Fachverlag für die Polymerindustrie

PU chemicals and products in Europe, Middle East & Africa (EMEA), 2012

IAL Consultants has published the ninth edition of its report on the markets for Polyurethane Chemicals and Products in Europe, Middle East and Africa.

This new study updates and expands upon the information included in IAL's previous study published in 2010. The information contained within this report is based upon an extensive programme of interviews throughout the industry. The report contains both PU product production and raw material consumption figures with 2011 as the base year and market forecasts provided to 2016.

The report is presented in five volumes. The titles of all five volumes are:

Volume 1 – Raw Materials

Volume 2 – Foam Products

Section 1: Flexible Foam
Section 2: Rigid Foam

Volume 3 – Non-Foam Products

Section 1: Coatings
Section 2: Adhesives & Sealants
Section 3: Elastomers
Section 4: Binders

Volume 4 – End-Use Markets

Volume 5 – Executive Summary

The polyurethanes industry has recovered to a great extent from the impact of the global recession. Total production of polyurethane products is reported to have been **5,449,400 tonnes in 2011** compared with almost 5.1 million tonnes in 2009 and 5.4 million tonnes in 2007. By 2016 this figure is forecast to be **6,351,125 tonnes,** equivalent to an average growth of 3.1 % p.a. over the next five years, despite continuing concerns surrounding the global economy.

Of the three regions considered, the polyurethane industry remains the largest in Western Europe, but growth rates are strongest in Eastern Europe and the Middle East/Africa region.

Total EMEA production of all PU products & growth rates by region, 2011 – 2016 (tonnes)

Country	**2011 (tonnes)**	**2016 (tonnes)**	**2011-2016 (% growth p.a.)**
Western Europe	3,314,300	3,653,095	2.0
Eastern Europe	919,820	1,157,580	4.7
Middle East & Africa	1,215,280	1,540,450	4.9
Total Europe	**5,449,400**	**6,351,125**	**3.1**

Source: IAL Consultants[image_0]

Raw materials

MDI and TDI are essentially marketed as commodity aromatic chemicals, with EMEA consumption of approximately 1.53 million tonnes and 617,000 tonnes respectively in 2011. Demand for TDI rebounded significantly in 2010 after the economic crisis, particularly from the furniture, bedding and automotive sectors. Future growth is likely to follow GDP growth rates in Western Europe, but to be slightly higher in Eastern Europe and the Middle East/Africa. Demand in 2011 was quite flat, whereas consumption of MDI grew by around 2 % in the same year.

Several new raw material facilities are currently under construction, including BASF's 300,000 tpa TDI plant at Ludwigshafen, and Bayer's new TDI and MDI facilities at Dormagen and Brunsbüttel respectively (300,000 tpa TDI, 220,000 tpa MDI). To serve the ever-expanding Middle Eastern markets, Dow and Saudi Aramco have established a joint venture to produce MDI, TDI, propylene oxide and polyols. This is expected to be up and running in Jubail Industrial City, Saudi Arabia in 2016.

It is likely that new polyol capacity will be required in EMEA over the forecast period in line with the world-scale isocyanate plants being built in the region.

Flexible and rigid foams

Total production of flexible polyurethane foam in 2011 in the EMEA region was estimated to have been over 2 million tonnes, of which 1.6 million tonnes was slabstock and almost 450,000 tonnes was moulded foam. The production of flexible slabstock remains dominated by standard polyether foams, but the production of high resilience (HR) and combustion modified (CM) foam continues to grow. Viscoelastic foam is expected to experience good growth in Eastern Europe and Turkey over the next few years. In the last few years, Western European flexible foamers have seen their market share decline in export markets in the US, where Chinese furniture imports have grown, and also in Eastern Europe, which has experienced an increase in domestic production. In particular, Poland has experienced a large increase in conventional foam output. Growth in moulded foam output is being driven by recovery in the automotive OEM industry.

The total EMEA production of rigid polyurethane foam has increased from 1.45 million tonnes in 2009 to an estimated 1.62 million tonnes in 2011, of which the bulk is used for thermal insulation in the construction and refrigeration industries in the form of panels, boards and in-situ foam. Demand for polyurethane (and polyisocyanurate) insulation in Europe has been driven by the standards set by the European Building Products Directive and the consequent different pathways adopted by the individual European countries. Insurance companies across Europe have also not missed out on the opportunity to demand the use of higher performing insulation in construction. In Eastern Europe and Russia, the continued renovation of district heating pipe work remains a large market for rigid PU foam. The refrigeration market is mature, and is driven mainly by the need to create more energy efficient products.

CASE applications

In the polyurethane coatings segment, total EMEA production of polyurethane coatings was over 746,000 tonnes in 2011. The market in Western Europe is fairly mature, but considerable growth is still forecast for the Eastern Europe and Middle Eastern regions thanks to the abundant number of applications for polyurethane-based coatings.

Polyurethane dispersions (PUDs) are gaining ground as a result of their strong performance and regulatory credentials, and this is especially the case in Eastern European and Middle Eastern areas, where leather, textile and flooring applications are already benefiting from their superior attributes. The sub-segment of UV-curable PUDs has been demonstrating strong growth in Northern Europe and Germany, where growth rates are in the double-digit percentage class.

Polyurethane adhesives are available for a diverse range of applications, and total production of PU adhesives was 249,000 tonnes in 2011. Again Eastern Europe, the Middle East and Africa are offering the best opportunities for growth in this market. Formulations based on PU dispersions are replacing traditional adhesives in many applications, particularly in the automotive industry. The majority of polyurethane sealants are used in auto direct glazing and construction.

Footwear, which is an important segment for PU elastomers, is experiencing a struggle on many fronts as far as the industry is concerned, not least due to the relocation of large parts of the shoemaking industry to Asia. TPUs are finding greater use within the mainstream footwear segment as a result of the development of softer grades, advancing their applications beyond sporting footwear. Increasingly, many of the top companies are developing application-specific TPUs for use in different industries.

Binders

PU binders represent a comparatively small market, characterised by little regional production outside Western Europe. However, selected countries in Eastern Europe are demonstrating rapid growth at about 11% p.a. in line with growing wood panel production. By contrast, wood panel production in Western Europe has fallen significantly in recent years.

This five-volume report comprises of more than 1,400 pages and more than 900 tables of data. The data includes raw material consumption by product type, by region and by major end-use industry, supported with industry data on production volumes by major manufacturers. Profiles of leading flexible foamers and raw materials manufacturers are also included, plus directories of producers of all the key raw materials and polyurethane products in the region.

The report is available for the following prices:

	Price
Volume 1 – Raw Materials	**EUR 5,000**
Volume 2 – Foam Products	**EUR 6,000**
Volume 3 – Non-foam Products	**EUR 4,000**
Volume 4 – Major End-Use Markets	**EUR 4,000**
Volume 5 – Executive Summary	**-**
The complete report	**EUR 14,500**

(Volume 5, the Executive Summary, is only available to purchasers of the complete study.)

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