

Urea Formaldehyde Moulding Compounds in China

The Third Edition

August 2021

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1. Introduction

Urea formaldehyde moulding compounds (UFM) appears as moulding compounds of thermoset, and is one of the moulding compounds of amine. Generally, there are two specifications for UFM in China, namely powder type and granule type. And the latter can be the post-processing product of the former, or as the direct products of urea and formaldehyde.

This report is the third edition of UFM in China published by CCM in 2021. After ten years' development, China's UFM market has changed a lot. The number of UFM manufacturers in China has decreased from about 38 in 2007 to about 16 as of late 2020. So, CCM has done deep research on China's UFM again to find more changes these years, such as production, price, consumption and technology. Details would be unfolded in this report as following aspects:

- ✓ Capacity and output of UFM in China, 2017–2020
- ✓ Major manufacturers of UFM in China, 2017–2020
- ✓ Ex-works price of UFM in China, 2017–2020
- ✓ Price trend of UFM in China
- ✓ Application of UFM in China, 2020
- ✓ Forecast on UFM supply and demand in China, 2021–2024

2. Methodology

This report is drafted by diverse methods as follows:

- Desk research

The sources of desk research are various, including published journals, government statistics, industrial statistics, Customs statistics, as well as information from the Internet. Obtained information has been compiled and analyzed. When necessary, checks will be made with Chinese suppliers regarding market information such as key producers, production and price trend, etc.

- Telephone interview

Extensive telephone interviews have been carried out in order to grasp the actual market situation of Urea Formaldehyde Moulding Compounds (UFM) in China.

Interviewees cover:

Producers

Traders

Consumers

Raw material suppliers

CCM contacted with the players in this industry through B2B websites and software.

- Data processing and presentation

The data collected and compiled were sourced from:

Published articles from periodicals, magazines and journals

Statistics from governments and international institutes

Telephone interviews with domestic suppliers, traders and industrial experts

Third-party data providers

Information from the Internet

Data obtained from various sources have been combined and cross-checked to make this report as precise and scientific as possible. Throughout the process, a series of internal discussions were made in order to analyze the data and have conclusions drawn.

3. Executive summary

China's urea formaldehyde moulding compounds (UFM) industry has developed for years and the competition in UFM market has become increasingly intense after 2007. The number of major UFM manufacturers decreased from about XXX in 2007 to about XXX as of late 2020. Most of the manufacturers are distributed in Zhejiang, Fujian, Guangdong, Jiangxi, Shandong provinces where the raw materials for UFM are abundant and many downstream consumers are located.

Currently, there are two types of UFM in China: the powder type UFM is mainly made from urea, formaldehyde and pulp; and the granule one is usually made from powder type UFM. With production technology continuously developing, granule type UFM can also be made directly from urea, formaldehyde and pulp in China at present.

Up to late 2020, the capacity of UFM in China was XXX t/a, and its output was about XXX tonnes. Most of UFM produced was powder type and about XXX of UFM capacity was held in the hands of the top four UFM manufacturers. Currently, Guangdong Rongtai Industry Co., Ltd. is still the largest one in China, with XXX t/a UFM capacity.

In 2019–2020, the price of UFM dropped along with declining prices of methanol and urea. Their prices have been expected to go up as the macro economy recovers and global demand may tend to improve. In H1 2021, the prices did increase in China. It seems that the price of UFM will see a slight increase in 2021–2022.

The total consumption volume of UFM in China was about XXX tonnes in 2020. UFM is mainly applied in electric appliances, consuming about XXX tonnes in 2020, about XXX of the national total, followed by recreational equipment, XXX; dishware, XXX; closetool cover board, XXX. The rest was used in button, ashtray, counting frame, etc.

UFM consumption in electric appliances will increase continually in the following years, prompted by the increasing housing decoration market in China. With increasing demand for UFM in China, more UFM will be produced in 2021–2024.

4. What's in this report?

As many manufacturers withdrew from the market, China's UFM capacity decreased from XXX t/a in 2017 to XXX t/a in 2020, but the output rose slightly. In 2020, China's UFM output increased to XXX tonnes.

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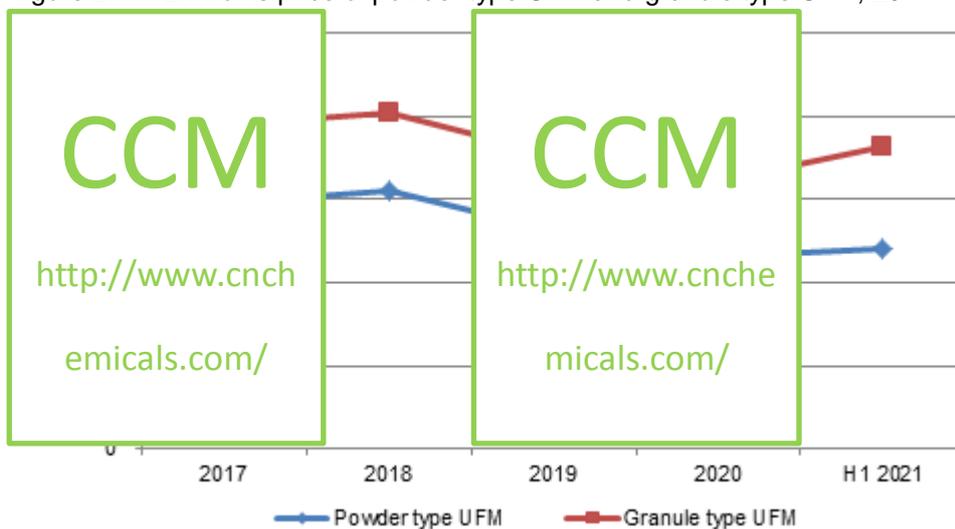
Table 1.4-1 Capacity and output of active UFM manufacturers in China, 2020

No.	Company	Abbreviation	Location	Specification		Capacity, t/a	Output, tonne
				Powder type	Granule type		
1	Guangdong Rongtai Industry Co., Ltd.	Guangdong Rongtai	Guangdong Province	XXX	XXX	XXX	XXX
2	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3	XXX	XXX	XXX	XXX	XXX	XXX	XXX
4	XXX	XXX	XXX	XXX	XXX	XXX	XXX
5	XXX	XXX	XXX	XXX	XXX	XXX	XXX
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Source: CCM

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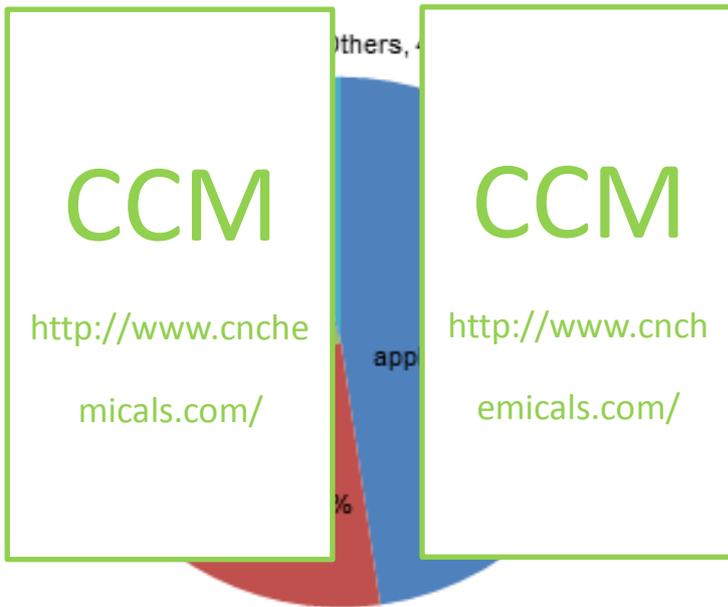
Figure 2.1-1 Ex-works price of powder type UFM and granule type UFM, 2017–H1 2021



Source: CCM

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Figure 2.1-2 Market share of UFM in China by end use segment, 2020



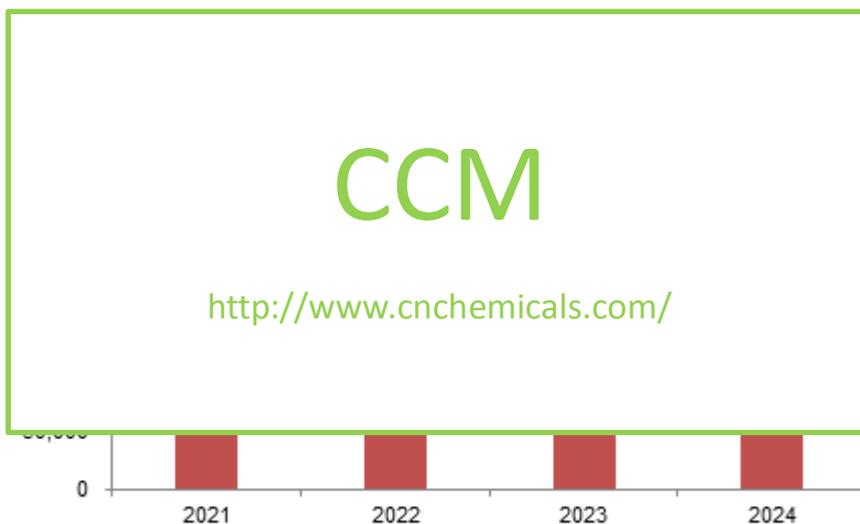
Source: CCM

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Electric appliance is the largest application field of UFM in China, thanks to the large real estate and house decoration markets. In 2020, about XXX of UFM was used in this field in China, taking up about XXX of the national total consumption.

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Figure 4-1 Forecast on output of UFM in China, 2021–2024, tonne



Source: CCM



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