

## **CHINA PVC MARKET PROFILE**

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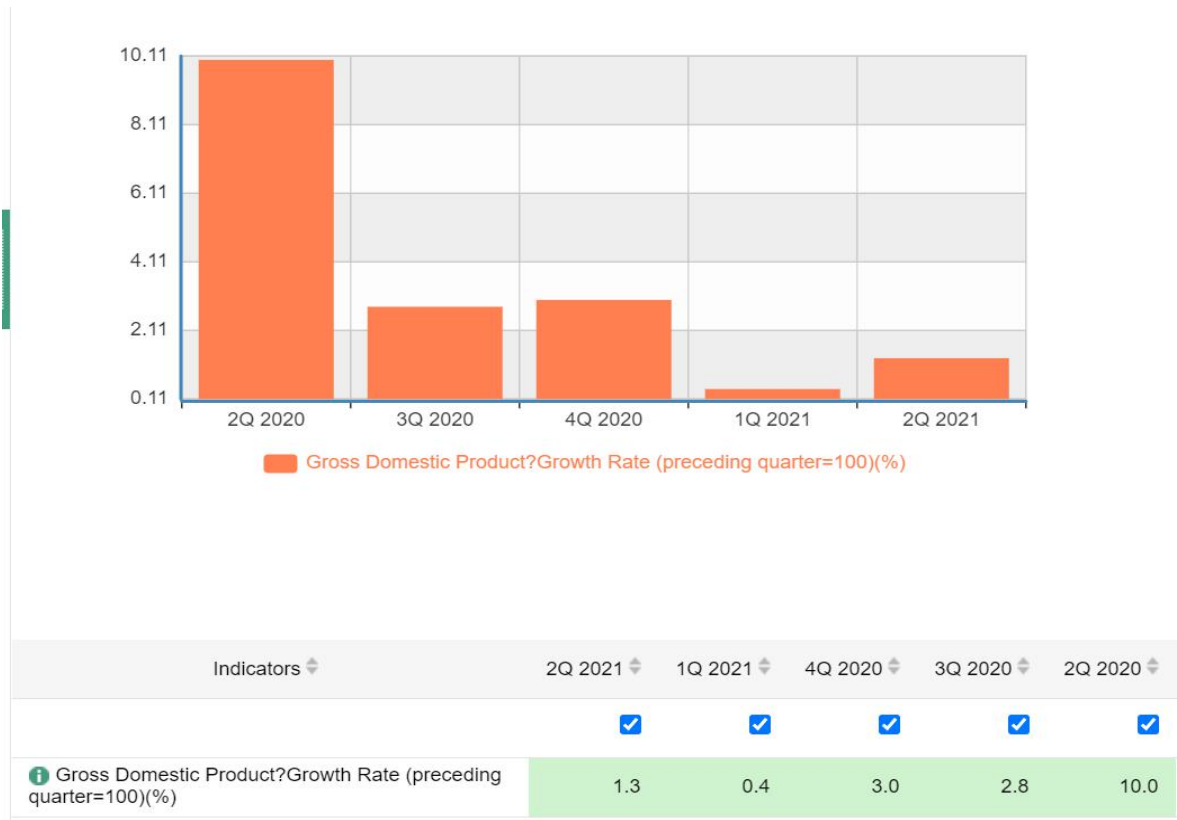
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## 1. Market highlight in 2020

2020 GDP speed up to 2.3% compare with 2019.

The appreciation of the RMB against the USD, revalue over 6.5% in 2020.

Compared with 2019, GDP growth Rate figure as below picture 1):



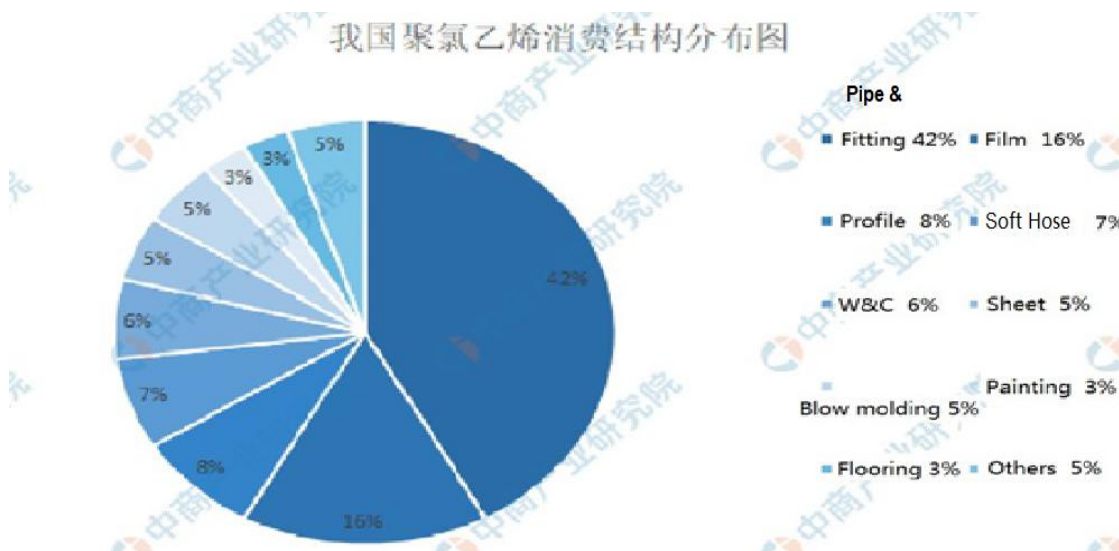
Picture 1)

## 2. Market size and demand by application

In the national consumption, PVC products are widely used due to good suitable and economic of PVC.

Almost 60% PVC are used for pipe and film.

The main using proportion of PVC see below picture 2)



Picture 2)

#### +SUSPENSION RESIN PRODUCTION CAPACITIES:

Xinjiang Zhongtai is still the biggest whose capacity had been increased 0.47million tons more than last year. Xinjiang Tianye slightly decrease 0.2million tons compare to 2019. The base line of the top5 makers are 1million tons per year. The data as below picture 3):

Ranking	producer	capacity million tons/year	Remark
1	Xinjiang zhongtai	2.2	Carbide Process
2	Shanxi Beiyuan	1.25	Carbide Process
3	Xinjiang Tianye	1.2	Carbide Process
4	E Er Duo Si	1.0	Carbide Process
5	Tianjin DaGu	1.0	Ethylene Process

Picture 3)

## ✚EMULSION RESIN PRODUCTION CAPACITIES:

The top5 data as below picture4):

Ranking	producer	capacity ten thousand tons/year
1	Shenyang Chemical	20
2	Anhui Tianchen	13
3	Junzheng Tianyuan	10
4	Xinjiang Tianye	10
5	Xiyang Chemical	10

Picture 4)

## 3.PVC Domestic price analysis

The price for PVC was wide up and down in 2020.

The mismatch between supply and demand was artificially prolonged in the first quarter, and the price plummeted to a near-record low, down 35 percent in the first quarter.

April-may maintenance concentration, supply is suppressed. On the other hand, with the success of oil production reduction negotiations and extremely loose monetary policy in Europe and the United States, improve the macro atmosphere and confidence. Prices rose to a 10-year high in mid-December, up 76% from the start of the price rise in April.

Since December, major warehouses in the eastern and southern China markets inventory accumulation. In addition, the sound of supervision also appeared against the background of the high price of bulk commodities, the market opened a high

diving market at the mid of Dec.

See price trend in below picture 5)



Picture 5)

## 4.PVC Output 2020

Compare to big flowing of price in 2020, the output of PVC in 2020 seems stable except February 2020 when many factory off work at home for Covid-9 pandemic break out.

Total capacity in 2020 is 26.64million tons, including Carbide process in 79% I.E. 20.95 million tons which surely main process for PVC,Ethylene process in 20.5% I.E. 5.47 million tons,Natural gas process in 0.5% I.E. 0.22 million tons, in total slight increase 5.80% compare to total capacity of 2019.

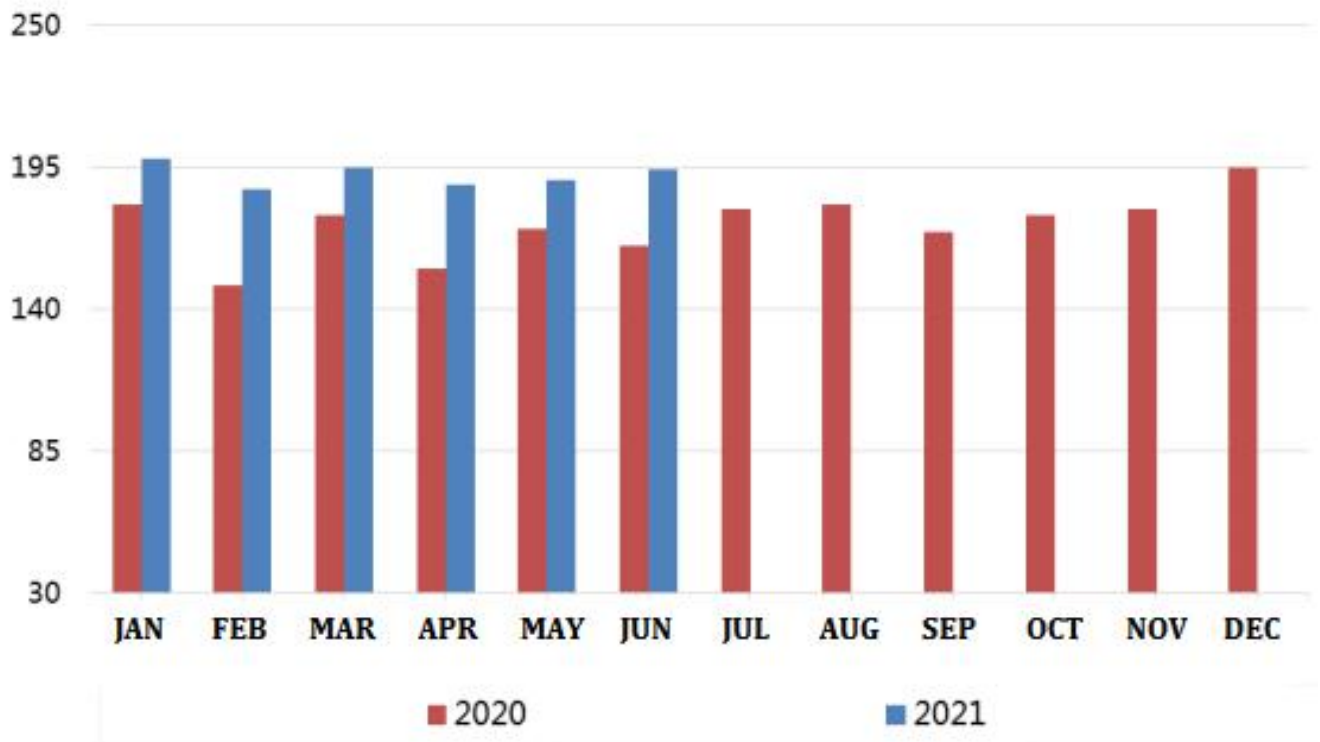
Total output in 2020 is 20.74million tons which increased 3.13% compare with 2019.

Output in Jan-May of 2021 is 0.96 million tons, increased 15.1% on year-on-year.

Regarding to Emulsion,total capacity in 2020 is 1.25 million tons, total output in 2020 is 1.07 million tons.

See data as below picture 6)

## TEN THOUSAND TONS



Picture 6)

PVC consumption keeps on increasing 5-20% per year in past 10years. Among the output, Carbide process take the lead of output in 80%. Time by time, there are more and more giant makers, top5 over 100Million.Domestic year average price went up since 2015 up to now.

Regions output share in 2020 : Western 52% ,Northern 27%, Eastern 16%,see below picture 7) for output distribution in different area.



Picture 7)

As far as the situation for PVC, many factories have good confident for PVC requirement development, made their plan for expanding capacity, see below picture 8) for your information.

<b>Expanding plan as below in coming 2 years</b>					
<b>No.</b>	<b>Name</b>	<b>Area</b>	<b>Existing capacity (million tons)</b>	<b>Planning expand capacity (million tons)</b>	<b>Planned commissioning date</b>
1	Xinfa Group	Shandong	60	40	2021.4.1
2	Zhejiang Jiahua Energy Chemical	Zhejiang		30	2021.6.1
3	Wanhua Chemical Group	Shandong		40	2021.6.1
4	Tianjin Dagu Chemical	Tianjin	80	10	2021.8.1
5	Cangzhou Julong Chemical	Hebei	23	40	2021.12.1
6	Xinjiang Zhongtai Chemical	Xinjiang	183	50	2021.12.1
7	Inner Mongolia Zhonggu Mining Industry	Inner Mongolia	60	30	2021.12.1
8	Shanxi Jintai Chlor-alkali Chemical	Shanxi	30	60	2022.5.1
9	Guangxi Huayi Chlor-alkali Chemical	Guangxi		40	2022.11.1

Picture 8)

## 5. PVC Import duty 2019-2021

ASEAN origin import duty remains at 0%.

Japanese 、 Taiwan 、 Korean origin PVC were stopped anti-dumping duty since Oct.30'2019, those import duty resumed to 6.5%.

American origin PVC anti-dumping stopped on Sep.24'2021 , import duty resumed to 6.5%.