

## **Spark Plug Manufacturing in the US Industry Market Research Report Now Available from IBISWorld**

*Automakers have ramped up production and increased their demand for spark plugs since the recession, but low-cost imports will continue to pressure the industry's growth over the next five years, which will encourage more companies to offshore their production capabilities to improve profit. For these reasons, industry research firm IBISWorld has added a report on the Spark Plug Manufacturing industry to its growing industry report collection.*

Los Angeles, CA ([PRWEB](#)) May 01, 2013 -- The [Spark Plug Manufacturing industry](#) has endured a bumpy ride over the five years to 2013. The industry lost its spark in 2009, as downstream automakers suffered plummeting sales during the recession. As disposable incomes fell, consumers delayed purchasing big-ticket items like cars. As a result, demand from car and automobile manufacturing dropped 36.5%. However, demand rebounded strongly in 2010 on the back of recovering consumer sentiment, causing auto manufacturing plants to ramp up production. Consequently, the Spark Plug Manufacturing industry has experienced steady growth since 2010, including a 3.5% revenue increase in 2013, says IBISWorld industry analyst Agiimaa Kruchkin. Despite shifting gears to a promising recovery, industry revenue is expected to decline an annualized 7.4% over the five years to 2013, totaling \$345.4 million.

The rapidly increasing tide of low-cost imports has continued to erode industry revenue and reinforce a focus on price-based competition. The sheer level of price-based competition has prevented domestic manufacturers from implementing price increases despite rising production costs. As a result, domestic operators are exiting the industry, and imports are continuously occupying a greater share of domestic demand, continues Kruchkin. Over the five years to 2013, imports are growing at an average annual rate of 6.5%; imports have expanded from occupying 46.8% of domestic demand in 2008 to an anticipated 70.3% in 2013. These tough conditions have dented industry profit, inevitably leading to consolidation. The total number of companies is dropping, creating excess capacity. Furthermore, many companies are offshoring operations to achieve cost-savings, thus allowing them to obtain better profit margins. In addition, as operators attempted to cut costs, employment has fallen rapidly at an annualized rate of 12.5% to 905 workers in the five years to 2013. Due to significant offshoring and outsourcing to foreign companies, fewer domestic companies are producing spark plugs. As a result, the [Spark Plug Manufacturing industry's](#) market share concentration has been rising, particularly among the industry's two major players: Denso Corporation and NGK Spark Plugs (USA) Inc.

In five years to 2018, the industry will slowly rebuild in line with automaker recovery, although rising imports will weigh heavily upon revenue growth. New car sales are expected to jump during the period as consumer sentiment recovers. But imports will continue to rise and will supply a larger portion of domestic demand by 2018. For more information, visit IBISWorld's [Spark Plug Manufacturing](#) in the US industry report page.

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### **IBISWorld industry Report Key Topics**

This industry manufactures spark plugs for vehicles. Spark plugs are electrical devices that are used to ignite compressed fuels in internal combustion engines, enabling a driver to start a car with this type of engine. Spark

plugs are sold to auto manufacturers and in the aftermarket to consumers directly.

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