

Note: All data/information are displayed in the complete report, while hidden in this sample report.

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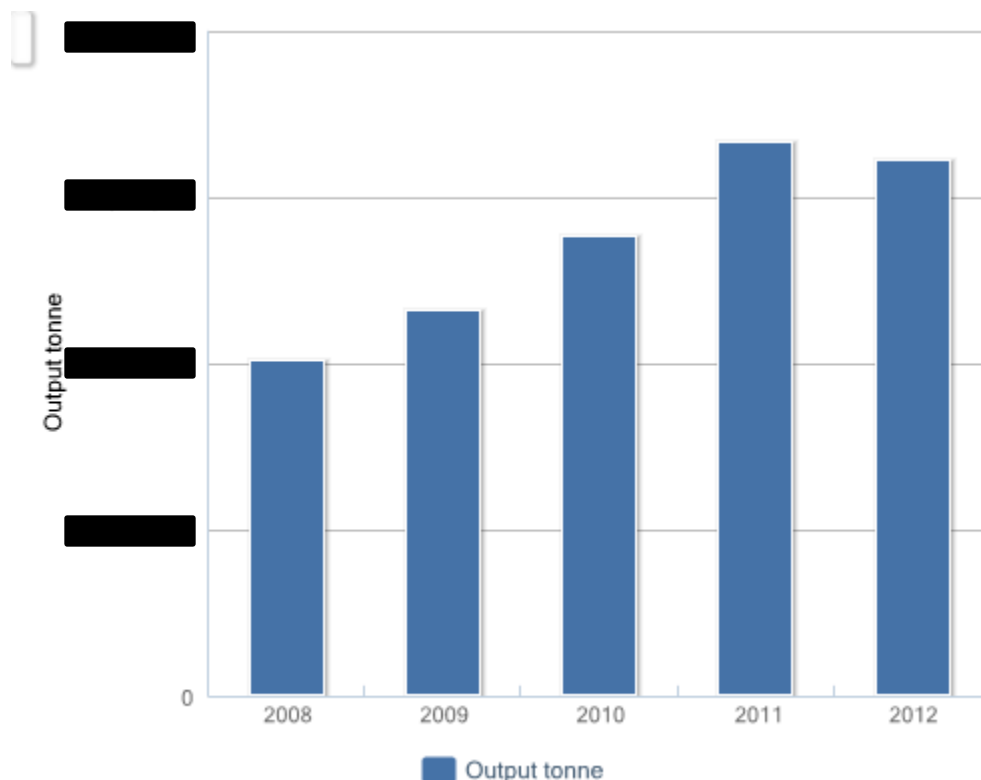
1 Introduction to caprolactam industry

As an important raw material for the production of nylon6, China used to greatly rely on import of caprolactam (CPL) to meet the booming domestic demand, since there is a huge supply-demand gap in domestic CPL market. Luckily, China's CPL industry experienced rapid capacity expansion during the past few years because of technological breakthrough achieved by domestic petrol magnates. In 2012, about XXXt/a of new CPL capacity comes on stream...

2 Introduction to key raw materials of caprolactam

There are three major technical routes of synthesizing CPL in China adopting three kinds of raw materials which are benzene, toluene and phenol. Among these methods, the one with benzene is the most prevailing one in China due to its cost effectiveness. About XXX% of domestically-produced CPL derives from benzene in 2012.

Figure 2-1 Output of pure benzene in China, 2008-2012



Source: CCM

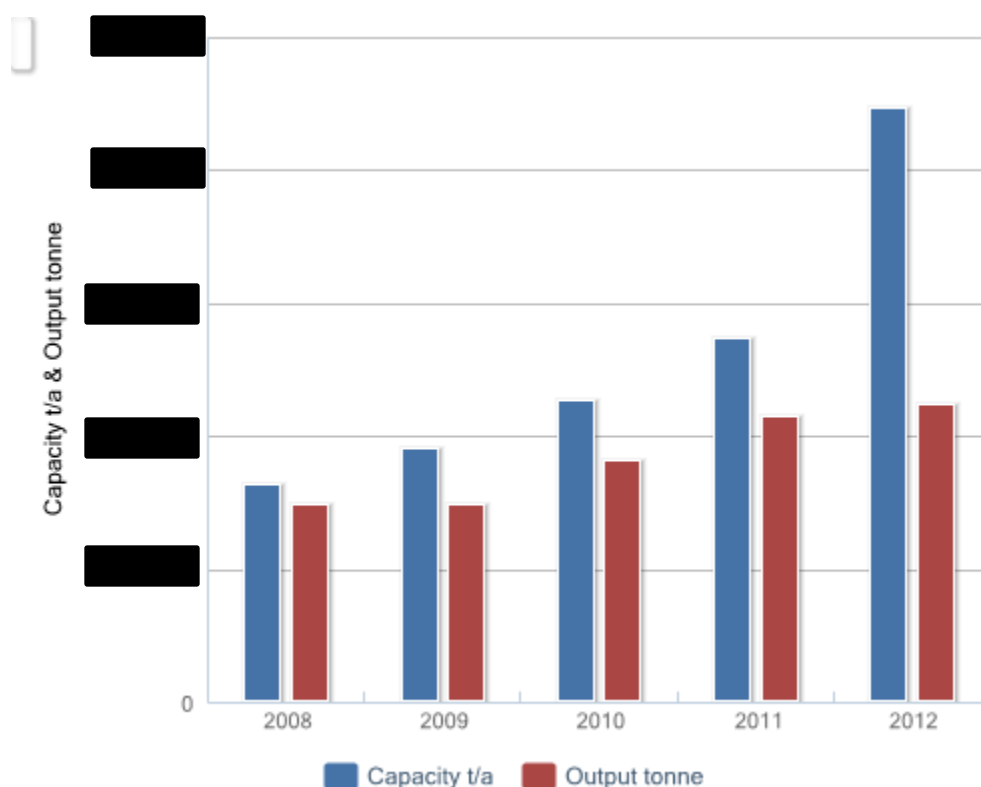
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3 Supply of caprolactam in China

3.1 Summary of caprolactam production

In 2012, the capacity of CPL almost doubles because the supply of CPL is far less than the demand in domestic market and many enterprises carried out new project plans in 2009/2010 and have finished them in 2012. However, owing to the instability of newly-launched devices, the output of CPL in 2012 only increases slightly compared to 2011 and it is estimated that the output of CPL will surge in 2013 when the devices are stable.

Figure 3.1-1 Production situation of CPL in China, 2008-2012



Source: CCM

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3.3 Price, 2008-2012

There are two major factors influencing China's domestic market price of CPL.

The first one is price of raw materials, especially the price of pure benzene.

The second one is import price of CPL, since China is highly dependent on imported CPL. The import price of CPL is always lower than the domestic market price, and many end users prefer imported CPL to domestic CPL when the price gap between them is too large...

5.1 Summary of caprolactam consumption

In China, more than 95% of CPL is consumed by the production nylon6 fiber (PA6 fiber) and nylon6 plastics (PA6 plastics), and thanks to the relatively stable downstream industries of CPL, the apparent consumption volume of CPL has increased steadily in the past five years, even in 2012 when the economic conditions are bearish...

6 Future trend and opportunity

Considering the potential capacity of CPL projects under construction currently in China, it's estimated that the output of CPL in China will be able to meet domestic demand in the near future. Although the world's CPL capacity is gradually declining, some CPL capacities are being transferred to Asia, especially China, so it is wise and necessary for the investors to take further consideration on their CPL projects to prevent the industry from an overcapacity.

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