THE EUROPEAN MARKET FOR THERMAL INSULATION PRODUCTS

IAL Consultants is pleased to announce the ninth edition of its popular study on The Market for Thermal Insulation in Europe

This new study builds on IAL Consultants’ former edition and follows much of the same layout. Market figures for the year 2012 are provided by type and by end-use sector by both volume (tonnes and cubic metres) and value (€ million). 5-year forecasts (CAGR) are provided for 2017.

The analysis covers 27 countries (including all major European thermal insulation markets) split into 14 individual country volumes covering all of the most commonly used insulation materials. An additional 4 material volumes focus on a specific insulant type individually (mineral fibre, EPS, XPS & PU/PIR) and present data for the regions of Western and Eastern Europe, and then for the same 27 countries.

The data and information presented in this report has been collected through a lengthy programme of interviews throughout the industry and across the different geographies in Europe. In addition, published construction statistics have been taken into account.

The total market for thermal insulation products in Europe reached approximately 192,653,100 m³ in 2012 (equivalent to 5,637,000 tonnes). By value, the market is estimated at € 9,600 million. By 2017, the demand for thermal insulation products is poised to reach some 213,546,700 m³ (or 6,270,100 tonnes) provided a 2.2% year-on-year growth is sustained. This would correspond to a market value of € 10,570 million at current prices.
Europe’s recent economic crisis hitting the globe in the years 2008 and 2009 put much of the insulation business and the construction sectors on halt. Soon after, concerns over improved efficiency in buildings saw the adoption of a new framework of EU Directives attempting to tighten thermal performances requirements. This significantly fuelled the retrofit construction sector and double-digit growths for thermal insulation materials were reported in the most developed countries of Western Europe.

In 2012, the thermal insulation markets of Western Europe stabilised. Growth rates have been slower. Although the trend towards energy efficiency improvements persists, which in turn is increasing insulation thicknesses requirements, materials with enhanced fire properties are further attracting the end-consumer. The mineral fibres are better positioned in this respect as they have “natural” fire protection characteristics and are very well-established in the European market (57% of the total European insulation market). Energy efficiency considerations and Passivhaus standards, once particularly promoting the use of PU/PIR materials, are now being weighed against fire properties.

However, in Western Europe, growth rates in the thermal insulation market are not expected to surpass 1.4% CAGR by volume per annum. The construction sector in economies like Spain and Portugal are still suffering from the consequences of the crisis outbreak. Unlike these, Norway’s construction sector is enjoying a period of remarkable expansion since the year 2010 thanks to the residential sector. Current discussions are underway in the Norwegian economy in view of introducing further measures to boost energy conservation. Despite these advancements, Germany remains by far the largest market for thermal insulation materials in Europe with annual demands of about 27,554,100 m³ (or 733,000 tonnes).

Many of the trends affecting the markets of Western Europe are trickling throughout the Eastern countries, albeit at slower rates. Poland, Russia and Turkey have been at the forefront of implementing these tendencies. Other countries are still much relying in the less expensive prices of expanded polystyrene insulation systems.
despite their questioned fire behaviour. In Eastern Europe concerns over meeting labelling requirements seize the markets with some manufacturers reportedly struggling to compete against lower-priced imported materials that do not comply with national statistics.

The demand for insulation materials in Eastern Europe could grow by 3.1% CAGR per annum by volume to 2017. The economies in Eastern Europe are currently more vibrant than those in its Western counterpart, with Turkey expected to achieve the highest growth rates (4.1% per annum by volume) in the whole of the region as a result of its rapidly growing population, positive GDP projections, the booming of the country’s construction sector, and more stringent regulations.

*The European Market for Thermal Insulation Products* is now available from IAL Consultants. Prices start at €1,000 for single volumes. The whole report is priced at €7,000.

Sections of the report will also be available to purchase online via our website: [www.ialconsultants.com](http://www.ialconsultants.com)

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