

## 2017 Top Markets Report **Building Products** Sector Snapshot: U.S. Window and Door Exports

The global market for windows and doors is expected to reach an estimated \$244 billion by 2022, reflecting 4.1 percent compound annual growth from 2017-2022<sup>i</sup>. Window and door manufacturers in the United States exported products to 154 foreign markets in 2016.<sup>ii</sup> U.S. sector exporters are maintaining their global market share and are well positioned to capitalize on anticipated growth in international markets. This Sector Snapshot identifies world markets the International Trade Administration (ITA) views as holding the greatest potential for U.S. sector exporters looking ahead to 2019.

### Learn How ITA Works with U.S. Industry to Boost Exports

- Trade Policy
- Trade Facilitation
- Trade Events
- Protecting IPR
- Market Intelligence
- Export Counseling
- Practical Info on the Mechanics of Exporting

With personnel in 78 international markets and 108 locations in the United States, the International Trade Administration removes barriers to U.S. exports and works directly with U.S. exporters to support their international market development goals.

Projected Top U.S. Window and Door Export Markets <sup>iii</sup> 2019	
1	<a href="#">Canada</a> *FTA
2	<a href="#">Mexico</a> *FTA
3	Russia
4	<a href="#">Australia</a> *FTA
5	Afghanistan
6	<a href="#">Japan</a>
7	Netherlands
8	<a href="#">United Kingdom</a>
9	<a href="#">Saudi Arabia</a>
10	<a href="#">Korea</a> *FTA
11	Belgium
12	Bahamas
13	Israel *FTA
14	Cayman Islands
15	<a href="#">Kuwait</a>
16	Taiwan
17	Denmark
18	Philippines
19	Colombia *FTA
20	Peru *FTA

Click on any country in blue to see its 2016 Country Case Study.  
\*FTA indicates a country with which the United States has a Free Trade Agreement.

### Global Trade Trends

World trade in windows and doors<sup>iv</sup> was \$15.2 billion in 2016, with the \$768 million U.S. window and door export portfolio accounting for 5 percent of this trade. Overall global trade in the sector posted a negative 0.3 percent compound annual growth rate over 2011-2016. Exports from the United States claimed the same 5 percent share of global trade in 2011 and 2016.

In 2016, China was by far the world's largest source of global exports. Just over 20 percent of global window and door exports originated in China, up from 18.5 percent in 2011, followed by Germany and Poland, each accounting for just over 11 percent of world trade. Canada claimed 5 percent of global windows and door exports.

### U.S. Export Markets

U.S. window and door exports have a high density of export destinations, with the top

10 export markets accounting for 80 percent of exports in 2016. For the U.S. industry, the importance of Canada

and Mexico as export markets cannot be overstated. In 2016, fully 54 percent of U.S. exports went to Canada and an additional 9 percent went to Mexico. While significantly different in market size, growth profile, development status and business customs, these two leading markets share important attributes: tariff-free market access for U.S. windows and doors; proximity to consumers; ease of product transport; and broad acceptance of U.S. building products in construction.

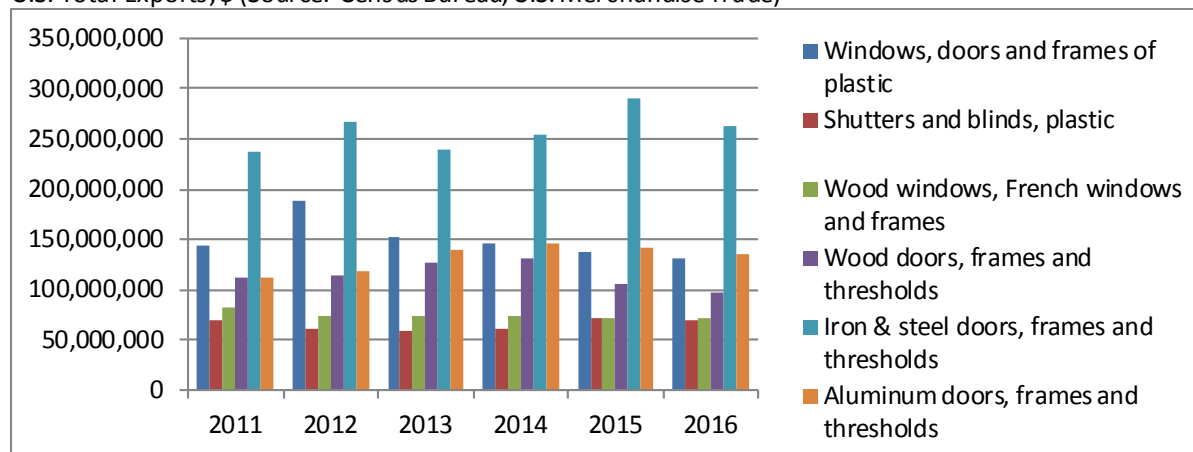
### U.S. Export Portfolio Composition

The \$768 million 2016 U.S. window and door export portfolio is comprised of:

	<u>Percent of sector exports</u>
Iron and steel doors, windows, frames and thresholds	34.2%
Aluminum doors, windows, frames and thresholds	17.7%
Doors, windows and frame of plastic	17.1%
Wood doors, frames and thresholds	12.6%
Wood windows, French windows and frames	9.4%
Shutters, blinds and parts of plastic	8.9%

Aluminum door, window and frame exports grew fastest in 2011-2016, posting a 3.9 percent compound annual growth rate (CAGR) for the period. Iron and steel door, window and frame exports grew at a 2.1 percent CAGR during the same period. Overall, U.S. window and door exports to the world grew at a 0.3 percent CAGR, limited by negative growth in wood and plastic window and door exports and plastic shutter and blind exports.

U.S. Total Exports, \$ (Source: Census Bureau, U.S. Merchandise Trade)



### U.S. Competitiveness

U.S.-manufactured window and door products enjoy strong global competitiveness. U.S. products sell well in developed and developing markets and in both proximate and distant countries. They compete in markets with tariffs on imports as well as in those where the United States has preferential market-access agreements. U.S.-manufactured windows and doors enjoy strong brand recognition and a reputation for energy efficiency, quality, durability, and performance based on incorporation of leading technologies, materials, and designs. This positions U.S. exporters well to capture new demand in global markets.

### Global Demand Trends for Windows and Doors

Increasing urbanization across international markets has spurred growth in new construction and retrofit markets. Buildings are widely recognized as responsible for about 40 percent of all energy consumption, meaning increasing energy efficiency in buildings is a key desired outcome across markets and building types. As developing markets

progress with industrialization and developed markets pursue increased sustainability and aesthetics, buyers seek window and door products with the following attributes.

### **Energy Efficient**

Energy efficiency is the key demand trend.

#### Windows

- Multi-pane glass
- Low-conductance gas fills
- Low-emittance coatings; solar control coatings
- Thermally improved edge spacers between layers
- High-performance frame designs and materials
- Improved weather stripping

#### Doors

- Higher-performing core materials (fiberglass, wood cladding, steel with polyurethane foam core)
- Multi-pane glass
- Tighter frame seals and improved weather stripping

### **Resilient**

Buyers seek products that will help a building withstand natural and man-made threats. Of particular interest are windows and doors able to withstand impacts from weather events, natural disasters and man-made blasts.

### **Aesthetically pleasing**

Innovative materials and designs are desirable, together with features enabling reduced maintenance requirements.

### **Durable/Reliable**

Overall brand reputations rest on the reliability of product quality and performance.

### **Connective**

Windows and doors play a valuable role in connecting indoor and outdoor environments, increasingly viewed as critical to occupants' quality of experience in a building.

### **Smart and interoperable**

In more advanced markets or buildings, products are sought that can be automated in conjunction with sensors and building management systems to increase operational efficiencies.

As a basic example, windows and doors incorporating sensors can automatically inform building safety systems of open or unlocked status.

"Smart" interoperability also includes products and systems capable of responding to environmental variables and interoperating with building management systems, or products and systems actively controlled based on occupant preferences or other building system requirements. Window technologies available in this arena include:

- Photochromic systems
- Thermochromic systems
- Electrochromic systems.

### **Working with ITA to Increase Exports**

ITA works with U.S. industry to overcome challenges associated with exporting. The goal is to prevent, reduce or eliminate barriers to trade that industry has indicated pose the greatest impediments to their growth in export markets.

## Industry-identified Challenges

Stakeholders in the building products industry consistently inform ITA of both tariff and non-tariff barriers to trade, as well as roadblocks that do not entail formal trade barriers. Trade barriers and other challenges often create burdens that have a disproportionate impact on small and medium-sized enterprise (SME) exporters. Other barriers include:

- Standards and conformity assessment requirements; and
- Regulations that negatively impact the importation and use of building materials and products including building codes, and wood product import regulations designed to combat illegal logging and associated trade.

The industry also expresses needs for trade promotion opportunities, market intelligence, and nuts-and-bolts guidance on the mechanics of exporting.

Some of the specific ways U.S. building product industry stakeholders can work with ITA to boost exports:

## Trade Policy Formulation

### ✓ **Keep in Touch Informally**

The ITA [Office of Materials Industries](#) welcomes informal contact from building products industry stakeholders to enable ITA to understand the industry's views, priorities, and challenges.

### ✓ **Make Public Comments to Share Views on Administration Trade Initiatives**

All industry stakeholders can make formal public comments on industry and trade-related matters via the notice and comment process at <https://www.regulations.gov/> on topics noticed in the Federal Register.

### ✓ **Join an Industry Trade Advisory Committee (ITAC) to Inform U.S. Trade Negotiators.**

Jointly managed by the U.S. Department of Commerce and the Office of the United States Trade Representative, the ITAC system engages business leaders in formulating trade policy. Industry representatives appointed to an ITAC provide policy and technical advice to the Secretary of Commerce and the United States Trade Representative regarding market access and trade barriers, negotiation of trade agreements and implementation of existing trade agreements, and perform other advisory functions relevant to U.S. trade policy issues.

There are 16 sector and issue-specific ITACs under the [ITAC System](#). The Committees of potential interest to the U.S. window and door industry include:

- Building Materials, Construction and Non-ferrous Metals (ITAC-9)
- Forest Products (ITAC-7)
- Customs Matters and Trade Facilitation (ITAC-14)
- Standards and Technical Trade Barriers (ITAC-16)

## Tariffs

ITA works to reduce foreign tariffs with a goal of zero tariffs for building product exports in bilateral and multilateral trade agreements.

### ✓ **Access the [FTA Tariff Tool](#)**

This public resource can help U.S. exporters find tariff rates and schedules in U.S. free trade agreements.

### ✓ **Understand Tariff Rates in Export Markets**

ITA is available to help U.S. companies understand the tariffs their products will be subject to in international markets, as just one component of export counseling.

## Trade Facilitation: Standards and Conformity Assessment Requirements

U.S. exporters can rely on a variety of services to help navigate this arena:

- ✓ **Contact ITA trade specialists**  
Reach trade specialists in the United States [near your firm or in a target market](#) for help in understanding country requirements
- ✓ **Contact a U.S. [Standards Attache](#)** in select high-priority markets  
U.S. Standards Attaches monitor emerging standards issues that have potential trade implications for U.S. industry and serve as points of contact for industry stakeholders. Standards Attaches are available in China, the European Union, Mexico, and Brazil
- ✓ **Learn about and comment on foreign standards development** work via [Notify U.S.](#) at the National Institute of Standards and Technology (NIST) World Trade Organization (WTO) Technical Barriers to Trade (TBT) Enquiry Point
- ✓ **Sign up to receive ITA's [Standards Alert](#)**  
This alert informs industry stakeholders of opportunities to participate in standards development in organizations such as the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC).
- ✓ **Report a standards-related barrier**  
In many cases, the U.S. Government can take action if a standards-related market barrier is interfering with exports.

#### **Regulations and Other Market Access Issues**

ITA staff located around the world are well positioned to help companies understand market access requirements for their exports.

- ✓ **Contact the [U.S. Commercial Service office in the target market](#)** to obtain comprehensive information about market access requirements.

#### **Trade Promotion**

ITA sponsors construction-focused trade missions for U.S. companies and U.S. Pavilions at foreign trade shows. It recruits foreign buyers to attend U.S. trade shows and conducts reverse trade missions to showcase U.S. industry capabilities and products to would-be buyers. These types of trade events allow U.S. companies an efficient means of connecting with potential buyers, partners, distributors, and agents around the world.

- ✓ **Participate in an ITA-Sponsored Trade Event** (upcoming events: <https://www.export.gov/Events>)
  - **Join a Building Materials-specific Trade Mission**
    - Under its high-export-return Market Development Cooperator Program (MDCP), ITA has a public-private partnership with Evergreen Building Products Association involving export market development opportunities in China and Japan.
    - This MDCP partnership typically involves annual multi-city trade missions to China and Japan each year, along with reverse trade missions that bring buyers to the United States. Information is available at [EBPA Programs](#).
  - **Enlist ITA to Recruit Buyers for U.S. Trade Shows**  
ITA's [International Buyer Program \(IBP\)](#) is a joint U.S. government-industry effort to support business-to-business matchmaking at U.S. trade shows by bringing international buyers to the United States. This program can be an asset to show organizers, U.S. exhibitors and international buyers.
  - **Exhibit at a U.S. Pavilion at Foreign Trade Shows**  
ITA organizes U.S. pavilions at certain foreign trade shows to allow U.S. exhibitors to showcase products and services with support from ITA staff. Benefits of participation to U.S. exhibitors include pre-show marketing to buyers in the region; a prime location on the trade show exhibition floor as part of a pavilion of U.S. exhibiting companies; typically market-specific briefings from ITA commercial representatives; and on-site market development and export counseling and potential business-to-business matchmaking.

### Protecting Intellectual Property Rights (IPR)

- ✓ Go to [www.STOPfakes.gov](http://www.STOPfakes.gov). ITA manages this one-stop-shop portal housing IPR information and assistance.

### Protecting Your Industry From Unfair Import Surges or Foreign Government Subsidies Being Provided to Your Foreign Competitors

- ✓ Go to the ITA's [Antidumping and Countervailing Duty Petition Counselling Service](#) to help determine if a trade case can be filed against unfair foreign competitors.

### Market Intelligence

#### ✓ Access industry-specific resources

The 2016 Top Markets Building Products study (<https://www.export.gov/Top-Markets>) identifies projected leading export markets for U.S. building product suppliers. It covers windows and doors as one of seven sub-sectors key to sustainable construction. The study includes ten detailed country case studies: Australia, Canada, Chile, China, the Gulf Region, Japan, Korea, Mexico, Vietnam, and the United Kingdom.

#### ✓ Access country-specific resources

The U.S. Government's [Country Commercial Guides \(CCG\)](#) provide a wealth of information on a market-specific basis.

#### ✓ Do a custom search

The ITA [Market intelligence portal](#) allows custom searches for market insights, best prospects for U.S. exports and other information.

### Other Resources for U.S. Exporters

#### ✓ Visit <https://www.export.gov>

The site has comprehensive information on the wide variety of export market development and other resources available to U.S. industry, including:

- Practical [guidance on the nuts and bolts of exporting](#)
- [Customized ITA services](#) for U.S. exporters
- How to [get help with trade problems](#)
- Extensive additional resources

---

<sup>i</sup> Lucintel, Growth Opportunities in the Global Door and Window Market report, April 2017

<sup>ii</sup> Census Bureau, U.S. Merchandise Trade

<sup>iii</sup> Rankings are based on total projected U.S. dollar volumes of U.S. window and door exports. The projection is based on reported U.S. total export data (Census Bureau U.S. Merchandise Trade) for 2012-2016, projected forward to 2019 utilizing a linear projection.

<sup>iv</sup> Measured in world exports to world, UN HS Merchandise Trade