

Autoclaved Aerated Concrete (AAC) - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

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Report description:

The Autoclaved Aerated Concrete Market is expected to register a CAGR of 6.05% during the forecast period.

The COVID-19 pandemic negatively impacted the market. Construction work stopped worldwide, especially in significant construction hubs like China and India. However, the industry witnessed a recovery in 2021, thus rebounding the demand for the market studied.

Key Highlights

- Over the short term, the increasing construction and redevelopment projects across the world are some of the factors driving the growth of the market studied.
- On the flip side, the cost of manufacturing an AAC block is higher than normal cement or burnt clay blocks, which is expected to hinder the growth of the market studied.
- However, the emphasis on using fire-retardant building materials is expected to provide opportunities for the growth of the market in the future.

Autoclaved Aerated Concrete (AAC) Market Trends

Growing Demand from the Construction Industry

- AAC, owing to its thermally insulated and energy-efficient properties, along with being fire-resistant, termite- or pest-resistant,

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seismic-resistant, lightweight, sustainable, and quick and easy to apply, is used in construction.

- The demand for autoclaved aerated concrete is expected to rise throughout the forecast period due to rising investments and construction activity in the country. China is a huge contributor, as it has been one of the leading investors in infrastructure worldwide over the past few years. For instance, according to the National Bureau of Statistics (NBS) of China, in 2022, the output value of construction works in China amounted to 27.63 trillion yuan (USD 4108.581 billion), an increase of 6.6% compared with 2021. Therefore, the increasing construction industry in the country is expected to create upside demand for the autoclaved aerated concrete market.
- The United States has one of the world's largest construction industries. According to the US Census Bureau, the output value of new construction in the United States amounted to USD 1,792.9 billion in 2022, which showed an increase of 10.40% compared to 2021, reaching USD 1626.4 billion. Apart from that, the total commercial construction value in the country accounted for USD 91.03 billion in 2021 compared to USD 114.79 billion in 2022, which showed an increase of 21.5% compared to 2021. Therefore, increasing commercial construction output in the United States is expected to increase demand for the autoclaved aerated concrete market.
- Moreover, Saudi Arabia works on many commercial projects, likely leading to more commercial buildings. The USD 500 billion futuristic mega-city "Neom" project, the Red Sea Project, Phase 1, which is expected to be completed by 2025 and has 14 luxury and hyper-luxury hotels with 3,000 rooms spread across five islands and two inland resorts, Qiddiya Entertainment City, Amaala, the uber-luxury wellness tourism destination, and Jean Nouvel's Sharaan resort in Al-Ula. Therefore, upcoming investments from the construction industry are expected to create upside demand for the autoclaved aerated concrete market in the country.
- The government of the United Kingdom had announced initiatives to construct new schools as a top priority. School renovation projects in England are expected to create an upside for the autoclaved aerated concrete market. For instance, according to the United Kingdom government's publication, 239 school buildings are to be transformed as part of a revolutionary ten-year program in England.
- In addition to the school rebuilding program, the government invests in the school estate with annual capital funding. Over GBP 13 billion (USD 16.07 billion) has been allocated since 2015 to maintain and improve school facilities across England, including GBP 1.8 billion (USD 2.226 billion) in the financial year 2022-23.
- Moreover, the government is also setting out school funding allocations for local authorities for next year, following the extra GBP 2 billion (USD 2.473 billion) funding boost for schools for next year and the year after announced in the Autumn Statement. School funding is expected to be at its highest-ever level in real terms per pupil, totaling GBP 58.8 billion (USD 72.729 billion) by 2024-25. Therefore, these investments in the construction industry are expected to create upside demand for autoclaved aerated concrete.
- Owing to all the above factors, the demand for autoclaved aerated concrete is expected to surge during the forecast period.

Asia-Pacific to Dominate the Market

- Asia-Pacific accounts for most of the ACC market owing to the high demand from the construction sector in countries like China and India.
- India is anticipated to remain the fastest-growing G20 economy in the Asia-Pacific region. The Indian government announced a target of USD 376.5 billion in infrastructure investment over three years (2023-2025), including USD 120.5 billion for developing 27 industrial clusters and USD 75.3 billion for road, railway, and port connectivity projects.
- The residential sector in India is on an increasing trend, with government support and initiatives further boosting demand. According to the India Brand Equity Foundation (IBEF), the Ministry of Housing and Urban Development (MoHUA) allocated USD 9.85 billion in the 2022-2023 budget to construct houses and create funds to complete the halted projects.
- Moreover, in December 2022, the Airports Authority of India (AAI) and other airport developers targeted a capital outlay of approximately Rs. 98,000 crores (USD 11.8 billion) in the airport sector in the next five years for expansion and modification of existing terminals, new terminals, and strengthening of runways, among other activities. Therefore, these expansions are

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expected to increase the demand for autoclaved aerated concrete materials.

- According to the Ministry of Land, Infrastructure, Transport, and Tourism (MLIT), building starts will increase in Japan after the rainy season. In 2022, approximately 859.5 thousand housing starts were initiated in Japan. This represents an increase of 0.4% compared to 2021. Therefore, the increasing number of housing starts in Japan is expected to create upside demand for autoclaved aerated concrete.

- Hence, all such favorable trends and regional investments are expected to drive the demand for autoclaved aerated concrete during the forecast period.

Autoclaved Aerated Concrete (AAC) Industry Overview

The autoclaved aerated concrete (AAC) market is highly fragmented in nature. The major players in this market (not in a particular order) include Xella International, H+H, ACICO Group, SOLBET, and Tarmac.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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