The Five Year Strategic Outlook for the
Global Large-diameter Linepipe Market

- How has the global large diameter (over 16” OD) linepipe market been affected by the recession? Has there been any structural changes to the industry due to the downturn?
- How will the market emerge from the recession? When will demand return?
- Where are prices for steel raw material and substrate prices (plate and HR coil) headed over the next five years?
- Where will most new demand be located? Will trade flows change? How will your competitor’s strategy impact your future business plans, if at all?
Metal Bulletin Research (MBR) is expanding on the groundbreaking work of the initial complete strategic global market study of the large diameter linepipe, and providing the most comprehensive analysis and five-year forecast of this important industry.

The major economies of the world continue to slowly recover from the global recession and attempt to avoid the weight of further retreat. The EU and USA are contending with debt issues while China has managed to step into a steeper slowdown than expected.

Meanwhile, energy and petroleum product prices remain high relative to economic growth and demand expectations. The outlook for consistent supplies has been marred by political concerns and regional supply and infrastructure shortcomings. Natural gas prices in the international market are running high, and at a wide premium to US Henry Hub natural gas prices. These inconsistencies point to a greater need for infrastructure improvements and development, including new and expanded pipeline capacity and LNG facilities.

Nevertheless, the expected jump in linepipe demand has yet to materialize. So far, large OD linepipe capacity, especially new mills built with this demand in mind, has been underutilized since the start of the recession. Many mills are working at reduced shifts or barely at all. Meanwhile, raw materials costs remain volatile for pipe producers.
MBR’s *The Five Year Strategic Outlook for the Global Large-diameter Linepipe Market Study* analyses the factors that are driving the recovery in over 16” (406mm) linepipe demand, supply and pricing and to what extent prevailing prices will increase going forward in this environment of rising costs.

**Key areas this study will provide include:**

- **The global/regional large-diameter linepipe market size** – a detailed picture of the market size, and major trade flows. Based on forecast changes to capacity, production, consumption and trade, it provides a detailed view on how the market is realistically likely to develop and change over the next five years.

- **Historic and forecasted consumption data on a country, regional and global basis.** Analysis of apparent consumption that will be driven by end-use market analysis.

- **Detailed breakdown of spiral, ERW and longitudinal SAW statistics for each major country and region and analysis of future output by type will be provided. The report will include a comprehensive ERW, UOE and spiral capacity/production database including major company, size and product size range.**

- **Large-diameter consumption trends by grade and type** – MBR examines expected construction plans of pipelines and their effect on linepipe consumption. We will provide details of all major planned pipelines.

- **Production and capacity data** for all major producers, including product range, diameter, quality range, coating applications, expansion plans, major equipment and facilities, and SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis.

- **Competitive advantage and new producer market entrants** – the supply side is both consolidating and expanding with new entrants as high margins in the last couple of years attract new suppliers.

  *MBR examines the key factors that include product mix, geographic scope, costs of production (using MBR’s own proprietary linepipe cost model) and examines the corporate profiles of leading local, regional and global linepipe suppliers.*

- **Potential new threats to the global large-diameter linepipe industry** – on the supply side, will the emergence of new suppliers result in over-supply and margin pressure on existing players, and what are the best strategies to offset this? How will rising costs affect the market position of the major suppliers and current market leaders? On the demand side, what pressures are being brought to bear by major consumers and what are their priorities?

- **Historical and forecast regional product pricing** – MBR examines and analyses key spiral welded pipe, ERW welded linepipe and UOE linepipe prices. MBR will also provide an analysis of underlying HR coil and HR plate markets and their price forecasts out for the next five years, allowing for an analysis of expected margins.
This study is required reading for all industry professionals that have an interest in the future of the tube and pipe sector and is brought to you by the leading global industry consultancy in this area:

- Oil and gas producers
- Linepipe tube and pipe suppliers
- Steel producers
- Engineering contractors
- Finance suppliers
- Financial investors
- Steel traders
- Equipment suppliers
- Governments

Global linepipe capacity by material type – 2012

Net trade flows in linepipe in 2011

Source: Metal Bulletin Research

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