

D&G Consulting

Factual Market Research

**The PVC Roofline Products Industry in
The UK & Republic of Ireland**



Market & Forecasts to 2014

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

Autumn 2011 Edition

Introduction, summary, contents & list of tables & charts

December 2011

Introduction

This PVC roofline industry forecast report is directed at volumes and values for the PVC-UE cellular foam, PVC-U rainwater products and PVC twin wall hollow soffit markets covering the years to 2014.

The Government's austerity measures have hit consumer confidence hard and have had the effect of reducing the demand for PVC roofline products. We have responded by producing this late autumn 2011 roofline industry forecast. **Importantly, the forecast uses the latest construction industry and economic forecasts that were published this autumn to project volumes and values into 2014.**

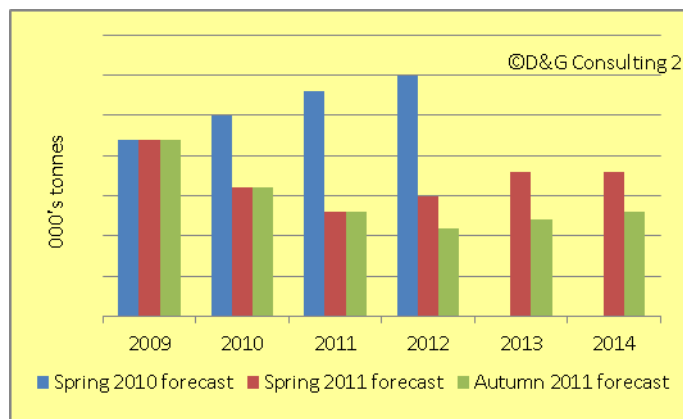
Even so the PVC roofline products market in the UK is significant in terms of both volume and value to manufacturers, distributors, builders' merchants and DIY stores. Products have improved in performance, quality and appearance over the past few years.

However, despite the product improvements the market in the UK and Republic of Ireland for PVC roofline products has continued to suffer from the effects of reduced new house building, the recession, rising unemployment and the economic uncertainty. The Annual PVC Roofline Market Report published in August 2011 contained a forecast to 2014 that reflected the economic projections for 2011 and beyond. Since the summer economic and construction forecasters have downgraded their forward projections and are shown in detail in the report.

Importantly, the three product lines are not equally affected. There are market sectors where we see potential of growth. Whilst export opportunities are not included in this UK and Ireland market report we have information relating to the expansion of exports to mainland Europe.

After the credit crunch of 2008 and the subsequent recession the new UK Government immediately implemented a range of cut backs to public spending. We were keen to see the effect of the Government's cut backs on the roofline industry. So in the chart below we have plotted the total PVC roofline volume over the forecast years for our 2010 Spring Forecast (produced before the UK General election in May 2010), the 2011 Spring Forecast and this 2011 Autumn Forecast (after the economic forecasters had downgraded the UK growth forecasts).

Chart: Comparison Spring 2010, Spring 2011 and Autumn 2011 Forecasts



The above chart shows there has been a steady reduction in total volumes over the forecast period. Worse than expected economic statistics over the past few months has resulted in economic and construction industry forecasters downgrading their forward projections for the forecast period

The Forecast Report concentrates on the demand for PVC roofline products in the UK over the period 2008 to 2014 specifically:

- ✚ PVC-UE cellular foam profile;
- ✚ PVC-U twin wall hollow soffit.
- ✚ PVC-U rainwater products.

The forecast is based on independently researched facts to establish volumes (expressed in tonnes, of PVC) and values by product line and in total. We have set out to provide the best possible forecast for the industry by breaking it down into small elements (the building block approach) providing the best chance of a good quality forecast. Within the body of this forecast are the assumptions that have been used together with sources of information upon which predictions are based. The reader may disagree with some of the assumptions but the format allows readers to change the assumptions to arrive at a different forecast. It is intended as a dynamic forecasting and planning tool, not a take-it-or-leave-it tablet of stone.

Hard information is used together with other authoritative sources including:

- ✚ Forecasts and predictions for new house building as published in October 2011 by Experian Construction Forecasts and the DCLG.
- ✚ The latest economic forecasts for the UK Economy published in October 2011 from The ITEM Club & HM Treasury;
- ✚ Actual industry results for 2010 drawn from a number of sources and published in *The 2011 Annual PVC Roofline Industry Report for the UK and Republic of Ireland* – published in September 2011 from D&G Consulting.
- ✚ Key information from the English Housing Survey - DCLG;

- ✚ Review of the Construction Industry in the Republic of Ireland – DKM Economic Consultants;
- ✚ Planning statistics – DCLG/Scottish Executive/DOE Northern Ireland;
- ✚ Listed Buildings – English Heritage/Historic Scotland/DOE Northern Ireland/Britannia;
- ✚ Other statistics from the Office of National Statistics;
- ✚ Information from other D&G Consulting industry reports.

We have also sought the views and figures from companies and authorities in the industry. 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 trends and build up a model.

Summary

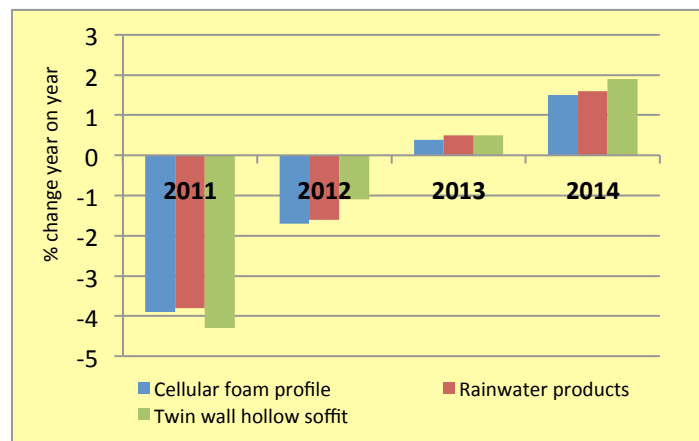
This summary is a brief outline of the chief findings of the very detailed Autumn 2011 Roofline Forecast Report. We estimate that the combined value for PVC roofline products for 2011 is £216 million. The combined volume of PVC roofline products is estimated as 103,000 tonnes. The table below shows the combined estimated volumes for PVC roofline products for the discrete years of 2011 and 2014.

Volume and Value of PVC Roofline Products - 2011 & 2014

	2011	2014
Volume (000's tonnes)	103	103
Value (£ millions)	216	234

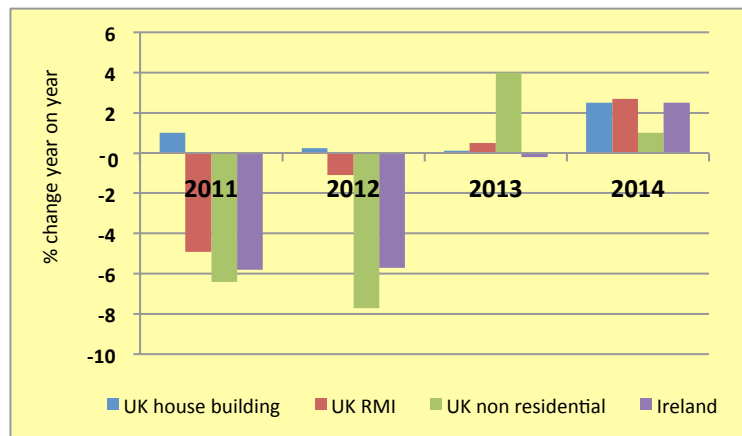
The chart below shows the annual percentage volume change for the three roofline product ranges over the period 2008 to 2014. This chart shows that all three markets are forecast to move into a period of growth from 2013 but only after a difficult 2012. PVC-U rainwater products fare marginally better than cellular foam profile throughout the forecast period.

Chart: Annual Percentage Volume Change by Product Line



The chart below shows the annual percentage volume change by sector – UK house building, UK RMI (Repair Maintenance and Improvement), UK non-residential construction and Ireland (both house building and RMI) over the period 2008 to 2014.

Chart: Annual Percentage Volume Change by Sector



The chart above shows:

- House building in the UK is not expected to grow significantly over the forecast period.
- RMI in the UK is expected to recover marginally driven the need for house holders to carry out essential maintenance.
- Non -residential construction is expected to remain depressed over the forecast period, however, there are a few bright spots.

The roofline industry has been hit hard by the downturn in the economies of the UK and ROI. Since the summer construction industry and economic forecasts for the period to 2014 have taken a downturn. Domestic demand is severely constrained by declining real incomes, the spectre of job losses, increased VAT and Government cuts. This has impacted upon the roofline industries where much of the volume is of a discretionary nature so improvements to property are being put back until conditions look brighter. But, (and it is an important but) there are pockets of opportunities both in the UK and in mainland Europe.

Report Details

Latest Publication Date – December 2011

Years Covered – 2008 to 2014

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Number of Tables – 25 and charts - 25

The 'PVC Roofline Report' can be ordered by email info@dandgconsulting.co.uk

Or call David Amos on 01424 773134 or 07713877214

The report costs £950 and is sent by email

Past subscribers and contributors to our reports will be eligible for a 15% discount.

We are happy to visit and discuss the report with all purchasers.

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With over 15 years of reporting detailed trends in the PVC roofline products industries the UK and mainland Europe this is the latest D&G Consulting report and draws on the hard information contained in many of the other reports produced and available from D&G Consulting. See www.dandgconsulting.co.uk

D&G Consulting produce roofline industry forecast reports three times a year – Spring, Summer and Autumn ensuring companies are able to plan and budget with up to date information. Details and assumptions of the forecasts are shown in the body of the reports.

In these volatile times we watch for any event or action that could affect the industry. If there are any changes of significance in the construction industry and economy between this autumn forecast and the spring forecast we will update the forecast report and send free to clients who purchase this autumn report

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