I-3 Governmental policies and their impacts on the production and use of saccharin

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To get the same sweetness, the cost of high sweeteners, especially saccharin, was much lower than that of sugar. In the 1990s, the abuse of high sweeteners was very severe in China due to the large profit of sweetener production and slack supervision from related departments. For example, the consumption of high sweetener calculated by sugar was about 4,876,000 tonnes, nearly equal to 60% of the consumption of sugar, among which that of saccharin sodium was about 3,966,000 tonnes. Therefore the market share of sugar was challenged by the abuse of high sweeteners, especially saccharin.

No	Sweetener	Consumption	Calculated by sugar	Share
1	Saccharin			
2	Sodium cyclamate			
3	Aspartame			
4	Stevioside			
Total				100%

Table I-3-2 Consumption situation of high sweeteners in China in 1998 Unit: tonne

In order to protect the sugar industry, as well as to reduce the environment pollution cause by saccharin production, Chinese government has issued and implemented many policies to restrict the production and use of saccharin as well as other high sweeteners. These policies have effectively restricted the domestic use of saccharin and reduced the output of saccharin in China, and have played an important role in promoting the development of sugar industry.



- Major government departments in charge of saccharin industry

Figure I-3-2 Major governmental departments in charge of the saccharin industry in China



I-5 Supply situation of raw materials

The supply of Chinese phthalic anhydride trends to meet the demand of market with the capacity expansion of phthalic anhydride. The output of phthalic anhydride increased from million tonnes in 2005 to million tonnes in 2007, with year-on-year growth rate of %.

No.	Company	07' Cap, tonnes
1		
2		
3		
4		
5		60,000
6		55,000
7		
8		

Table I-5-1 Key phthalic anhydride companies in China

9	
10	
11	
12	
13	
14	
15	
Total	

II Current supply situation

II-1 Overview (capacity, output, species, major producers, growth rate, etc.)

As the largest saccharin supplier in the world, China's output of saccharin accounts for over 80% of the total. In order to boost its sugar industry, Chinese government has restricted the production of saccharin since the end of 1990s, so the production of saccharin has kept stable in recent years.

II-2 Summary of saccharin producers

At present, there are companies allowed by Chinese government to produce saccharin in China, namely

, with the total saccharin capacity of **second** t/a in 2007. Among the saccharin producers, **second** ranks the first in China with the total capacity of t/a.

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Table II-2-2 Capacity and output of saccharin producers in China as of Sep.2008

				-				
No	Company	Capacity	Capacity	Output	Output	Operation	Export	Export
NO	Company	'08	'07	'07	Jan. ~Jul. 08	rate	2007	percentage
1					I			
2								
3								
4								
5								81.40%
Total								

II-3 Summary of saccharin production

Table II-3-1 Production and sale of saccharin of the 5 designated saccharin producers in 2002~2008, tonne

Year	Planned	Output	Overseas	Domestic	Stock in the end of
i cai	output	Output	sale	sale	current year
2002					

2003			
2004			
2005			
2006			
2007			
Jan.~Jul. 2008			1,878

III-2.3 Tables about the details of saccharin export in 2007~July 2008

Maria	Saccharin Sodium		(Others	Total		
Month	Quantity(t)	Price(USD/kg)	Quantity(t)	Price(USD/kg)	Quantity(t)	Price(USD/kg)	
Jan-07							
Feb-07							
Mar-07							
Apr-07							
May-07							
Jun-07							
Jul-07							
Aug-07							
Sep-07							
Oct-07							
Nov-07							
Dec-07							
Total							

Table III-2.3-1 Export situation of saccharin by month in China in 2007

III-2.4 Antidumping issue of Chinese saccharin

Table III-2.4-2 The antidumping tax on Chinese saccharine exported to India in 2007

Saccharin exporters	Final judge, USD/t	Preliminary judge, USD/t		
	1,127.67			

IV-2.1 Market size and share of saccharin in major end use segments

- Market size of saccharin

Figure IV-2.1-1 Market size of saccharin in China by volume, 2001~2007, tonne

Figure IV-2.1-2 Market size of saccharin in China by value, 2001~2007, million yuan