CCM Data & Business Intelligence

Urea Formaldehyde Moulding Compounds in China

The Second Edition

Jan. 2017

Researched & Prepared by:

Kcomber Inc.

Contents

LIST OF TABLES

LIST OF FIGURES

1. Introduction

Urea formaldehyde moulding compounds (UFM) appears as moulding compounds of thermoset, and is one of the moulding compounds of amine. Generally, there are two specifications for UFM in China, namely powder type and granule type. And the latter can be the post-processing product of the former, or as the direct products of urea and formaldehyde.

This report is the second edition of UFM in China published by CCM in 2016. After ten years' development, China's UFM market has changed a lot. The number of UFM manufacturers in China has decreased from 38 in 2007 to 15 as of late 2016. So, CCM has done deep research on China's UFM again to find more changes these years, such as production, price, consumption and technology. Details would be unfolded in this report as following aspects:

- ✓ Capacity and output of UFM in China, 2015 & 2016
- ✓ Major manufacturers of UFM in China, 2015 & 2016
- ✓ Ex-works price of UFM in China, 2015 & 2016
- ✓ Price trend of UFM in China
- ✓ Application of UFM in China, 2015
- ✓ Technology development of UFM in China
- ✓ Forecast on UFM supply and demand in China, 2017-2020

2. Methodology

This report is drafted by diverse methods as follows:

- Desk research

The sources of desk research are various, including published journals, government statistics, industrial statistics, Customs statistics, as well as information from the Internet. Obtained information has been compiled and analyzed. When necessary, checks will be made with Chinese suppliers regarding market information such as key producers, production and price trend, etc.

- Telephone interview

Extensive telephone interviews have been carried out in order to grasp the actual market situation of Urea Formaldehyde Moulding Compounds (UFM) in China.

Interviewees cover:
Producers
Traders
Consumers
Raw material suppliers

CCM contacted with the players in this industry through B2B websites and software.

- Data processing and presentation

The data collected and compiled were sourced from:

Published articles from periodicals, magazines and journals
Statistics from governments and international institutes
Telephone interviews with domestic suppliers, traders and industrial experts
Third-party data providers
Information from the Internet

Data obtained from various sources have been combined and cross-checked to make this report as precise and scientific as possible. Throughout the process, a series of internal discussions were made in order to analyze the data and have conclusions drawn.

3. Executive summary

China's urea formaldehyde moulding compounds (UFM) has developed for years and the competition in UFM market has become increasingly intense these years. The number of major UFM manufacturers has decreased from about XXXX in 2007 to about XXXX as of late 2016. Most of those manufacturers are distributed in Jiangsu, Guangdong, Zhejiang, Shandong and Fujian provinces where are abundant in the raw materials for UFM or many downstream consumers located.

Currently, there are two types of UFM in China, namely powder type and granule type. Powder type UFM is mainly made from urea, formaldehyde and pulp. And the granule one is usually made from powder type UFM. With China's production technology development, granule type UFM can be also made from urea, formaldehyde and pulp directly in China at present.

Up to late 2016, the capacity of UFM in China is XXXX, and its output was about XXXX in 2015. Most of UFM is powder type and over XXXX of UFM capacity is from the top five UFM manufacturers. Guangdong Rongtai Industry Co., Ltd. is still the largest one in China, with UFM capacity of XXXX t/a currently.

In China, UFM ex-works prices in 2015 and 2016 were generally higher than that in 2005. Nevertheless, it witnessed a downtrend between 2013 and 2015, and also decreased by about XXXX in 2016, compared with that in 2015. Till late 2016, the ex-works prices of formaldehyde and urea have increased in China. Accordingly, the ex-works price of UFM has witnessed a slight growth in some suppliers. It seems that China's ex-works price of UFM will see a slight increase in the near future (2017-2018). But the whole economy is still in a poor situation and the demand for UFM from its downstream industries in China is relatively weak. Furthermore, UFM has to face the competition from other substitutes. Therefore, it's predicted that it's difficult for UFM's price to increase much, but it may increase slightly in the next few years, although its raw materials' price increased.

Regarding application, the total consumption volume of UFM in China was about XXXX tonnes in 2015. UFM is mainly applied in electric appliances, consuming about XXXX tonnes and accounting for about XXXX of China's total UFM consumption volume in 2015, followed by dishware and amusement appliances, about XXXX tonnes and XXXX tonnes, taking up about XXXX and XXXX of China's total UFM consumption volume, respectively. Besides, it is also used in closetool cover board, button, ashtray, vehicle parts, etc., with consumption volume of about XXXX tonnes, accounting for about XXXX of China's total UFM consumption volume.

The consumption of UFM in electric appliances, especially for civil use, will continue to increase in the following years, promoted by the increasing real estate and housing decoration industries in China. With increasing demand for UFM in China, more UFM will be produced in 2017-2020. And it's believed that China's demand for UFM will increase to more than XXXX tonnes in 2020.

4. What's in this report?

The capacity of UFM in China has XXXX from XXXX in March 2006 to XXXX as of Nov. 2016, while its output was XXXX tonnes in 2005, but it XXXX to XXXX tonnes in 2015 due to the XXXX demand for UFM from the downstream market.

…

Table 1.1.4.1-3 Capacity and output of active UFM manufacturers in China, 2015

No.	Company	Location	Powder type	Granule type	2015	
					Capacity, t/a	Output, tonne
1	Guangdong Rongtai Industry Co., Ltd.	Guangdong Province	XXXX	XXXX	XXXX	XXXX
2	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
3	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
4	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
5	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
…	…	…	…	…	…	…

Source: CCM

…

Figure 1.2.1-1 Ex-works price of formaldehyde in China, 2012-2016E

Source: CCM

Based on CCM's investigation, China's ex-works price of UFM witnessed a XXXX on the whole in the past three years (2013-2015). Some suppliers' quotation (ex-works level) of UFM even XXXX to less than XXXX during this period. The XXXX in ex-works price of UFM's major raw materials, urea and formaldehyde, is responsible for the XXXX of UFM price these years.

Figure 2.1-2 Market share of UFM in China by end use segment, 2015

Source: CCM

…

Usually UFM is used as the raw material of base or shell in many electric appliances, such as electric switch, electric receptacle, lamp base, etc. And the first two are the two largest consumers of UFM among these electric appliances.

…

In recent years, the concentration degree of UFM production in China has been increasing. This trend is likely to continue in the following years, and top producers will play more important roles in the industry.

Figure 4-1 Forecast on output of UFM in China, 2016-2020, tonne

Source: CCM

If you want more information, please feel free to contact us

Tel: +86-20-37616606 Fax: +86-20-37616968

Email: econtact@cnchemicals.com