

Chemical Management Services (CMS) Industry Report 2009 Key Facts

- The 2009 market revenue of the CMS industry, as of June-July 2009, is estimated at:
 - \$900 million-\$1 billion in the U.S.
 - \$1-1.2 billion in the NAFTA-region
 - \$1.3-1.6 billion globally
- The CMS industry realized revenue growth of more than 30% per year from 2006-2008.
- The supplier community has grown significantly, with 67% of the 2009 survey respondents considering themselves to be service-based suppliers, compared to 25% reported in 2004. The remaining 33% percent of 2009 provider respondents indicated that they are chemical manufacturers. In 2004, by contrast, 75% of providers fell into the product-based category.
- There are twelve major market sectors that currently utilize CMS services – one more than the eleven active sectors in 2004.
- In the last five years, the CMS industry has seen international customer operations expand from five to nine countries/global regions, with most activity in Western Europe, Mexico, Canada and the People's Republic of China.
- The market size projected during the next 5-10 years is estimated to be:
 - \$2 billion for the U.S.
 - \$2.3 billion for the NAFTA-region
 - \$6 billion globally
- 100% of customer respondents indicated that their CMS programs have been expanded or otherwise changed since inception. 54% of CMS customers buy more than 60% of their chemicals through their CMS contract.
- Customers have realized hard savings as high as 40-50% in the first year of their CMS program, and they continue to see savings five to ten years into their program.
- 73% of customer respondents indicated that Corporate Purchasing led the development of their CMS initiative and the selection of their CMS provider.
- Nearly 60% of providers indicated that the top priority for investment in the future was information management, followed by improved process technologies.
- The European Union's chemicals directive, REACH (**R**egistration, **E**valuation, and **A**uthorization of **C**hemicals), and similar emerging regulations internationally require users to have more detailed chemical information about their operations, products, and chemical supply chain. CMS providers' IT capabilities are proving critical for their customers to meet these needs and to make informed business decisions.