

Import volume of the top 21 products at middle and lower Yangtze River region(1)

Import volume of the 21 liquid chemical products at middle and lower Yangtze River region in 2005 (KT)

Product	Suzhou, Wuxi and Changzhou		Nanjing and Shanghai	
	Import	Percentage (%)	Import	Percentage (%)
SM	1220.0	30.07	60.5	4.33
MEG	1040.0	25.63	240.9	17.22
Methanol	580.0	14.30	24.7	1.76
Mixed-Xylenes	290.0	7.15	64.0	4.58
VCM	211	5.20	24	1.74
AA	120.0	2.96	21.0	1.50
PPG	92.0	2.27	91.0	6.51
MTBE	87	2.13	87	6.19
Toluene	60	1.49	48	3.41
Phenol	52	1.27	71	5.09
DEG	30	0.74	20	1.40
DOP	23	0.58	26	1.86
DMF	23	0.57	23	1.64

Inbound/outbound volumes & captive/trading volume of 6 main products in Suzhou, Wuxi and Changzhou Regions

Inbound and outbound volume (kt/yr)

	SM	Xylene	MEG	Methanol	AA	DOP
Outbound	180	170	350	510	95	50
Inbound	1,471	350	1,188	710	475	278.4

Note:

Outbound refers to products volume sold out the region. Inflow refers to products supplied by outside companies and imported in Suzhou, Wuxi and Changzhou area.

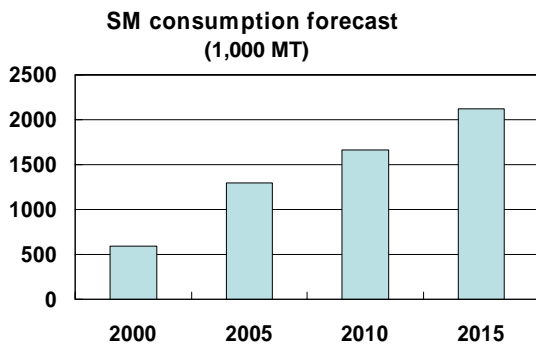
Captive and trading volume (kt/yr)

	SM	Xylene	MEG	Methanol	AA	DOP
Captive	1,300	180	838	200	380	428
Trading	180	170	350	510	95	50

Note:

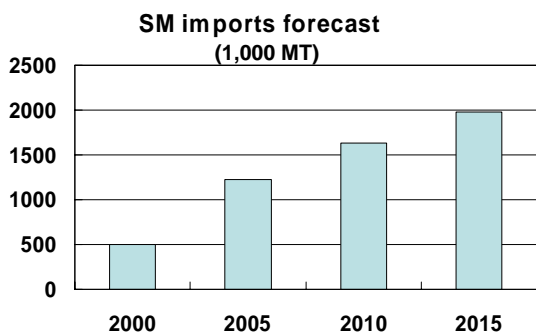
Captive refers to consumption of local companies. Trading volume refers to products delivered outside (i.e. non-local consumption).

SM: downstream consumption and import forecast (2000, 2005, 2010 and 2015) in Suzhou, Wuxi and Changzhou



Consumption:

Growth of apparent SM demand has slowed down since 2004 in China. Though the national demand increases at a rate of 8-9%, growth rate in Suzhou, Wuxi and Changzhou area would be around 5%, as considering that the capacity increase in this area would be lower than the national average level.



Import:

SM import growth was firmly above 15% over the past few years. But this rate would fall to around 5% in coming years, as domestic producers have launched piles of new expansion projects since 2004, especially in 2005 when the capacity was increased by 65%, and this expansion would keep its momentum. That would result in the less dependence on import.

Market structure

➤ **Domestic producers**

The area of Suzhou, Wuxi and Changzhou attracts lots of chemical traders and downstream producers. However, restricted by objective conditions, there are few large producers of raw material here, and according to the research, there will be no much more facilities to be built in near future.

➤ **Domestic traders, importers and distributors**

As a trade and production center, the transportation system here is well-built, with advanced railway and roadway, as well as waterway along Yangtzi river. Zhajiagang is one of the few distributing centers of liquid chemical products in China. All these lead to the bloom of trade, import and distribution.

➤ **Overseas traders and producers**

Overseas traders and producers also attach great importance to this area, as they can sell goods to local traders, or transfer cargos to other places via local ports.

SM shipping channels at middle and lower Yangtze River (Suppliers & transporters)

Monthly shipping plans of X X 2005 (MT/month)

Producer	Shipping company	Port of destination	Volume
X X	X X	Wenzhou	1000
		Fujian	1000
		Nantong	2000
		Jiangyin	2000
		Ningbo	1000
	X X	Nantong	1000
		Jiangyin	1000
		Ningbo	1000
	X X	X X	Ningbo
Total			12000

