

2019 Industrial Market Outlook



PRESENTED BY:



Industrial Info Resources



Global
Presence

20

locations around
The World

Over

36

Years of
doing
Business

Researching
in

59

languages
Globally

**Providing global market intelligence on the
industrial market for over 36 years.**

**Our industry coverage encompasses energy, power
industrial processing and heavy manufacturing sectors.**

IIR's Industrial Market Coverage

O & G PRODUCTION

ONSHORE AND OFFSHORE OIL & GAS PROCESSING
LNG EXPORT TERMINALS, GAS-TO-LIQUIDS

ELECTRIC POWER

GENERATION, TRANSMISSION & DISTRIBUTION

O & G PIPELINES

ONSHORE AND OFFSHORE CRUDE OIL, CONDENSATE,
GAS & REFINED PRODUCTS

METALS & MINERALS

MINES, MILLS AND PROCESSING PLANTS

O & G TERMINALS

STORAGE FACILITIES, LNG RECEIVING & REGASIFICATION

PULP, PAPER & WOOD

MILLS, FOREST PRODUCTS & CONVERTING PLANTS

PETROLEUM REFINING (HPI)

REFINERIES, LUBE OIL PLANTS AND ASPHALT PLANTS

FOOD & BEVERAGE

PROCESSING & DISTRIBUTION/STORAGE FACILITIES

CHEMICAL PROCESSING (CPI)

PETROCHEMICAL, AGRICULTURAL, INDUSTRIAL GASES,
ORGANIC & INORGANIC CHEMICALS

PHARMACEUTICAL & BIOTECH

MANUFACTURING FACILITIES AND RESEARCH LABORATORIES

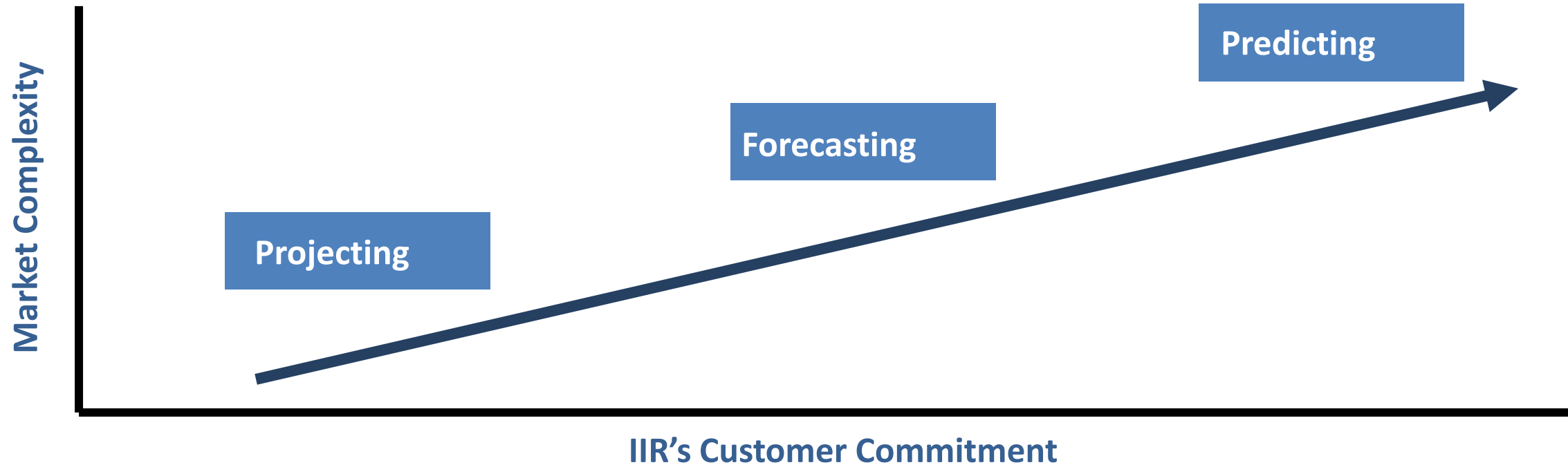
ALTERNATIVE FUELS

ETHANOL, BIODIESEL, COAL GASIFICATION, FUEL PELLETS

INDUSTRIAL MANUFACTURING

DURABLE AND NON-DURABLE GOODS MANUFACTURING

We continue to challenge ourselves to help our customers navigate through the complexities of today's markets



- Data Reach, Depth & Breadth
- Data Quality
- Global Research Methodology
- Industry Knowledge

- Statistical Modeling
- Spending Statistics & Indices

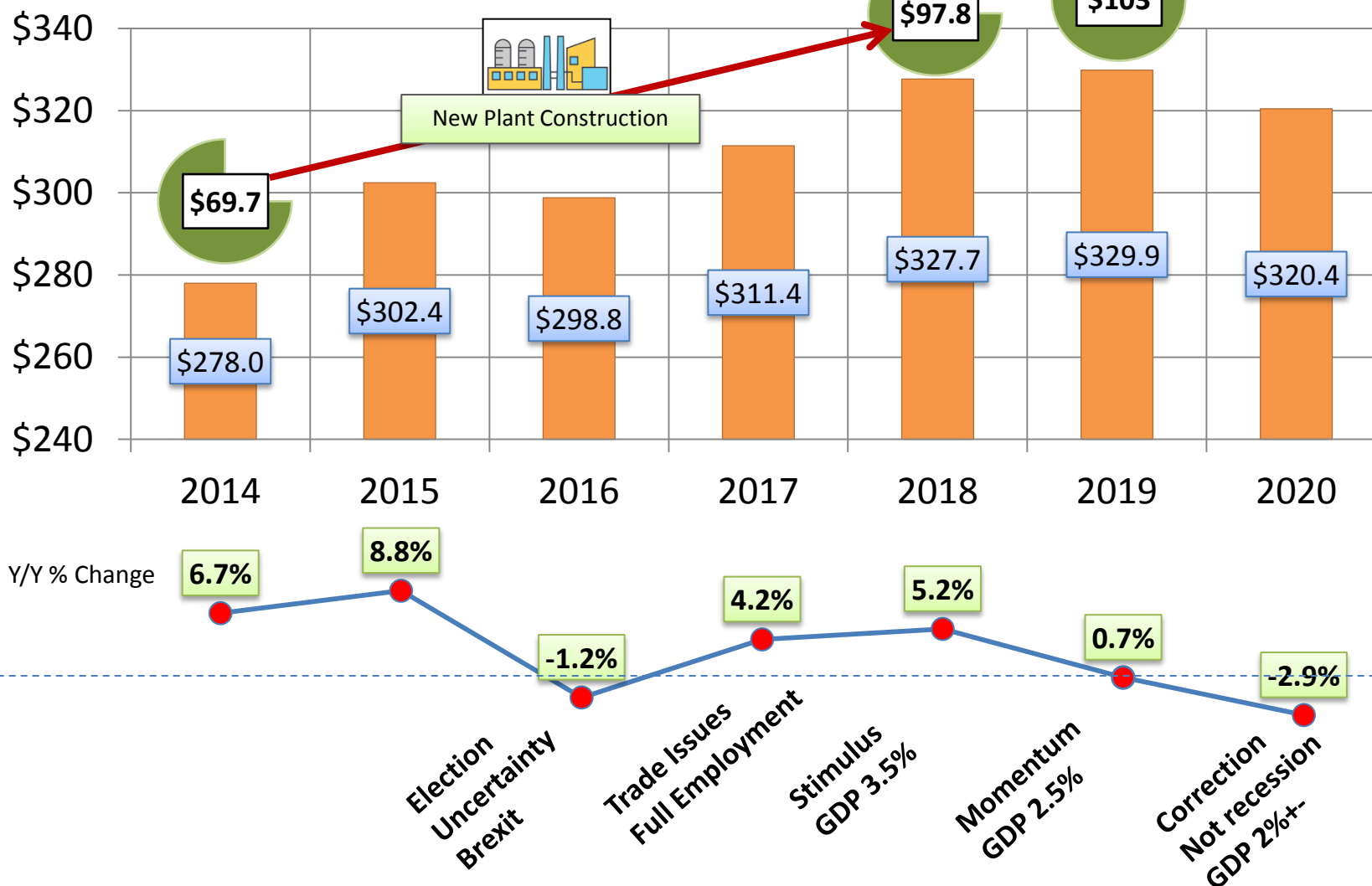
- Predictive Analytics

U.S. Plant Spending Forecast

Soft Landing from Mega-Projects

2019 Capital & Maintenance: \$329.9 Billion, revised down from \$334 billion

Representing a 0.7% Increase from 2018



Tail Winds

- Macro Economy Momentum
- Consumer Sentiment High
- FED Flexibility
- NAFTA-TO-USMCA
- Rising Oil & Gas Output

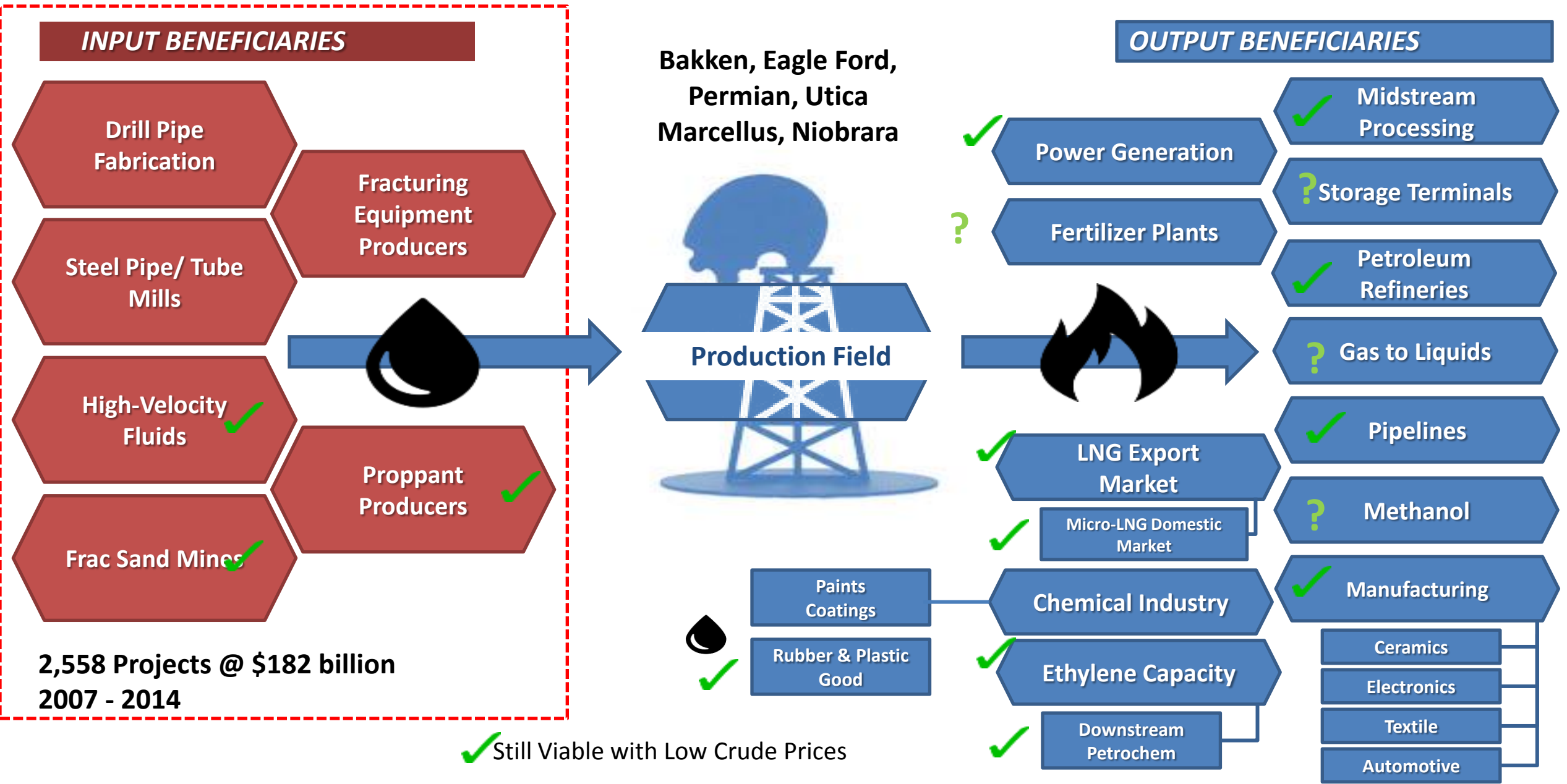
Head Winds

- Government Shutdown
- China Tariffs Hit Home
- Rising Costs
- 10%+ Correction in Equities
- The End of the Expansion
- No sign of Labor Relief

Industrial plant spending statistics are sourced from IIR's Top Line Spending Forecast representing all forms of capital and maintenance activity within the (12) industrial markets covered by IIR. Forecasts are updated on a quarterly basis with validation at the plant level.

U.S. Shale Revolution

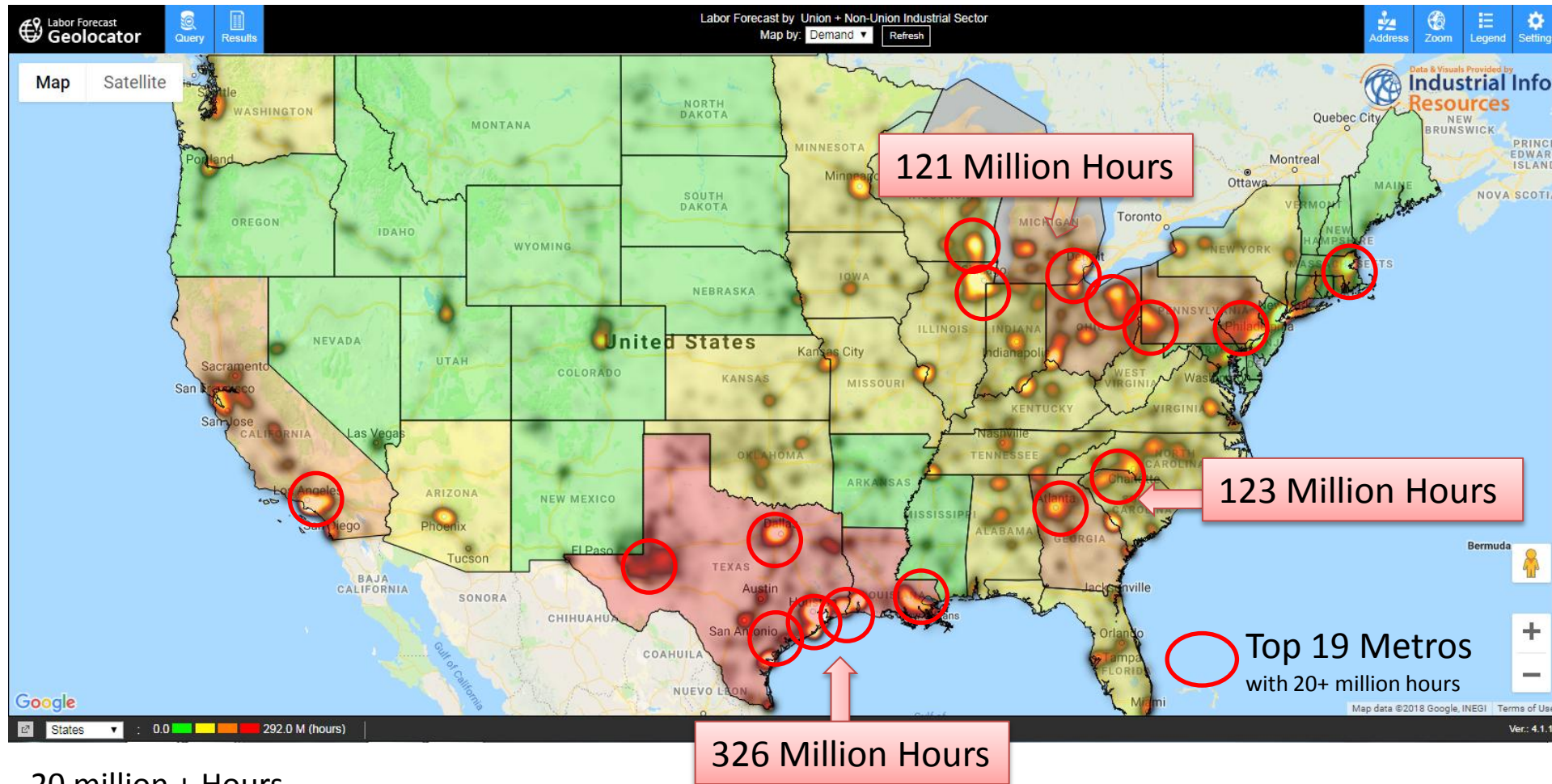
Industrial Market Spending Driver



U.S. Labor Demand Demographics

2019 & 2020 Industrial Plant CAPX and Maintenance

2019+2020 = 1.60 Billion Hours



20 million + Hours

High Demand Areas include: San Francisco & Los Angeles, CA Metro, Charlotte & Raleigh, North Carolina Metro, Beaumont, Corpus Christi, Dallas, Houston, and Midland/Odessa TX Metro, Baton Rouge, Lake Charles, and New Orleans, LA Metro, Columbus & Toledo, OH Metro, Pittsburgh, PA Metro, Atlanta & Augusta, GA Metro, Detroit, MI Metro, Chicago, IL Metro

- Economic momentum continues without major disruption
- 2020 could be our downturn year after 10 years of recovery and expansion – Moderate, Not Recession
- Oil & Gas Midstream markets remain strong – exports grow
- Natural Gas-based industries leverage cheap feedstock
- Consumer spending weakness (2020/2021) impacts specific industries

The Gulf Coast will continue to see a deficit in the tens of thousands of workers in any given year over the next 5 years.

As craft labor demand continues to grow, so do the deficits in soft crafts (Insulators, Painters, Carpenter and Scaffold Builders)

Owners and contractors are increasing their training programs for workers and changing their crew mix to allow for more helpers or apprentices

Training programs are being re-introduced into the local high schools in many areas to give student other options or opportunities for career paths.

Companies are also changing up the compensation models to draw and retain the high skilled labor.

Modular builds are coming into play, but not a rate that will change the labor dynamics we are currently seeing.

Thank You!

Questions?

www.industrialinfo.com