- Application & Usage

Generally, XX%~XX% sorbic acid dissolved into one of liquid fatty acid with X~X carbons or their mixture. Also, sorbic acid can dissolved into other solid organic acid anti-mildew agents to prepare composite anti-mildew agent.

However, it gives a strange taste to food.

- Summary of Production Situation of Sorbic Acid and Potassium Sorbate

In recent years the Chinese sorbic acid and potassium sorbate entered the world market. The total capacity of sorbic acid and potassium sorbate is estimated to be over XXXXMT/year in early 2000s, including the of joint venture of the former Hoechst AG in Nanning. The leading producer of sorbic acid is Nantong Acetic Acid Factory and Yuyao Huanglong Group. In the years 2000 and 2001 Nantong Acetic Acid Factory and Yuyao Huanglong Group kept increasing the capacity. The Nanning joint venture aimed to the domestic market however their price is much higher than other domestic producers, which is probably arises from the higher management cost and higher investment comparing with the domestic producers.

About XX-XX% of sorbic acid and potassium sorbate are exported to the oversea market however the domestic consumption has been increasing in the past years.

			, , , , , , , , , , , , , , , , , , ,	
	Capacity	Production	Import	Export
2000	15,000	12,000	6,000	N/A
2001	20,000	12,000	N/A	5,000
2002	XXXXX	XXXXX	XXXXX	XXXXX
2003	XXXXX	XXXXX	XXXXX	XXXXX
2004	XXXXX			

Table I-6.1-1 Summary of Sorbic acid & potassium sorbate (unit: MTs)

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I-3 Production of Sodium Diacetate Nowadays

I-3.1 Summary of Chinese Manufacturers

From the various sources as of June 2004, 98 companies/factories have been reported to engage in the business of sodium diacetate (SDA). Then extensive telephone interview has been conducted to verify the actual situation of these companies. But after verification, it was found that:

A: 9 companies could not be located, due to the unclear information source. From the past experience, we thought it is quite possible that the spelling name of the manufacturer in the original source may not be correct.

B: 89 companies have been located and verified. Of these 89 companies,

B-1: 26 companies were finally excluded from the study because:

- \checkmark 23 of them are not doing the business of SDA at all.
- ✓ 2 of them are traders
- ✓ 1 of them is user

B-2: 63 companies have been confirmed to be within our study scope:

- 33 of them are producing melamine, from commercial production point of view,
- 19 of them stopped production of SDA
- 4 of them closed down
- 7 of them are researchers of SDA

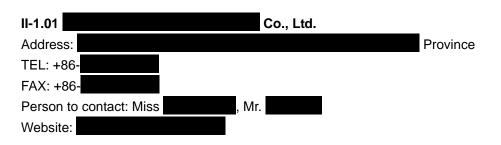
Each of these 63 producers/researchers has been interviewed through telephone. Most of these have been interview twice or even three times. **The discussion below is focusing on these 63 manufacturers/researchers.**

It is estimated that the production of melamine from these 63 manufacturers/researchers accounts to 95-98% of the total availability of melamine in the China marketplace.

The details information of the important producers has been recorded in this Word document, in separate part: <u>Situation of Chinese Manufacturers</u>.

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II. Manufacturers of Sodium Diacetate in China



II-1 Manufacturers Sodium Diacetate

Situation of SDA

Launch time	
Product species	
Market price (RMB/MT)	
Technology/pathway	

stimated prod. '03 (MTs)	Claimed Cap '04 (MTs/year)		
Claimed export '03 (MTs)	Claimed Prod. '03 (MTs)		
Application	Claimed export '03 (MTs)		
	Application		
	Application		