Drilling Fluids Market Information Research Report: By Type (Water Based, Oil-Based, and Synthetic Based), By Application (Onshore, Offshore) and By Region (North America, Latin America, Europe, APAC, Middle East & Africa)—Forecast Till 2023

Market Scenario

Drilling fluids play a vital role in oil and gas exploration activities. It is the mixture of water, oil, clay, & several chemicals. It is also called drilling mud. While drilling, it performs numerous functions like cooling the drill bit and lubricate its teeth, it carries the drill cutting to surface and reduces the drill pipe stuck problem. Mud maintains hydrostatic pressure to prevent formation fluids from entering into the wellbore.

Growing investment in oil exploration activities drives the growth of the market. For instance, oil giant BP has disclosed its plan to continue spending in new exploration activities in its Gulf of Mexico production platforms, Atlantis, Na Kika, Thunder Horse and Mad Dog. However, high capital cost for drilling may hamper the growth of the market. Recently, offshore oil and gas exploration activities in the Gulf of Mexico region and other regions throughout the world are progressively moving towards deepwater ocean regions. The deepwater oil field development usually occurs in the form of high-risk, and long-duration drilling project, which make them highly expensive.

On the basis of region, North America accounted for the largest market share of 35.10% in 2016, with a market value of USD 2,955.3 million; projected to expand at a CAGR of 7.47% during the forecast period. Improvement in drilling technologies such as horizontal drilling and hydraulic fracturing have unlocked vast hydrocarbon reserves in the region. This has allowed oil and gas companies in the region to innovate to the point, where they can carry on the drilling activities, profitably. U.S. accounts for the largest market share in the North American region.

Middle East & Africa was the second-largest market in 2016, valued at USD 1,886.0 million in 2016; projected to expand at a CAGR of 6.22%. In this region, Saudi Arabia and UAE, are the leading oil and gas exporters and are scheduling on further expanding their oil and gas production infrastructure. The region has well-established hydrocarbon reserves and more investment is made to explore potential new reserves. Latin America region is expected to expand at the highest CAGR of 8.19%. Substantial oil and gas discoveries have taken place in the offshore regions of Rio de Janeiro, Perla Field in Gulf of Venezuela and in the Gulf of Mexico regions. This has a positive influence on the growth of the market.

Segmentation: Global Drilling Fluids Market
Based on type, water-based drilling fluid dominates the global drilling fluids market. It accounted for the largest market share of 55.90% in 2016, with a market value of USD 4,706.6 Million; projected to grow at the highest CAGR of 7.52% during the forecast period. Water-based fluids (WBF) are largely used drilling fluid systems. In this type, water is in continuous phase. This fluid system is less expensive, requires less chemical treatment before disposal, and their eco-friendly properties are projected to fuel the demand of water-based fluids during the forecast period. Oil-based fluid was the second-largest market in 2016, valued at USD 2,248.0 Million in 2016; projected to expand at a CAGR of 6.66%. In this system, oil is in continuous phase. Oil-based muds are superior for greater depths or in directional and horizontal drilling, which place larger stress on the drilling apparatus. Growing demand for thermal stability, and reduced corrosion of drilling tools, OBM is likely to gain significance over the forecast period.

Based on application, onshore accounted for the biggest market share of 69.40% in 2016, with a market value of USD 5,843.2 million; projected to expand at a CAGR of 6.80% during the forecast period. Offshore was the second largest application in 2016, valued at USD 2,576.4 Million. Offshore drilling commonly takes place in ocean waters. Offshore segment is estimated to be the fastest growing application, mainly due to growing deepwater drilling activities in U.S. and Gulf of Mexico, shale and tight oil production in Canada and the discovery of ultra-deepwater drilling reserves in North Sea, and other regions of the globe.

**Competitive Landscape**

In global drilling fluids market, the key players adopted numerous strategies to retain and expand their market share. The important strategies followed by maximum companies within the global drilling fluids market were new contracts followed by the expansion.

**Industry News**

Baker Hughes Inc., one of the largest oilfield service companies, has won the USD 190 million onshore contract for integrated drilling services on the massive Johan Sverdrup field offshore Norway. The contract includes cementing and pumping, completion, offshore cuttings handling, drilling and completion fluids, and integrated drilling services, and will be valid for six years with a four-year extension option for the entire field life.

Halliburton Inc. one of the major oilfield service company, has opened its new Indonesian headquarters in Jakarta. This facility serves as Halliburton’s headquarters for all of its business lines in Indonesia, which provides services to support customers’ activities in the country.

Global drilling fluids market, is thus, expected to reach a market size of USD 13,454.5 million by the end of the forecast period at CAGR of 7.03%.
Key Players:
The key players of global drilling fluids market are Schlumberger Limited (France), Halliburton Inc. (U.S.), Baker Hughes Incorporated (U.S.), Newpark Resources Inc. (U.S.), and National Oilwell Varco. (USA). Scomi Group Bhd (Malaysia), TETRA Technologies, Inc. (U.S.), Canadian Energy Services & Technology Corp. (Canada), GEO Drilling Fluids, Inc. (U.S.) and Anchor Drilling Fluids USA, Inc. (U.S.) are among others.

The report for Global Drilling Fluids Market of Market Research Future comprises extensive primary research along with the detailed analysis of qualitative and quantitative aspects by various industry experts, key opinion leaders to gain the deeper insight of the market and industry performance. The report gives the clear picture of current market scenario which includes historical and projected market size in terms of value and volume, technological advancement, macro economical and governing factors in the market. The report provides details information and strategies of the top key players in the industry. The report also gives a broad study of the different market segments and regions.
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