

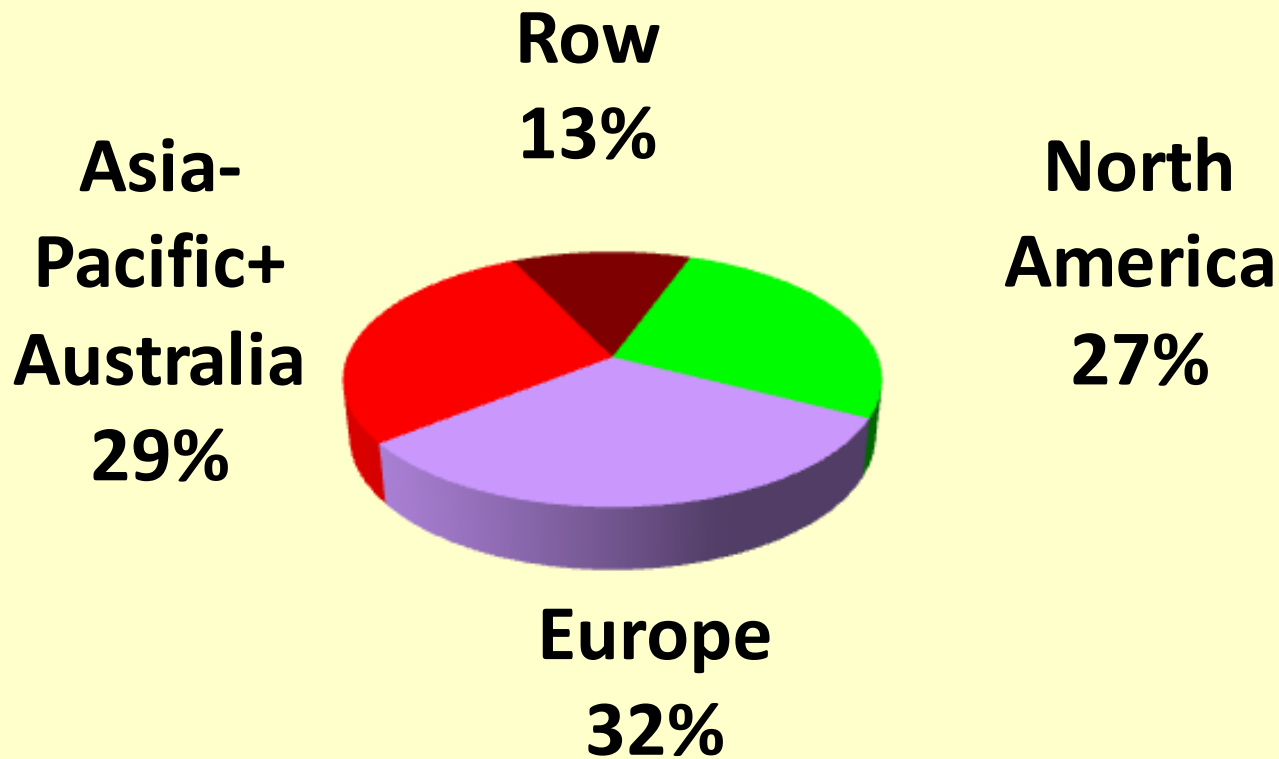


EUROPEAN VOICE OF THE ADHESIVES AND SEALANTS MANUFACTURERS, SINCE 1972

# ***The European Market for Adhesives and Sealants***

**FEICA**  
**Bernard Ghyoot**  
Secretary General

# ***Global A&S Demand 2010*** **ca. 12.000 Tons / 30 Billion €**



# *European Market*

- Western Europe and Central Eastern Europe(CEE) have a still about a 1/3 of the global market
- The European market can be divided up in three main sub-regions
  - Western Europe (EU15+Switzerland and Norway)
  - Central Europe (EU12 New member States)
  - CIS+Turkey

# EU 27 – CIS- Turkey

## European Union GDP (PPP) per capita

**LOW** -2 to -1 Std. Dev.

-1 to 0 Std. Dev.

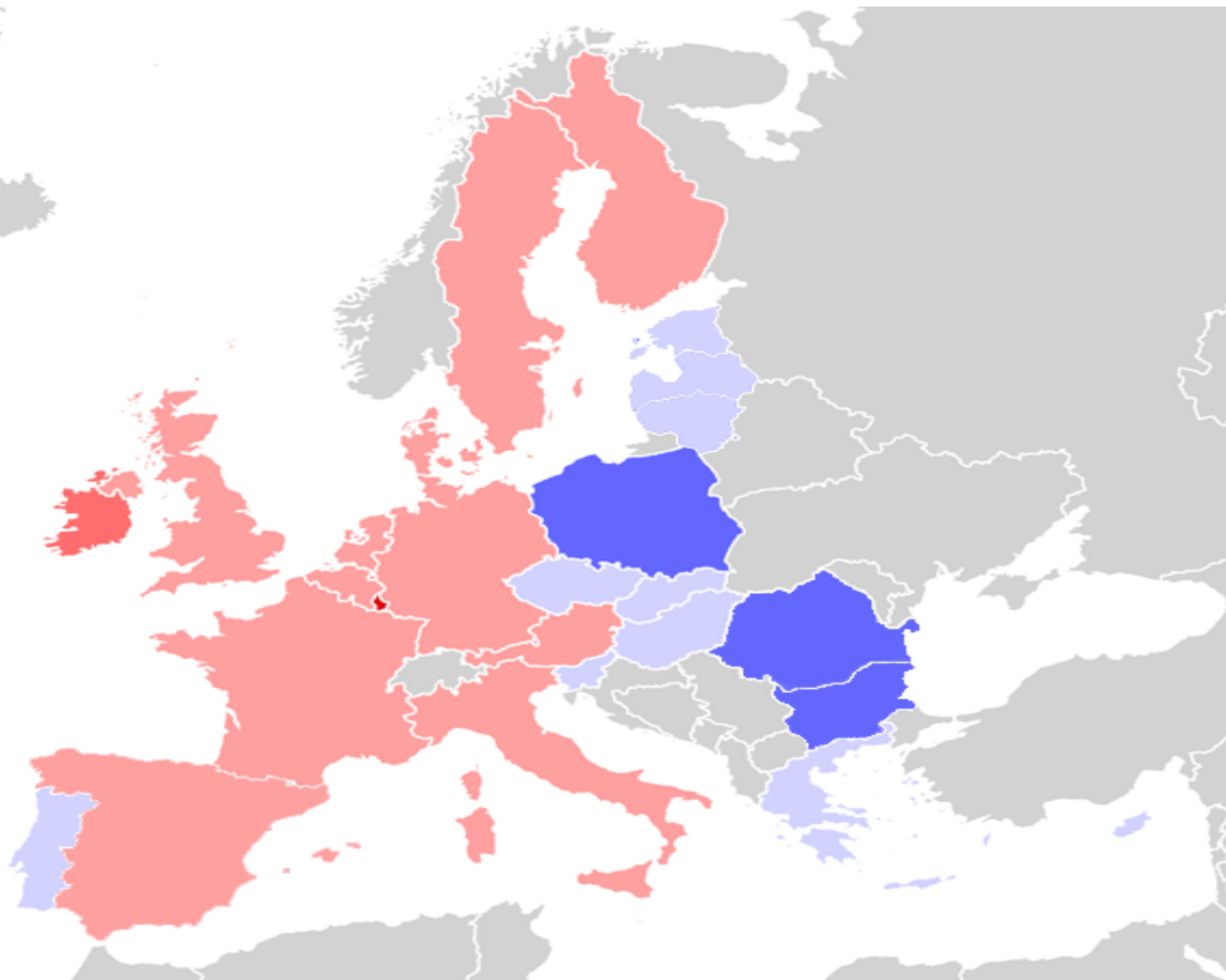
### MEAN

0 to 1 Std. Dev.

1 to 2 Std. Dev.

2 to 3 Std. Dev.

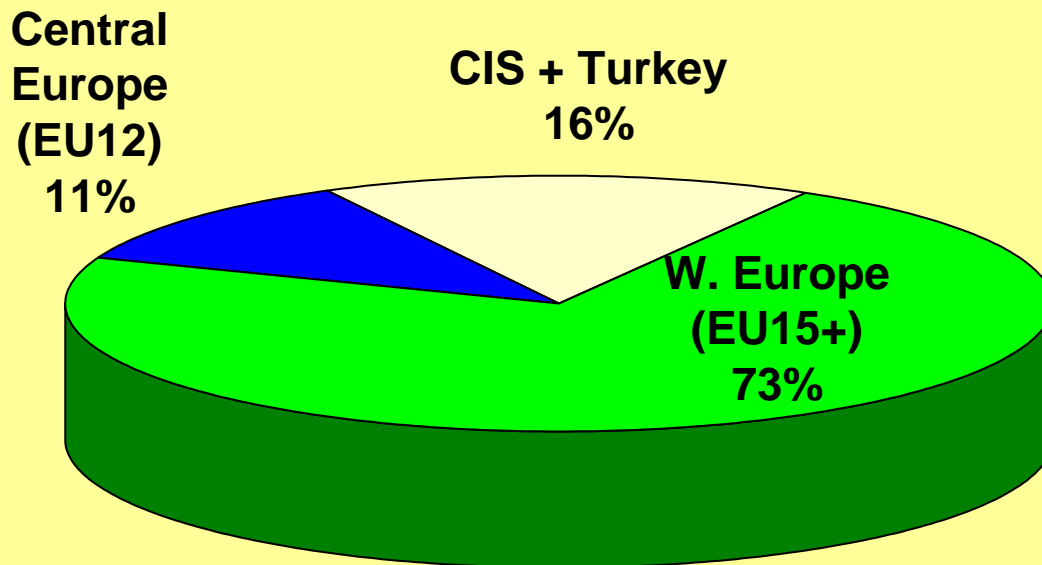
**HIGH** > 3 Std. Dev.



Source: IMF, 2007

# Europe A&S Demand 2010

4.000 Tons - Value: 10,5 Billion €



Source: CHEM Research/FEICA

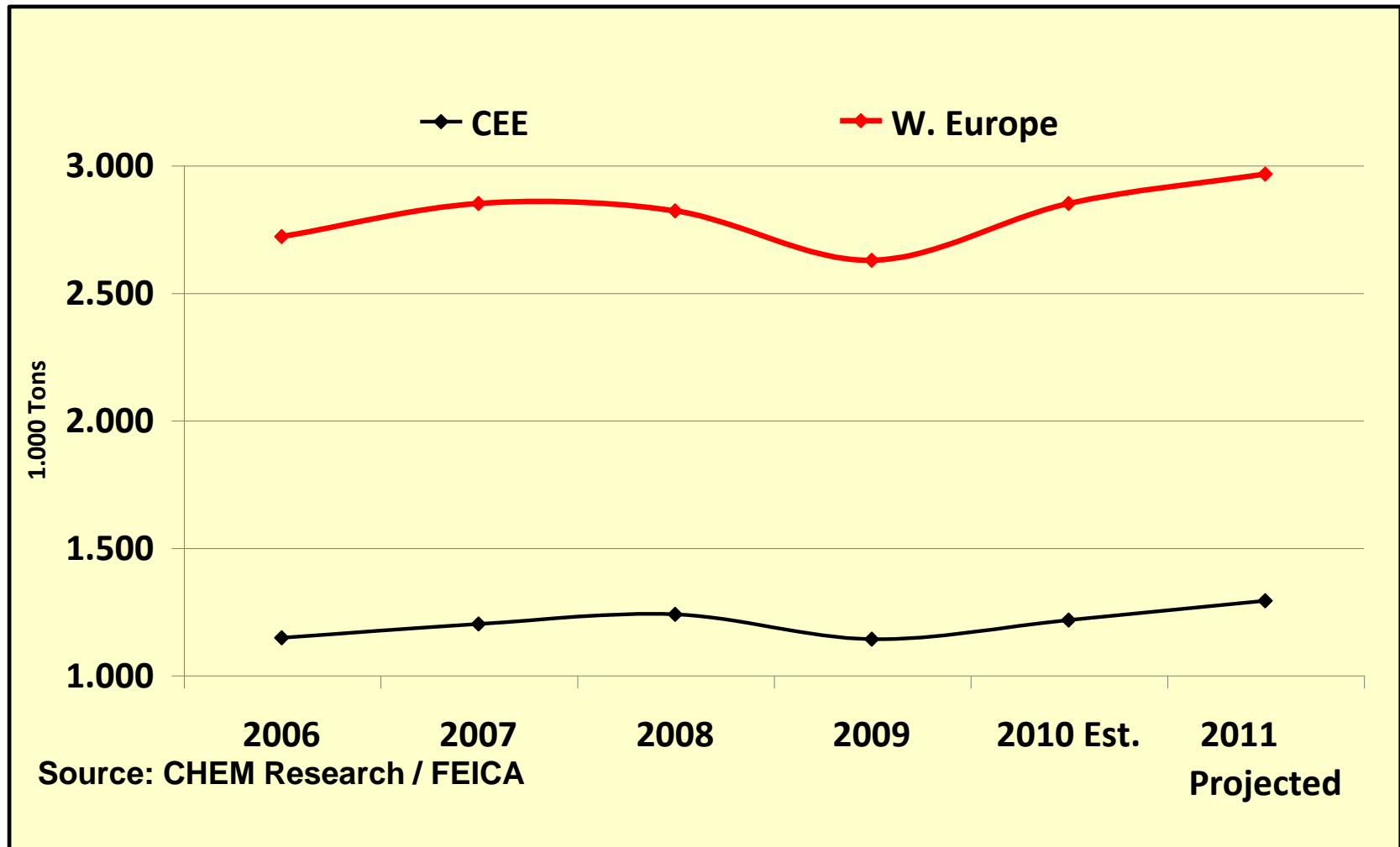
# *European Demographics Adhesive/Sealant Demand*

			A&S Market Growth		Estimated 2010 A&S Demand (Formulated Products)		
Region	Popul. M. 2009	GDP Growth `09-`10	% AGR `09-'10	% AGR `10-`11	1.000 T.	Billion €	Kg/ Capita
W. Europe (EU-15+)	368	1,6%	8,9%	2,5%	2.900	8,3	7,9
Central Europe (EU 12)	132	4,0%	5,6%	5,0%	450	1,0	3,4
CIS + Turkey	298	5,0%	7,9%	8,0%	650	1,2	2,2

Source: U.N. Statistics/ CHEM Research GmbH

# Europe A&S Demand 2006-2011

Total demand 2010: 4.000 Tons - Value: 10,5 Billion €



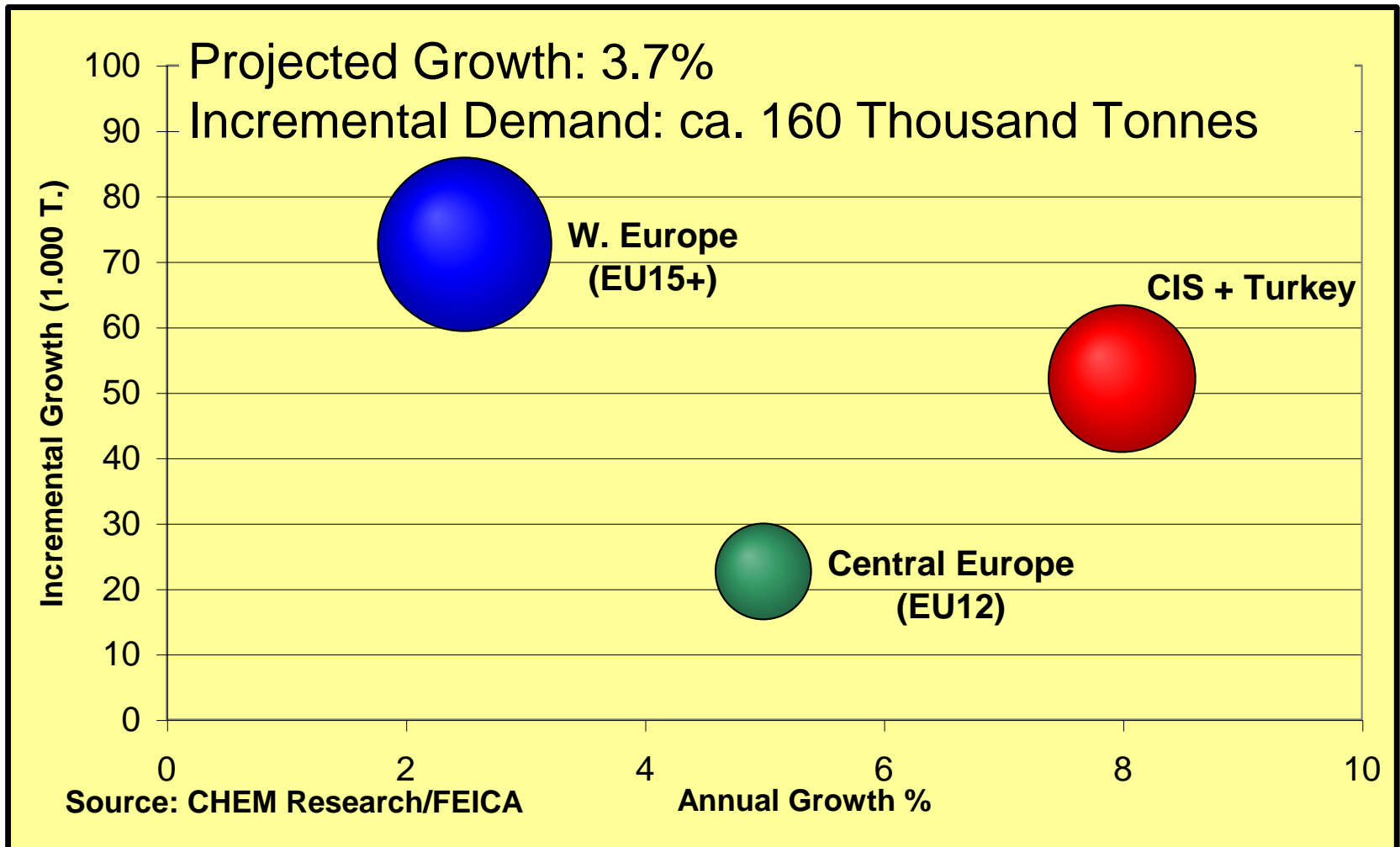


# ***Market Growth 2006-2011***

- The recession affected the A&S demand in Western Europe more than in the CEE region
- Strong recovery in 2010 (8%<)
- Moderate growth expected in Western Europe in 2011 (<3%), but more sustained growth anticipated in the CEE area (6%<),
- CIS has been severely hit by the recession but a moderate growth started mid year while Turkey resisted well to the recession and is growing at average for the next 3 years rate >8%.

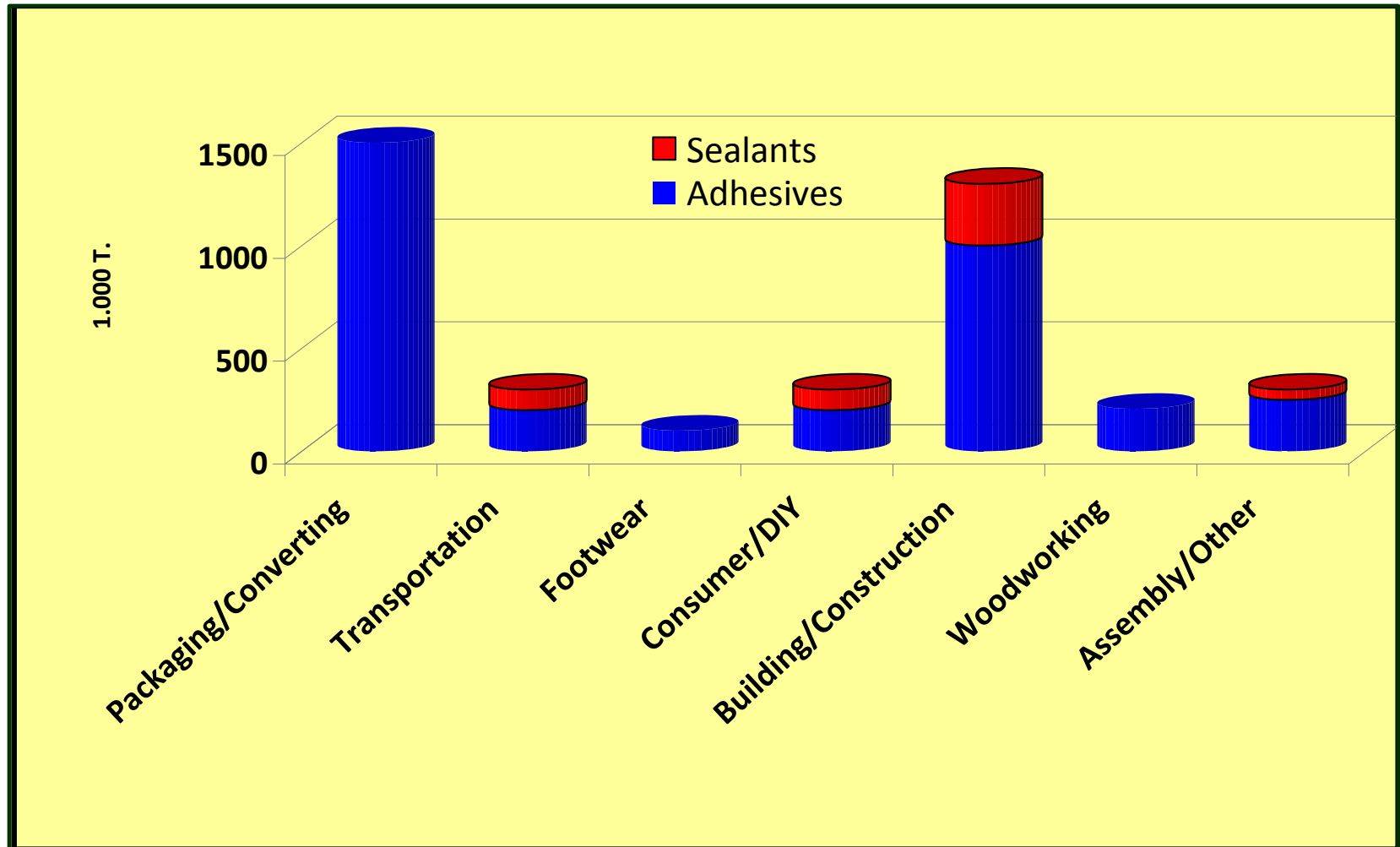


# Geographic Growth 2010-2011 (volume)

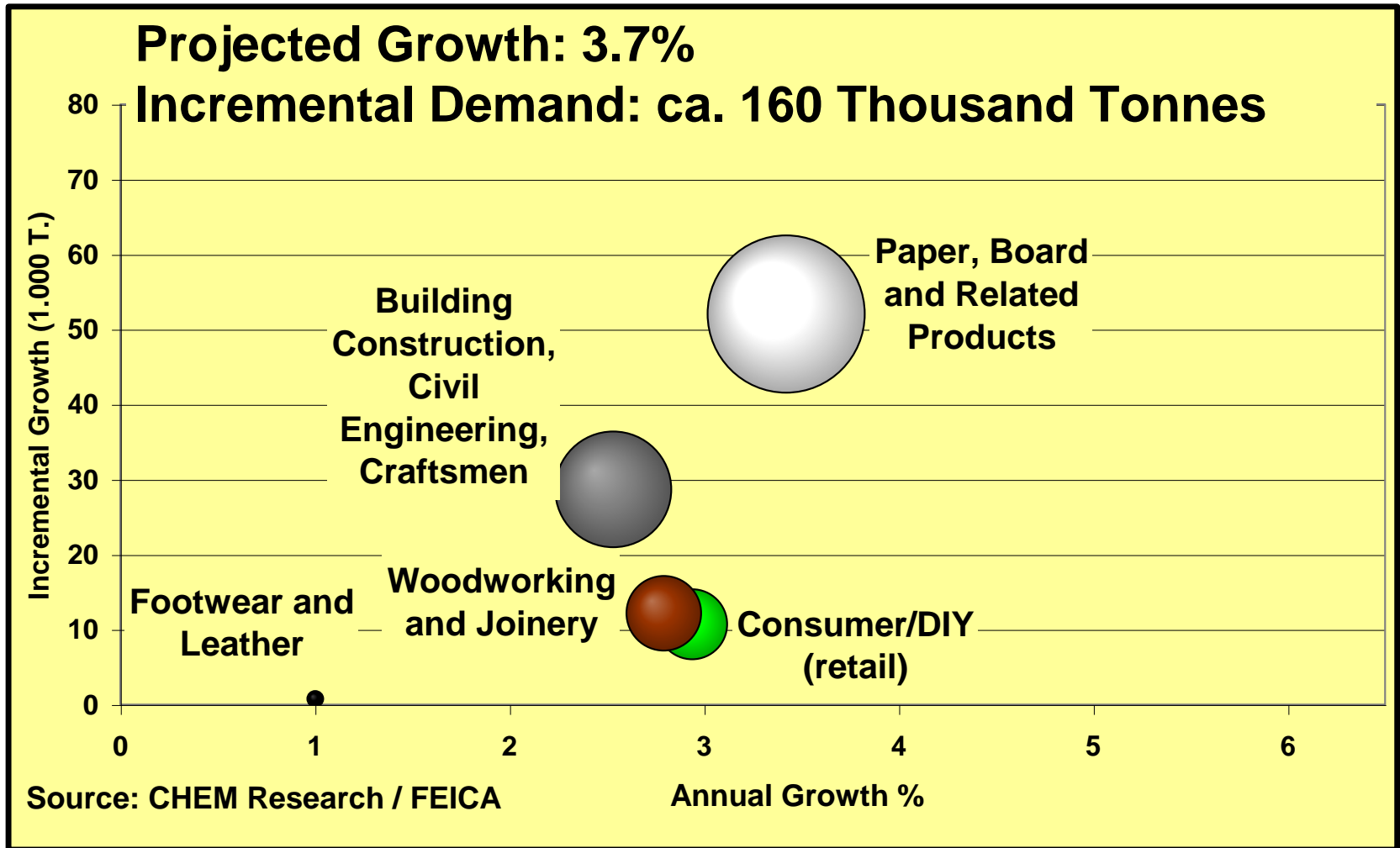


# A&S Market Segments 2010 (Volume)

Total demand: 4.5 Million Metric Tons



# A&S Segment Growth 2010-2011 (volume)





# ***Market Segment Growth***

- **Converting/Packaging:**  
A dynamic market supported by the food industry and exports of industrial goods
- **Building/Construction:**  
Stimulated by infrastructure development in the CEE region and renovation activities in Western Europe
- **Consumer** demand remaining stable

# ***Market Segment Growth (2)***

- **Industrial Assembly:**  
Recovery supported by export activities
  
- **Woodworking and leather & shoe manufacture:**  
Moderate recovery, experiencing significant offshoring to Asia and Africa.

# ***European Market Drivers***

## ➤ **Key drivers in Western Europe**

- A&S demand stimulated by EU production of goods for export,
- Strong Euro,
- Banking sector is painfully recovering with some limitation on credit (SME's).
- Governments spending cuts → reducing their deficits,

## ***European Market Drivers (2)***

- Intensifying regulatory activities:  
i.e. REACH, CLP, environment, public health protections,
- Rising costs (raw materials, energy)
- Raw material supply disruptions,
- New Innovations in product technologies, services or new applications.

## ***European Market Drivers (3)***

### **➤ Key drivers in Eastern Europe**

- Economic growth and industrial development continue in many countries – GDP growth forecast 2010-2011 greater 4%
- Disposable income continues increasing
- Rising costs (raw materials, energy, labor)





# ***Market Opportunities - Europe***

- Energy efficiency – Renewable Energy.
  - Housing
  - Automotive
  - Industrial
  - Power generation
- Infrastructure rehabilitation and expansion,
- Food production and packaging,
- Economic/financial crisis has boost Innovation and new applications.