

Composites Industry Outlook 2014

By Lucintel, a Management Consulting and Market Research Firm

1 Signs of Faster Global Composites Growth

- Lucintel forecasts the global composites industry to grow at 5.2% to reach \$25.5 billion (18.6 Billion lbs) in 2014 in terms of the materials market. The end product market is forecast to reach \$72 Billion in 2014.
- Growth in North America is expected to be 6.4% in 2014, whereas Europe and Asia are expected to witness growth of 7.0% and 4.2% respectively in 2014.
- The International Monetary Fund (IMF) forecasts global economic growth will accelerate to 3.6% in 2014 as many European countries and Japan continue to emerge from recession.
- Global construction, transportation and Electrical & Electronics markets for composites are forecast to grow between 4% to 5% in 2014 and the aerospace market is forecast to grow at 10% in 2014.
- The US wind energy market is anticipated to show unprecedented growth by installing approximately 12 GW of wind turbines in 2014 after the sluggish performance in the last year. President Obama is pushing for permanent PTC (Production Tax Credit) for US wind market.

2 Upcoming Projects in the Composites Industry

- In the US, FERC (Federal Energy Regulatory Commission) is estimating 4,500 miles of new transmission lines to be built by December 2015, which reflects a total of 23,000 – 45,000 poles installation in 2014 and 2015. The Asia Pacific region is also expected to install a significant number of transmission poles with increasing penetration of FRP.
- In Europe, US and Japan, automakers such as BMW, Mercedes, Audi, Ford, GM, Toyota and others to use a significant amount of carbon composites parts in future vehicles – driven by fuel efficiency.
- Significant growth in composites in the CNG tank market (Type 3 and Type 4) is expected in 2014. Automakers are launching CNG based vehicles such as Type IV tank in class 8 Freightliner Cascadia, Type III tank in Chevrolet Silverado HD, etc.
- Globally, 119,000 miles of pipeline are planned in which 45,000 miles are under construction.
- Indian Government has approved 1,044 miles of Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline project.
- Approximately 2 million barrels/day of capacity of new refineries are expected to come online in China during 2014 and 2015.
- Rapid Bridge Replacement Project in Pennsylvania, US to replace up to 500 of the state's structurally deficient bridges.

3 Innovation Opportunities in Composites

- There will be significant innovations in the composites market in the next 50 years. In aerospace, automotive, construction, pipe and tank, consumer goods and other industries, composites are underrepresented.
- Light-weighting and cost reduction are two mega trends across industries.
- Some of the future innovation areas for composites are: Light-weighting of automotive, aerospace and industrial parts; Cost reduction in various composite parts; Smart structures for quality control and damage monitoring; Faster and more predictable infusion; Reduction in the price of composite materials, including carbon and aramid fibers and resins; Environmental-friendly resin and fiber systems

Lucintel

222 Las Colinas Blvd West, Suite 1650, Irving, TX 75039, USA.

Tel: +1-972-636-5056 or Fax: +1-877-883-5140 or email: helpdesk@lucintel.com

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- The Federal Highway Administration of US has announced \$30 million in grants for innovation planning and implementation that can be entitled by state transportation departments and others involved in state highway projects – composites can play a big role in this. .
- Canadian Federal funding of \$4.2 million to provide research and development opportunities for Canadian companies leading to the integration of new composites technology and manufacturing processes in the commercialization of innovative products.
- Financed by the UK government's Regional Development Fund, the University of the West of England, Bristol is funding £4 million for research and development expenses to south-west region

To stay ahead of the competition, Lucintel offers following services:

A Customer, Competitor and Market Intelligence

- To produce long-term business growth, there is significant importance in data driven business decisions and the right analytical tools.
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C About Lucintel

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- **Industry Leadership:** Over 1000 clients across globe. Fifteen years of proven management consulting & market research experience. Panelists and key note speakers at leading conferences. Subject matter expertise in composites, adhesives, chemicals, automotive, aerospace, energy and construction markets.
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