
(Sample)

Huidian Research

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6. Competitive Landscape Prospect of China’s Organic Silicon Industry

6.1 Concentration Ratio

In 2012, China’s methyl organic silicon monomer production capacity has reached 2.13 million tons. Due to the continued low price of monomer, the operation of new devices was unstable, which led to the serious shortage of overall industry operation; in China, there are about 6 enterprises can conduct steady production, especially in H2 of 2012, the production capacity utilization of main organic silicon enterprises reached a relatively high level, and the operation rate recovered steadily. In 2012, the operation rate of China’s organic silicone monomer industry was about 65%, and the output reached about 1.3 million tons.

Tab. 24 Production Capacity of China’s Main Organic Silicon Monomer Manufacturing Enterprises

<table>
<thead>
<tr>
<th>Location</th>
<th>Enterprise</th>
<th>Production Capacity (10,000 tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jiangxi</td>
<td>Bluestar Jiangxi Xinghuo Organic Silicone Plant</td>
<td>30</td>
</tr>
<tr>
<td>Zhejiang</td>
<td>Zhejiang Xinan Chemical Industrial Group Co., Ltd. (Wynca Group)</td>
<td>20</td>
</tr>
<tr>
<td>Zhejiang</td>
<td>Zhejiang Transit Fluorine Silicon Material Co., Ltd.</td>
<td>6</td>
</tr>
<tr>
<td>Zhejiang</td>
<td>Zhejiang Sucon Silicone Co., Ltd.</td>
<td>5</td>
</tr>
<tr>
<td>Zhejiang</td>
<td>Zhejiang Hesheng Chemical Co., Ltd.</td>
<td>14</td>
</tr>
<tr>
<td>Jiangsu</td>
<td>Dow Corning (Zhangjiagang) Organic Silicon Co., Ltd.</td>
<td>40</td>
</tr>
<tr>
<td>Jiangsu</td>
<td>Jiangsu Humboldt New Materials Co., Ltd.</td>
<td>6</td>
</tr>
<tr>
<td>Jiangsu</td>
<td>Jiangsu Meilan Chemical Co., Ltd.</td>
<td>3</td>
</tr>
<tr>
<td>Jiangsu</td>
<td>Jiangsu Hongda New Material Co., Ltd.</td>
<td>8</td>
</tr>
<tr>
<td>Shandong</td>
<td>Dongyue Group Ltd.</td>
<td>18</td>
</tr>
<tr>
<td>Shandong</td>
<td>Shandong Jinling Chemical Co., Ltd.</td>
<td>12</td>
</tr>
<tr>
<td>Shandong</td>
<td>Luxi Chemical Group Co., Ltd.</td>
<td>5</td>
</tr>
<tr>
<td>Inner Mongolia</td>
<td>Inner Mongolia Jiahui Silicon Chemical Co., Ltd.</td>
<td>6</td>
</tr>
<tr>
<td>Inner Mongolia</td>
<td>Inner Mongolia Sucon Silicone Co., Ltd.</td>
<td>15</td>
</tr>
<tr>
<td>Hebei</td>
<td>Sanyou Silicon Industry Co., Ltd.</td>
<td>8</td>
</tr>
<tr>
<td>Sichuan</td>
<td>Sichuan Guifeng Organic Silicon Materials Co., Ltd.</td>
<td>3</td>
</tr>
</tbody>
</table>
Tab. 25 Methyl Chlorosilane Projects Under Construction in China
Unit: 10,000 tons / year

<table>
<thead>
<tr>
<th>Serial number</th>
<th>Enterprise</th>
<th>Production Capacity</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bluestar Jiangxi Xinghuo Organic Silicone Plant</td>
<td>20</td>
<td>Under construction; plans to put into operation in 2013</td>
</tr>
<tr>
<td>2</td>
<td>Xinan-Momentive Organic Silicon Co., Ltd.</td>
<td>20</td>
<td>Under construction; plans to put into operation in 2013</td>
</tr>
<tr>
<td>3</td>
<td>Xinjiang Silicon Industrial Co., Ltd.</td>
<td>20</td>
<td>Under construction; plans to put into operation in 2013 (subsidiary of Zhejiang Hesheng)</td>
</tr>
<tr>
<td>4</td>
<td>Sanyou Silicon Industry Co., Ltd.</td>
<td>12</td>
<td>Extension; plans to put into operation in 2013</td>
</tr>
<tr>
<td>5</td>
<td>Hubei Xingfa Chemicals Group Co., Ltd.</td>
<td>12</td>
<td>Under construction; plans to put into operation in 2013</td>
</tr>
<tr>
<td>6</td>
<td>Juye Lulin Mine Co., Ltd.</td>
<td>10</td>
<td>Under construction; plans to put into operation in 2013</td>
</tr>
<tr>
<td>7</td>
<td>Sichuan Guifeng Organic Silicon Materials Co., Ltd.</td>
<td>7</td>
<td>Extension; plans to put into operation in 2013</td>
</tr>
</tbody>
</table>

Source: Huidian Research

The main reason for the low production capacity utilization in China is the immature organic silicon monomer production process. At present, the operation of many production devices is unstable; according to the survey on the production capacity and output of China's leading organic silicon production enterprises, only Xinan Chemical, Bluestar Chemical, Dongyue Group, Zhejiang Hesheng and other two enterprises can achieve stable production, and the operation situation of other enterprises is not satisfactory.

Except for the monomer production enterprises which cannot conduct steady production, the stable effective production capacity in China's organic silicon industry is expected to reach 1.3 million to 1.4 million tons; compared with the demand volume...
of 1.23 million tons, the overcapacity situation is not as serious as the statistics description; therefore, the enterprises with steady production process will own greater competitiveness.

6.2 Enterprise Competition Situation

Fig. 26 Market Share of Domestic Organic Silicon Manufacturers, 2012

Source: Huidian Research

6.3 International Competition Situation

Fig. 27 Market Share in Global Organic Silicon Market, 2012

Source: Huidian Research
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