Oxygen & Hydrogen Gas Manufacturing in the US Industry Market Research Report from IBISWorld has Been Updated

The Oxygen & Hydrogen Gas Manufacturing industry relies heavily on a few key industries to purchase its products; therefore, activity in chemical manufacturing, metal manufacturing and oil refineries directly affects operators, and improved production from these industries will positively affect demand for industrial gases. For these reasons, industry research firm IBISWorld has updated a report on the Oxygen & Hydrogen Gas Manufacturing industry in its growing industry report collection.

Los Angeles, CA (PRWEB) August 29, 2013 -- The Oxygen and Hydrogen Gas Manufacturing industry produces gases that are used as inputs in the production of a variety of consumer and industrial products. "Industrial gases are essential to industries like chemical manufacturing, metal manufacturing and oil refining," says IBISWorld industry analyst Stephen Morea. "Metal manufacturers use nitrogen in steel production to improve steel's resistance to corrosion, and oil refineries use hydrogen to remove sulfur from crude oil." Consumer products also rely on industrial gases such as carbon dioxide, which is used to carbonate beverages and, in its dry ice form, is used to keep perishables cold. Therefore, gas manufacturers are dependent on manufacturing activity, industrial output and consumer demand. In the five years to 2013, revenue in the Oxygen and Hydrogen Gas Manufacturing industry is expected to decline at an estimated annualized rate of 5.4% to $8.5 billion, largely because of significant revenue declines experienced during the recession.

Industrial gas manufacturers were slow to experience the results of the recession. Revenue in 2008 rose despite weaknesses in downstream customer markets, thanks to the prevalence of long-term contracts between gas manufacturers in this industry and end users. However, a dependence on highly cyclical markets, like metal and chemical manufacturers, ultimately led to a staggering 28.6% decline in industry revenue in 2009. Slowly, in 2012, demand for industrial gases improved, as key gas buyers increased production. As the economy recovers further, industry revenue is expected to rise 6.0% in 2013.

In addition to volatile revenue, the industry weathered rising input costs. Energy is the largest cost item for production, and increasing electricity prices have squeezed most operators' margins. As a result, many have chosen to consolidate. Over the five years to 2013, the number of companies decreased at an annualized rate of 2.2% to 85 enterprises. The Oxygen and Hydrogen Gas Manufacturing industry already has a high level of market share concentration. Given the high level of concentration, industry players are using acquisitions to increase market share, although the level of concentration varies depending on the product segment and distribution. "Concentration is expected to increase over the next five years as operators improve efficiencies and grow market share by acquiring competing companies and production facilities," says Morea.

Key buying industries' production levels are expected to be in full swing in the coming years, making demand for industrial gases constant. In addition, as the global demand for oil and natural gas increases, demand for hydrogen, which is used for refining heavier, sulfur-laden fuels will increase. Hydrogen's push toward becoming a viable alternative-energy source, through the use of hydrogen fuel cells, also has the potential to increase industry sales in this product segment. For more information, visit IBISWorld's Oxygen & Hydrogen Gas Manufacturing in the US industry report page.
Follow IBISWorld on Twitter: https://twitter.com/#!/IBISWorld
Friend IBISWorld on Facebook: http://www.facebook.com/pages/IBISWorld/121347533189

IBISWorld industry Report Key Topics

This industry manufactures organic and inorganic industrial gases in various forms, including compressed, liquid and solid (i.e. dry ice). Examples of industrial gases include: oxygen, hydrogen, helium, nitrogen and carbon dioxide. These gases are then supplied to a diverse range of customers, including industrial and medical users. Key inputs for the industry include electricity and natural gas.

Industry Performance
Executive Summary
Key External Drivers
Current Performance
Industry Outlook
Industry Life Cycle
Products & Markets
Supply Chain
Products & Services
Major Markets
Globalization & Trade
Business Locations
Competitive Landscape
Market Share Concentration
Key Success Factors
Cost Structure Benchmarks
Barriers to Entry
Major Companies
Operating Conditions
Capital Intensity
Key Statistics
Industry Data
Annual Change
Key Ratios

About IBISWorld Inc.

Recognized as the nation’s most trusted independent source of industry and market research, IBISWorld offers a comprehensive database of unique information and analysis on every US industry. With an extensive online portfolio, valued for its depth and scope, the company equips clients with the insight necessary to make better business decisions. Headquartered in Los Angeles, IBISWorld serves a range of business, professional service and government organizations through more than 10 locations worldwide. For more information, visit www.ibisworld.com or call 1-800-330-3772.
Contact Information
Gavin Smith
IBISWorld
+1 (310) 866-5042

Online Web 2.0 Version
You can read the online version of this press release [here](#).