

A Guide to Your Business in China

MARKET REPORT

2008 Report on China's Organic Silicon Market

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Description

The global organic silicon market scale reached \$9bn at the end of 2007. The industry breakdown of organic silicon consumption is: Chemical sectors including rubber, resin, coating, fiber, paper, cosmetic and others account for 40%, electric and electronic sectors 20%, civil engineering sector 20%, and a number of other sectors making up the last 20%. Looking ahead, regionally, the strongest demand for organic silicon in the world would be in Asia, with China and Pacific area at the center. Demand is expected to increase by 10%-15% annually. China's market has represented the quickest increase in demand, with an average annual rate of 30% from 2000 through 2007.

The heady growth of China's organic silicon market has attracted many companies from both home and abroad to build facilities to produce organic silicon. It is expected that 17 production factories would be built or rebuilt in China during the country's 11th "Five-Year Plan" period. Of those factories, two would be foreign owned, two joint ventures, one state owned, and 12 private. By 2010, China's annual production capacity of organic silicon would reach 1.84 million tons, which is equivalent to 919,000 tons of polysiloxane, far more than the demand in China's home market. The relationship of supply and demand is expected to turnaround by then, and create fierce competition.

Table: Newly-built and Expanded Organic Silicon Factories in China 2006-2010

Factory	Production Capacity		Expected Date of Completion	Remarks
	Monomer	Polysiloxane		
Bluestar New Chemical Materials	10.0	5.0	Beginning of 2007	Operation Started
Jiangsu Hongda	6.0	3.0	Beginning of 2007	Operation Started
Zhejiang Hesheng Chemical	6.0	3.0	03/2007	Operation Started
Dongyue Group	6.0	3.0	End of 2007	Construction Started
	14.0	7.0	End of 2009	Planning Stage
Zhejiang Sucon Silicone	3.2	1.6	End of 2007	Construction Started
Luzhou North	6.0	3.0	2008	Construction Started
Jiangsu Brother Chemical	6.0	3.0	2008	Construction Started
Zhongtian Construction Group	6.0	3.0	2008	Construction Started
Shanxi Sanjia Coal Chemistry	6.0	3.0	2008	Construction Started
Kaifeng East Chemical	6.0	3.0	2008	Construction Started
Shandong Jinling Chemical	6.0	3.0	2008	Planning Stage
Zhejiang Xin'an Chemical Group (Joint with Momenite)	10.0	5.0	2009	Construction Started
Tangshan Sanyou Chemical	6.0	3.0	2009	Construction Started
Bluestar New Chemical Materials (Tianjin)	20.0	10.0	2009	Planning Stage
Joint Venture of Wacker and Dow Corning	40.0	20.0	2010	Construction Started
Total	157.2	78.6		

This report illustrates China's organic silicon industry by elaborating on the development environment, industrial chain, competitive landscape, and its business climate cycle. In addition, this report also gives a complete analysis of the operation of China's organic silicon market, including the production, consumption, supply and demand, prices, and other aspects of organic silicon.

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GE's Investment in China

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