Energy sector expected to drive growth in the screw jack market

IMS Research forecasts continued stable growth in the screw jack market over the next five years. The global screw jack market is mature and has had a low single digit growth profile in recent years. Screw jacks perform important handling and lifting functions in industry, civil transport and energy sectors. According to the IMS Research report, “The World Market for Screw Jacks and Lead Screw Products – 2012 Edition” the energy sector is forecast to outperform the global market through 2015, when the market segment is forecast to be worth in excess of $44 million.

Investment in energy infrastructure will focus on different forms of electricity generation. Fastest growth will predictably be in the developing economies of China and India, which are adding significant additional power generation capacity. India had an estimated population of nearly 1.2 billion people in 2010, according to the World Bank, but more than 25 percent of its population does not have access to electricity. Currently, most electricity generation in emerging economies is achieved predominantly by polluting coal fired power; however, new capacity will come from a mix of clean-coal fired, hydro, nuclear and renewable electricity generation. The established economies of North America, Western Europe and Japan have re-examined their energy plans post Fukushima, resulting in some countries such as Japan and Germany choosing to decommission nuclear power plants. Decommissioning nuclear power plants requires materials handling of large bulk items, which will also generate business for screw jack manufacturers.

According to IMS Research Senior Analyst James Dawson, “The energy sector of the screw jack market will benefit from ongoing industrialization and urbanization in fast growing economies, and investment in replacement power generation capacity and decommissioning of old nuclear power plants in developed economies.” This will be welcome news for European manufacturers who have suffered from tough economic circumstances affecting their traditional heavy industrial automation market segments such as glass and chemical production.

Manufacturers of screw jacks from North America, Europe and Japan are often preferred in safety critical applications such as nuclear energy, and this fact is reflected by the activity of screw jack manufacturers from the United States and Europe doing business in the Asia Pacific region. Screw jack producers from low cost manufacturing countries mainly focus on industrial automation applications. Industrial automation is the biggest market sector in each region, and tends to be the most price-competitive. Consequently, there are plenty of opportunities for screw jack producers from low cost manufacturing regions to build up market share in this space.

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