

Wood Preservative Market in the US

Industry Study with Forecasts for 2020 & 2025

Study #3456 | November 2016 | \$4900



Most growth for wood preservatives in the US will be due to higher levels of preservative loading in decking and other uses closely associated with residential construction. A lesser but significant portion will come from nonbuilding applications such as utility poles and marine piling.

New language in AWWA standards to benefit some building materials

Preservative demand is expected to get a boost due to the effects of new language in American Wood Protection Association (AWPA) standards. Some preserved wood building materials may now need to be treated to ground-contact standards rather than the previously accepted above-ground standards.

Slow growth in railway products to restrain preservative demand

Growth in preservative demand will be limited by slow gains in the railway products industry. Due to a decline in crude oil transport by rail and the generally cyclical nature of railway tie manufacturing, demand for railway products will grow only modestly over strong 2015 levels. Because a great deal of preservative is used on each railway tie, the impact on preservative demand overall will be substantial.

Gains will also be restrained by the rising use of non-wood materials in some applications. In both decking and utility products, while wood still dominates, plastic composite decking and steel utility poles continue to erode wood's

market share, which also cuts into wood preservative sales. Also counteracting growth in preservative demand is the increasing prevalence of more efficient preservatives. As new preservative formulations, such as micronized copper azole, more effectively penetrate and protect wood, lower levels of preservative are required.

Copper-based wood preservatives to rise faster than non-copper types

Copper-based wood preservatives will see much faster growth than non-copper-based products. Micronized copper azole will benefit most of all from the changes made to AWWA standards and will therefore contribute most to gains among copper-based preservatives.

Study coverage

This Freedonia industry study analyzes the \$625 million US wood preservative market. It provides historical demand data (2005, 2010 and 2015) plus forecasts (2020 and 2025) by product (micronized copper azole, creosote, chromated copper arsenate, borates, pentachlorophenol, dissolved copper azole, copper naphthenate), application (decking, railway products, utility products, marine piling), and market (residential building construction, nonresidential building construction, nonbuilding construction). The study also presents company market share and competitive analysis on industry players such as Huntsman, KMG Chemicals, Koppers, Lonza Group, Nisus, Rio Tinto, and Stella-Jones Incorporated.

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Railway Products: Industry Outlook

The trend from a boom in production of crude oil via rail in 2014. As part of the boom in the US and Canada before production slowed substantially, the mode of crude transportation is expected to fall to below pre-boom levels in part to a drop in rail oil transportation, and in part to a decline in production. Demand for new ties will also begin to slow due to existing inventories and in anticipation of the improved longevity afforded to ties by the practice of dual treatment, which is increasingly common likely remain low.

The production of railway ties tends to be cyclical, with production ramping up to meet new demand and then declining as expanded inventories cover new construction and maintenance projects. After ramping up production in the 2010-2015 period in response to the oil rail transportation boom, the industry is expected to produce ties at lower volumes going forward as it relies on existing inventories as rail traffic falls from peak levels.

The increasing rate of the dual treatment of railway ties will impact demand for ties as the preservative system -- involving borates in addition to creosote or copper naphthenate -- extends their service life and reduces the number of ties that need to be replaced each year. As dual treatment is a relatively new practice, it is still a matter of decades before the longevity of ties cuts very deeply into demand and production; however, because the industry maintains sizable inventories, railroads may

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TABLE IV-2

WOOD PRESERVATIVE DEMAND BY FORMULATION (million dollars)

Item	2005	2010	2015	2020	2025
Wood Preservative Demand					
Waterborne					
Micronized Copper Azole					
Chromated Copper Arsenate					
Borates					
Other Waterborne Preservatives					
Oil-Based					
Creosote					
Other Oil-Based Preservatives					
Wood Preservative Demand (mil lbs)					
Waterborne					
Oil-Based					

Source: The Freedonia Group

TABLE IV-12

BORATES DEMAND BY APPLICATION (million dollars)

Item	2005	2010	2015	2020	2025
Non-Copper-Based Preservative Demand					
% borates					
Borates Demand					
Railway Products					
Fire Protection					
Other Applications					
\$/lb					
Borates Demand (mil lbs)					

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



Related Studies

Molding & Trim in the US

Demand for molding and trim in the US is forecast to rise 1.6 percent per annum through 2020 to \$9.9 billion. Wood will remain the leading material for molding and trim, although competition from plastic and engineered wood will intensify. Interior molding and stairwork will post healthy gains based on rising new housing completions. The study offers historical data plus forecasts for 2020 and 2025 by material, product, market and region of the US. The study also examines the market environment, assesses the industry structure, and analyzes company market share.

#3474..... November 2016 \$5100

World Paint & Coatings

World demand for paint and coatings is projected to rise 3.7 percent per year to 54.7 million metric tons in 2020. The best growth opportunities will exist in India, where paint use will be spurred by rapidly expanding investment to build and update homes, businesses and industrial facilities. The study details the 45.5 million metric ton paint and coatings market, giving forecasts for 2020 and 2025 for supply and demand, plus demand by market and formulation, in 6 regions and 23 countries. The study also evaluates company market share and profiles global industry participants.

#3418..... June 2016 \$6200

Wood & Competitive Decking

US demand for decking is forecast to rise 1.8 percent per year through 2020 to 3.6 billion lineal feet, valued at \$7.1 billion. Increasing consumer confidence will spur gains in the large residential improvement and repair market. Alternatives to wood decking, such as wood-plastic composite and plastic, will see above average annual gains in demand. This study offers historical demand data plus forecasts for 2020 and 2025 by market, product, and US region. The study also considers market environment factors, evaluates company market share and profiles industry players.

#3411..... May 2016 \$5600

Paint & Coatings

US demand for paint and coatings is forecast to grow 3.8 percent annually to 1.4 billion gallons in 2019. Architecture will remain the largest market and grow the fastest. Water-based formulations will remain dominant and continue to gain market share. New technologies such as nanostructured coatings will drive future growth. This study analyzes the 1.2 billion gallon US paint and coatings industry, with forecasts for 2019 and 2024 by market, formulation and substrate. The study also evaluates company market share and profiles industry players.

#3317..... August 2015 \$5300

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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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