China Rubber Processing Chemicals Industry Report, 2013

(Sample)

Huidian Research

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3. Operation Analysis of Rubber Processing Chemicals Industry

3.3 Market Supply and Demand and Development Trend

In the rubber products production formula system, many kinds of rubber processing chemicals will be used at the same time, such as accelerant accelerators, vulcanizing agents, antioxidants, coupling agents and other processing aids. Only a few auxiliaries own the annual demand of more than 10,000 tons, and the annual usage of most products is less than 3,000 tons, and the annual usage of some products is even less than 1,000 tons. Therefore, the auxiliary manufacturers should take the multispecies and serialization way, and change the products relative proportion in accordance with the changes of market demands in different periods.

The consumption of rubber processing chemicals is closely related to the consumption of raw rubber. In the early phase, there were only two kinds of rubber processing chemicals, namely accelerator and antioxidant, and the general auxiliary consumption was 4% of the raw rubber consumption; with the development of rubber industry and the demand for the rubber products with new technologies and high performance, processing type rubber processing chemicals and special functional processing chemicals emerged. Currently, the consumption of rubber processing chemicals accounts for about 5%-6% of the total raw rubber consumption.

According to the statistics and the latest research report of International Rubber Study Group (IRSG), after the trough in 2008 and 2009, the global rubber consumption in 2010 reached 24.61 million tons with the growth rate of about 16.75%; in 2011, this number increased by 6.22% over 2010; due to the strong demand in the emerging markets, the global rubber consumption in 2020 is expected to reach 33.90 million tons.

In 2012, global rubber consumption was 27,735,000 tons. If the demand volume of rubber processing chemicals accounted for 5% of rubber consumption volume, the global demand volume of rubber processing chemicals was about 1,386,000 tons in 2012. In all rubber processing chemicals, vulcanization accelerator accounts for about 41% of the total rubber processing chemicals; rubber antioxidant accounts for about 34% of the total rubber processing chemicals; the other categories are rubber vulcanizing agent and various additives. The demand volume of rubber accelerator was about 474,000 tons around the world in 2012.

In 2012, total production of rubber processing chemicals in China was 889,000 tons, of which accelerator production was 346,600 tons. Accelerator is still the category
with the largest production in 2012, accounting for about 38% of the total production of rubber processing chemicals. Ultra accelerator production was about 47,000 tons; antioxidant products accounted for 35%.

Tab.7 Constitution of China’s Rubber Processing Chemicals Output in 2012

<table>
<thead>
<tr>
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<th>Output (10,000 tons)</th>
<th>Proportion</th>
</tr>
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<tbody>
<tr>
<td>Rubber accelerators</td>
<td>34.66</td>
<td>38%</td>
</tr>
<tr>
<td>Rubber antioxidant</td>
<td>31.11</td>
<td>35%</td>
</tr>
</tbody>
</table>

Source: China Rubber Industry Association

Of which, phenylenediamine 4020 series and quinoline series RD are superior varieties of rubber antioxidants, which account for nearly 80% of the total rubber antioxidant output; and also, amides CZ, NS and thiazoles M and DM are the major varieties of rubber accelerators with the proportion of more than 70%. In addition, the output of insoluble sulfur which was used as main vulcanizing agent of radial tire was nearly 50,000 tons in 2011 due to the promotion of newly built and expanded projects.

Based on the continued growth of the domestic and international rubber industry and the world's rubber processing chemicals industry eastward, Rubber processing chemicals Commission forecast that China’s rubber processing chemicals production will grow steadily. By the end of the Twelfth Five-Year period, the average growth rate will be 10% to 15%.

With the continuous improvement of human environmental protection awareness, energy conservation consciousness and safety awareness, the demand volume of green, functionalized rubber processing chemicals categories is increasing; thereby bring rubber processing chemicals product structure significant changes.

In terms of greening, green rubber processing chemicals products market is gradually growing. In terms of function, functionalized rubber products market demand shows rapid growth trend because they can adapt to the development of new industries, such as aerospace, high-speed railway, modern communication. They further expand the application of rubber processing chemicals products.

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