
ADDITIVES

2003-2008

Coatings
Paper Coatings
Adhesives & Sealants
Inks

A Multiclient Study

NOW AVAILABLE

September, 2004



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KEYS TO SUCCESSFUL PRODUCTS

Additives are typically a minor percentage of a product's formulation, but often are the difference between success or failure. Additives can aid in environmental compliance, increase productivity, lower costs, and improve performance characteristics. Their judicious choice often spells the difference between meeting ultimate performance requirements or failure.

ADDITIVES, 2003-2008 characterizes U.S. additive consumption in coatings, paper coatings, adhesives, sealants, and inks. Additive usage in these five industries was 1.2 billion pounds in 2003, valued at \$1.7 billion. Growth is forecast at a 2% annual rate through 2008, about matching the mature growth of the industries covered.

The industries covered in **ADDITIVES, 2003-2008** produced 26 billion dry pound of product in 2003, worth \$32 billion. Coatings was one-third of the poundage and 60% of the value. As shown in Table 1, the coatings industry was an outlet for 45% of the additive volume and nearly 60% of the dollars. Additive volume has increased at a 2% annual rate since Kusumgar, Nerlfi & Growney's 1998 report on additives. Additive usage in coatings has been led by the growth of architectural coatings; the original equipment manufacturers (OEM) and special purpose coating segments showed little change in additive volume.

The adhesives industry consumed 28% of the additive volume and 15% of the dollars. Most additives for adhesives are used in products for end uses tied to the housing market, which has grown modestly in recent years. Sealants took 9% of the additive volume and 8% of the dollars tallied in **ADDITIVES, 2003-2008**. Construction and transportation sealants consumed over 95% of the additives. As was the case for adhesives, construction applications have grown modestly. Additives used in transportation sealants have experience little growth in recent years.

Paper coatings utilized 14% of the additive volume and 11% of the dollars. Coated paper production in the U.S. has stagnated in recent years, as well as the overall additive volume. However, some additive products have grown strongly. Inks took 5% of the additive weight and 7% of the dollars. Ink production has also changed little in recent years. Ink jet inks are a small but fast growing outlet for additives.

Rheology modifiers are the largest additive type in dollars and volume representing one-quarter of the value and 19% of the pounds in 2003. Synthetic rheology modifiers continue to capture share from cellulose types in coatings and paper coatings. Plasticizers are the second largest additive in dollars and volume. Most plasticizers are used in plastisol sealants and coatings. Biocides, specialty hollow and solid sphere products, dispersants, and light stabilizers are additives with sales of about \$150 MM in 2003. Hollow sphere plastic products which provide opacity continue to grow strongly. Wetting agents and defoamers each had sales of some \$100 MM in 2003.

Table 1
ADDITIVE CONSUMPTION BY INDUSTRY

Industry	2003		2008		%AGR
	MM LB	\$MM	MM LB	\$MM	
Coatings	548	1008	584	1101	1.5
Adhesives	341	257	374	281	2
Paper Coatings	167	193	176	208	1
Sealants	105	134	114	144	2
Inks	65	118	71	132	2
TOTAL	1226	1710	1319	1867	2

THE STUDY

ADDITIVES, 2003-2008 characterizes consumption for base year 2003 and provides projections to the year 2008. The 700 page report is a comprehensive analysis of additives in the selected industries. Each end use chapter provides the estimated additive market size in pounds and dollars. Growth rates, trends, recent developments, opportunities, application methods, supplier structure, pricing, and end users are assessed. An analysis of competitive material dynamics is an important component of each industry chapter.

An Executive Summary provides subscribers a concise, easy to read representation of the selected additive markets. A thorough Business Analysis includes profiles of the top twenty additive suppliers, as well as selected other participants. An assessment of government activity, recent developments, and a review of mergers and acquisitions is part of the Business Analysis. **ADDITIVES, 2003-2008** accurately portrays the position of the various types in the identified industries and provides critical insight into future developments.

ADDITIVES, 2003-2008 is based on over 600 interviews with formulators, additive suppliers, end users, and trade associations. Additionally, available literature was reviewed and analyzed. Kusumgar, Nerlfi & Growney's extensive knowledge of the industries covered, gained over the last three decades, insures an accurate and comprehensive report.

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OUR QUALIFICATIONS

Kusumgar, Nerlfi & Growney is a consulting firm specializing in market research and business analysis for the polymer and chemical industries. Members of the firm possess some 70 years of experience analyzing the coating, ink, adhesive and sealant industries. Kusumgar, Nerlfi & Growney is dedicated to providing comprehensive and accurate information and insight on technology driven markets.

The information and analyses contained in **ADDITIVES, 2003-2008** was developed by Michael Growney, Minesh Kusumgar and Steven Nerlfi. No outside contractors were employed. Our expertise has been gained from conducting over 35 multiclient and numerous proprietary studies.

ADDITIONAL SERVICES

Kusumgar, Nerlfi & Growney's current multiclient project is **THE ASIAN COATINGS INDUSTRY**. The study will provide subscribers with information on coating consumption in a dozen countries in the Asian region. Coating consumption by end use and base polymer type will be provided. Information on the supplier structure of coating formulators and polymer suppliers by country will be included.

Our recently completed studies include **ADHESIVES IN DEVELOPING REGIONS** and **THE U.S. PAINT & COATINGS INDUSTRY**. Interested parties are invited to contact Kusumgar, Nerlfi & Growney for brochures and additional information. We also welcome inquiries for projects of a proprietary nature.

SUBSCRIPTION INFORMATION

ADDITIVES, 2003-2008 is available through subscription. The price of the study is \$11,000 and includes 8 copies of the report. Additional copies are available upon request. To subscribe, please complete and sign the contract on the following page and return to Kusumgar, Nerlfi & Growney. For additional information please call Kusumgar, Nerlfi & Growney at 973/439-0030 or nerlfikng@cs.com.

CONTRACT ADDITIVES, 2003-2008

KUSUMGAR, NERLFI & GROWNEY, INC.
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Please initiate our participation in **ADDITIVES, 2003-2008**. We understand this study will analyze the United States market. We understand our subscription entitles us to eight copies of the final report.

We agree that for a period of three years from publication to:

1. Not reproduce the study, in whole or in part, by any means.
2. Restrict use of the study to our own employees.
3. Prevent the disclosure of its contents, to the best of our ability, to any other firm or person.

We understand that we may disclose the contents of this study to any firm that we own more than half of, or to a company that maintains more than a half interest in our firm. We may use or disclose any information in the study which is public knowledge, in our possession before receiving the report, or that has been obtained from third parties, but not from this study.

Kusumgar, Nerlfi & Growney will take reasonable precautions to prevent disclosure of the contents of this study, except to subscribers, for a period of three years after it is issued.

We understand the fee for **ADDITIVES, 2003-2008** is \$11,000.

Kusumgar, Nerlfi & Growney will invoice us for the full amount upon acceptance of our participation, after a countersigned copy of this contract is returned to us for our records. We will pay this invoice within thirty days.

Accepted: Kusumgar, Nerlfi & Growney

Subscriber:

Signature

Signature

Name

Name

Title

Title

Date

Date

POLYMER AND CHEMICAL BUSINESS ANALYSIS AND MARKET RESEARCH

ADDITIONAL SERVICES

ADDITIVES, 2003-2008, is Kusumgar, Nerlfi & Growney's ninth multiclient study. Studies immediately available, or scheduled for completion, include:

- **RADIATION CURED PRODUCTS & SYSTEMS**, February 1996
- **THE U. S. PAINT & COATINGS INDUSTRY**, June 1997
- **HOT MELT ADHESIVES**, May 1998
- **ADDITIVES**, June 1999
- **WATER-BASED PRODUCTS**, July 2000
- **RADIATION-CURED PRODUCTS**, July 2001
- **THE U.S. PAINT & COATINGS INDUSTRY**, November, 2002
- **ADHESIVES IN DEVELOPING REGIONS**, December, 2003
- **THE ASIAN COATINGS INDUSTRY**, due mid-2005

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