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## V-2 Regional distribution of xanthan gum production

With the rapid xanthan gum industry integration, xanthan gum production is distributed in five provinces in China now. All large-scale xanthan manufacturers with capacity of over █ tonnes are located in Shandong province, accounting for █% of xanthan gum in China.

With abundant raw material like corn, all xanthan gum manufactures are distributed in North China. It is worth noting that xanthan gum production has been slowly shifting to Inner Mongolia where enjoys lower cost in corn starch and coal. For instance, Fufeng Group Co., Ltd. has begun to build its xanthan gum production factory with capacity of █ t in Inner Mongolia since 2007, and Inner Mongolia Jianlong Biochemical Co., Ltd. also has launched the xanthan gum production line with capacity of █ t/a in the first phase of its whole capacity expansion project in 2008.

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## VIII-3 Forecast on China's demand

The forecasts or projections (including the following forecasts on production and export volume) are based on three scenarios of economic growth during 2010-2020 in China, which are:

- ✓ Low growth: annual economic growth rate is assumed to be █ %;
- ✓ Expected growth: annual economic growth rate is assumed to be █ %;
- ✓ High growth: annual economic growth rate is assumed to be █ %;

Also the following data have been employed:

- ✓ Market data of the xanthan gum industry and its end use segments during 2005-2009;
- ✓ Understanding of the xanthan gum industry and its major end use segments in China;
- ✓ Major segments discussed include: food, oil-drilling and pharmaceuticals.

In the low-, expected- and high-growth scenarios, the corresponding CAGR (2010-2014) of total demand for xanthan gum is █ %, █ % and █ % separately; the corresponding CAGR (2010-2020) of total demand for xanthan gum is █ %, █ % and █ % separately.

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