

**Note: Key data/information in this page is hidden, while that in the report is not.**

...

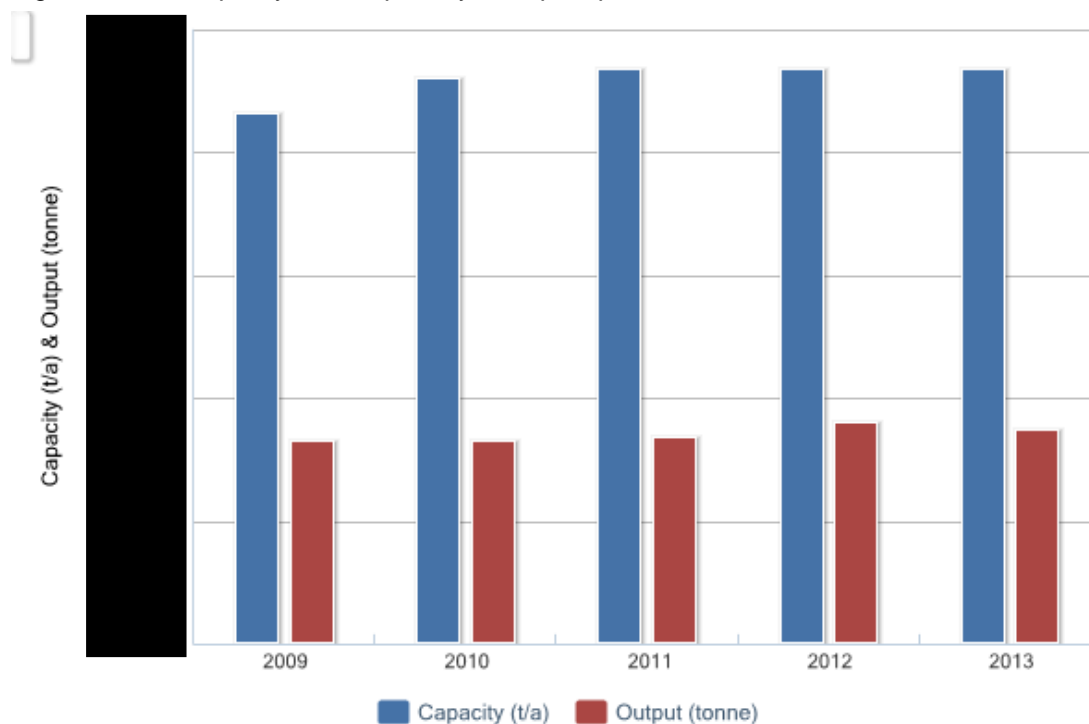
## 2 Supply and demand of yellow phosphorus

### 2.1 Supply

#### 2.1.1 Summary, 2009-2013

The total capacity of yellow phosphorus in China reached as high as xxx t/a in 2013, showing a small growth at a CAGR of xxx% from 2009 to 2013. Overcapacity has been a big issue in the industry in recent years. The operating rate of manufacturers averaged only xxx% during 2009-2013.

Figure 2.1.1-1 Capacity and output of yellow phosphorus in China, 2009-2013



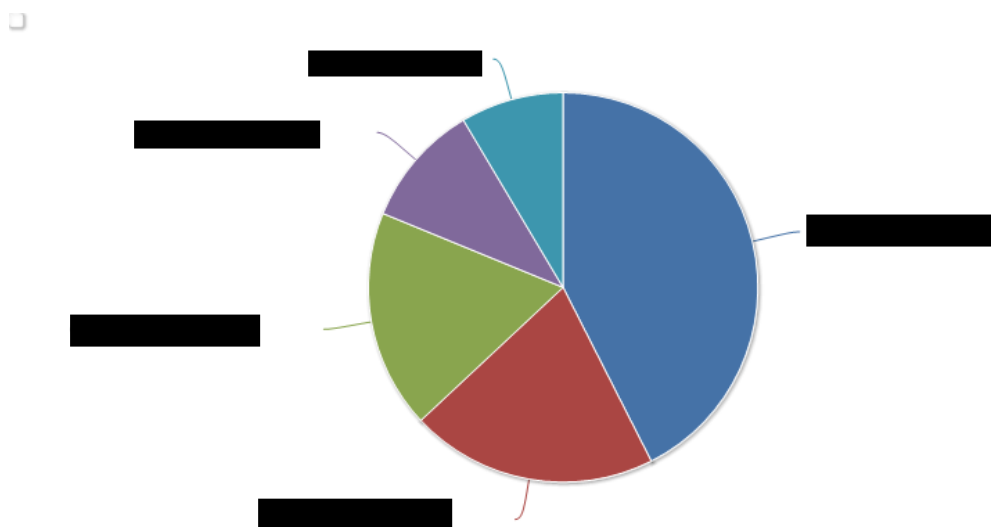
Source: CCM

...

#### 2.1.2 Geographical distribution & producers

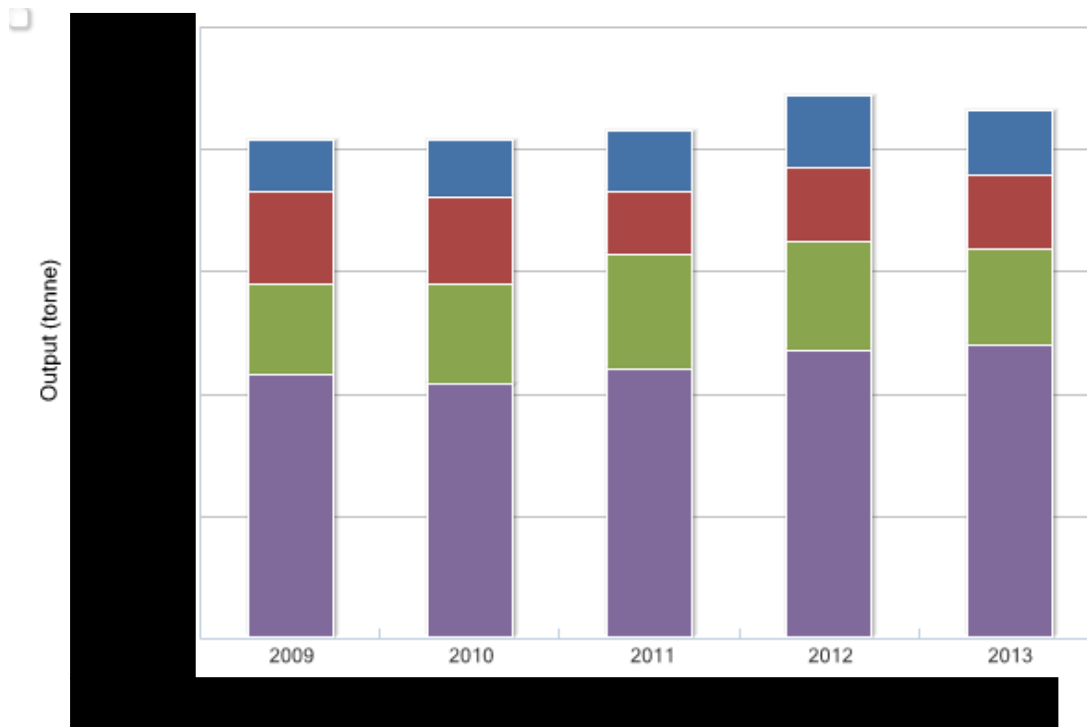
There are xxx manufacturers each possessing a capacity of over xxx t/a and their total capacity was xxx t/a in 2013, almost xxx% of the total in China.

Figure 2.1.2-1 Capacity structure of yellow phosphorus in China by province, 2013



Source: CCM

Figure 2.1.2-2 Output structure of yellow phosphorus in China by province, 2009-2013



Source: CCM

#### - Yunnan Province

Both the capacity and output of yellow phosphorus in Yunnan Province are the xxx in China, which respectively constituted xxx% and xxx% of the national total in 2013. This is mainly

because Yunnan has comprehensive advantages of ample supply of phosphorus ore and electricity. Its capacity has kept stable in the past three years, reaching xxx t/a in 2013.

Table 2.1.2-1 Capacity and output of yellow phosphorus in Yunnan Province, 2009-2013

Year	Capacity, t/a	Output, tonne	Growth rate of output
2009	xxx	xxx	xxx
2010	953,500	xxx	-3.80%
2011	xxx	xxx	6.18%
2018	xxx	xxx	xxx
2013	xxx	xxx	xxx

Source: CCM

...

### 2.1.3 Problems existing in yellow phosphorus industry

#### - Serious overcapacity

After years of eliminating unqualified production facilities, both the number of yellow phosphorus producers and small-scale furnaces have decreased greatly in China compared with the amount in 2008.

...

#### - Unreasonable distribution of phosphorus industry

The industry chain of yellow phosphorus is phosphorus resources – yellow phosphorus – phosphorus chemicals. But most of the manufacturers of phosphorus chemicals in China are distributed in coastal regions, while those of yellow phosphorus are located in the inland. This will bring more transportation cost to the manufacturers as well as burden the country's transportation system.

...

#### - Unreasonable phosphorus industry chain

After a upgrading of yellow phosphorus industry in China, the technology for production has been improved obviously, and the energy consumption and pollution emission have been reduced greatly. However, there are still some disadvantages in industry.

...