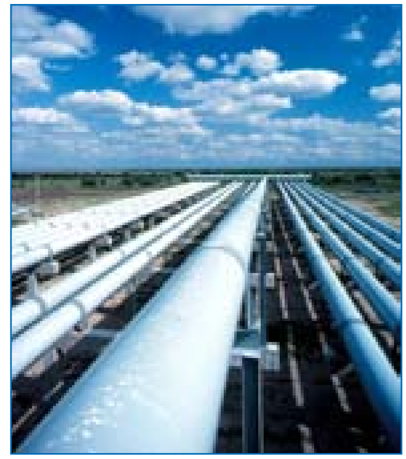
Midstream Oil & Gas Equipment



US Industry Study with Forecasts for 2019 & 2024

Study #3376 | February 2016 | $5400

Demand for equipment used in midstream oil and gas applications in the US is expected to decline through 2019 as a low oil and gas price environment limits production growth and US midstream infrastructure becomes better adapted to the recent shifts in energy production within the country. Spending on equipment for use in crude by rail and gas processing plants will both fall from elevated 2014 levels, but pipeline construction and liquefied natural gas (LNG) activity will continue to support a high level of equipment demand through the forecast period.

Eventual upstream recovery to boost midstream infrastructure

Although the market for midstream equipment is expected to return to healthy levels of demand in 2019, significant declines are expected in 2016, driven by a dramatic fall in well completions in 2015 and 2016. A recovery in drilling and completion activity is expected by 2019, with the upstream sector benefiting from an eventual oil price recovery along with additional export opportunities, which had not been previously available, for both crude oil and LNG. As growth returns to the upstream sector over the next few years, demand will again accelerate for midstream infrastructure projects, in turn boosting demand for equipment.

Pipe segment to recover by 2019

Pipe will remain the largest product category in midstream oil and gas equipment, with demand expected to fully recover and post modest gains by 2019 despite a sharp decline in 2015 and 2016. Demand for equipment associated with natural gas infrastructure -- including gas treating and processing equipment and compressors used in pipeline and other applications -- will continue to be strong by historical standards, although it is not expected to return to 2014 levels in the near future. The rapid growth of gas production in the Marcellus and Utica shale plays of the Appalachian Basin has necessitated a high level of gas processing and transportation infrastructure investment to accommodate changing regional gas transportation needs; by 2019 the need for ongoing construction will begin to ebb.

Major LNG export facilities expected

Although the prospects for LNG export facilities are clouded by short term price uncertainty, market fundamentals will drive the eventual construction of a number of facilities in coming years -- several of which are likely to remain under construction in 2019. These facilities, which will be major investments, will boost the overall market for a range of equipment, including compressors, valves, and pumps. Additionally, several new projects will require construction of LNG storage tanks, which can make up a large component of the total project cost due to their size and heavy engineering requirements.

Study coverage

This study analyzes US demand for equipment utilized in midstream oil and gas infrastructure. It presents historical data (2004, 2009, and 2014) and forecasts (2019 and 2024) by product, application, market, and US region. The study also considers market environment factors, evaluates company market share, and profiles 37 industry players.

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TABLES SUMMARY

Executive Summary

Products

Applications

Markets

Tables within each region present historical demand data (2004, 2009, 2014) plus forecasts (2019, 2024) for:
Oil/Gas Production & Producing Wells
Well Completions
Midstream Oil/Gas Equipment Demand

Industry Structure

Midstream Oil & Gas Equipment

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MIDWESTERN REGION

Oklahoma

Demand for midstream oil and gas infrastructure equipment i
Oklahoma is expected t Lower inve
in gas processing plant elines will l
to declines, as both sav and in 2014
will not remain necess s expected i
segments of the marke ct oil and g
produced from unconv Basin.

SAMPLE TEXT

Oklahoma is a significant oil and gas producing state, with m
recent interest in unconventional oil and gas in several distinct pla
The primary production areas in Oklahoma are the Anadarko Basi
Ardmore Basin, the Arkoma Basin, and the Cherokee Platform (w
includes part of Kansas). The Woodford shale, much of which ove
the Anadarko and Ardmore Basins, has become the site of conside
natural gas drilling activity in recent years. The SCOOP and STA
plays saw accelerating development in 2014 and into 2015, althou
oil prices prevented a higher level of drilling activity there.

Oklahoma has long been a crude oil pipeline and storage hub
destination for transported crude oil from the Gulf Coast. Cushing
homa is the site of the largest crude oil storage tank farm in the US and is
the delivery point for West Texas Intermediate crude oil futures c
traded on the New York Mercantile Exchange. The development o
Canadian oil sands plus unconventional resources in the Midwest
and Rocky Mountain region has created a need for southward tra
tation capacity. This has substantially altered the state's energy in
structure. For example, the Seaway pipeline that runs between C
Oklahoma and Houston, Texas was reversed in May 2012 and is n
pumping from Cushing to Texas.

TABLE VII-1

MIDWESTERN REGION: OIL & GAS PRODUCTION & PRODUCING WELLS

Item	2004	2009	2014	2019	2024
Oil & Gas Production (quadrillion Btu)					
Crude Oil					
Natural Gas					
Producing Wells (000)					
By Resource:					
Crude Oil					
Natural Gas					
By State:					
North Dakota					
Oklahoma					
Kansas					
Ohio					
Other					

SAMPLE TABLE

Source: The Freedonia Group

TABLE VII-3

MIDWESTERN REGION: MIDSTREAM OIL & GAS EQUIPMENT DEMAND (million dollars)

Item	2004	2009	2014	2019	2024
Oil & Gas Production (quadrillion Btu)					
$ equipment/bil Btu					
Midstream Oil & Gas Equipment Demand					
By Resource:					
Natural Gas					
Crude Oil					
By Product:					
Pipe					
Gas Processing Equipment					
Compressors					
Valves					
Pumps					
Storage Tanks					
Instrumentation Equipment					
Other					
By State:					
North Dakota					
Oklahoma					
Ohio					
Kansas					
Other					

SAMPLE TABLE

Source: The Freedonia Group

This study can help you:

- Determine your market & sales potential
- Learn more about industry competitors
- Assess new products & technologies
- Identify firms to merge with or acquire
- Complement your research & planning
- Gather data for presentations
- Confirm your own internal data
- Make better business decisions

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Related Studies

World Steel Pipe

Global steel pipe demand will rise 3.5 percent annually to 79.7 million metric tons in 2019. This decelerating pace will reflect slower construction activity in China and less oil and gas exploration in North America. Steel will remain the dominant pipe material in energy uses, but will face more competition from plastics in other markets. This study analyzes the 67.1 million metric ton world steel pipe market, with forecasts for 2019 and 2024 by application for six world regions and 20 major countries. The study also evaluates company market share and profiles industry players.

#3362............. February 2016 .... $6200

World Industrial Valves

World demand for industrial valves will rise 4.3 percent annually through 2019 to $98.5 billion. Market growth in developing areas will outpace product demand in developed countries. The expansion and upgrading of water infrastructures will help sales increases. This study analyzes the $80 billion world industrial valve industry, with forecasts for 2019 and 2024 by product and market for six world regions and 25 major countries. Total demand is given for an additional seven countries. The study also evaluates company market share and profiles industry players.

#3369............... January 2016 .... $6300

Drilling Products & Services

US demand for oil and gas drilling products and services is forecast to increase to $71 billion in 2019, reflecting average annual gains of 3.0 percent. Services will remain the dominant segment while fluids will grow the fastest. The Eastern and Western US will be the fastest growing regional markets. This study analyzes the $60.8 billion US drilling product and service industry, with forecasts for 2019 and 2024 by product and service for four regional markets and 17 state markets. The study also evaluates company market share and profiles industry players.

#3286..................June 2015................... $5300

World Upstream Oil & Gas Outlook

World upstream oil and gas activity will remain at a high level, with annual wells drilled increasing to over 115,000 in 2018. While recent crude oil price drops may limit drilling in the volatile North American market, world activity should continue to grow as many lower cost or highly productive wells remain profitable. This study analyzes activity in the 103,400-well world upstream oil and gas industry, with forecasts for 2018 and 2023 by indicator, world region, and for 16 countries. The study also considers market environment factors and profiles industry participants.

#3197............. December 2014 .... $6200

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Freedonia's methods

- Establishing consistent economic & market forecasts
- Using input/output ratios, flow charts & other economic methods to quantify data
- Employing in-house analysts who meet stringent quality standards
- Interviewing key industry participants, experts & end users
- Researching a proprietary database that includes trade publications, government reports & corporate literature

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