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VMA Predicts Most of Valve Industry will be Flat for 2016

Feb. 17, 2016, Washington, DC—For the first time since 2009, U.S. industrial valve shipments are predicted to have almost no growth in 2016, according to the annual forecast of the Valve Manufacturers Association (VMA). VMA's forecast indicates shipments will be up just \$3 million over 2015 to be about \$4.5 billion total.

“Our industry crested in 2008 at about \$4 billion before taking a tumble from the recession. We've been slowly gaining ground ever since, but this is the first year we're predicting little to no growth,” says VMA President Bill Sandler.

“One of the reasons for the flatness from 2014 to 2015 is that the petroleum and power industries have encountered significant downturns, which affects our overall numbers,” he adds.

Meanwhile, of the 15 end-user industries VMA tracks, the two that have the greatest market share are expected to gain even more next year: Chemical now makes up 18.7% of the market (compared to last year's 17.8%) and water/wastewater holds 17.8% (compared to 16.9% in 2015). Those industries are gaining ground over the next largest industry, power generation, which fell about 0.4% last year; petroleum production, which fell by 1.5%; and a few of the smaller industries related to oil. Petroleum refining, on the other hand, actually gained slightly to become about 11.1% of the industry (it was about 10.8% last year).

Also, “Our industry going forward stands to benefit from the recovery in the building industry. We saw a significant increase in commercial construction for 2016—it now makes up 5% of our industry compared to 4.5% last year,” says Bill Sandler.

Exports, which have been responsible for some of the growth in the valve industry the last few years, will gain only slightly this year, rising by \$5 million in 2016 to \$955 million, while domestic shipments are expected to lose a little ground (from \$3.512 billion in 2015 to \$3.510 billion in 2016).

As far as valve types, the growth has been steadily upward for all types over the last decade with automated valves growing the most—they stood at about \$1.4 billion in shipments for 2015 compared to ball valves, which were at \$818 million.