

# Strategic Analysis of the Global High Performance Fillers Market

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F R O S T  S U L L I V A N

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# Certification

- We hereby certify that the views expressed in this research service accurately reflect our views based on primary and secondary research with industry participants, industry experts, end users, regulatory organisations, financial and investment community, and other related sources.
- In addition to the above, our robust in-house forecast & benchmarking models along with the Frost & Sullivan Decision Support Databases have been instrumental in the completion and publishing of this report.
- We also certify that no part of our analyst compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this service.

# Table of Contents

1

## **Executive Summary**

Market Overview	16
Industry Challenges	17
Market Dynamics	18
Revenue Forecasts	19
Revenue by Functional Property	20
Competitive Structure	21
Conclusion	22
Research Proposition	23

# Table of Contents (Contd...)

2

## Introduction

Market Definition	26
Scope of the Study	
Functional Properties	27
Chemical Composition	28
Geography	29
Market Overview	30
Effective High Performance Fillers	31

# Table of Contents (Contd...)

2

## Introduction (Contd...)

Survey of Properties	32
Mechanical Property Modifiers	33
Electrical Property Modifiers and Flame Retardants	34
Processing Aids and Niche Property Modifiers	35
End-Users of High Performance Fillers	36
Exchange Rates	37
Glossary of Terms	38

# Table of Contents (Contd...)

3

## Total High Performance Fillers Market

Market Overview	40
Industry Challenges	41
Market Dynamics	45
Market Engineering Measurements	51
Market Unit and Revenue Forecasts	54
Revenue Trends by Functional Property	56
Revenue Trends by Product Type	58
Revenue Trends by Geography	59
Pricing Trends	60
Competitive Structure	61
Product Highlights	66
Highlights of Selected Companies	68

# Table of Contents (Contd...)

4

## **Mechanical Property Modifiers Market**

Market Overview	71
Market Dynamics	73
Market Engineering Measurements	77
Market Unit and Revenue Forecasts	80
Pricing Trends	85
Competitive Structure	87
Product Highlights	89
Highlights of Selected Companies	90



# Table of Contents (Contd...)

5

## Electrical Property Modifiers Market

Market Overview	92
Market Dynamics	94
Market Engineering Measurements	98
Market Unit and Revenue Forecasts	101
Pricing Trends	105
Competitive Structure	106
Product Highlights	108
Highlights of Selected Companies	109

# Table of Contents (Contd...)

6

## Processability Modifiers Market

Market Overview	111
Market Dynamics	112
Market Engineering Measurements	116
Market Unit and Revenue Forecasts	119
Pricing Trends	123
Competitive Structure	125
Product Highlights	127
Highlights of Selected Companies	128

# Table of Contents (Contd...)

7

## Flame Retardant Fillers Market

Market Overview	130
Market Dynamics	133
Market Engineering Measurements	139
Market Unit and Revenue Forecasts	142
Pricing Trends	146
Competitive Structure	148
Product Highlights	150
Highlights of Selected Companies	151

# Table of Contents (Contd...)

8

## Niche Property Modifiers Market

Market Overview	153
Market Dynamics	155
Market Engineering Measurements	159
Market Unit and Revenue Forecasts	162
Pricing Trends	170
Competitive Structure	171
Product Highlights	173
Highlights of Selected Companies	174

# Table of Contents (Contd...)

9

## Market Engineering Strategies

Critical Success Factors	176
Porter's Five Forces	181
Strategic Recommendations	182
Conclusions	187

10

## Competitive Database

Database of Key Industry Participants	189
---------------------------------------	-----

# Table of Contents (Contd...)

11

## About Frost & Sullivan

Who is Frost & Sullivan	192
What Makes Us Unique	193
T.E.A.M. Methodology	194
Global Perspective	195

# Executive Summary



# Market Overview

- This research service analyses the global high performance fillers market.
- High performance fillers are defined as particulates which are added to a matrix in order to induce specific properties in the end product, not to reduce costs.
- The following functional properties are considered in this study:
  - Mechanical property modifiers
  - Electrical property modifiers
  - Processability modifiers
  - Flame retardants
  - Niche markets
- Niche markets include:
  - Weight reducing fillers
  - Permeability modifiers
- The high performance fillers market is experiencing significant growth, fuelled by legislative pressure to reduce carbon dioxide emissions and phase out toxic chemicals.
- The high performance fillers market is expected to grow throughout the forecast period from the base year (2008) to 2015.
- The total high performance fillers market is analysed according to the following regions:
  - Europe
  - North America
  - Asia
  - Rest of the World



# Industry Challenges

## High Performance Fillers Market: Industry Challenges (Global), 2009-2015

Increasing legislative pressure

Sustainability and environmental impact of high performance fillers

Public perception of nanotechnology

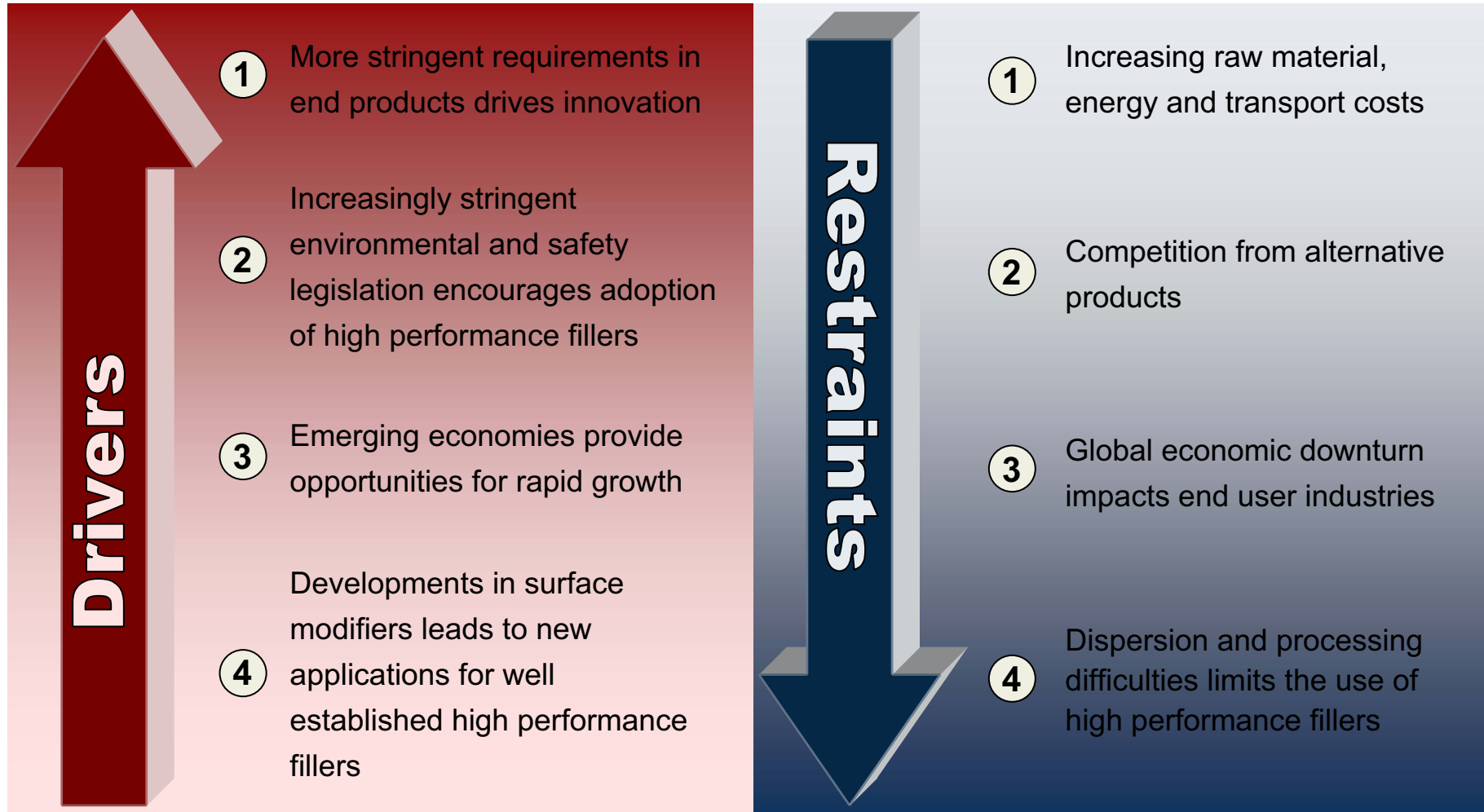
Reduction in the loading of high performance fillers that are required for efficacy

Property enhancement is dependent on the polymer resin

Source: Frost & Sullivan

# Market Dynamics

## High Performance Fillers Market: Market Dynamics (Global), 2009-2015

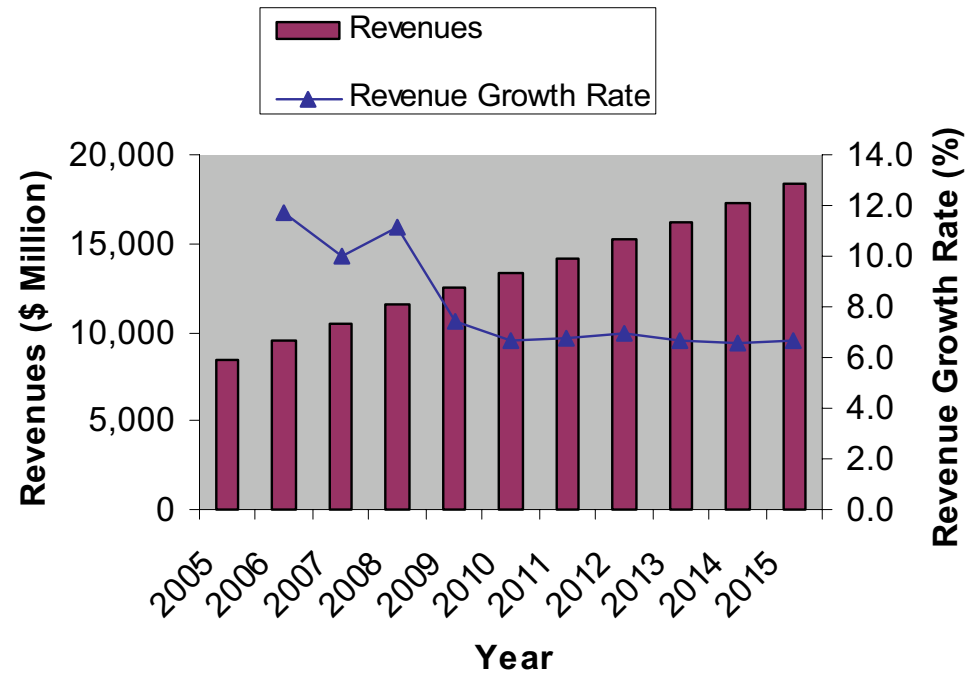


Source: Frost & Sullivan

# Revenue Forecasts

## High Performance Fillers Market: Revenue Forecasts (Global), 2005-2015

Year	Revenue (\$ million)	Revenue Growth Rate (%)
2005	8,488.5	---
2006	9,483.0	11.7
2007	10,434.5	10.0
2008	11,601.3	11.2
2009	12,464.6	7.4
2010	13,298.7	6.7
2011	14,194.2	6.7
2012	15,175.9	6.9
2013	16,182.0	6.6
2014	17,242.9	6.6
2015	18,396.0	6.7

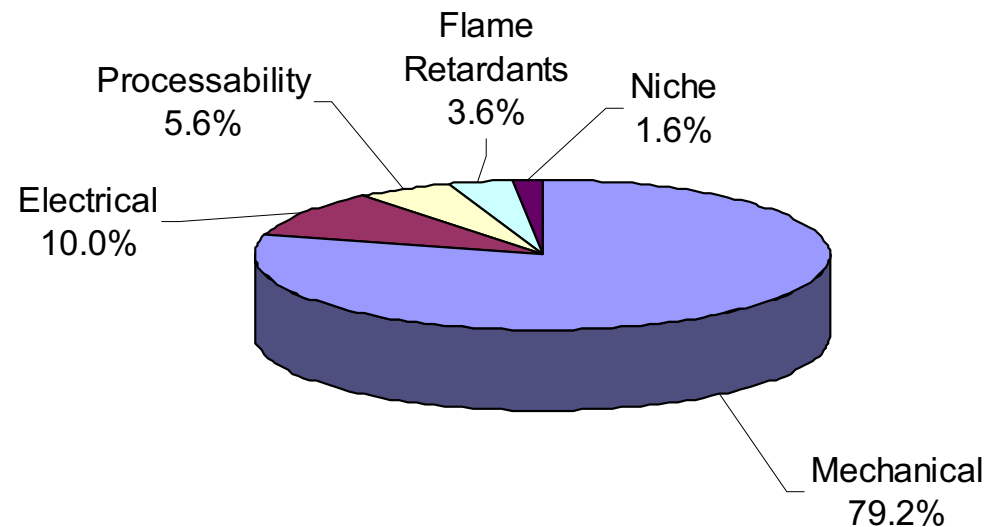


*Note: All figures are rounded; the base year is 2008.  
Source: Frost & Sullivan*

# Revenue by Functional Property

High Performance Fillers Market: Percent of Revenue by Functional Property (Global), 2008

- The dominant market segment is mechanical property modifiers, largely due to the large volumes of carbon black that are used in tyre reinforcement.
- Electrical property modifiers command the second greatest market share, with processability modifiers third.



*Note: All figures are rounded; the base year is 2008.  
Source: Frost & Sullivan*

# Competitive Structure

- The high performance fillers market consists of over 100 companies. This includes:
  - Carbon black-producing companies such as Birla Carbon, Cabot Corporation, Columbian Chemicals Company and Evonik Industries.
  - Synthetic silica producers including Cabot, Evonik, Wacker, Tokuyama and Elkem.
  - Mineral-producing companies, such as Quarzwerke, Luzenac, Imerys and Omya
  - Nanoclay producers like Akzo Nobel, Elementis Specialties, Laviosa Chimica Mineraria, Southern Clay Products, Natural Nano and Nanocor.
  - Mineral flame retardant-producing companies such as Almatris, J. M. Huber Corporation, Martinswerk and Nabaltec AG.
  - Carbon nanotube producers such as Arkema, Bayer, Hyperion Catalysis and Nanocyl.
- Around 10 hollow microsphere producers including polymeric (Akzo Nobel, Henkel, Matsumoto) and glass spheres (Potters Group, 3M).
- Hybrid Plastics, which is the only company commercially producing POSS.

# Conclusions

- Critical success factors for the high performance fillers market include:
  - Price versus performance
  - Formation of a partnership with customers
  - Development of strategic alliances
  - Consideration of environmental and health implications
- The high performance fillers market is highly fragmented with over 100 participants active in a wide variety of products. This market is still developing with breakthroughs such as new surface modifiers still able to pose a threat to market leaders.
- The most important factor in choosing a high performance filler is price versus performance. After-sales service helps to ensure retention of customers since dispersion of high performance fillers is not necessarily trivial.
- Mechanical property modifiers dominate the market, due to the large quantities required for rubber reinforcement leading to the consumption of large volumes of carbon black. Precipitated silica is preferred in Europe due to the reduction in rolling resistance leading to improved fuel efficiency and therefore reduced CO<sub>2</sub> emissions.

# Research Proposition

- The Strategic Analysis of the Global High Performance Fillers Market research service is part of a larger research programme covering the Specialty Chemicals industry.
- This research programme known as Frost & Sullivan's Growth Partnership Service is an interactive service containing other related topics and deliverables as well as time with the analyst answering your business enquiries regarding the market.
- SpecialtyChemicals@frost.com is an annual service available to the key-players in the specialty chemicals industry.
- Clients will also gain access to all new research services released during the 12 month partnership period. Research services are created from secondary and primary research methodologies and offer Frost & Sullivan's unique TEAM deliverables:
  - Technical - Regular coverage of R&D and emerging trends based on technology that may affect the market
  - Econometric - Providing demographics, statistical, economic, political and regional data
  - Application - Research targeting end users on customer needs, challenges, rankings, purchasing patterns, attitudes, etc
  - Market - Analysis of specific market segments with focus on drivers, restraints, challenges, market sizes, competition and growth forecasts

## Research Proposition (Contd...)

- A representative list of related research conducted at Frost & Sullivan and included in our Specialty Chemicals GPS is given below:
  - Indian Polymer Additives Market, 2008
  - European Markets for Carbon Black, 2007
  - Chinese Flame Retardant Chemicals Markets, 2007
  - European Flame Retardant Chemicals Markets, 2006
  - European Plastic Additives Market, 1999