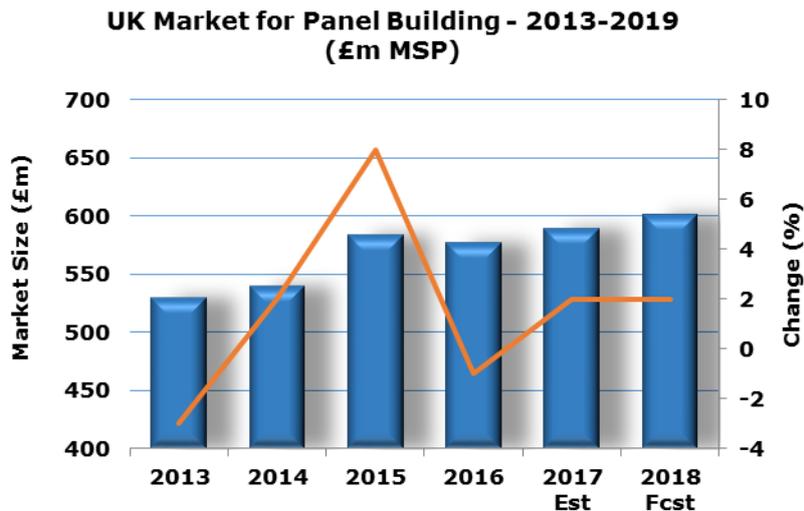


Modest growth forecast for the UK panel builders market

May 2017 – Cheltenham, UK



The UK panel builders' market has been increasing since 2013, reflecting a strong performance in a number of product and end use sectors. Market value saw particularly strong growth of 8% by value in 2015, as a result of the robust performance of the infrastructure and industrial sectors during the year. Current indications are, however, that the UK panel builders' market experienced a dip in 2016 as industrial and infrastructure output declined.

Factors supporting the market include growth in specialist markets, such as hazardous environments, along with tightening regulation, further environmental legislation and investment in development of the renewable energy sector. Other positive influences include the growth of R&D in the advanced manufacturing sector, the increasing adoption of automation in manufacturing, increasing investment in UK datacentres and the modernisation of the country's rail network.

Factors negatively affecting market growth include ongoing public sector austerity measures and a very competitive market that is keeping prices deflated. Also, some significant end use sectors, such as oil and gas, have seen sharp falls in capital expenditure which may affect growth if fresh investment is not committed in the short-term.

Leading end use markets include industrial and manufacturing, water and sewage, power generation, oil, gas and marine, construction and transport. Power distribution panels represent the largest product sector, followed by motor and process controls and building control systems. Safety, security and other panels make up the remainder of the market.

Product development is primarily concerned with modularisation, allowing for quick and flexible installation, reduced maintenance, environmental factors and health and safety, motivating demand for more sophisticated products which can withstand hazardous environments. Product development has resulted in panels becoming smaller and more streamlined with quicker fit solutions and more standardised components, which should lead to panels becoming more standardised, and modular elements becoming increasingly common in panel building.

"The panel builders market is expected to return to growth in 2017, and to maintain moderate growth levels of around 2-3% per annum until 2021" said Fiona Watts of AMA Research. *"Refurbishment and development of the power generation asset base, other than coal-fired power stations, and integration of renewable energy technologies into the 'smart grid' will provide opportunities for panel builders."*

Growth in the pharmaceutical / chemical and advanced manufacturing sectors will also continue to benefit the panel builders' market, as a result of increased construction and further development of factories and research and development sites in these sectors. Other sectors providing opportunities for the panel builders' market include the IT and datacentre sector and the rail sector. However, investment in capital projects in oil and gas needs to improve if the sector is to significantly benefit the UK panel building industry in the medium term.

The '**Panel Builders Market Report – UK 2017-2021 Analysis**' report is published by AMA Research, a leading provider of market research and consultancy services with over 25 years' experience within the construction and home improvement markets. The report is available now and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.

Editors Note:

If you would like to receive more information on the report, or would like to speak to the author, then please contact Anna Eriksson on 01242 235724.

Please include our web address and telephone number on any review printed, and it would also be appreciated if a copy of the review could be forwarded to AMA Research.

Thank you.

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