

## I Cases of enterprises integration

At present, companies' reorganization is a development trend in starch industry, as more and more small-scale enterprises would be eliminated in the industry due to immature production technologies and weak competitiveness.

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## II Supply structure and price fluctuation of feedstock

Among different kinds of feedstocks, corn, with the largest planting area and high yield, accounts for xx% of total feedstock supply of starch in China in 2010. Corn's yield decreased in 2009 due to the drought weather and natural damage in China. In 2010, the yield of corn has recovered by xx% with the increasing planting area in China.

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Table II-1.3 Supply structure of starch feedstock, 2010

Feedstock	Yield, t	Feedstock demand from native starch, t	Ratio of Demand/Yield, %	Proportion
Corn	xxx	xxx	xxx	xxx
Potato	xxx	xxx	xxx	xxx
Tapioca	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx

Source: CCM International

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## III Anti-subsidy investigation into potato starch from EU

On Aug. 30<sup>th</sup>, 2010, the Ministry of Commerce announced the No.48 2010 public notice, which discloses that China officially begins to run the anti-subsidy investigation into EU's potato-based starch. The subsidy investigation period is from Jan. 1<sup>st</sup> 2009 to Dec. 31<sup>st</sup> 2009, and the industry injury investigation period is from Jan. 1<sup>st</sup> 2007 to Dec. 31<sup>st</sup> 2009.

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On Apr. 19<sup>th</sup> 2010, China has already begun to run a midterm review to the anti-dumping of EU's potato-based starch and tried to increase the anti-dumping duty, because the import volume from EU has been substantially increased since H2 2008. Obviously, China considers that only anti-dumping duty is not enough to restrain EU's import volume because there are about seven kinds of subsidies related to the whole chain of potato-based starch industry.

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## IV Analysis on sustainable development of bio-fuel and starch industry with tapioca as feedstock

Tapioca-based bio-fuel and tapioca starch has direct competition, as these two industries both use tapioca as feedstock. Tapioca-based bio-fuel and tapioca starch are the largest

consumption fields of tapioca in China. In China, tapioca is mainly used in bio-fuel and starch industry processing, accounting for about xx% and xx% of national total consumption in 2010 respectively.

Table IV-1.1 Competitiveness between tapioca-based bio-fuel and tapioca starch

<b>Item</b>	<b>Tapioca-based bio-fuel</b>	<b>Tapioca starch</b>
<b>Profit</b>	xxx	xxx
<b>Policy</b>	xxx	xxx
<b>Driven factors</b>	xxx	xxx
<b>Subsitutes</b>	xxx	xxx

Source: CCM International

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