be supported by improved conditions throughout the US economy. Motor vehicle manufacturing, which is the largest bearing-using market, will continue to recover from the decline in output in 2008 and 2009, with production expected to increase 3.0 percent per year through 2017. Bearing sales will also be bolstered by healthy levels of machinery production. Increased output of construction, oilfield, and mining equipment, as well as growing shipments of engine, turbine, and power transmission equipment will be of particular importance to bearing suppliers. These industries are heavy users of more advanced, high-value bearing products, which will support value gains.

**Roller bearings to remain fastest growing products**

Roller bearing demand is expected to continue to outpace other product types through 2017, supported by a recovery in the US motor vehicle market, accelerating machinery shipments, and increased sales of large, high-value roller bearings used in heavy machinery and wind turbines. Ball bearing consumption will also post healthy gains, supported by increased manufacturing output, although value gains in this product category will continue to be held back by intense competition from low-cost foreign suppliers. Plain bearing demand growth will approximate that expected in the overall bearing market as conditions in the automotive and aerospace industries improve.

**Domestic shipments to keep pace with demand**

Bearing shipments from US plants are forecast to increase 4.3 percent annually to $12 billion in 2017, approximating demand growth. Industry output will be stimulated by growth in several key domestic bearing-using industries (e.g., motor vehicles, machinery) and by rising demand in a number of export markets. A number of firms, both foreign and domestic, have expanded their US bearing production capacity in recent years as they prepare to meet growing domestic demand levels. Furthermore, US bearing manufacturers’ ongoing efforts to improve the quality and performance of their products, and to increase the efficiency of their manufacturing processes, will also help spur output growth.
Markets

Bearing Market -- Demand for bearings in the machinery OEM market is forecast to grow 4.0 percent per year to over $1.5 billion in 2017. Sales performance in the OEM bearings market, but not as strong as that of the overall OEM market, will be a considerable improvement from the growth posted during the 2007 to 2012 period. Advances will be supported by output growth in sectors such as semiconductor machinery manufacturing. Gains will be driven by sales of highly-engineered, higher-value bearing products designed to improve efficiency and useful product life.

Further dollar value advances in this market will be held back by moderating bearing price increases. Slowing increases in raw material costs, competition from lower cost producers, and pressure from large machinery manufacturers will dampen pricing gains. In addition, shipments of general purpose machinery (fans and blowers, packaging machines, pumps and compressors, etc.) will lag overall machinery shipment growth, restricting gains to some degree.

Machinery manufacturers use a wide range of bearing products, including all of the major types. Often, bearing manufacturers offer value-added products that meet the needs of a specialized machinery application. For instance, Kaydon’s REALI-SLIM bearings are designed specifically for use in a range of semi-conductor machinery. The space saving design of these bearings allows for utilization in smaller, lighter, and more precise end-use applications such as vacuum deposition and wafer transfer equipment. A number of companies offer high-performing the basic function of bearings, these products may also meet the stringent hygiene requirements of the food and beverage industries. Bearings utilized in machinery are often required to endure heavy loads.
Frantz Manufacturing Company
3201 West LeFevre Road
Sterling, IL  61081
815-625-7063
http://www.frantz-mfg.com

Annual Sales:  $35 million (estimated)
Employment:  120 (estimated)
Key Products:  conveyor bearings and steel balls

Frantz Manufacturing is a manufacturer of conveyor bearings, steel balls, and related products. The Company is privately held.

The Company participates in the US bearing industry through the manufacture of conveyor bearings and steel balls. Frantz conducts manufacturing operations at a plant in Sterling, Illinois, and markets its products throughout the US via a network of independent distributors. Conveyor bearings, which are marketed under the FRANTZ brand name, are utilized mainly in unit handling conveyor systems. Among the conveyor bearings from Frantz are GENSTAR and GENII types. GENSTAR conveyor bearings have carbon steel adapters and an insert made from static discharge material to eliminate the buildup of static electricity. These bearings are designed for use in high speed, live roller applications with speed, sound reduction, and weight capacity requirements. In May 2012, the Company expanded its GENSTAR bearing line by introducing ELIMINATOR bearings for axle-free conveyor rollers. These bearings are made with Frantz’s IronGrip design, which adapts smaller diameter bearings to larger diameter tubes.

The Company’s GENII conveyor bearings are made through a proprietary process that ensures a precise fit-up between raceways and

<table>
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<tr>
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<tr>
<td>MOTOR VEHICLE BEARING DEMAND</td>
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<th>2012</th>
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<td>12350</td>
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This Freedonia study, *Bearings*, offers historical data (2002, 2007, 2012) plus forecasts for 2017 and 2022 for supply and demand, as well as demand by product and market in the US. This study also examines key market environment factors, assesses company market share and profiles 32 competitors in the US bearings industry.
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