

D&G Consulting

Factual Market Research

**The PVC Roofline Products Industry
In the UK & Republic of Ireland
●
Market & Forecasts to 2014
2011 Edition**

**Including:
PVC-UE Cellular Foam Profile
PVC-U Twin Wall Hollow Soffit Profile
PVC-U Rainwater Products**

Published September 2011

Introduction

The Annual PVC Roofline Report details the actual performance of the UK and Republic of Ireland (ROI) PVC roofline industry for 2010. Also contained are forecasts to 2014 for volumes and values for PVC-UE cellular foam profile, PVC-U rainwater products (gutter, downpipe, fittings etc) and PVC-U twin wall hollow soffit. The list of contents, tables and charts is shown below demonstrating the depth of research and analysis that is contained in the 115 pages of the report.

Our forecasting model uses construction industry and economic forecasts that were published in mid 2011. Therefore the implications of the Government's CSR (Comprehensive Spending Review) and 2011 budget are embraced in the forecast to 2014.

At the request of our customers we have enlarged the report by including a section on the volume and value of the main product lines – cellular foam profile, PVC rainwater products and twin wall hollow soffit:

The report provides the roofline industry with an estimate of the volume and value by product line forward to 2014. It shows how the product and sector landscape is forecast to change as the UK economy comes out of recession, private house building starts its recovery and the effects of government spending cuts.

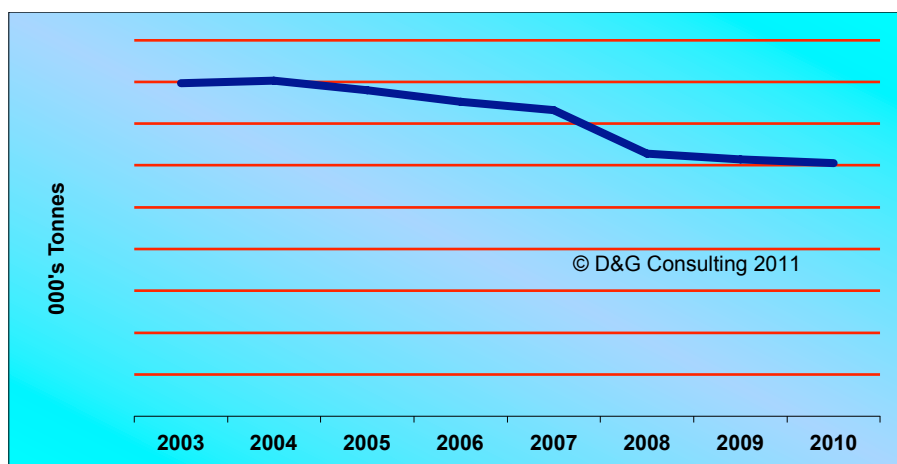
The market in the UK and the Republic of Ireland for PVC roofline products continues to suffer from the effects of the credit crunch, recession and the austerity measures imposed by UK and ROI governments. The demand for quality market information and forecasts by producers, their suppliers and customers is crucial taking into account the changing economic and business landscape. Understanding the needs of the industry in these difficult times; we produce updates to the forecast in the autumn and spring. These updates are free to those companies who purchase the annual report.

Summary

Roofline Volumes

The volume of PVC roofline products produced by UK and ROI Producers in 2010 decreased by an estimated 1.5%, the seventh consecutive year of decline. However, as a result of increased exports (chiefly to mainland Europe) up the consumption of PVC roofline products in the combined UK and ROI markets decreased by 5%.

Chart: Summary Total PVC Roofline Product Volumes 2003 to 2010

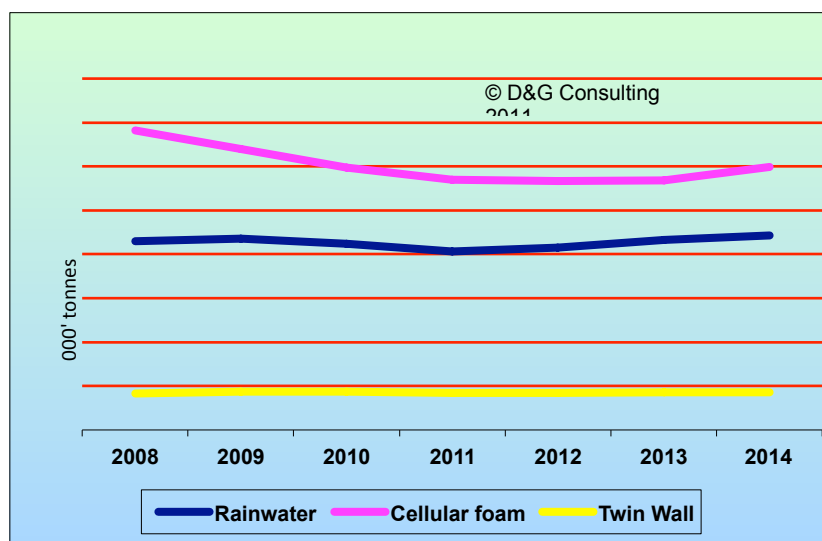


The forecast through to 2014 for the industry is cautiously encouraging in the longer term but less encouraging in the short term as a result of both the UK and ROI Government's austerity measures, cut backs, low growth during the first six months of 2011 and the consequent decline in consumer spending. 2011 is expected to be especially gloomy but thereafter there is some cautious optimism.

PVC Roofline Product Volumes

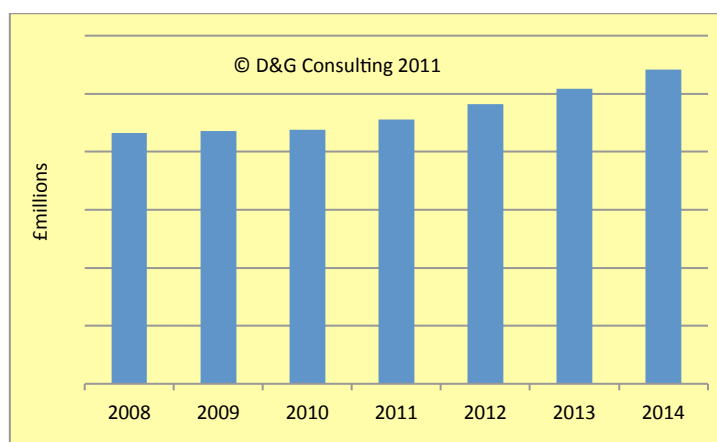
The chart below shows that both cellular foam profile and rainwater products are forecast to decline in 2011 – the result of the austerity measures in both the UK and ROI biting and consumer spending going negative under the weight of increasing inflation and the spectre of job losses. The return to growth is finely balanced and is not expected until 2012/13 and then it will be only in low single figure percentages. Much of the growth at the end of the forecast period is dependent upon new house building and non housing construction in the UK picking up pace. As this report is written the uncertainty surrounding house building in the UK heightens due to a combination of slow bank lending and planning policies.

Chart: PVC Roofline Product Volumes by Product Line



One small encouragement is that the market value for PVC roofline products increased by 0.5% in 2010 largely as a consequence of price increases driven by escalating costs of raw materials and energy. We are forecasting further price increases throughout the forecast period.

Chart: Market Value for Roofline Products 2008 to 2014 - £millions

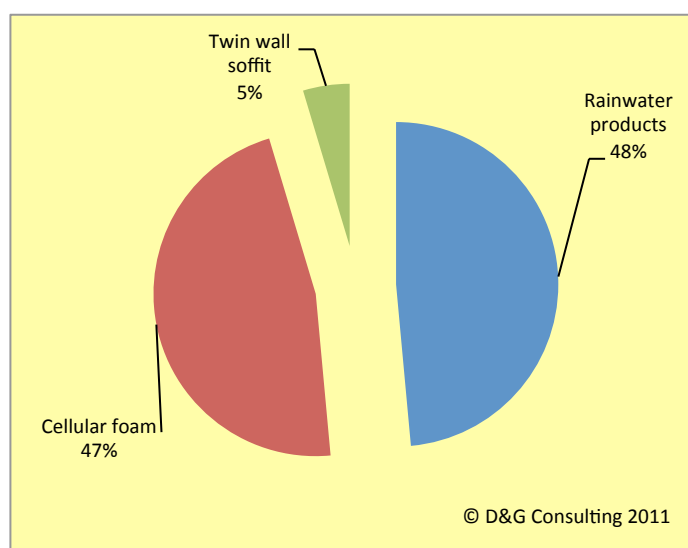


Prices for roofline products, measured in £per tonne rose in 2010 – this as a result of the producers having to react to the combination of rising raw material, energy and transport costs. The average prices have also been affected by changes to mix (especially with rainwater products) and routes to market – these issues are discussed in the body of report. We are forecasting prices for roofline products will increase through the forecast period - these price increases are our best estimates, however, from 2012 price increases reflect the economic indicators over the forecast period that are contained in the body of the report.

Product Line Values

The chart below shows the estimated split of product line market values for each of the three product lines for 2011. The chart shows that cellular foam profile and PVC rainwater products have equal market values. However, by 2014 there is forecast to be a change in the product line 'landscape' with rainwater products gaining as non housing construction and private house building are expected to start to recover.

Chart: Product Line Market Values - 2011



Research Method

This report concentrates on the PVC-UE cellular foam, PVC-U twin wall hollow soffit and PVC-U rainwater building products markets in the UK and the Republic of Ireland. It combines information from extensive personal and telephone interviews with companies in the UK and Ireland. These were carried out during the first half of 2011. Key respondents were:

- ✚ PVC-UE cellular foam profile system companies;
- ✚ Polymer manufacturers;
- ✚ Compound manufacturers;
- ✚ Extrusion machinery manufacturers;
- ✚ Additive suppliers (one pack and impact modifiers);
- ✚ Trade laminate foilers.

Additionally information has been obtained from published company reports, business journals, web sites, official statistics issued by Government agencies and a number of other surveys.

The information presented in this report is believed to be the most comprehensive study of this industry to date. Much of the information has been provided to us in detail and on a confidential basis, such that we are able to use it to compile the trends and build up a model of the industry but without revealing the sources of data. We have a very high degree of confidence in the overall picture, because of the stringent and comprehensive nature of the research. Most of the statistics are derived from more than one source and, where actual or suspected variances occur, we track back through the information trail.

In all the report comprises 115 pages packed with detail, figures, analysis and forecasts. There are 7 Parts, 19 Sections, 40 tables and also 49 charts. The liberal use of charts makes the report a valuable tool for strategic planning, budgets, presentations and marketing.

Cost

The cost of the report is £2,000 (£1,850 to existing customers). All purchasers receive a free update to the forecast section on the autumn and following spring.

The reports are sent by email.

We are happy to visit and discuss the report.

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