

I-2 The current production situation in China

As China has become the biggest market of masterbatch and the market is the most flourishing in the world with the fastest annual growth rate of over 20%, many foreign enterprises have been attracted to rush to invest in China's masterbatch industry since 1990s. Ngai Hing Plastic Materials Ltd. is the first overseas company to invest in Chinese masterbatch industry in 1988 in Dongguan. Claraint Chemicals has started to sell its masterbatch since early 1990s and built its first production base in Guangzhou in 1995. Toyo Ink started its masterbatch production in Shanghai in 1995.

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Table I-2-1 Major multinational enterprises producing masterbatch in China

English name	Location	Start-up time	Capacity 2008 (Unit: t/a)	Output 2007 (Unit: tonne)
		2002		
		1995		
		1995		
		2000		
		1999		
		2005		
		1997		

I-2.1 Overview of masterbatch production and producers

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The top 99 producers produced ████████ tonnes masterbatch in 2007, accounting for ██████% of the total output in the domestic market.

Table I-2.1-1 Situation of China's producers by capacity in 2008 and output in 2007

Capacity range	Number of producers	Capacity in 2008		Output in 2007	
		Capacity (t/a)	Share	Output, t	Share
More than 10,000t/a	██	██████	██████	██████	██████
3,000~10,000t/a	██	██████	██████	██████	██████
500~3,000t/a	██	██████	██████	██████	██████
Less than 500t/a	██	██████	██████	██████	██████
Total	██	██████	██████	██████	██████

I-2.2 Introduction to major types of masterbatch, by color

The production of masterbatch by color has changed a lot from 2003 to 2007. The share of the largest two types of masterbatch, white masterbatch and black masterbatch, has decreased a lot due to the rapidly growing production of colored masterbatch and additive masterbatch.

Table I-2.2-1 The production structure of masterbatch in 2003~2007 by color

Type	2003		2004		2005		2006		2007	
	Output	Share	Output	Share	Output	Share	Output	Share	Output	Share
White	████	████	████	████	████	████	████	████	████	████
Black	████	████	████	████	████	████	████	████	████	████
Color	████	████	████	████	████	████	████	████	████	████
Additive	████	████	████	████	████	████	████	████	████	████
Total	████	████	████	████	████	████	████	████	████	████

I-2.3 Introduction to major type masterbatch, by grade

Masterbatch can be classified into three grades according to the processes of downstream products and they are: injection grade, blow molding grade and fiber grade. The masterbatch of these three grades are different in price and quality, but there are general products that can be used in all of these above processes. The injection grade masterbatch is used in most plastic products, such as appliances including furniture, architectural materials, wire and cable, electric equipment, automobile and so on. The blow molding grade masterbatch is mainly used in plastic bottles, bags and films. The fiber grade masterbatch is used in textile and non-woven materials.

Table I-2.2-1 The production structure of masterbatch in 2003~2007 by grade

Year		Injection grade	Blow molding grade	Fiber grade	Total
2003	Output	████	████	████	████
	Share	████	████	████	████
2004	Output	████	████	████	████
	Share	████	████	████	████
2005	Output	████	████	████	████
	Share	████	████	████	████
2006	Output	████	████	████	████
	Share	████	████	████	████
2007	Output	████	████	████	████
	Share	████	████	████	████

II-2 Import analysis

China's import volume of masterbatch was █████ tonnes in 2007. The quality of imported masterbatch is high, and most imported masterbatch is used in high-grade products because of its high dispersity.

The import volume has decreased a lot because some international corporations have set up subsidiaries in Chinese Mainland and the domestic end users can easily get high-grade masterbatch from these foreign-owned companies.

Plastic manufacturers are main importers of masterbatch, and some masterbatch is imported with the shipment mode of “Processing with imported materials”.

II-2-1 Import quantity and price of masterbatch in 2007

Month	Quantity (tonne)	Price (USD/kg)
Jan		
Feb		
Mar		
Apr		
May		
Jun		
Jul		
Aug		
Sep		
Oct		
Nov		
Dec		
Total		

III-1 Overview of masterbatch market (2003-now), by color

The market structure of masterbatch by color has changed a lot since 2003. Though the percentage of each type masterbatch hasn't changed much, the structure between domestic and imported product has changed a lot. The volume of masterbatch purchased from abroad has decreased greatly, with the development of China's masterbatch production and the larger and larger foreign investment in China's masterbatch industry.

Table III-1-1 The consumption growth of masterbatch by color in 2003~2007

Masterbatch specie		2003	2004	2005	2006	2007
White	Consumption tonne					
	Growth rate					
Black	Consumption tonne					
	Growth rate					
Colored	Consumption tonne					
	Growth rate					
Additive	Consumption tonne					
	Growth rate					
Total	Consumption tonne					
	Growth rate					