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Market Update for STAFDA – 2012 Fall Protection Outlook

Though there were some great developments in 2011, the fall protection market seemed to be on idle, preparing for a significant step forward in 2012 and beyond. Continued strength in the oil and utilities markets were matched with continued economic uncertainty, high unemployment rates, a stagnant construction industry and uncertainty about the future of wind energy subsidies. Moreover, the much anticipated residential OSHA regulations requiring the use of fall protection equipment to keep residential construction workers safe was pushed back from June to August, with full implementation further delayed until March 2012.

Yet, there is still reason for optimism when looking forward to 2012. Expectations for continued sustained oil prices should keep exploration and refining demand high. While the same statement was made a year ago, many, myself included, are predicting a return to non-residential construction toward the end of the year. And, if anything can be gleaned from a couple months of data, one might suggest businesses are hiring at a steady pace. It will still take some time to get back to pre-2008 employment numbers, but some of the trends are looking promising.

The family of ANSI Z359 Standards continued to implement key changes in 2011 and many expect more to become published throughout 2012. Construction workers have gained access to improved equipment and product performance through the delineation of the original ANSI Z359 code. The pending Z359.14 standard, which is anticipated to be effective this summer, will give workers a different option of self-retracting devices they haven't had in the past. Through the recently passed Z359.7 standard, manufacturers need to provide self-certification for products and records of ANSI compliance, which will help workers and distributors specify with confidence.

As was mentioned above, workers in the residential construction market will benefit from additional OSHA focus. The new regulations require the use of fall protection equipment or a written plan for all job sites where workers are six feet above a lower level. While the effective date for the regulations was pushed back in 2011, we are already beginning to see OSHA take action in this market by issuing citations to companies not in compliance. Though real progress has been made in the last 18 months, the climate for additional government involvement in any number of situations is turbulent, at best. With these regulations at hand, 2012 is sure to be an interesting year in Washington D.C. on a variety of fronts.

The demand for locally produced equipment remains high, and companies with local market knowledge continue to hold the majority of the market. Conversations and transactions to fill this demand remain on a personable level, with most happening offline. While end users increasingly seek information online, e-commerce has remained stagnant in this industry.

Overall, several segments for fall protection will likely see a successful year in 2012. However, there remains uncertainty around the pace and timing of a recovery within key areas, including construction, general industry and, more broadly, employment. Legislative and regulatory actions coming up in 2012 could significantly boost the industry and provide the energy needed for the construction market to make its rebound.