

NEWS RELEASE



For Immediate Release

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World Demand for Kaolin to Reach 28.7 Million Metric Tons

Global demand for kaolin is forecast to rise 3.3 percent per year to 28.7 million metric tons in 2017, valued at \$4.4 billion. Growth in kaolin sales will accelerate as economic conditions improve worldwide, especially in recession-impacted North America and Western Europe. According to analyst Elliott Woo, "Advances in manufacturing activity are expected to spur demand for kaolin in all key markets. However, gains will continue to be constrained by a relatively poor performance in the leading paper market, where kaolin usage is being affected by expanding competition from calcium carbonates." These and other trends are presented in ***World Kaolin***, a new study from **The Freedonia Group, Inc.**, a Cleveland-based market research firm.

The Asia/Pacific region held the largest share of demand for kaolin in 2012 and is projected to be the fastest growing through 2017. The world's top four countries in projected growth rate for kaolin consumption -- China, India, Malaysia, and Thailand -- are all located in the Asia/Pacific region. China will continue to be the largest market for kaolin in the region, accounting for one-half of regional demand in 2017. China also recently became the largest national consumer of kaolin in the world, overtaking the US in 2012. Demand for kaolin in Japan is forecast to be flat, as modest increases in manufacturing will be counteracted by a declining market share for kaolin in paper production.

Western Europe and North America -- the second and third largest regional markets for kaolin, respectively -- will both post improved demand through 2017, although gains will trail the global average in both regions due to slower growth in manufacturing output in kaolin-consuming industries. The US, which accounted for nearly 80 percent of North American kaolin consumption in 2012, will rebound from the

decline it saw over the 2007-2012 period and remain the second largest national market for kaolin worldwide. Demand for kaolin in Western Europe is less concentrated, with Germany, Italy, and Finland representing the largest kaolin consumers in the region. All of these countries saw their kaolin markets contract between 2007 and 2012. Finland, whose importance in the global kaolin industry is almost entirely due to high domestic paper production, posted an especially poor performance, suffering the most severe contraction in demand of any major kaolin-consuming country worldwide. Demand for kaolin in Western Europe will return to growth through 2017 as paper production increases and a healthier economic climate supports improved demand in all major markets.

WORLD KAOLIN DEMAND (thousand metric tons)					
Item	2007	2012	2017	% Annual Growth	
				2007- 2012	2012- 2017
Kaolin Demand	<u>23950</u>	<u>24430</u>	<u>28700</u>	0.4	3.3
North America	5180	4730	5200	-1.8	1.9
Western Europe	7400	6210	6550	-3.4	1.1
Asia/Pacific	7410	9100	11700	4.2	5.2
Central & South America	990	1100	1320	2.1	3.7
Eastern Europe	1330	1340	1530	0.1	2.7
Africa/Mideast	1640	1950	2400	3.5	4.2

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World Kaolin (published 04/2014, 264 pages) is available for \$6200 from The Freedonia Group, Inc. For further details or to arrange an interview with the analyst, please contact Corinne Gangloff by phone 440.684.9600 or e-mail pr@freedoniagroup.com. Information may also be obtained through www.freedoniagroup.com.

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