GLOBAL OVERVIEW OF THE SPRAY POLYURETHANE FOAM (SPF) & ONE COMPONENT FOAM (OCF) MARKETS

IAL Consultants is pleased to announce the publication of the fourth edition of its report on the markets for Spray Polyurethane Foam (SPF) and One Component Foam (OCF)

This study updates the information included in our previous study published in 2012. Data in this report has been extensively revised through a lengthy programme of interviews throughout the industry during the first half of 2014, which led to IAL Consultants significantly revising its APAC data.

This report contains data on the production of both SPF (in tonnes) and OCF (in tonnes and number of cans equivalent) in 2013 and forecast production for 2018 split by the three major geographic regions (Americas, EMEA and Asia-Pacific) and a total of 57 sub-regions and countries. In addition, estimated demand for both product groups in 2013 is provided for each region, for SPF segmented by type of application.

The report follows the outline below:
1. Introduction
2. Executive Summary
3. SPF/OCF Production and Related Raw Material Consumption by Region
4. Technical & Commercial Background
5. SPF - Review of Global Supply & Demand by Region and Country
6. OCF - Review of Global Supply & Demand by Region and Country

Global Overview of the Spray Polyurethane Foam & One Component Foam Markets is now available, priced at €3,500 for a single hard copy edition.

All data in this report is also available in our unique global database at a subscription price of €1,000 for 365 days (when complete report is purchased, total price €4,500). Please contact us for further information.

<table>
<thead>
<tr>
<th>Unit</th>
<th>Product</th>
<th>No. of Countries/Sub-Regions</th>
<th>Years available in Database</th>
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</thead>
<tbody>
<tr>
<td>Production in Tonnes</td>
<td>SPF</td>
<td>47</td>
<td>2000-2018</td>
</tr>
<tr>
<td>Production in Tonnes</td>
<td>OCF</td>
<td>22</td>
<td>2000-2018</td>
</tr>
<tr>
<td>Demand in tonnes</td>
<td>SPF</td>
<td>14</td>
<td>2011-2013</td>
</tr>
<tr>
<td>Demand in cans</td>
<td>OCF</td>
<td>46</td>
<td>2011-2018</td>
</tr>
<tr>
<td>Production in cans</td>
<td>OCF</td>
<td>27</td>
<td>2011-2018</td>
</tr>
</tbody>
</table>
**Market Summary:**

Despite the global economic slowdown, the demand for Spray Polyurethane Foam (SPF) continues to grow. Unlike in the past, when the Asian region was driving the demand, today the high growth rates recently experienced in the US, the largest global producer of SPF second only to China, have had a knock-on effect on the global production volumes recorded. There, the mounting levels of SPF being used have been attributed to the superior characteristics of polyurethanes as well as non-traditional application areas, such as wall insulation, increasingly captivating the construction industry’s attention.

Many of the economies of Asia-Pacific are experiencing sluggish growth, and the demand for SPF has much mirrored this. Concerns raised in the past in China regarding the flammability of insulation materials led to an interim ban on the use of spray foam in occupied buildings, further slowing down its demand in the market. Instead, in the mature markets of Western Europe, the need for improved levels of energy efficiency in existing buildings is propelling the demand. Huge potential remains in emerging East European nations such as Russia, where there is still a large amount of existing residential and commercial building stock in need of improved insulation.

In 2013, the total global production of SPF stood at around 600,000 tonnes. This is anticipated to reach 820,000 tonnes by 2018, equivalent to an average annual growth of 6.5%.

![Global Production of Polyurethane Spray Foam by Region, 2013 (%)](chart1)

The sound price-quality relationship of One Component Foam (OCF) means that alternative products in the market are generally overlooked and thus the demand continues to enjoy steady growth. The production now stands at 534.5 million cans and, by the end of 2018, 667.7 million cans are expected to be manufactured globally, equating to a CAGR of 4.6%.

![Global Production of One Component Foam by Region, 2013 (%)](chart2)

Over the years, the production of OCF cans has shifted away from Western Europe to economies where labour is less expensive, making China the world’s largest producer. Manufactured cans are then easily exported for their use elsewhere. Nonetheless, overall, EMEA still represents the largest region in terms of production volumes (55% of the total global production), where most of the production is concentrated in Eastern Europe - in particular in Estonia and Poland. As such, Europe is considered the most knowledgeable and demanding market for OCF, and new developments are seeing the first wave of low-MDI content OCFs appearing in the most stringent European countries.

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