

Production and Market of Paraformaldehyde in China

The Sixteenth Edition

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1. Introduction

This 16th edition PF report, formulated in May 2019, focuses on the situation of China's paraformaldehyde (PF) industry in 2019 and Q1 2020, as well as forecasting its future development trend. The report aims to disclose the latest production and market information of China's PF industry. The data for 2019 and before are based on CCM's database and other various sources as mentioned in the section of methodology below.

2. Approach for this report

The report is based on data sourced by diverse methods, which are listed as follows:

- Desk research

Desk research includes access to published magazines, journals, government statistics, industry statistics, customs statistics, association seminars as well as information on the Internet. Much work has gone into the compilation and analysis of the information obtained. Where necessary, information has been checked and discussed internally related to market structure and performance characteristics as key producers, key end users, production levels, end user demand and so on.

- Field survey

CCM has conducted an extensive field survey using telephone interviews in order to survey the PF market in China.

The interviewees included the following groups:

- Key producers
- Key end users
- Key traders
- Material suppliers
- Associations involved
- Industry experts

- Network search

CCM employs a network to contact industry participants by using B2B websites and software.

- Data processing and presentation

The data collected and compiled was variously sourced from:

- CCM's database
- Published articles from periodicals, magazines, journals and third party databases

- Statistics from governments and international institutes
- Telephone interviews with domestic producers, joint ventures, service suppliers and government agencies
- Third-party data providers
- Customs statistics
- Comments from industrial experts
- Professional databases
- Information from the Internet

The data has been combined and cross-checked to ensure that this report is as accurate and methodologically sound as possible. Throughout the process, a series of discussions were held within CCM to systematically analyze the data and draw appropriate conclusions.

3. Executive summary

China's paraformaldehyde (PF) industry has witnessed a fast development in the past ten years. The output of PF increased greatly, with a CAGR of XXX% from 2010 to 2019.

- Production

Domestic PF production is mainly distributed in Hebei, Jiangsu, and Shandong, relying on abundant supply of methanol and convenient transportation.

The number of PF producers in China decreased from XXX in 2017 to XXX in 2018 and XXX in 2019, and the national capacity of PF decreased from XXX t/a in 2017 to XXX t/a in 2018 and increased a little to XXX t/a in 2019. Because of stricter environmental protection policies or poor performance, XXX companies stopped PF production completely in 2018 and XXX companies stopped production in 2019.

China's PF output increased to XXX tonnes in 2019, driven by the increasing demand at home and abroad.

- Import and export

China is a net PF importer. In 2019, China imported XXX tonnes of PF, and top 2 import origins were XXX and XXX, with the share of XXX of the total import volume. China also imported XXX tonnes from XXX in 2019, a new but vigorous comer in the past two years.

China's export volume of PF has kept decreasing since 2015. But the trend reversed in 2019, with PF export volume jumping by XXX from XXX tonnes in 2018 to XXX tonnes, due to the decline in supply from PF production in Taiwan Province.

The PF export volume of the top four destinations (XXX, XXX, XXX and XXX, over XXX tonnes each) in 2019 together accounted for XXX of year's national total.

- Technology

In China, there are two main technologies to produce PF, namely rake drying method and spray drying method. Although the rake drying method still lags behind the spray drying method both in quality and environmental friendliness, it is adopted by most Chinese PF producers due to its low investment amount. In 2019, XXX PF producers adopted rake drying method with a share of XXX% by capacity.

- Price

Generally, the price fluctuation of PF in China is greatly influenced by raw materials, methanol or formaldehyde. In Q1 2019, the ex-works price of PF increased a little. Then in Q2–Q4, it showed a general downward trend, following the decreasing prices of formaldehyde and methanol.

- Consumption

In China, PF is mainly consumed in agrochemical, resin and pharmaceutical industries, etc. The agrochemical industry is the largest consumption field of PF, taking up XXX% of the total domestic PF consumption in 2019. Glyphosate technical (AEA pathway) is the largest end use segment, and the consumption of PF in glyphosate accounted for XXX% of the national total in 2019. The consumption of PF in resin industry accounts for XXX% of the national total in 2019.

4. What's in this report?

Note: Key data/information in this sample page is hidden, while in the report it is not.

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2 Production situation of paraformaldehyde in China

2.1 Producers in China

XXX companies related to PF were studied. As of March 2020, CCM finds,

- XXX of them are active producers;
- XXX of them suspended production;
- XXX of them stopped production completely;
- XXX of them are potential producers.

These XXX potential producers include those finished construction but have not put into production yet, those under construction and those have just published environment impact assessment of PF projects as of March 2020.

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Table 2.1-2 Capacity and output of major PF producers in China, 2017–Q1 2020

No.	Producer	Capacity, t/a				Output, tonne			
		2017	2018	2019	As of Q1 2020	2017	2018	2019	As of Q1 2020
1	Zhenjiang LCY	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2	Fuhua Tongda	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
4	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
5

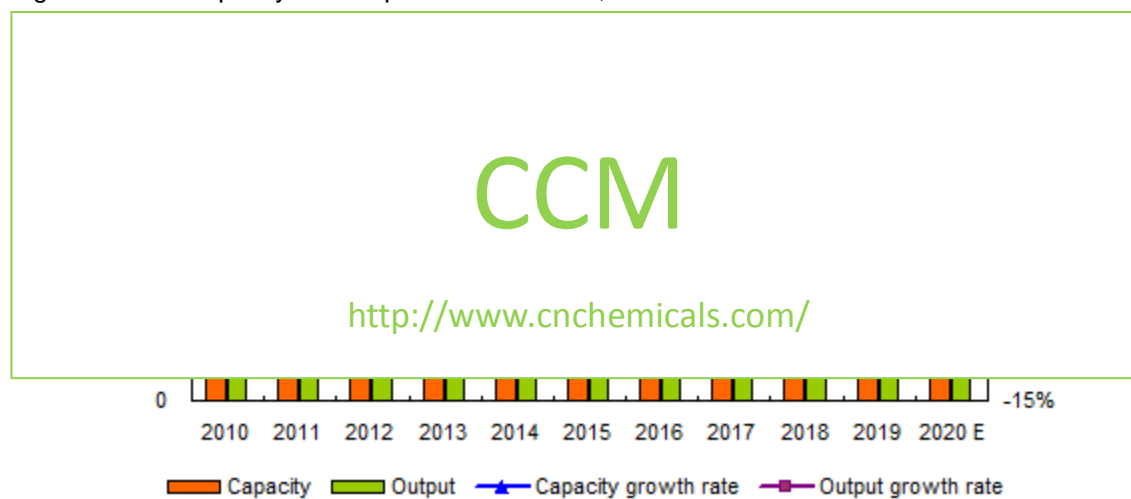
Source: CCM

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2.2 Capacity and output

After years of rapid growth, China's PF capacity kept increasing from XXX t/a in 2006 to XXX t/a in 2011, but it decreased to XXX t/a in 2012 because several small PF producers, which had weak competitiveness under the circumstances of overcapacity and sluggish PF market, stopped PF production. The PF capacity increased sharply in 2013 along with the launch of some new PF production lines and had a slight increase to XXX t/a in 2014 because Jiangsu Sanmu launched its XXX t/a PF project.

Figure 2.2.1-1 Capacity and output of PF in China, 2010–2020E



Note: "E" means estimated.

Source: CCM

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3 Import & export analysis of paraformaldehyde in China

3.1 Overall situation of PF trading

The domestic PF is more and more popular with customers at home and abroad, because of its high quality and low price in recent years. From 2010 to 2014, the export volume of PF in China kept increasing, while the import volume of PF fluctuated.

In 2015, both export volume and import volume of PF in China decreased, down by XXX% and XXX% respectively compared with those in 2014.

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Table 3.1-2 China's imports and exports of PF, 2000–2019

Year	Import			Export		
	Import volume, tonne	Import value, USD	Average price, USD/t	Export volume, tonne	Export value, USD	Average price, USD/t
2000	XXX	XXX	XXX	XXX	XXX	XXX
2001	XXX	XXX	XXX	XXX	XXX	XXX
2002	XXX	XXX	XXX	XXX	XXX	XXX
...
2018	XXX	XXX	XXX	XXX	XXX	XXX
2019	XXX	XXX	XXX	XXX	XXX	XXX

Source: China Customs

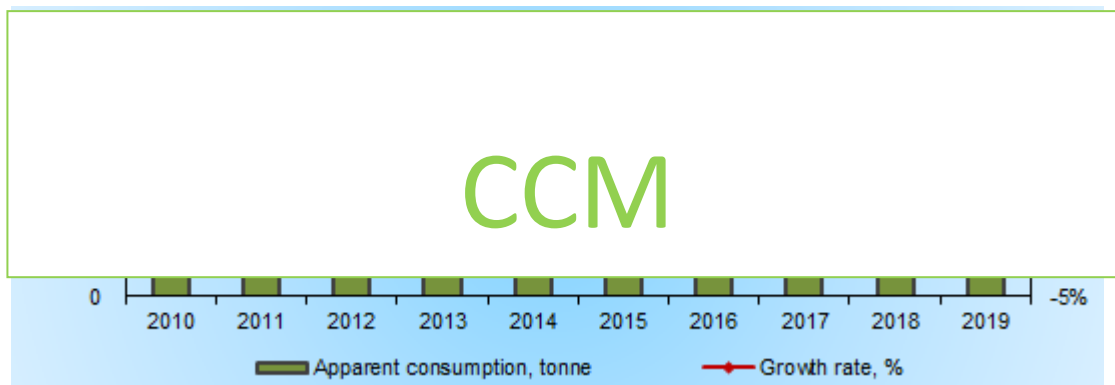
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4 End use segments of paraformaldehyde in China

4.1 Consumption pattern

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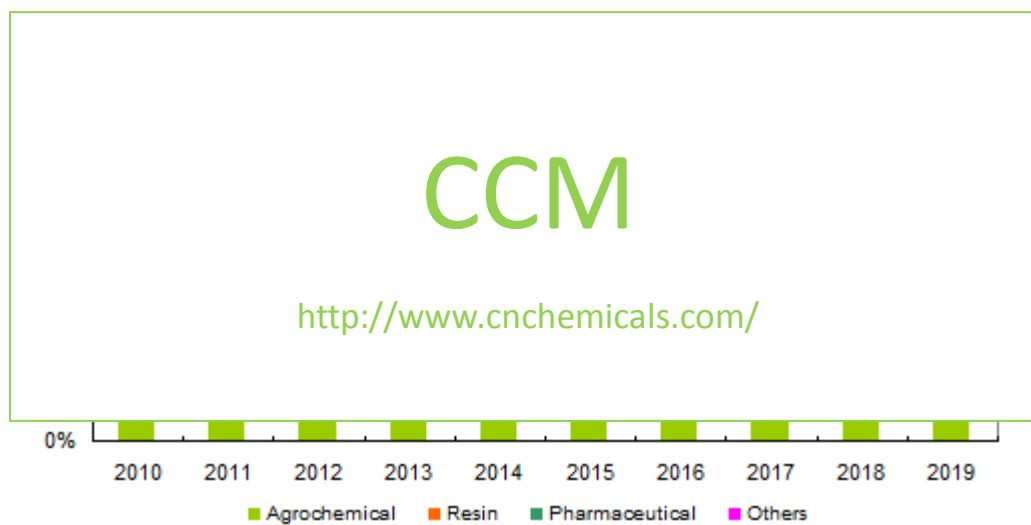
Figure 4.1-1 Apparent consumption of PF and its growth rate in China, 2010–2019



Source: CCM

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Figure 4.1-2 Consumption pattern of PF in China by downstream industry, 2010–2019



Source: CCM

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5 Forecast on paraformaldehyde industry in China

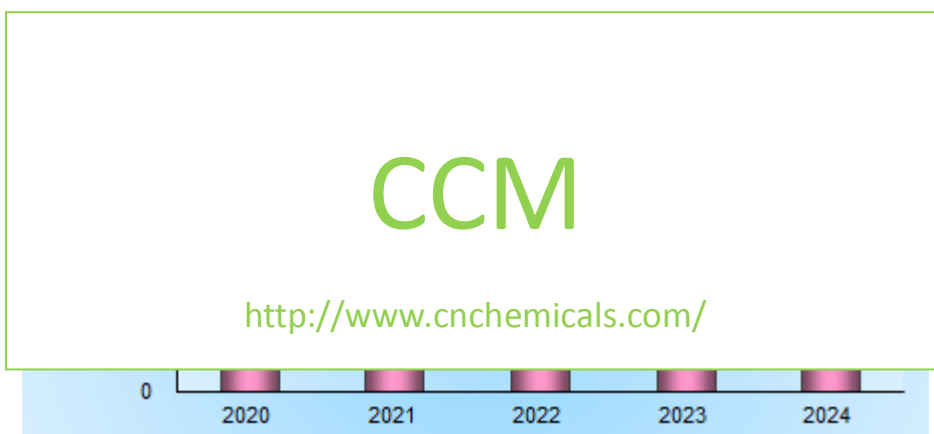
5.2 Supply and demand forecast on PF 2020–2024

Demand forecast to 2024

In 2019, the domestic glyphosate industry contributes to about XXX% of the domestic demand of PF. The future trend of PF demand in China will be similar with the development trend of the domestic production of glyphosate technical.

Demand for PF in China is expected to keep increasing from 2020 to 2024. It's predicted that demand for PF will be XXX tonnes in China in 2024, at a CAGR of XXX% in 2020–2024.

Figure 5.2-1 Forecast on demand for PF in China, 2020–2024



Source: CCM

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