Machinery, a Brilliant Perspective Market in China

China Machinery Industry

The machinery industry has a major bearing on China's manufacturing industry. In 2004, China's machinery industry accounted for 17.0% and 10.6% respectively of national sales and exports. Rapid economic development in China has led to a corresponding increase in industrial machinery. Almost all leading international players have formed joint ventures in China including John-Deere, Daewoo, Hitachi, Parker, Sanyo, ABB, Emerson, Siemens and Volvo.

Chinese machine builders are also enhancing their international participation through larger exports as well as a higher degree of internationalization. At an average annual growth rate (AAGR) of 12.0%, in 2010 consumption is estimated to reach 0.14 billion. In the near future, China will be an important player in the global industrial machinery marketplace.

Representative Machinery

1. Agriculture Machinery

Today China’s agriculture is a new era of historical development. In a long period of time from now on, expanding operating scope, industrialized management, sustainable development, and scientific and technical innovation in agriculture shall be the four tendencies and driving forces. The development and adjustment of economic construction in agriculture requires higher level and larger scope of mechanization. Now mechanization has already developed from the traditional growing wheat to rice, maize, from traditional tillage to protecting tillage, from machine for producing grain crops to oil crops and cotton economic crops, from growing to livestock farming, aquatic products industry, fruit growing, garden farmland and manufacturing agriculture products etc. So there is a bright future of market for farm machinery.

2. Construction Machinery

Construction machinery is the largest customer of hydraulic products, which makes up about more than 40% of the total market volume of hydraulic products. The percentage shall further increase in the future. China is in an extensive developing and constructing period, thus the demand of construction machinery in the coming several decades will up, and China will be the largest market in the world.

3. Metallurgical and Mining Equipment

The total demand of steel in China reached 352 million tons in 2005. Therefore steel and iron industry shall speed up the adjustment of product structure. In the next 10～15 years, put stress on manufacturing flat plate steel, especially sheet steel and products with high additional value. State should enlarge the investment for them and make the degree of self-sufficiency of steel reach 90%.

For this reason, China need to use advanced machines to replace the backward machine, to realize continuous and automatic production with equipments in large scale, and upgrade the industry. Meanwhile China will give great impetus to process of group-collection for iron and steel industry, carry out technical reform of manufacturing process for large enterprises, make every effort to raise the utilization rate of steel by 10%～20%, take further steps to save energy by 15%～20%. Consequently, many new continuous casting machine and cold/hot rolling mill etc are needed.

4. Machine Tools

Along with the progress of manufacturing technique, China’s demands for high precision, high-efficiency CNC machines, is getting more and more. By the year 2010, the yearly output of CNC machine tools will be approximately 50,000 units. Now, in China there are about 3 million machine tools in use, and it is expected that about 4 million units machine tools will be in use by the year 2010.

5. Plastic Machinery

The demand for plastic products will increase remarkably to cater for the development in the fields of agriculture, automobile, electronics, light, foodstuff, packaging and construction industries and the improved living standard of the people as well. At present, the total output value of plastic in China has come to the forefront of the world, but the annual plastic consumption per capita is only 14.5 kg, less than the 20 kg world average annual consumption per capita and far from the 50 kg to 100 kg annual consumption per capita in developed countries. It is expected by the year 2010 to be a litter bit higher than the world average annual consumption per capita. The growing consumption of plastic products provides the opportunity for developing plastic machinery. It is expected that the annual demand for plastic machinery will be about 150, 000 units by the year 2010.

6. Petrochemical Equipment

Energy problem shall be the restricted factor in a long period of time in developing national economy. Accelerating the development of energy industry is of great urgency. State need to accelerate the development of petroleum and natural gas, except the project to deliver natural gas from the west to

the east and other petrochemical projects are under construction, in the period of 11th five year plan shall be built 5000 km high pressure crude oil pipeline. Besides, in this period the demand of oil refining, ethylene and three synthetic materials (synthetic resin, synthetic rubber, synthetic fibre) shall increase at the rate of 6%～9%. So, there need collection and delivery equipment for oil and gas and large-scale and high-efficiency petrochemical equipment with the emphasis laid on the development of large-scale petroleum prospecting and drilling equipment for desert and ocean, large complete equipment with a yearly output of 600 000 ton ethylene, 450 000 ton synthetic ammonia, 800, 000 ton urea and chemical fibres etc.

8. Food-stuff, Packaging, Electronics, Light-industry and Textile Equipment

The emphasis is laid on the development of various high-efficiency, energy saving, multifunctional and automated complete sets of equipment and production lines, such as various liquid filling lines, production lines of fast foods and puffed foods, sterile medicine production lines and packaging lines, bag-making and bag-filling lines, suitcase making lines, high-speed tobacco processing machinery, air-jet looms, automatic winders and production lines of various household electrical appliances and electronic apparatus.

9. Harbor Terminal Facilities

In order to meet the demand of domestic construction and enlarged export and import trade, task for building coastal port and inland port is very heavy, a great number of ship loaders, car dumpers, stacking machines and container cargo handling equipment will be additionally provided or updated.

10. Ship-building and Ocean Engineering Equipment

By the year 2010, the total yearly production capacity of ship building industry will be about 10 million ton, account for 30% of the world annual output, with the emphasis laid on the development of large ocean-going tankers, LPG ships, container ships, engineering vessels, bulk ships, high-speed passenger liners and ocean-going fishing vessels. Ocean engineering equipment shall be put stress on building large engineering facilities for recovering ocean petroleum, such as large self-rising drilling ship, deep sea drilling machine, heavy-load lift, large crane and piping erection ship.

11. Power Generating Equipment

At present, electric supply has become the bottle neck, which restricts the development of economy. In the coming 20 years, the largest power-building market will be in China. Water, coal, nuclear and gas are the four pillar for power generating in China. It is estimated that the installed capacity by the year 2020 will be 960 000 megawatt, but the installed capacity per capita only 0.67 kW, less than half of that in developed countries. In future, every year need to add new installed capacity of more than 200 000～300 000 megawatt.

12. Environmental Protection Equipment

In order to keep the development of economy, society and environment well coordinated, and make the ecological damages and environmental pollution well controlled, environmental quality and comprehensive utilization of resources are raised further, state will add the investment for ecological preservation and environmental protection. China is putting emphasis on developing: urban sewage and solid wastes disposal and comprehensive utilization equipment, urban and industrial noise control equipment and atmospheric pollution control equipment.

Machinery Trade Shows

The 12th China Xiamen Machinery and Electronics Exhibition (CXMEE)

The 12th China Xiamen Machinery and Electronics Exhibition (CXMEE), authorized by China's Ministry of Commerce, is jointly organized by the China Chamber of Commerce for Import and Export of Machinery and Electronics Products, the Taiwan Electrical and Electronic Manufacturers Association, the Xiamen Municipal People's Government. It will take place in Xiamen, China on April 8-11, 2008.

7th China (Hangzhou) International Machine Tool and Mould Expo

The 2008 China (Hangzhou) International Industrial Fair (formerly "Zhejiang International Industrial Fair") was originated in 2002, it is held at Hangzhou Peace International Exhibition and Conference Center every May. It has experienced six years of persistent, healthy and stable development. It was listed in the formal exhibition of "China Hangzhou West Lake Expo" in 2006, becoming a large exhibition and conference project specially supported by the municipal government of Hangzhou.

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