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# Asphalt

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## US Industry Study with Forecasts for 2019 & 2024

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Study #3304 | July 2015 | \$5500 | 396 pages

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*Asphalt demand will be spurred by a rebound in construction products, such as asphalt shingles and modified bitumen roofing membranes, and by maintenance on aging roads and highways.*

## US demand to grow 3.3% annually through 2019

US demand for asphalt is forecast to increase 3.3 percent annually to 26.8 million tons in 2019. This is equivalent to 148 million barrels of asphalt, the vast majority of which is refined petroleum asphalt. Asphalt demand will be spurred by a rebound in building construction, which will boost demand for asphalt shingles and such low-slope roofing products as modified bitumen membranes. In the much larger asphalt paving segment, gains will be supported by the efforts of state and local governments to maintain the nation's aging road and highway network. Legislative bodies are expected to allocate more funds for repair work, supporting the use of asphalt cements and asphalt emulsions.

## Asphalt emulsions to pace dominant paving segment

Paving was the largest end use for asphalt in 2014 with three-quarters of consumption. However, many transportation construction departments reduced funding for infrastructure projects as tax revenues fell during the Great Recession. Through 2019, demand for asphalt in paving applications is forecast to advance 3.1 percent annually to 19.6 million tons. Improving economic conditions and the pressing need to fix and repair older roads and highways will support growth. However, more rapid advances will be checked by concerns about excessive government spending among state and local legislative bodies



that will be reluctant to commit the funds for large-scale highway and road construction programs.

Among asphalt paving products, asphalt emulsions will see the fastest growth in demand through 2019, boosted by increasing interest in in-place recycling. Asphalt emulsions can be used to recycle older pavements while minimizing asphalt consumption, thus reducing the time and cost of paving jobs. Asphalt cement will remain the leading paving material used in the US due to the prevalence of hot-mix and warm-mix asphalts in paving jobs. These products are favored because of their moderate cost and solid performance properties, such as durability and good drainage.

## Construction applications to outpace paving uses

Demand for asphalt used to make roofing and other building construction products is forecast to rise 3.7 percent annually to 7.2 million tons in 2019, spurred by rebounding building construction. Strong growth in single-family housing starts will boost demand for asphalt shingles, as will a more favorable lending environment that will encourage homeowners to replace older or worn roofing with more durable and aesthetically pleasing laminated asphalt shingles. In the nonresidential segment, the large base of structures with installed bituminous low-slope roofing will support reroofing demand.

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## Sample Text, Table & Chart

### ASPHALT PRODUCTS

#### Roofing Products

Demand for asphalt roofing products in 2014, a decline followed by a sharp increase between 2014 and 2015, dropped precipitously in 2015 as declines in housing construction met, while a contraction meant that fewer low-slope bituminous membranes were installed. Demand for asphalt roofing products is expected to increase in 2016 as an rebound in building construction expenditures. The residential segment will see more rapid gains, fueled by double-digit annual advances in new construction starts. This will boost demand for asphalt shingles, the roofing product most often used in this segment. Further growth in asphalt consumption will be supported by continuing demand for laminated asphalt shingles, which have higher asphalt contents than the standard three-tab shingles previously most often installed on residences. In the nonresidential market, growth in building construction spending and the large number of structures that feature bituminous low-slope roofing will support demand for asphalt in both the new and reroofing segments.

One factor that may reduce long term asphalt consumption in roofing products is the trend to use less asphalt in their manufacture. Sharp increases in asphalt prices across much of the 2004-2014 period have prompted manufacturers to look for low-cost alternatives to refined asphalt products. For instance, asphalt shingle manufacturers have cut down on asphalt use, instead making shingles with fiberglass matting. Producers of low-slope roofing membranes have minimized asphalt consumption by adding polyesters.

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SAMPLE  
TEXT

TABLE VI-3

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

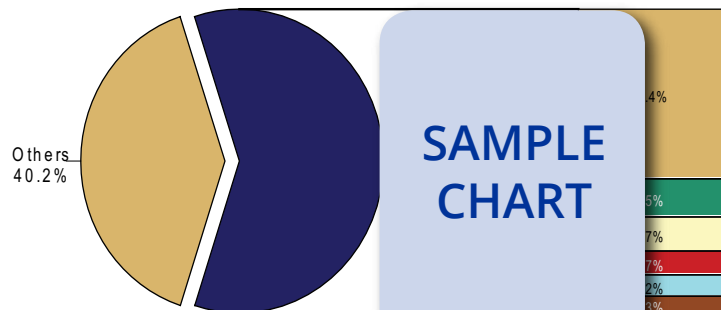
Item	2004	2009	2014	2019	2024
Residential Bldg Construction (bil 2009\$) tons asphalt/mil \$ construction	60	60	60	60	60
Residential Building Asphalt Demand	1	1	1	1	1
By Product:					
Roofing Products					
Asphalt Shingles					
Modified Bitumen Membranes					
Mopping Asphalt					
Standard Asphaltic Roofing Felts					
Other Roofing					
Paving & Other Asphalt Products					
By Application:					
New					
Improvement & Repair					
% residential building Asphalt Demand	30	30	30	30	30

SAMPLE  
TABLE

Source: The Freedonia Group, Inc.

CHART VIII-1

### ASPHALT PAVING PRODUCTS MARKET SHARE, 2014 (\$6.0 billion)



SAMPLE  
CHART

## Sample Profile & Table, & Study Coverage

**TABLE VII-7**  
**NORTHEAST ASPHALT DEMAND BY SUBREGION & APPLICATION**  
(thousand tons asphalt content)

Item	2004	2009	2014	2019	2024
Northeast Construction Expend (bil 2009\$)					
tons asphalt/mil \$ construction					
Northeast Asphalt Demand					
By Subregion:					
New England					
Middle Atlantic					
By Application:					
Paving					
Roofing & Other					
tons paving/highway lane-mile					
Northeast Highway Miles (000 lane-miles)					

Source: The Freedonia Group, Inc.



**COMPANY PROFILES**

**ArrMaz Custom Chemicals Incorporated**  
4800 State Road 60 East  
Mulberry, FL 33860  
863-578-1206  
<http://www.arrmaz.com>

Annual Sales: \$100 million  
Employment: 100  
Key Products/Services: asphalt and roofing products; paving applications; and roofing production and paving technology

ArrMaz Custom Chemicals makes mining chemicals, fertilizer chemicals, asphalt products, nitrogen additives, and industrial minerals. In addition, the privately held company provides water treatment services and toll manufacturing services for a broad range of markets. The Company is owned by private equity firm Golden Gate Capital (San Francisco, California).

The Company is active in the US asphalt industry through the Road Science division (Tulsa, Oklahoma), which specializes in the development, manufacture, and marketing of products and technologies for asphalt paving and roofing applications. The division conducts manufacturing operations at a facility in Mulberry, Florida.

Among the asphalt products from the Road Science division are ENCORE hot-in-place recycled asphalt, RECYCLE PLUS reclaimed pavement cold-mix asphalt, FORTRESS base stabilization asphalt, STRATA crack-sealing asphalt, BINDERTEKK polymer-modified hot-mix asphalt, BONDTEKK bonded pavement asphalt, and ROAD-ARMOR road maintenance treatment asphalt. Furthermore, the Road Science division produces a variety of custom asphalt additives.

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**STUDY COVERAGE**

This Freedonia study, *Asphalt*, presents historical data (2004, 2009, 2014) and forecasts (2019, 2024) for asphalt supply and demand, as well as demand by product, market, and US region. The study also considers market environment factors, details the industry structure, evaluates company market share and profiles 43 US industry competitors.



## Related Studies

### World Cement

World demand for cement will rise 4.5 percent yearly to 5.2 billion metric tons in 2019. India will be the fastest growing major market, as the pace of growth in China slows considerably. Blended cement will remain the most popular type, and will gain market share. This study analyzes the 4.2 billion metric ton world cement industry, with forecasts for 2019 and 2024 by type and market for six world regions and 20 major countries, along with total supply and demand for an additional 23 countries. The study also evaluates company market share and profiles industry players.

#3303.....August 2015.....\$6500

### Roofing

US demand for roofing is projected to advance 3.9 percent annually to 252 million squares in 2019, valued at \$21.4 billion. Asphalt shingles will remain dominant while roofing tiles, metal roofing, and plastic roofing will grow the fastest. The new building construction market will outpace reroofing, and residential roofing demand will outpace nonresidential. This study analyzes the 208 million square US roofing industry, with forecasts for 2019 and 2024 by product, market and US region. The study also evaluates company market share and profiles industry players.

#3293.....June 2015.....\$5500

### Bricks, Blocks & Pavers

Demand for bricks, blocks and pavers in the US is forecast to rise 8.8 percent per annum from a low 2013 base to \$8.9 billion in 2018. Bricks, typically made of clay, will see the most rapid growth of any product, driven by a rebound in new housing construction. Pavers will be the second fastest growing type, driven in part by interest in "green" building materials such as permeable pavers. This study analyzes the \$5.8 billion US brick, block and paver industry, with forecasts for 2018 and 2023 by product, material, market, application and US region. The study also evaluates company market share and profiles industry players.

#3236.....November 2014.....\$5200

### World Roofing

Global demand for roofing is projected to increase 3.7 percent per year through 2018 to 12.6 billion square meters. China and the US will account for over one-half of all global gains. Tile roofing will benefit from intensive use in the thriving Asia/Pacific market, while bituminous products will see rapid growth in the US market. This study analyzes the 10.5 billion square meter world roofing industry, with forecasts for 2018 and 2023 by product, market, world region, and for 18 countries. The study also evaluates company market share and profiles industry participants.

#3167.....May 2014.....\$6400

### World Cement & Concrete Additives

Global demand for cement and concrete additives will rise 9.3 percent annually to \$21.2 billion in 2017. All regions will post strong growth, while the Asia/Pacific region will remain the largest market. Chemical additives will post strong growth based in part on higher loadings and higher value products in developing areas. This study analyzes the \$13.6 billion world cement and concrete additive industry, with forecasts for 2017 and 2022 by type, market, world region, and for 21 countries. The study also evaluates company market share and profiles industry players.

#3130.....March 2014.....\$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 and other world markets. Industries analyzed by Freedonia include:

- Automotive & Transport • Chemicals • Construction & Building Products • Consumer Goods • Energy & Petroleum • Industrial Components • Healthcare & Life Sciences • Machinery & Equipment • Metals, Minerals & Glass • Packaging • Plastics & Other Polymers • Security • Services • Textiles & Nonwovens • Water Treatment

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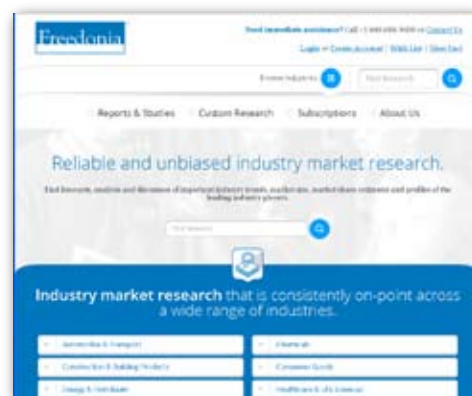
Freedonia Custom Research delivers the same high quality, thorough and unbiased assessment of an industry or market as an industry study. Since the research initiative is based upon a company's specific needs, companies harness Freedonia's research capabilities and resources to answer unique questions. 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.

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