

Situation and Trends of PM Industry in China



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Board Chairman of CISRI Group

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2015/11/08

 ***Current Chinese Economy***

 ***Situation of PM Industry in China, 2014***

 ***New Challenges & Opportunities for PM***

 ***CPMA's Activities***

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TREND OF GDP GROWTH



Chinadaily.com.cn

Source: National Bureau of Statistics of China

- Continued downward pressures from weak external demand (exports) and reduction of inventory in traditional industries related to the real estate had caused GDP growth to drop to 6.9% in Q3, the weakest since the first quarter of 2009 .
- Industrial output in September slowed further to 5.7 percent from 6.1 percent in August, while fixed-asset investment growth—a key driver of the economy—fell further to 10.3 percent in the first nine months.
- In Q3, the property slump and export weakness contained industrial sales and profit margins and lifted spare capacity, particularly in heavy industry, such as cement and steel.

- From January to September, spending on consumption contributed 58.4 percent of growth, compared with 49.1 percent a year ago. Retail sales strengthened from 10.5 percent in July to 10.9 percent in September.
- For the first time, service industries comprised more than half (51.4 percent) of GDP. Services, including the financial sector, had made great contribution even though the stock market declined significantly.
- Consumption function as the key cushion, preventing a sharper overall slowdown.
- Quarter-on-quarter, the economy grew by 1.8 percent . The forces that prop up the economy and drag it down have reached a new equilibrium.

- The acceleration of macro policy easing in Q4. Risk of an even sharper real estate downturn and a material slowdown in infrastructure have eased.
- The 'propping-up' forces include ongoing re-industrialization and urbanization, the untapped hinterland regions, and the upgrading of consumption.
- Rebalancing is evident. GDP expected growth of 6.9% in 2015 and 6.3% in 2016.
- The PM Industry in China, benefiting from the consumer electronics and the auto-industry, were not too bad during the past Q3 of 2015 and the whole year of 2014. But in next year, it will be full of challenges.

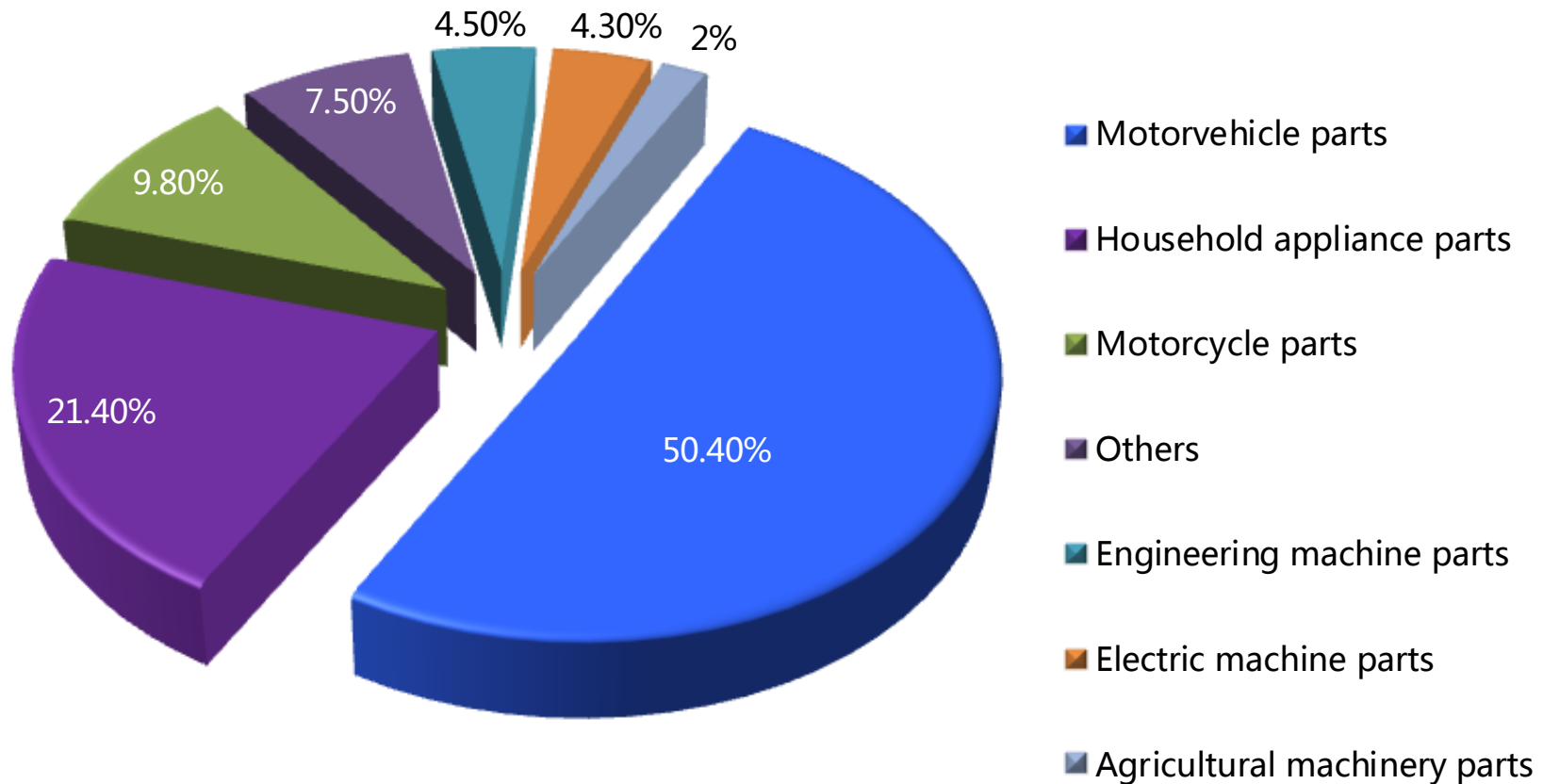
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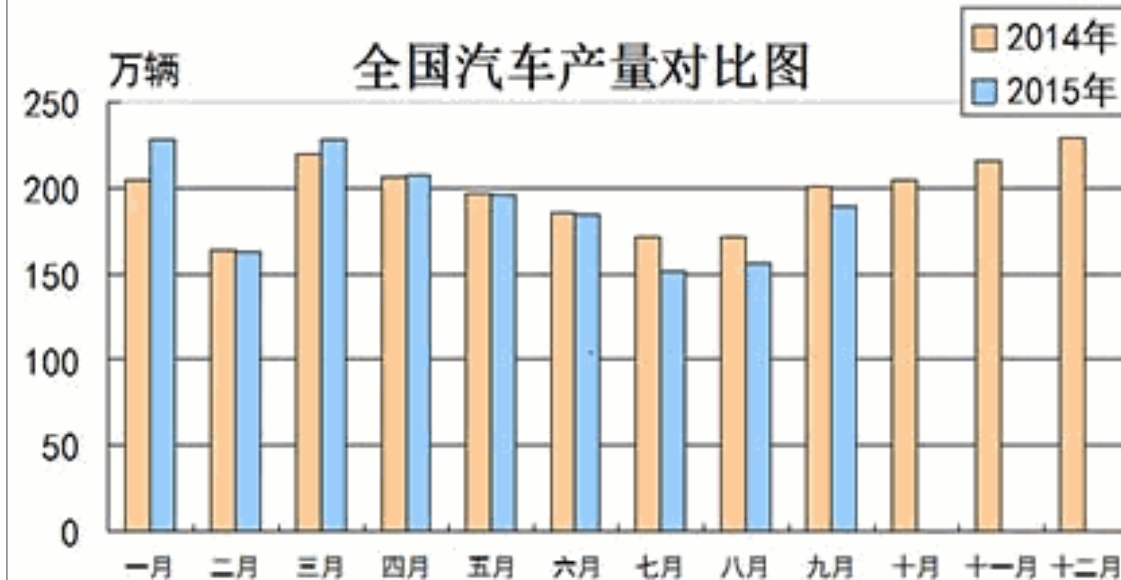
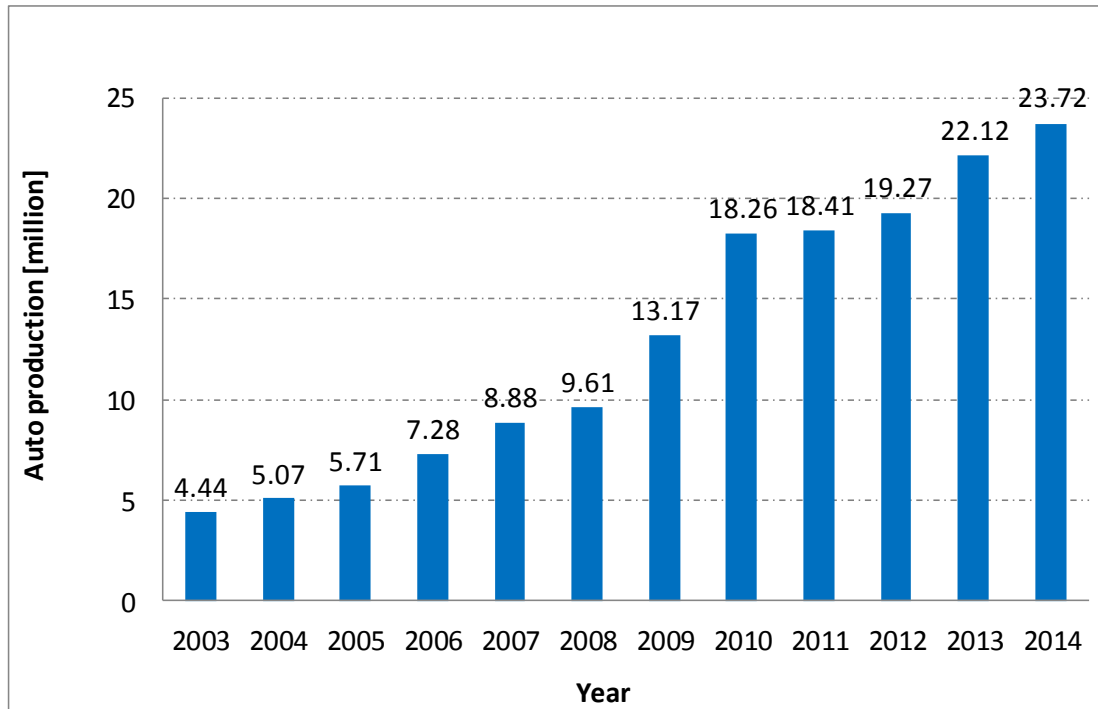
 ***CPMA's Activities***

Applications of PM Industry in China, 2014



(Source: CMPMA)

Auto Industry, 2014 and Q3 of 2015 in China



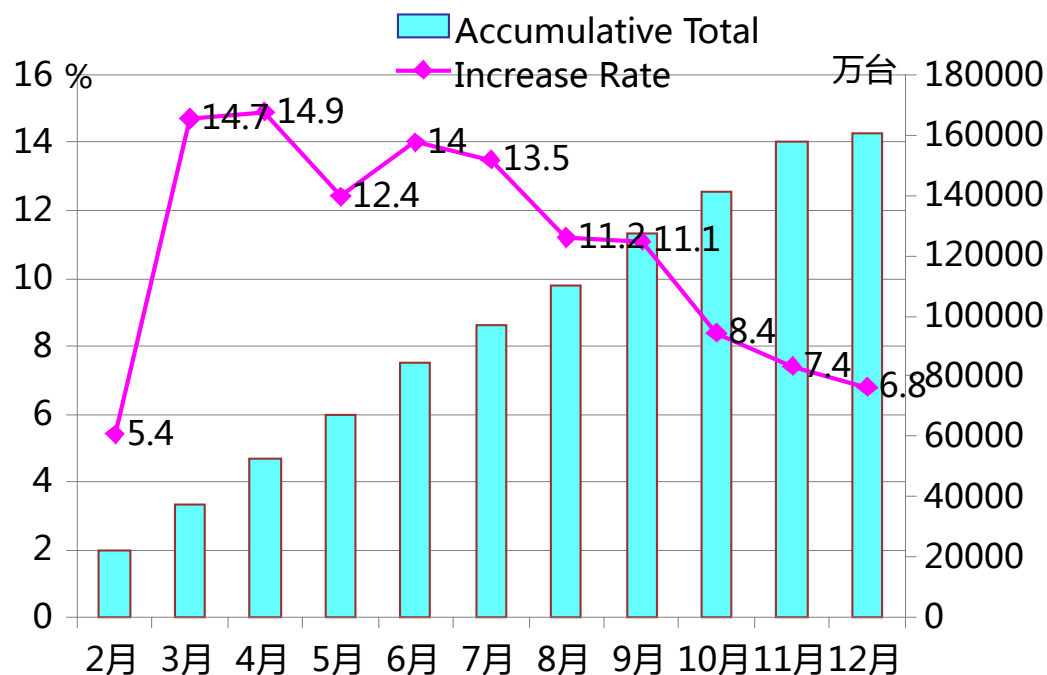
Yields of the motor vehicle in 2014 up to 23.7 million, increase 7.3%.

While for the motor cycles, 21.3 million, decreased 7.08%.

From Jan. to Sep. in 2015, out put of the motor vehicle reached 17.09 million, decreased 0.82%. Sales amount up to 17.05 million, increase only 0.31%.

(Source: CAAM)

Mobile Phone, 2014 and Q3 of 2015 in China

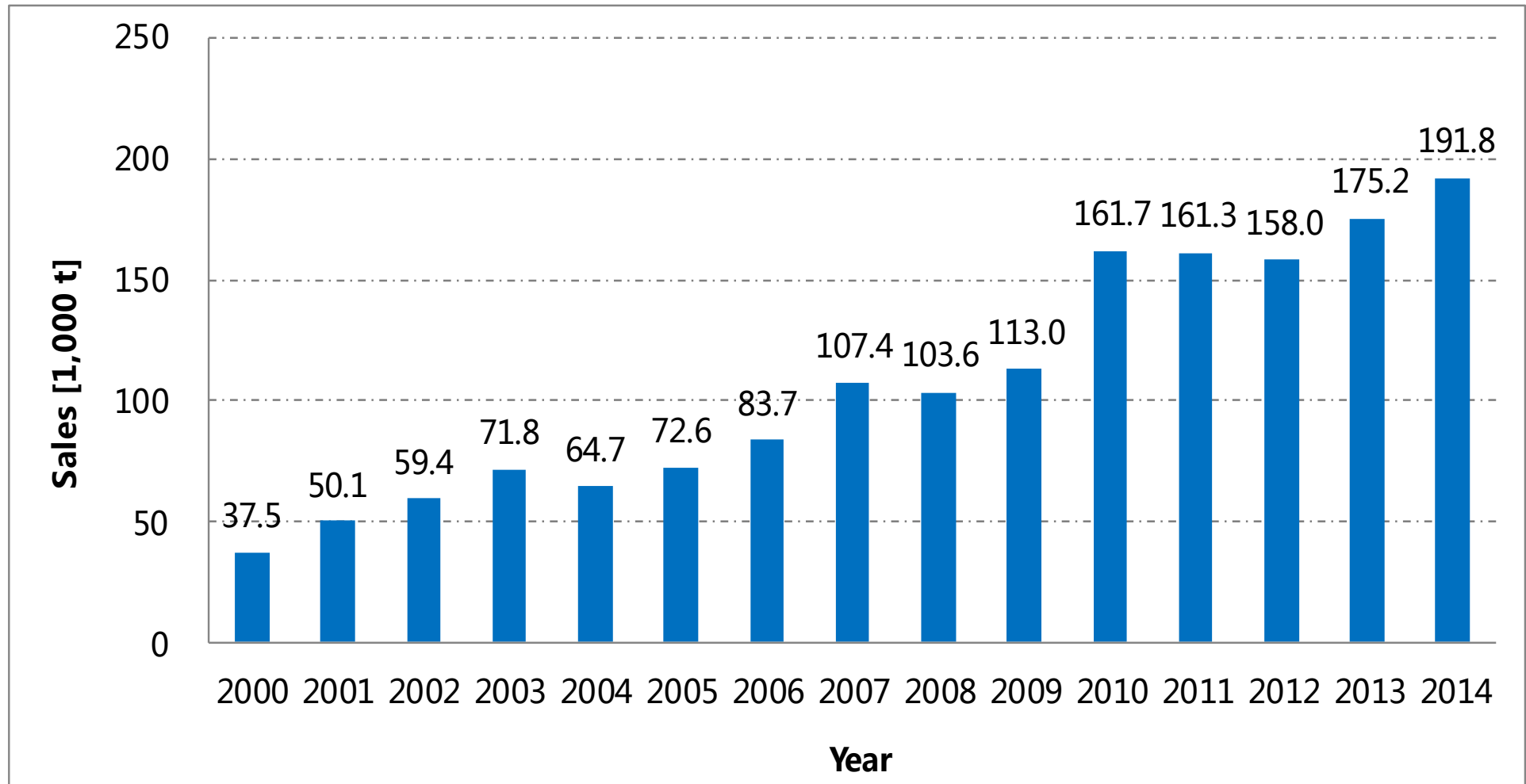


1.63 Billion mobile phone produced in 2014, growing 6.8% than 2013.

From Jan. to Sep. in 2015, total production amount was 1.21 Billion, decrease 1.6% comparing to the same period of last year. But for the 4G smart mobile phone among of it, delivery amount in past Q3 2015 up to 0.33 Billion, increase 15.1%.

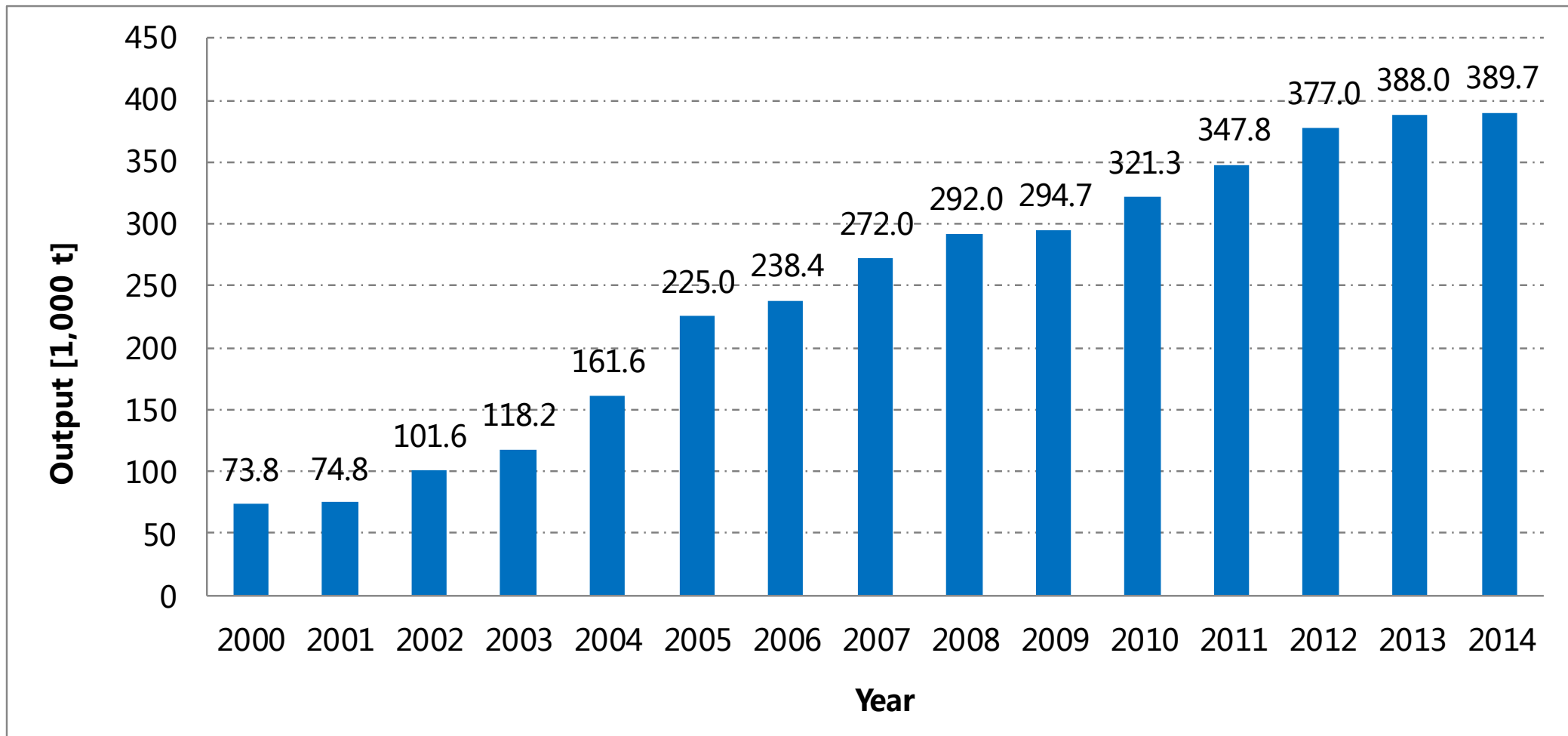
Covering rate to the 50%, from 2G to 3G cost 42 months, whereas from 3G to 4G only spent 9 months.

Now four native makers shipment list from 2 to 5 in China.



Over 190 thousand ton in 2014, increase 9.5% than the previous year.

(Source: CMPMA, based on the 53 companies registered in CMPMA)



<50% native made iron and steel raw powders serve to the PM auto parts

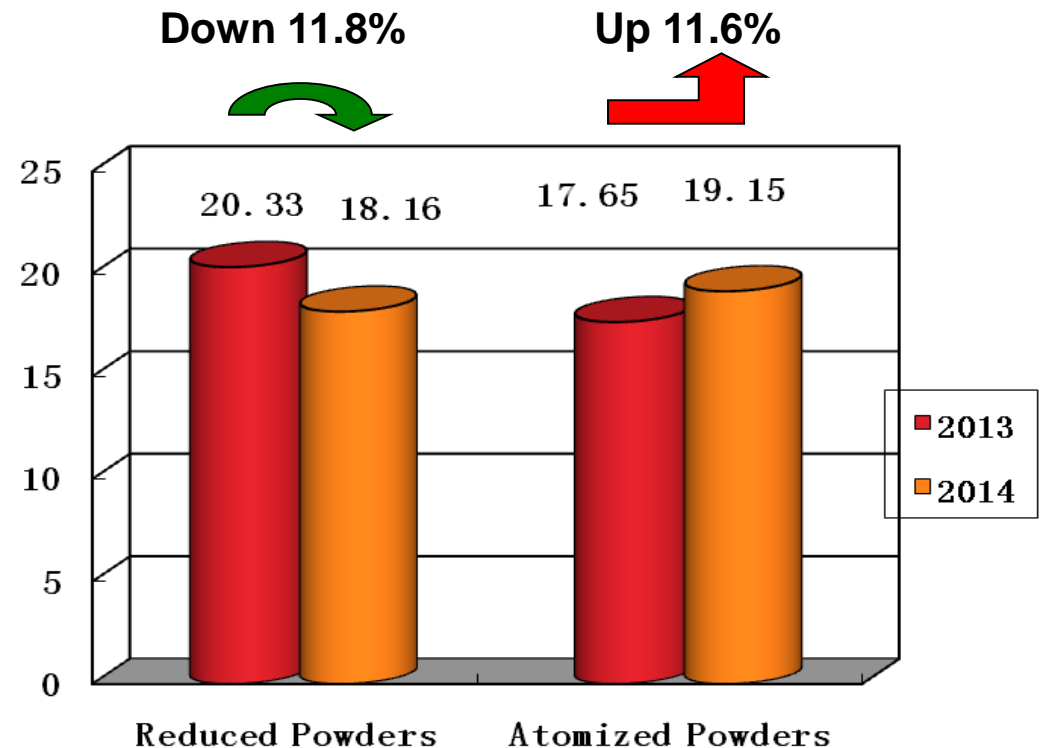
(Source: PMACS, based on the 35 companies registered in PMACS, Yuan Yong)

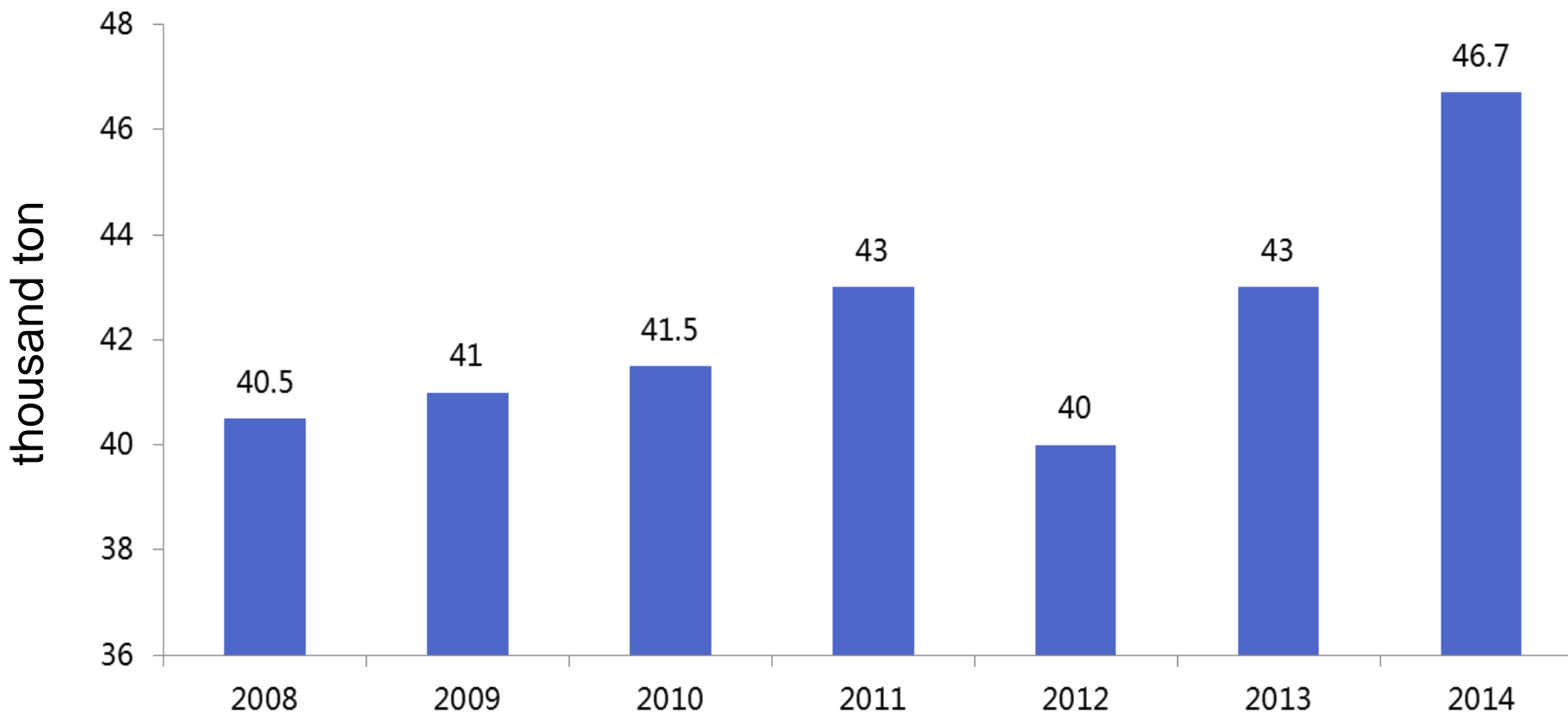
Iron & Steel Powders by Reduction and Atomization

- Reduced iron powder decreased 11.8% than 2013.
- Atomized iron & steel powders increased 11.6% than 2013, and was the first time over the total output of reduced iron powder.

Because:

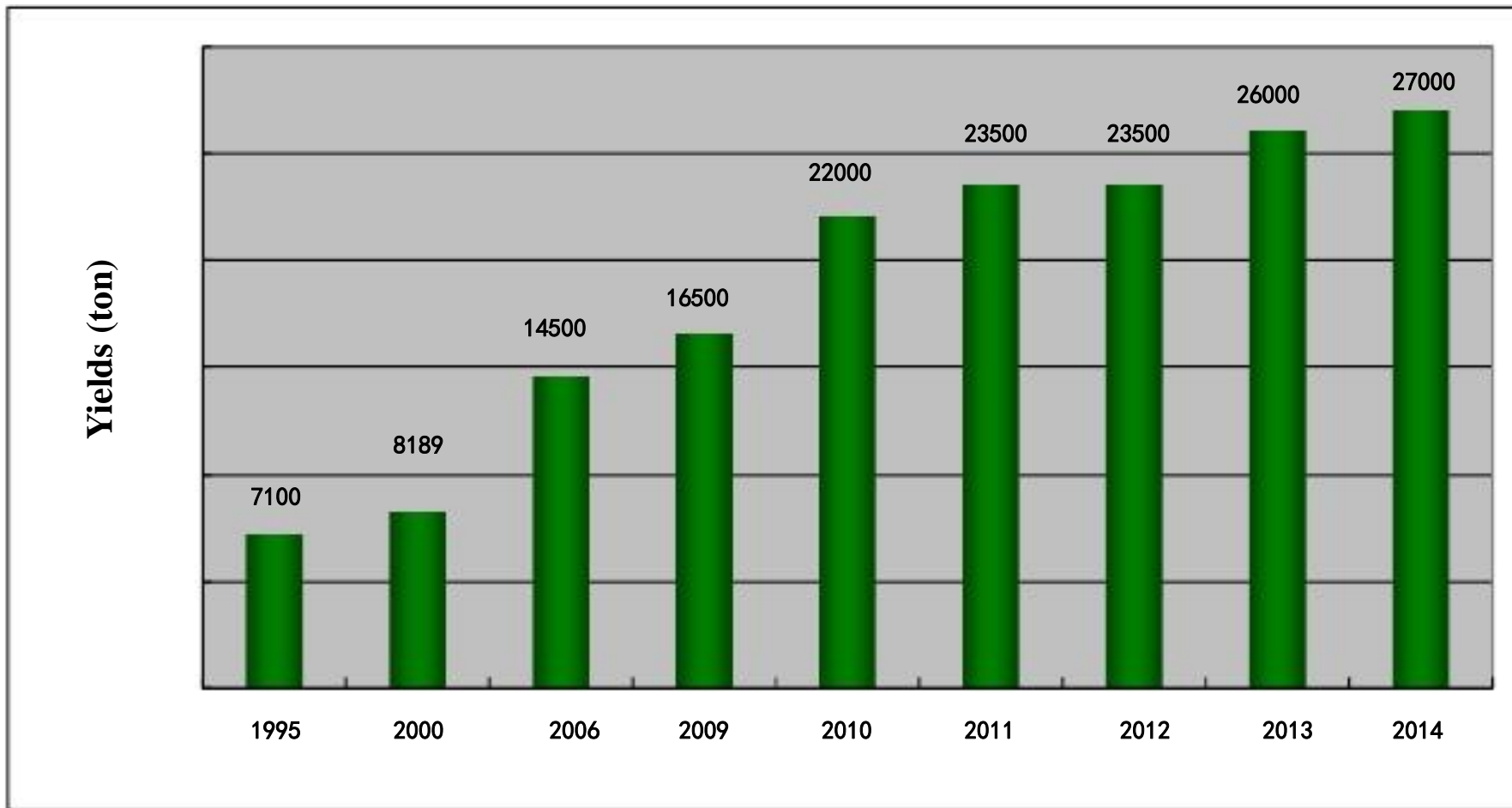
- Raw materials easily obtained
- Over investment, led to critical competition, cheaper than reduced powders.
- Low price of atomized iron & steel powders raised the percentage of covering rate, instead of some reduced powders.





Increase about 8.5% in 2014 over the previous year

(Source: GRIPM, based on the 30 companies , Wang LiMin)



27 thousand ton in 2014, growing 3.8% than last year

(Source: CWTIA, based on over 300 companies , Zhang ZhongJian)

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Invested Industries

Cut off overload capacity

Iron & Steel

Glass & Cement

Main ten kinds non ferrous metal, Al...

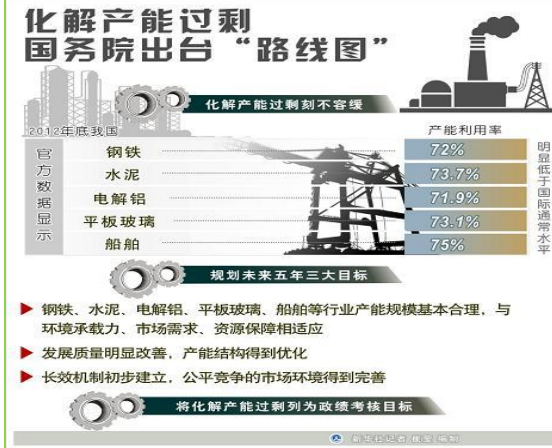
Ship building

General & construction machine

Solar cell & LED



Developing new product.



Resource & Environment

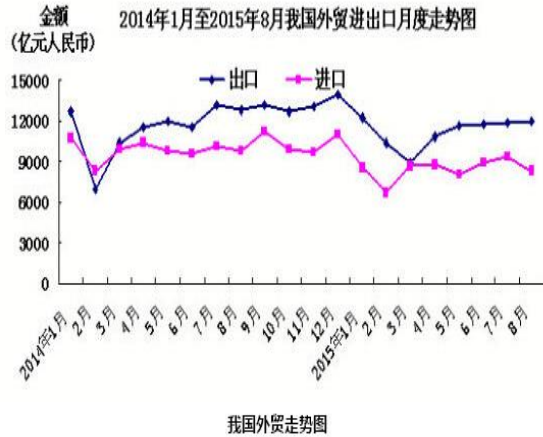
**High fossil energy consumption
cause heavy pollution**



**New Energy Saving,
environmental protection,
Modern traffic,
Medical & Health care**



Foreign Trade



World market requirement still on low level.

High foreign exchange rate of RMB.

Trade protectionism intense trade frictions

Expanding the domestic demand

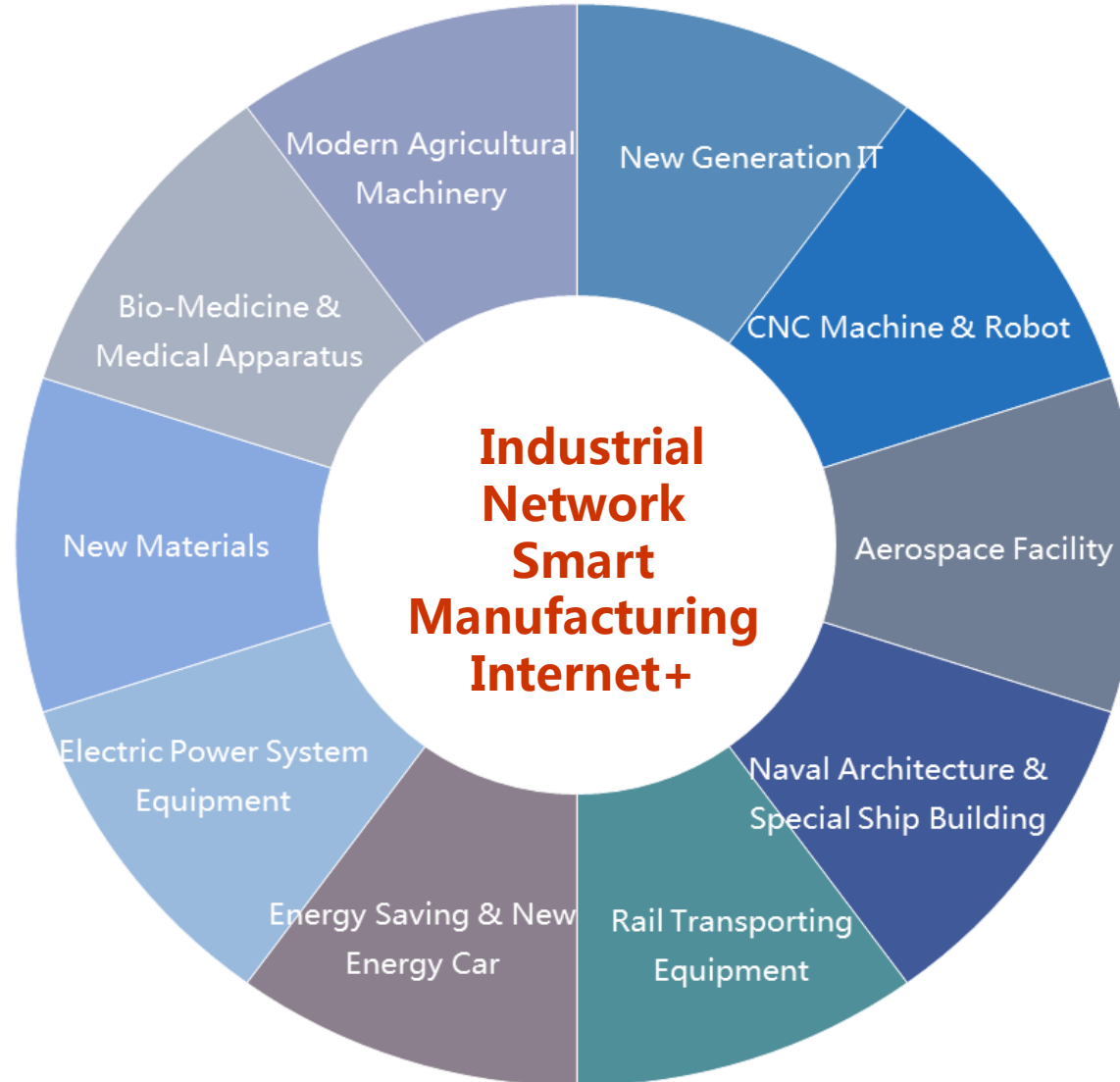
Labor

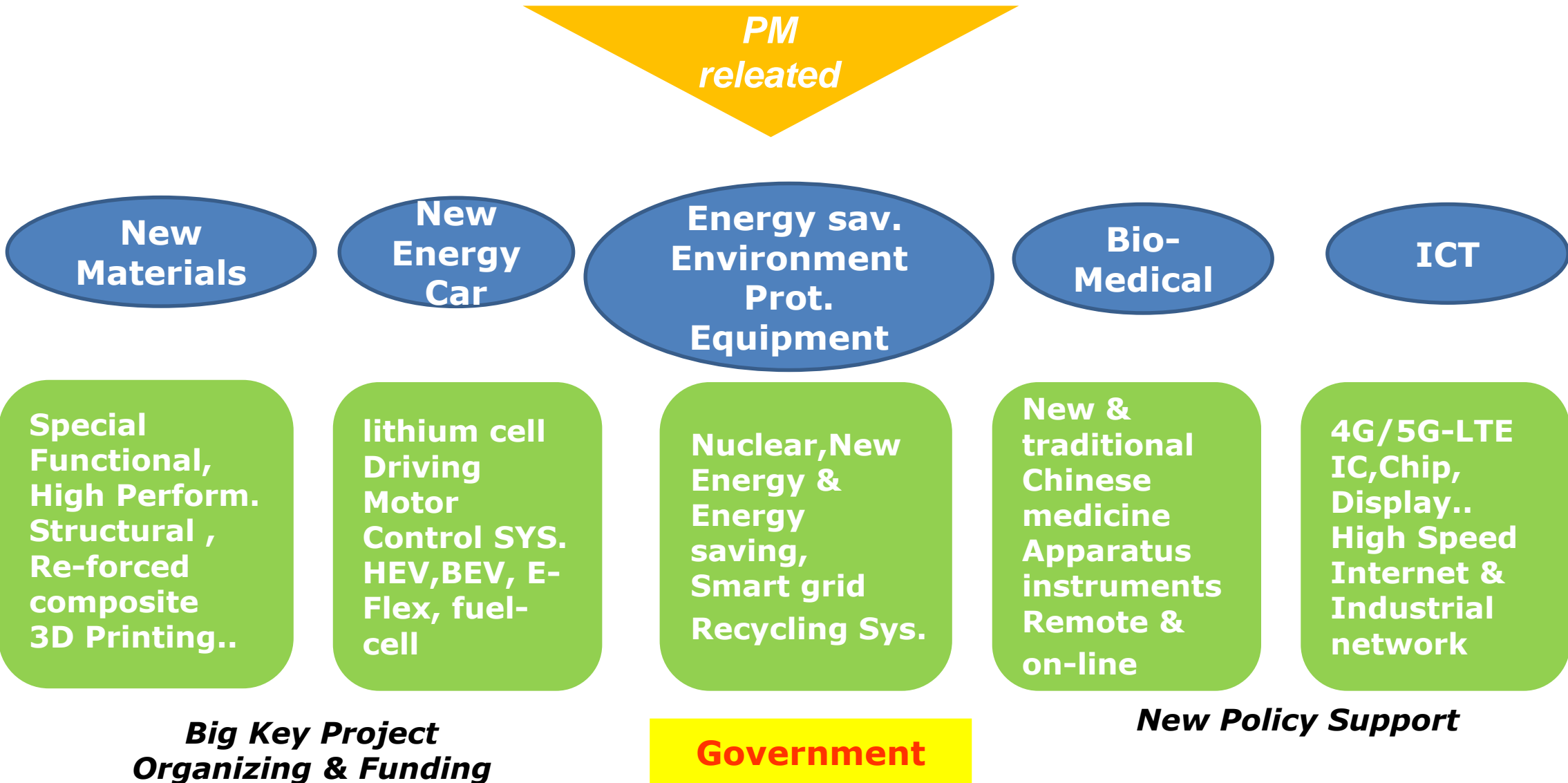


Population is aging.
labor cost growth rate near 15% in city and town.

*Automatic control system,
Smart manufacturing,
cooperation and good management*

Ten Key Points of 'Chinese Manufacturing Plan 2025'



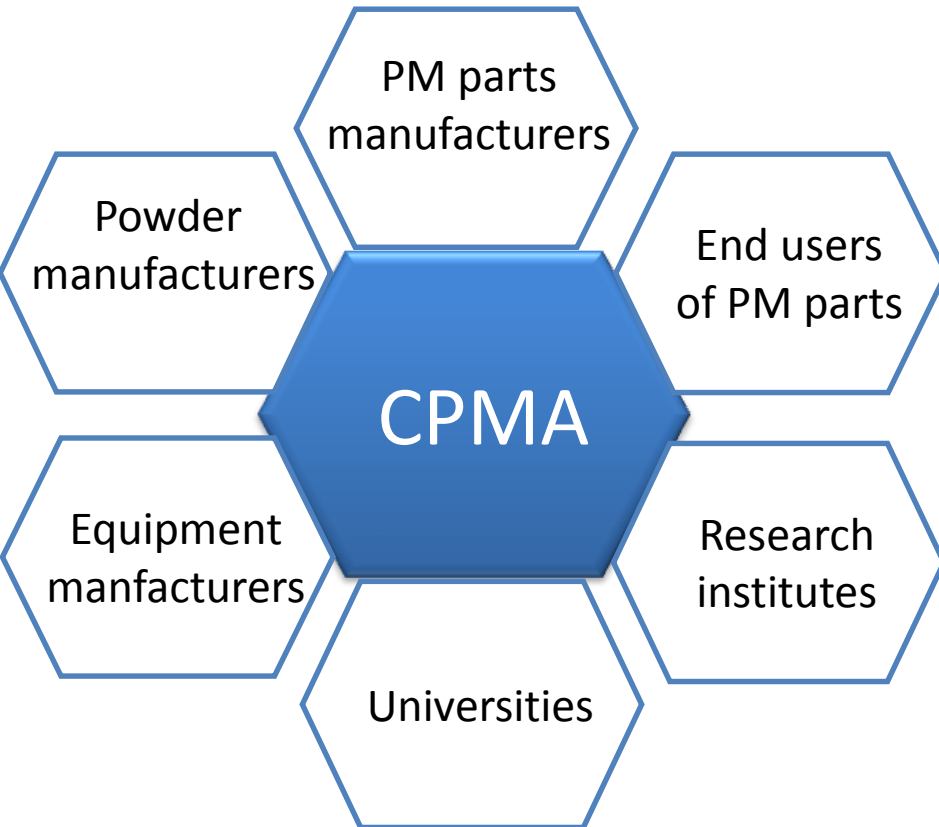


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- ✓ ***APMA 2013, Xiamen, China***
- ✓ ***Series Forums in Shanghai, Beijing, WuHan***
- ✓ ***Export Tax free for the Raw Powders***
- ✓ ***Promoting the cooperation between the CPMA members and the applications.***
- ✓ ***Some Additive Manufacturing Members Joining into CPMA***
- ✓ ***Starting the Chinese PM Tec. Road-map***
- ✓ ***Preparation Work for the PM World Congress 2018 in Beijing***

2014, Harbin

2014, Shanghai

2015, Beijing

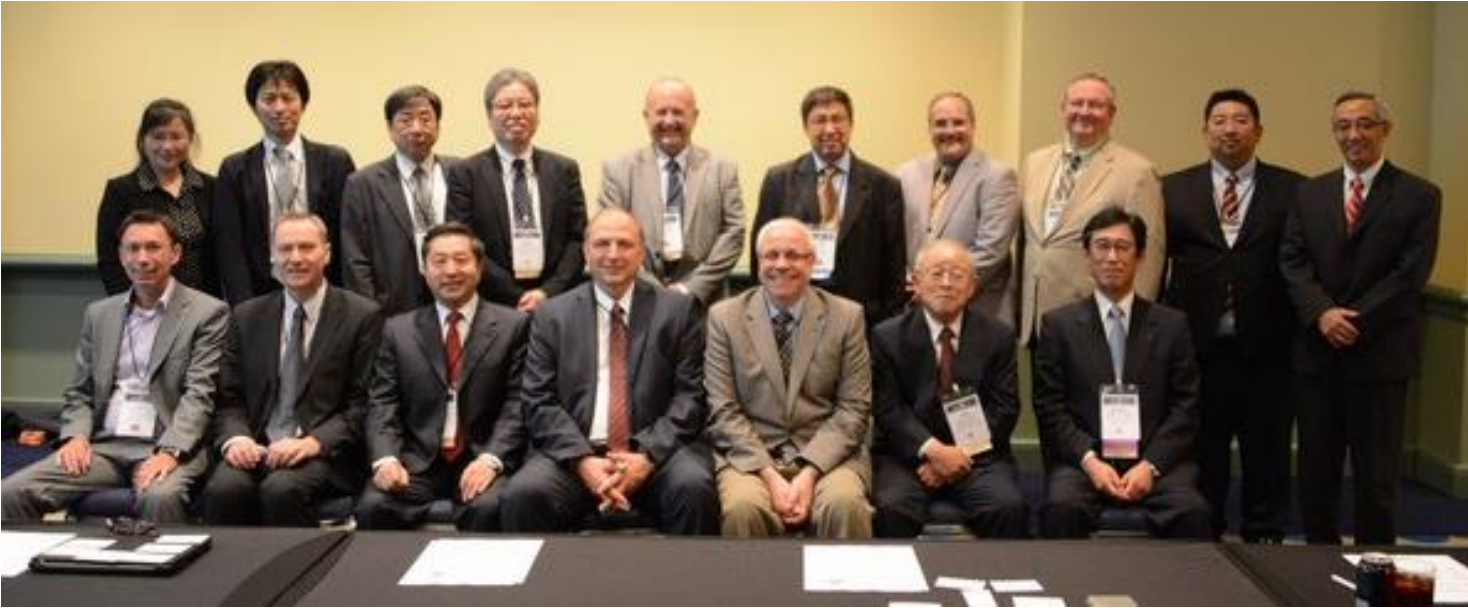
2015, Boao

2015, Wuhan

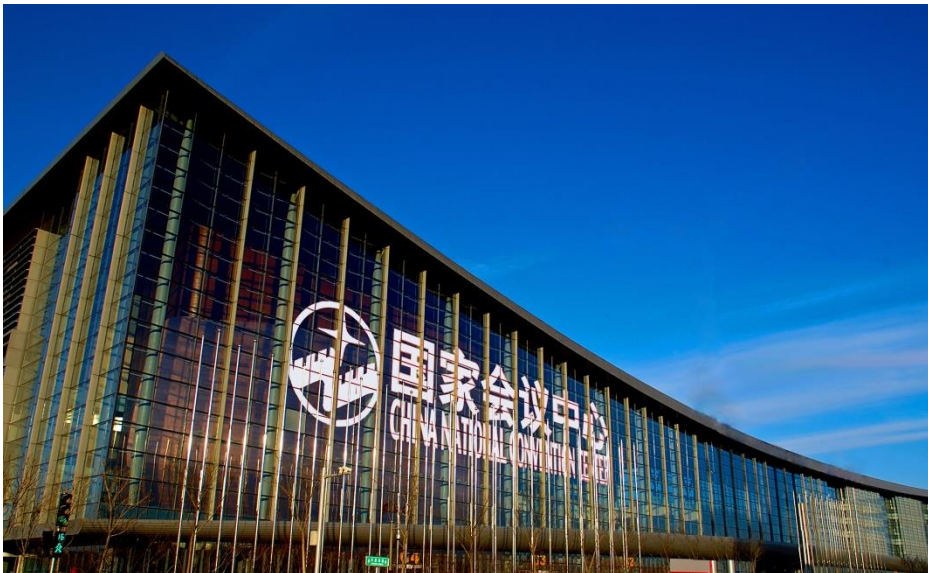
2015, Wuhan



Prompting Activities by the CPMA



PM2014 World Congress
Orlando, 2014



PM2018 World Congress, Beijing, 2018
Venue: China National Convention Center



CPMA

China Powder Metallurgy Alliance

WORLDPM2018

First Announcement Beijing, China



CPMA
China Powder Metallurgy Alliance

www.worldpmp2018.com

Thanks for Kind Attention !

