

Putting adhesives growth on the map

Global adhesive and sealant markets continue to grow steadily, with the BRICS countries leading the way, as two new reports from US association ASC demonstrate

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Knowledge, they say, is power. But a little knowledge is a dangerous thing. These two aphorisms may well be all that is needed to explain the keen interest in the regular output of market reports on all sectors of the chemical industry.

To assist industry's knowledge and planning, the US Adhesives and Sealants Council (ASC) has just released its latest market studies on adhesives and sealants use, covering North America and Asia. Both reports, says Matt Croson, president of ASC, "are solid tools that can be leveraged by industry professionals to assess the markets and design marketing plans to focus their efforts internally".

ASC produces the North American Market Report (NAMR) every three years, and this latest one, says Steve Duren, ASC's senior director of membership, covers the period 2012-15. Released in July, it was produced for ASC by DPNA International, an ASC affiliate member, and covers market size and scope for both adhesives and sealants and includes forecasting and trends analysis.

David Nick, president and CEO of DPNA, notes that primary coverage is US, Canada and Mexico, but adds that this year two new special

sections highlight the BRICS Alliance (Brazil, Russia, India, China and South Africa) and the electronics adhesives market in the US. There is also an overview of Latin America and summaries of macro-data for Europe, Middle East, Africa and Asia adhesives and sealants markets.

The good news for producers of these ubiquitous products is that the \$42.5bn global market is expected to grow by 3.2%/year over

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DAVID NICK
President and CEO, DPNA

the next three years. Even in the mature North American market, growth is expected to be 2.3%/year out to 2015, from a 2012 level of \$11.9bn. In terms of volume, North American market demand stood at 28bn pounds (lb) of wet formulated product in 2012.

As the second market report (The Asia-Pacific Market Study) on Asia shows, this is the real engine of growth. Released in August and covering China, Japan, India, Oceania, South

Korea, Taiwan, Vietnam and others, it reveals, says Nick, that growth in the region is expected to be around 5%/year through to 2015, to reach a volume of 11bn lb of wet formulated product, from a volume of 9.7bn lb in 2012 with an estimated market value of \$13.8bn.

Adds Croson: "The Asia-Pacific region data continue to indicate a positive growth curve, with all the countries showing positive trends. In fact, it remains the fastest growing region for adhesives and sealants on a global basis through to 2015."

Both reports, explains Duren, "are valuable tools for understanding the size of the market in US dollars as well as pounds of finished goods. Both divide the market by adhesives and sealants across seven segments and then divide those segments into various chemistry types." ASC believes these market reports are valuable in creating a baseline for the market and provide insight to areas of growth based on a three-year forecast covering the span from 2012-2015.

A product, adds Nick, "is defined along three axes: resin type; technology, such as hot melt, or reactive, etc; and end-use category, such as consumer/DIY, transportation, and so on."

In North America, says Nick, by late 2012, the economy was showing positive signs of recovery, especially in key indicators areas such as automotive and housing industries. He expects formulators will cautiously increase prices to recover margin losses experienced in 2009-2011 and predicts that the age of "green chemistry" and "sustainability" will gain greater acceptance.

Turning to the global market, Nick estimates Asia-Pacific now holds a 34% share of total demand, with Europe second at 32% and North America a close third at 27%. Latin America still commands a minor 4% share, with the rest of the world at 3%.

To end on another aphorism: forewarned is forearmed. With these reports there is little excuse not to access the latest market trends and dynamics. ■

Adhesive and sealant stakeholders can review the table of contents and order the reports at: www.ascouncil.org/industry-intelligence/industry-reports

Market sizes for adhesives and sealants, 2012

Global sales demand = \$42.5bn; global CAGR = 3.2%

