

# News Release

## **U.S. moulding consumption to surge into a five-year bull run with prices spiking about 2014**

Moulding market breaks out of three-year nosedive but only a modest improvement is expected in 2011.

**For Immediate Release**

**March 1, 2011**

**Vancouver, BC** — International Wood Markets Group announces the release of the 6<sup>th</sup> Edition of its acclaimed *U.S Moulding Market Outlook: 2011- 2015*. North American and offshore moulding producers endured three consecutive years of massive reductions in moulding demand that has left only the most strategic, well-financed and efficient producers able to benefit from improving builder demand and repair and remodeling consumption.

Some highlights from the report include:

- Imports continue to provide the majority of raw material (shop & better lumber, blocks, and blanks) as well as finished mouldings (solid lineal, finger-joint, and MDF), accounting for 54% of U.S supply in 2010 and increasing to 57% over the next two years.
- MDF mouldings continue to expand its market share at the expense of finger-joint and solid lineal. Over the next two years, MDF is forecast to increase in volume almost 30% while finger-joint's gains should be up 20% and gains in solid lineal will be just over 10%.
- Moulding demand in 2010 was split between new construction and repair and remodeling at around 40/60. However; as the housing recovery gains momentum, WOOD MARKETS is forecasting the split to move to 50/50 by 2014 and then overtake repair and remodeling in 2015.
- After four years (2007-2010) of what could be described as a buyers' market, rising raw material costs and constrained supply have annual average prices poised to ramp up over the next four years between 20% and 40% depending on the product. And this may be a conservative forecast given China's insatiable demand for wood fibre (logs, lumber) in any form, so price spikes are expected!
- A comparison of findings from WOOD MARKETS' extensive supply chain survey conducted in 2005 and again in 2010 found that stocking distributors had increased their control of the supply chain to about 75%, up from 70% in 2005.

Based on ongoing fieldwork within the U.S. and offshore supplying regions from interviews with industry leaders throughout the supply chain, the *U.S. Moulding Market Outlook* report summarizes the key industry themes and drivers and addresses their underlying implications. Clearly, the U.S. moulding market continues to evolve, with producers, importers and other downstream channel players having to adjust to the shifts in demand, market dynamics and the competitive strategies of those around them.

This summary provides just some of the critical strategic topics addressed in the just released *U.S. Moulding Outlook: 2011–2015 Report*. This report strives to assist senior management to steer the course and capitalize on the coming market opportunities by providing insight, supporting data, and price forecasts that are not available anywhere else. This report predicts where the market is headed for mouldings and domestic and offshore raw material inputs over the next five years.

To review a complete table of contents as well as subscription information, please visit our website ([www.woodmarkets.com](http://www.woodmarkets.com)).

-30-

For more information, including a report brochure and a further two-page summary, please contact:

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