Industrial Rubber Products

US Industry Study with Forecasts for 2019 & 2024

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US demand to rise 3.4% annually through 2019

Demand for industrial rubber products in the US is forecast to expand 3.4 percent per annum to $24.4 billion in 2019. Gains will be fueled by increased production of machinery and healthy growth in nonresidential construction spending. A modest bump in motor vehicle production will also provide industrial rubber producers with new sales opportunities, though this market will slow considerably from the robust output increases of the 2009-2014 period. However, competition from suppliers in low-cost countries will continue to restrict price increases for most industrial rubber products, limiting value gains to some degree. Furthermore, these goods will continue to face competition from less expensive plastic products in a number of applications.

Rubber roofing among fastest growing products

Bolstered by strong gains in construction activity, rubber roofing and other construction related products (such as rubber flooring, wall coverings, and geomembranes) are forecast to register the healthiest growth of any major product category through 2019. Suppliers of these products have boosted their manufacturing capacity in response to solid market conditions. For instance, in April 2015 Johns Manville (a Berkshire Hathaway company) completed an expansion at its Scottsboro, Alabama rubber roofing plant that increased the facility’s capacity by 20 percent.

Mechanical goods will continue to account for the largest share of total demand in 2019, although sales gains in this product segment will not be as strong as those forecast for others. Nearly half of all mechanical rubber goods are utilized in motor vehicle applications, where modest output gains will restrain growth to some degree. Sales of both hose and belts will outpace those of mechanical goods, supported by the wide variety of uses for these products. Suppliers of hose and belts will benefit from increased output of the durable goods, particularly machinery, in which they are used.

Construction market to post strongest gains

The construction market for industrial rubber products is expected to post the strongest gains through 2019, bolstered by a robust recovery in nonresidential building activity and an acceleration in residential construction growth. Machinery will remain the largest market for industrial rubber products, recording the largest sales advances in dollar terms, supported by ongoing production increases for both industrial machinery and off-road equipment. Gains in both the motor vehicle and other transportation equipment markets will be relatively restrained, dampened by slowing real output growth.
Demand for thermoset rubber utilized in the manufacture of industrial rubber products is expected to advance 2.0 percent per year to 2.3 billion pounds in 2019, slowing from the growth registered during the 2009-2014 period and trailing the gains expected for TPEs. Advances will be held back by moderating growth in the industrial rubber product market, as well as by competition from alternative materials such as plastic and TPEs. On the other hand, thermoset rubber is less expensive than TPEs, which will support sales in many applications. The thermoset rubber segment encompasses natural rubber, as well as numerous synthetic varieties -- including styrene butadiene, polybutadiene, polysisoprene, ethylene-propylene diene monomer (EPDM), nitrile, polychloroprene, and butyl -- as well as specialty materials such as silicone, fluoroelastomers, polysulfide, and acrylic.

Thermoset rubber accounted for 58 percent of elastomer demand in 2014, down from 63 percent in 2009.

The ongoing shift from thermoset rubber to TPEs is comparable to synthetic rubber’s displacement of natural rubber over the past several decades. Synthetic rubber is a practical alternative to natural rubber, but has not entirely displaced it. Similarly, TPEs are unlikely to completely displace synthetic rubber due to limitations in performance characteristics. Synthetic rubber will continue to be used because of technological innovations in materials formulation and chemical processes, economies of scale in manufacture, and the widespread availability of petrochemical feedstocks. Synthetic rubber may be produced in a wide variety of types, depending on the specific formulation of additives, extenders, catalysts, or other feedstocks employed, as well as the physical conditions under which they are produced. In addition, more materials can be blended through the blending of synthetic elastomers with various other types of polymers. The most widely used types of synthetic rubber include EPDM, styrene butadiene, nitrile, and others including butyl, polybutadiene, and polychloroprene.

**TABLE IV-21**

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Source: The Freedonia Group, Inc.

**CHART VI-1**

US INDUSTRIAL RUBBER PRODUCT MARKET SHARE, 2014
($20.6 billion)

- Others 84.2%
- Polyurethane 1%
- Chloroprene 1%
- Butyl 1%
- Neoprene 1%
- Nitrile 1%
- Polyethylene 1%
- Hypalon 1%
- Ethylene-propylene 1%
- Elastomeric 1%

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American Roller Company
1440 13th Avenue
Union Grove, WI 53182
262-878-8665
http://www.americanroller.com

Annual Sales: $60 million (estimated)
Employment: 380 (estimated)

Key Products: rubber-based rollers and coverings

American Roller is a leading US manufacturer of industrial rollers and roller coverings. The Company is owned by CM Acquisitions LLC (Chicago, Illinois), a private equity firm.

The Company is involved in the US industrial rubber product industry via the manufacture and sale of rubber and other specialty rollers and coverings, including urethane, ceramic, hard coat, bowed, and heat-transfer types. These products are designed for use in the metals, pulp and paper, textile, steel, graphic arts, business machine, and other industrial markets.

Rubber-based rollers and/or coverings from the Company are made from such materials as elastomer, neoprene, ethylene-propylene diene monomer, nitrile, urethane, and silicon. Specific products include MILLENIUM rollers, which contain general-purpose elastomers for bag making, abrasive coating, and other end uses; ARCOFLOW rubber rollers, which provide uniform coating film weight for improved finished product quality; EXCELNIP rubber nip rollers, which are engineered for the most demanding cast extrusion and embossing applications; and PELLEX rollers, which are manufactured from mating...
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Related Studies

**World Thermoplastic Elastomers**
This study analyzes the world TPE industry. It presents historical demand data (2004, 2009 and 2014) and forecasts (2019 and 2024) by market (e.g., motor vehicles; consumer goods; asphalt and roofing; adhesives, sealants and coatings; industrial products), product (e.g., SPCs, thermoplastic polyolefins, POEs, thermoplastic polyurethanes, thermoplastic vulcanizates, copolyester elastomers), world region and major country. The study also considers market environment factors, evaluates company market share and profiles industry players.

#3326 ............... October 2015 ............... $6500

**Roofing**
US demand for roofing is projected to advance 3.9 percent annually to 252 million square inches 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 re-roofing, 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

**Geosynthetics**
US demand for geosynthetics is forecast to rise 3.8 percent yearly to 1.3 billion square yards in 2019, valued at $2.5 billion. Nonwoven geotextiles will remain the dominant product by volume, while geomembranes will grow the fastest from a smaller base. The best market prospects will be in construction and transportation infrastructure. This study analyzes the one billion square yard US geosynthetics industry, with forecasts for 2019 and 2024 by product, market and region. The study also evaluates company market share and profiles industry players.

#3289 ............... June 2015 ............... $500

**World Industrial Rubber Products**
Global demand for industrial rubber products will rise 6.6 percent annually to $158 billion in 2018. More than half of all additional product demand will be accounted for by China. Rubber hose will be the fastest growing product segment. Industrial equipment and construction will be the fastest growing markets. This study analyzes the $115 billion world industrial rubber product industry, with forecasts for 2018 and 2023 by market, product, world region, and for 27 countries. The study also evaluates company market shares and profiles industry players.

#3230 ............... December 2014 ............... $6300

**Gaskets & Seals**
The US market for gaskets and seals is expected to expand 3.8 percent annually through 2018 to $10.6 billion. Compression packings and molded seals and packings will be the fastest growing seals, while expanded graphite gaskets will be the most rapidly growing gasket products. The electrical and electronic products market will lead gains. This study analyzes the $8.7 billion US gasket and seal industry, with forecasts for 2018 and 2023 by product and market. The study also evaluates company market share and profiles industry players.

#3226 ............... October 2014 ............... $5100

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:

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- Construction & Building Products
- Consumer Goods
- Energy & Petroleum
- Industrial Components
- Healthcare & Life Sciences
- Machinery & Equipment
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- Packaging
- Plastics & Other Polymers
- Security
- Services
- Textiles & Nonwovens
- Water Treatment

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