

Top 10 Fastest-Growing Industries

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With environmentally friendly practices or technological advances, these industries are outpacing the economic recovery.

Consumer concerns about health and the environment bode well for some industries

Across the United States, industries, businesses and consumers are climbing out of the Great Recession's lows. US gross domestic product is forecast to grow 3.3% per year over the next five years, a welcome change from the meager growth of 0.6% per year between 2007 and 2012. Some industries, however, aren't just recovering – they're flourishing.

IBISWorld has compiled a list of these standout industries based on their contributions to the economy as a whole (measured as industry value added), absolute revenue growth and establishment growth over the past 10 years, as well as performance expected through 2017. Whether by focusing on environmentally friendly practices and operations or benefiting from technological advances, these industries are expected to continue their meteoric rise and far outpace the rest of the economy.

Thinking green

Over the past decade, the dramatic rise in energy costs and an increasingly vocal, environmentally conscious public have led to the growth of green industries. The Solar Panel Manufacturing industry has been at the forefront of the green industrial movement with average annual

revenue growth of 32.3% from 2002 to 2012, including expected growth of 9.4% in 2012. As the federal government looks to reduce the United States' dependency on fossil and other non-renewable fuels, green energy firms have reaped the benefit of substantial subsidies. Without assistance, solar power generation firms would have little chance against entrenched, traditional fuel sources. Moreover, falling silicon prices have allowed US firms to compete with low-cost manufacturers abroad. Over the next five years, revenue for the Solar Panel Manufacturing industry is expected to continue expanding at an average rate of 8.2% per year.

The construction industries were early victims of the Great Recession, but the Green and Sustainable Building Construction industry capitalized on the green movement and weathered the downturn well. Since 2002, industry revenue has experienced annualized growth of 28.9% and anticipated 18.3% growth in 2012. Firms in the industry construct energy-efficient buildings that are often largely composed of sustainable materials. Aided by local and state building codes that promote the use of energy-efficient building design and materials, demand for green construction has skyrocketed. Government programs

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like Leadership in Energy and Environmental Design (LEED) and Energy Star have also driven demand forward. Over the five years to 2017, revenue for the Green and Sustainable Building industry is expected to grow at an average annual rate of 22.8%.

Taking care

Along with their heightened concern for the environment, Americans are increasingly seeking ways to become and stay healthy. Consumer awareness of the harmful effects of UV ray exposure and the prevalence of skin cancer has led to the rapid emergence of the Self-Tanning Product Manufacturing industry, which has experienced average annual revenue growth of 22.7% per year since 2002.

With the dangers of tanning beds foremost in many consumers' minds – a study by the National Cancer Institute found that tanning lamps and beds can more than double the risk of skin cancer – self-tanning products have become more popular. Heightened interest in such products has led to more innovation. Today's offerings produce a more natural tan for a wider range of skin tones. In 2012, revenue for the Self-Tanning Product Manufacturing industry is expected to grow 18.1%, with average annual growth of 10.7% projected over the next five years.

Consumers are also seeking alternative ways to stay fit. The Pilates and Yoga Studios industry provides health-minded Americans with conditioning routines

Forecast Industry Revenue

Industry	2012 (\$m)	2013 (\$m)	2014 (\$m)	2015 (\$m)	2016 (\$m)	2017 (\$m)	Major Industry Players
Generic Pharmaceutical Manufacturing	52,785.2	56,959.4	61,683.9	65,877.3	69,458.5	72,682.2	Teva Pharmaceutical Industries Ltd. Watson Pharmaceuticals Inc. Sandoz Ltd. Mylan Inc.
Solar Panel Manufacturing	4,610.5	5,029.7	5,563.8	5,901.5	6,578.0	6,827.5	SunPower Inc.
For-Profit Universities	27,019.6	28,326.2	29,601.2	30,451.3	31,286.9	32,225.0	Apollo Group Inc. DeVry Inc. Career Education Corporation
Pilates & Yoga Studios	6,853.3	7,170.6	7,538.4	7,962.5	8,319.4	8,643.8	No Major Players
Self-Tanning Product Manufacturing	609.3	688.3	775.3	858.3	940.6	10,10.7	Kao Brands Company
3D Printer Manufacturing	1,698.5	2,019.7	2,323.4	2,656.3	2,956.2	3,265.2	3D Systems Corporation Stratasys Inc. Z Corporation
Social Network Game Development	4,548.3	6,000.0	7,920	9,820.8	11,293.9	12,310.4	Zynga Inc. Electronic Arts Inc. The Walt Disney Company
Hot Sauce Production	1,077.4	1,139.5	1,198.2	1,213.5	1,273.1	1,318.6	McIlhenny Company Reckitt Benckiser PLC
Green & Sustainable Building Construction	103,052.2	124,693.1	156,115.7	199,359.8	245,411.8	287,867.9	The Turner Corporation
Online Eyeglasses & Contact Lens Sales	347.7	390.7	428.1	464.1	491.9	530.3	1-800-Contacts.com Walgreen Company Coastal Contacts Inc.

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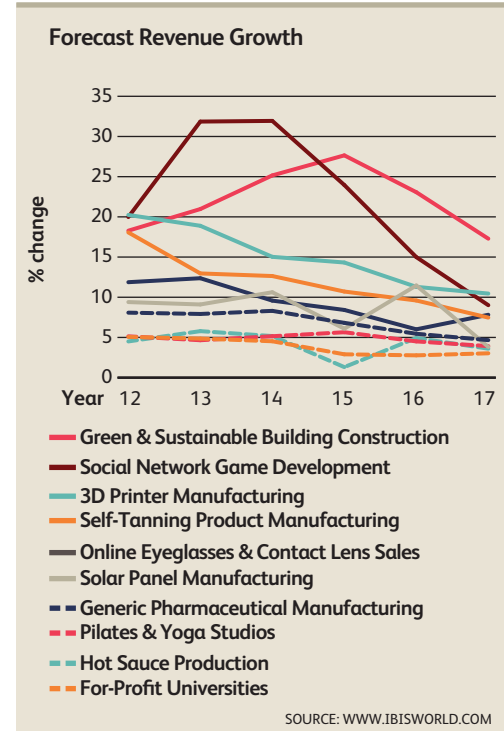
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focused on building strength and flexibility. From 2002 to 2012, the industry grew an average of 12.1% per year and is projected to expand 5.1% in 2012. Pilates and yoga studios were highly resistant to the recession; instead of facing negative growth in 2008 and 2009, revenue merely slowed. In the five years to 2017, industry revenue is expected to grow at an average annual rate of 4.8%.

Emerging technologies

The accelerating speed and accessibility of the internet has led to skyrocketing growth for web-based industries. Over the past five years, social networks, in particular, have become an integral part of life for many consumers, connecting them with others and helping them find a cheap alternative source of entertainment. The Social Network Game Development industry owes its existence to these needs, and as sites like Facebook have grown exponentially, so too have social network game developers: Since 2002, this industry grew an average annual 128.0%. The industry's games are usually free to play; developers earn revenue through the sale of virtual goods that enhance game-play and through advertisements shown onscreen. Unlike most of the economy, the recession was a boon for the industry because under- or unemployed consumers spent extra leisure time with these low-cost games rather than with expensive console games or software. In 2012, industry revenue is expected to grow 20.0%, and over the next five years, revenue is projected to grow at an average annual rate of 22.0%.

As the speed and security of online monetary transactions grow, online retail for more products will become commonplace. Eyeglasses and contacts are increasingly being sold through online stores thanks to the higher prevalence of broadband internet in households. Between 2002 and 2012,



revenue in the Online Eyeglasses and Contact Lens Sales industry has grown 28.2% on average annually; in 2012, revenue is expected to grow 11.9%. New technologies, such as virtual try-on systems in which shoppers upload a picture to see how frames look on their faces before ordering a pair, have made customers more confident in their online purchases. Over the next five years, industry revenue is expected to grow 8.8% per year on average.

Rapid technological advances, falling costs and a greater need for new medical devices have led to the growing presence of 3D printing, a process in which successive layers of material are laid down until the product is finished. 3D printers allow the manufacturer to create something from precise schematics in a single build process. The 3D Printer Manufacturing industry's revenue has grown an average of 8.8% per year since 2002, with 20.3% growth expected in 2012 alone. As the cost of producing

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these high-tech machines decreases and printer technology is refined, they will be used for an increasing number of applications, such as aerospace-related part manufacturing. With the rapid pace of innovation already present in the industry, double-digit annualized growth (14.0%) is projected to continue into the next five years.

Other upstarts

In 2012, the For-Profit Universities industry's revenue is projected to grow 5.0%, and over the next five years, revenue will grow an estimated 3.6% per year on average. As more and more high school students seek a college education after graduating, gaining admission to traditional public and private universities has become more difficult. At the same time, state budget cuts have shortened the resources these institutions can use to cope with the influx of students. Stepping in to alleviate the heightened demand for higher education, for-profit universities have become a common sight in education in the United States; since 2002, the For-Profit Universities industry grew an average of 13.6% annually. Classes taught at for-profit universities are often accessed through alternative means to the classroom, such as through TV programming or the internet. The low cost of teaching online classes has been particularly essential to the rapid growth of these institutions. Moreover, with the high unemployment caused by the recession, workers and high school graduates without a job chose to continue their education rather than combing the job market. Independent of state budgets and able to avoid the high tuition costs of private schools, for-profit schools grow by selling shares to investors.

The Generic Pharmaceutical Manufacturing industry has found sustained growth over the past 10 years,

with average annual revenue growth of 9.6%. As the median age of the US population increases, more consumers require a greater amount of prescription drugs. Generic drugs are sold without patent protection and tend to be cheaper than brand-name drugs, making them more attractive in the face of rising overall healthcare costs. Many industry operators have closed inefficient plants and removed redundant sales positions to cut costs, expanding profit margins. However, as more consumers qualify for private insurance, insurance providers will gain more leverage to negotiate lower drug prices, which could reduce the industry's profit margins. Still, revenue is expected to continue rising, with 8.1% growth expected in 2012 and average annual growth of 6.3% projected through 2017.

The Hot Sauce Production industry has heated up over the past 10 years, with average revenue growth of 9.3% per year and expected 2012 growth of 4.5%. While the recession did cool the industry's prospects, rebounds in 2010 and 2011 reestablished it as a rapidly growing part of the food sector. Demand for hot sauce has been driven by demographic consumption trends, immigration and international demand from Canada, the United Kingdom and Japan. As Americans' palates have become more diverse, hot sauce has earned tenure on the dinner table. Demand from supermarkets and grocery stores has reflected the change in consumer taste, and food retailers are dedicating more shelf space to ethnic cuisine. Ethnic supermarkets – also growing rapidly – more prominently offer a variety of hot sauces than more traditional stores. Hot sauce production isn't expected to burn out any time soon: Over the next five years, industry revenue is projected to grow at an average annual rate of 4.1%.

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