

**2007-2010 Asia
Market Study Supplement
For Adhesives and Sealants
2009 Edition**



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The Asia region includes the following highlighted countries:

- Japan
- India
- Taiwan
- China
- South Korea
- Vietnam

Other Countries (Rest of Asia):

- Brunei
- Indonesia
- Mongolia
- Philippines
- Cambodia
- Laos
- Myanmar
- Singapore
- Hong Kong
- Malaysia
- North Korea
- Thailand

The region designated as Asia can also be referred to as the “Far East”, “Pacific Rim” or “Asia Pacific”. Pakistan, Australia and New Zealand are not included in this Supplement.

Regional growth has been strong for at least the past 10 years, with China being the stellar performer. Since the 3rd Quarter of 2008, the Recession beginning in the USA has become global. All countries have been affected by the banking crisis. Asia will continue as an attractive investment growth opportunity as compared to other regions, but it will not escape the current economic downturn. Each country has experienced a significant drop in exports and, as such, economic growth has been reduced dramatically since 2008.

China has reduced its GDP forecast to 6.8%. The 2008 Olympics in China experienced a big boost to the construction industry, but that has ended. The region is reporting growth in adhesive and sealant demand at or near 4.0%, down from the 6.4% originally projected for 2008. South Korea, Singapore, Taiwan, Vietnam and Malaysia reported dramatic drops in their forecasts. India is optimistic.

It was the plan of the Thai government to establish itself as the industrial hub of South Asia. Thailand was the recipient of significant foreign investment in 2007-2008. Political conflicts during the 4th quarter of 2008 caused a halt to further investment including major Japanese infrastructure and industrial involvement.

Current demographic data for the region is summarized on the following page.

**Table 1:
Asia Demographic Data**

| Asia | 2007 | | 2007 Adhesive & Sealant Market | | | Per Capita Average | |
|--------------|------------------------|-------------------|--------------------------------|-------------------------|---------------------|--------------------|------------|
| | Population Millions | GDP \$ billion | Million Pounds | Thousand Metric Tons | Million \$ Value | Pounds | Kg |
| Japan | 130.0 | 4346.0 | | | | | |
| China | 1310.0 | 3248.5 | | | | | |
| India | 1130.0 | 1090.0 | | | | | |
| South Korea | 48.4 | 1206.0 | | | | | |
| Taiwan | 22.9 | 698.0 | | | | | |
| Vietnam | 86.1 | 221.0 | | | | | |
| Others | 542.6 | 412.0 | | | | | |
| Total | 3270.0 | 11221.5 | 7640.0 | 3472.7 | 11348.8 | 2.3 | 1.1 |

Source: U.S. Department of Commerce/ DPNA International, Inc.

**Table 2:
Asia Adhesive and Sealant Market Projected Demand – 2007-2010**

| Million Formulated Pounds | |
|---------------------------|--------|
| 2007 | 7640.0 |
| 2010 | 8605.2 |
| AGR: 4.0% | |

Market Driving Forces

| | |
|---|---------------------------------|
| ◆ Global recession | ◆ Rising raw material prices |
| ◆ Weak U.S. dollar | ◆ Decline in economic growth |
| ◆ Importance of China and India | ◆ Automotive production decline |
| ◆ Potential global raw material shortages | ◆ Reduced consumer spending |