

BGLOT will invest over 200 mln euro to create a carbon fiber production cluster in Bulgaria

BGLOT Plc. has disclosed plans to invest over 200 mln euro to create its 100 000 m² carbon fiber production cluster in Bulgaria. The project is scheduled to be completed in October 2009. This carbon fiber production capacity will meet a growing demand from space and aviation, sport/ recreational, car industry and other market sectors.

Since the first commercial production of carbon fibre in the late 1960s, the industry has grown to the present global production level of 27,000 tonnes (60 million lb) of carbon fibre tow, with a value \$1,300 million. The sector is a particularly dynamic one, driven in recent years by rapid growth in the civil aerospace industry and various other end-users, such as wind energy, offshore oil/gas, pressure vessels, defence and sports goods. As a result, carbon fibre reinforced plastics (CFRPs) are forecast to grow to a value of \$13.6 billion by 2010, representing an increase of 37% over 2006.

In 2006, worldwide carbon fibre consumption was geographically divided between Europe at 30%, North America at 35%, Japan at 15% and the rest of the world at 20%. Demand for carbon fibre tow will increase by 7,000 tonnes during the 2006-2010 period, representing an increase of 26%. The USA, Europe and Japan are the major consumers, but countries such as China, Taiwan, India, Bangladesh and Vietnam are also driving the demand upwards.

Our research looks at these areas in detail, and also discusses the production and marketing of precursor, carbon fibre (PAN and pitch-based products), plus intermediate products such as woven fabrics, prepreg and resin matrix materials.

In order to meet increasing demand, the carbon fibre manufacturers will invest over \$800 million over the next three years, raising carbon fibre capacity by 78%. Future capacity expansion should allow for price reductions in real terms, allowing further in-roads into less advanced applications, such as general automotive, civil engineering and infrastructure.

Facts:

- Global sales of carbon fibre reinforced plastics (CFRPs) are estimated to be \$9.9 billion in 2006, rising to \$13.6 billion by 2010. By 2025, global sales of CFRPs will be over \$25 billion a year.
- The global demand for carbon fibre tow in 2006 is estimated to be 27,000 tonnes, and will rise to 34,000 tonnes by 2010
- The global end-use demand for carbon fibre (in 2006) is aerospace/defence 28%, industrial 50% (including infrastructure, wind power and oil and gas) and sports goods 22%
- Europe now accounts for 30% of the world consumption of carbon fibre tow, with North America at 35%, Japan at 15% and the rest of the world at 20%
- Carbon fibre manufacturers will invest \$820 million between 2005 and 2008 to increase carbon fibre capacity by 78%
- The two major aircraft manufacturers – Airbus and Boeing – are forecast to account for 15-20% of the worldwide small tow carbon fibre usage by 2010
- Worldwide, small tow carbon fibre capacity is forecast to increase from 29,750 tonnes in 2006 to 40,600 tonnes by 2008, a huge increase of 36%. By 2008, Japan will produce 46% of the world's small tow carbon fibre, USA will produce 28%, Europe 19% and the rest of the world 7%.
- The global capacity for large tow carbon fibre will increase from 10,300 tonnes in 2006 to 18,800 tonnes by 2010
- Pitch-based carbon fibre capacity will increase from 1,380 tonnes in 2006 to 2,480 tonnes by 2010