

Adhesive Market Trend in Mainland China

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1. Overview of Adhesive Industry in Mainland China

In 2020, the total output of Mainland China's adhesive industry was about 7,090,000 tons, with sales value of about 100.64 billion RMB, an increase of 4.4% and 3.6% respectively over 2019.

* Note: Statistical data no longer included polyacrylate emulsion for building coating and building material, textile and fibre processing, leather processing and other fields.



Tab. 1 Classification of adhesive in mainland China in 2020

Type of Adhesive	Name of Adhesive	Year of 2020	
		Sales Volume (1,000 tons)	Sales Value (billion RMB)
Water-based Adhesive	PAE Emulsion	1,700	12.90
	PVAc Emulsion	750	3.50
	VAE Emulsion	565	4.02
	PU Dispersion	40	1.30
	CR Latex	9.0	0.24
	Total	3,064	21.96



Classification of adhesive in mainland China in 2020 *(Cont'd)*

Type of Adhesive	Name of Adhesive	Year of 2020	
		Sales Volume (1,000 tons)	Sales Value (billion RMB)
Solvent-based Adhesive	SBS Resin	185	2.45
	CR	96	1.70
	PA	230	3.35
	Total	511	7.50
Hot Melt Adhesive	EVA Resin	512	9.39
	Synthetic Rubber	404	6.68
	Others	262	5.74
	Total	1,178	21.81



Classification of adhesive in mainland China in 2020 *(Cont'd)*

Type of Adhesive	Name of Adhesive	Year of 2020	
		Sales Volume (1,000 tons)	Sales Value (billion RMB)
Reactive Adhesive	PU	895	19.20
	Epoxy	225	6.65
	Cyanoacrylate	30.0	1.55
	Modified Acrylate	12.0	0.75
	Anaerobic	3.0	0.45
	Total	1,165.0	28.60
Others	Silicone	1,100	19.00
	Polysulfide	12	0.37
	Polyurethane	60	1.40
	Total	1,172	20.77

Adhesive Import and Export

Tab. 2 Adhesive import and export during 2017-2020

Year	Import				Export			
	Amount		Value		Amount		Value	
	1,000 Tons	G.R. (%)	Billion USD	G.R. (%)	1,000 Tons	G.R. (%)	Billion USD	G.R. (%)
2017	221.6	—	2.454	—	581.4	—	1.874	—
2018	220.5	-0.50	2.558	4.24	617.1	6.14	2.025	8.09
2019	206.6	-6.30	2.532	-1.05	717.5	16.27	2.155	6.40
2020	203.3	-1.60	2.597	2.58	729.7	1.70	2.118	-1.71

* Note: Statistical data was based on 7 customs codes.



Adhesive Import and Export *(Cont'd)*

Top 10 Import Country/Region in 2020

Japan	45,329 M.T.
Korea	35,320 M.T.
Taiwan Region	30,173 M.T.
Germany	19,499 M.T.
USA	11,735 M.T.
New Zealand	11,352 M.T.
Malaysia	10,395 M.T.
Italy	6,609 M.T.
Holland	5,629 M.T.
France	5,405 M.T.

Top 10 Export Country/Region in 2020

Vietnam	104,270 M.T.
India	37,089 M.T.
Thailand	29,046 M.T.
Mongolia	28,170 M.T.
USA	27,582 M.T.
Indonesia	23,466 M.T.
Korea	22,831 M.T.
Malaysia	21,465 M.T.
Philippines	20,887 M.T.
Brazil	20,867 M.T.

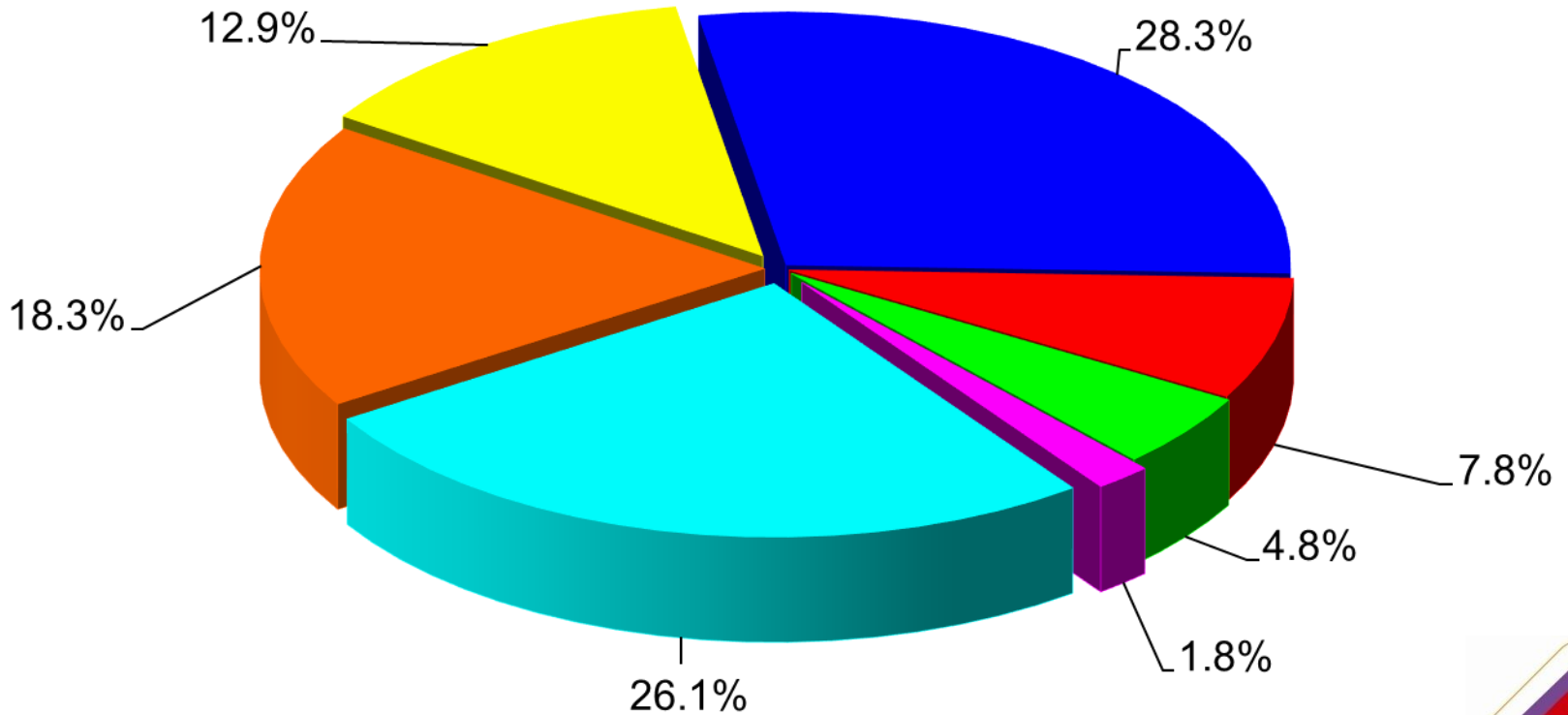
Adhesive Market Segments

Tab. 3 Market segments consumption and share in 2020

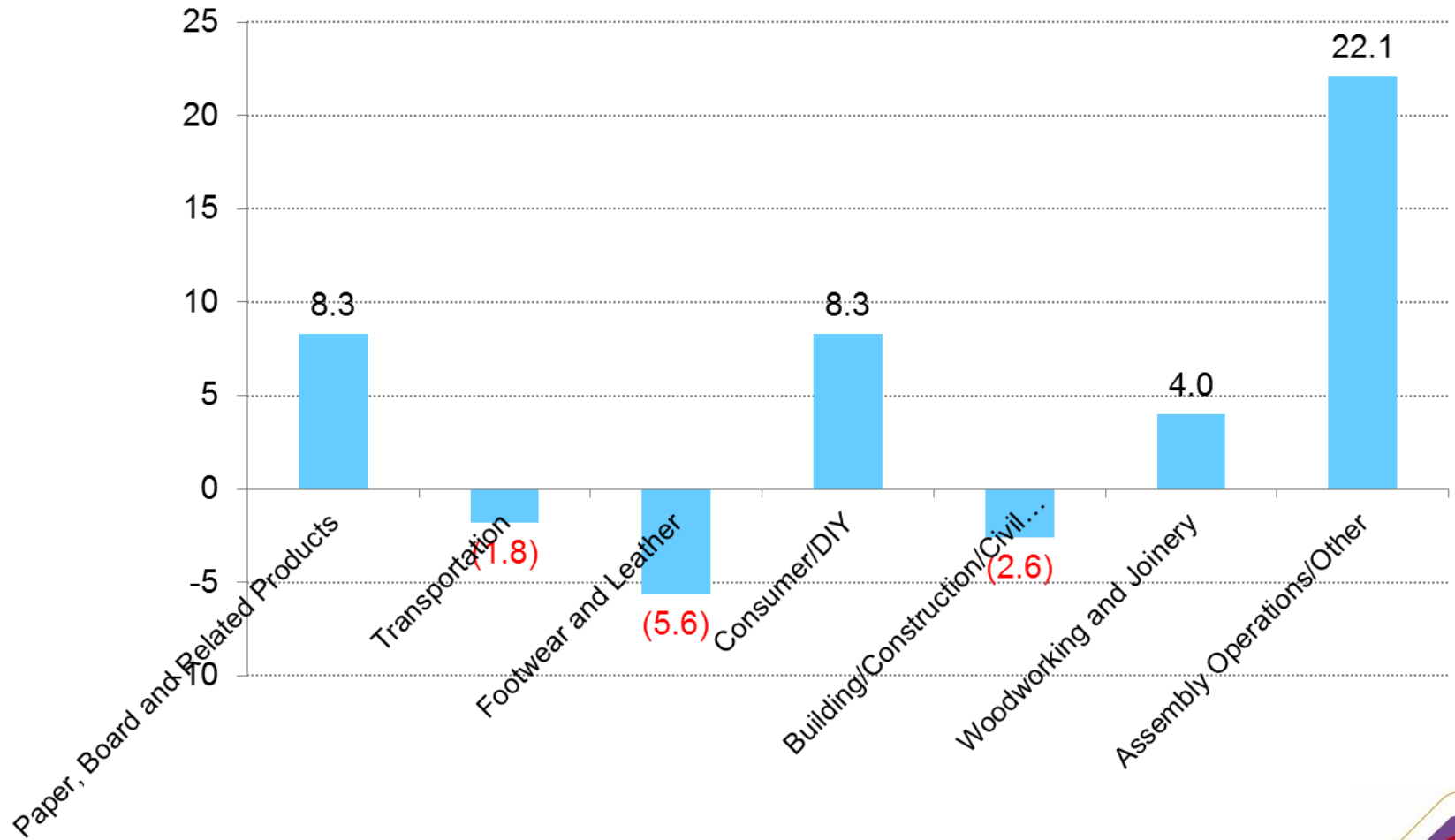
No.	Market Segment	Consumption (1,000 tons)	Market Share (%)	G.R. (%)
1	Paper, Board and Related Products	2,004	28.3	8.3
2	Transportation	550	7.8	-1.8
3	Footwear and Leather	340	4.8	-5.6
4	Consumer/Do-It-Yourself (Retail)	130	1.8	8.3
5	Building/Construction/Civil Engineering/Craftsmen	1,850	26.1	-2.6
6	Woodworking and Joinery	1,300	18.3	4.0
7	Assembly Operations/Other	916	12.9	22.1
Total		7,090	-	-

Adhesive Market Share in 2020

- Paper, Board and Related Products**
- Footwear / Leather**
- Building / Construction**
- Assembly Operations / Other**
- Transportation**
- Consumer/DIY**
- Woodworking and Joinery**

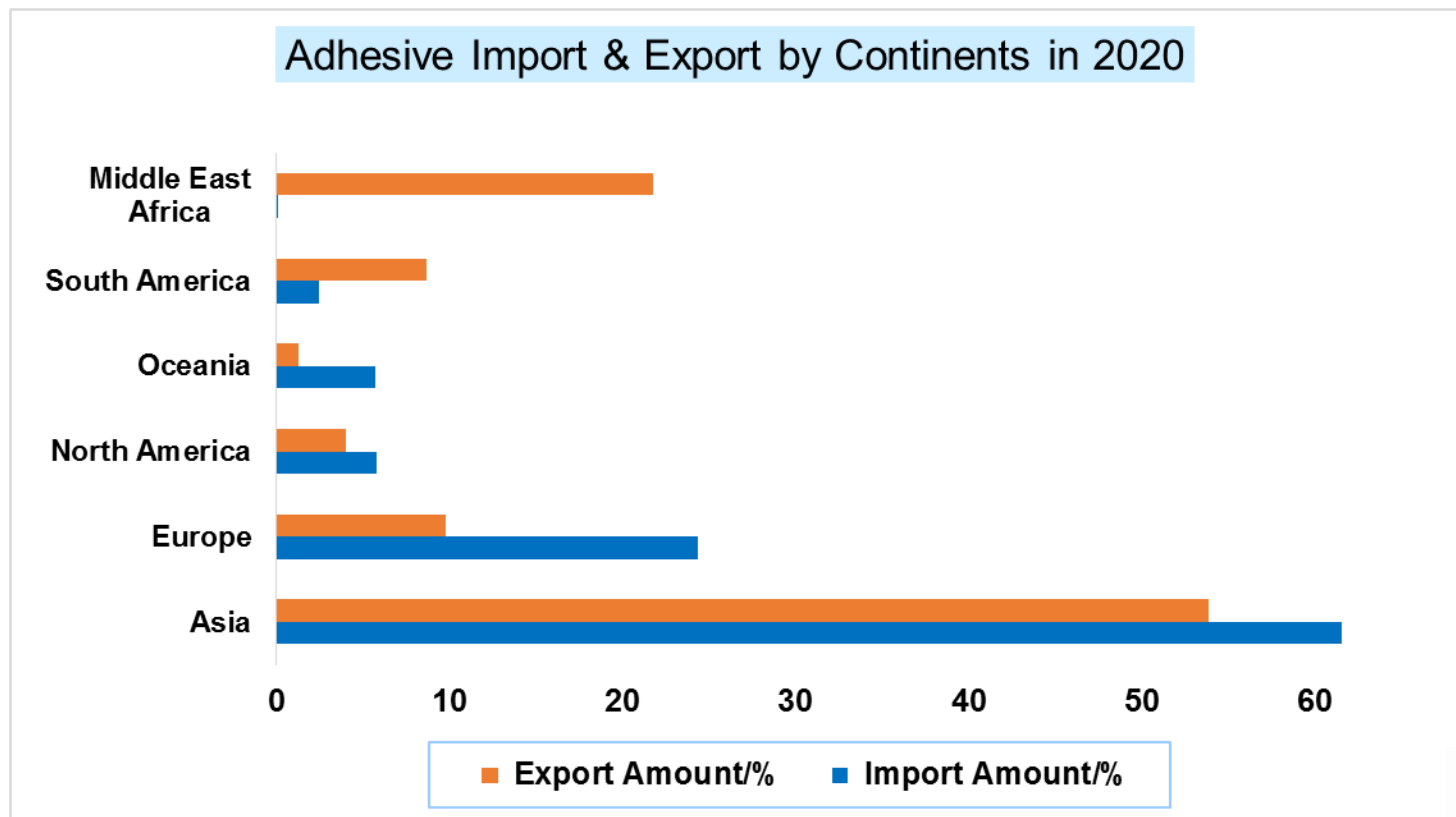


Growth Rate for Each Market Segment in 2020



2. Summary of Adhesive Market in 2020

The trend of import substitution appeared, and the "double circulation" drove the continuous growth of the industry.



New changes in the adhesive market have given birth to the differentiated development of enterprises in the industry.

Concentration Ratio

The concentration of some varieties has gradually increased, e.g. hot melt adhesive, silicone sealant.

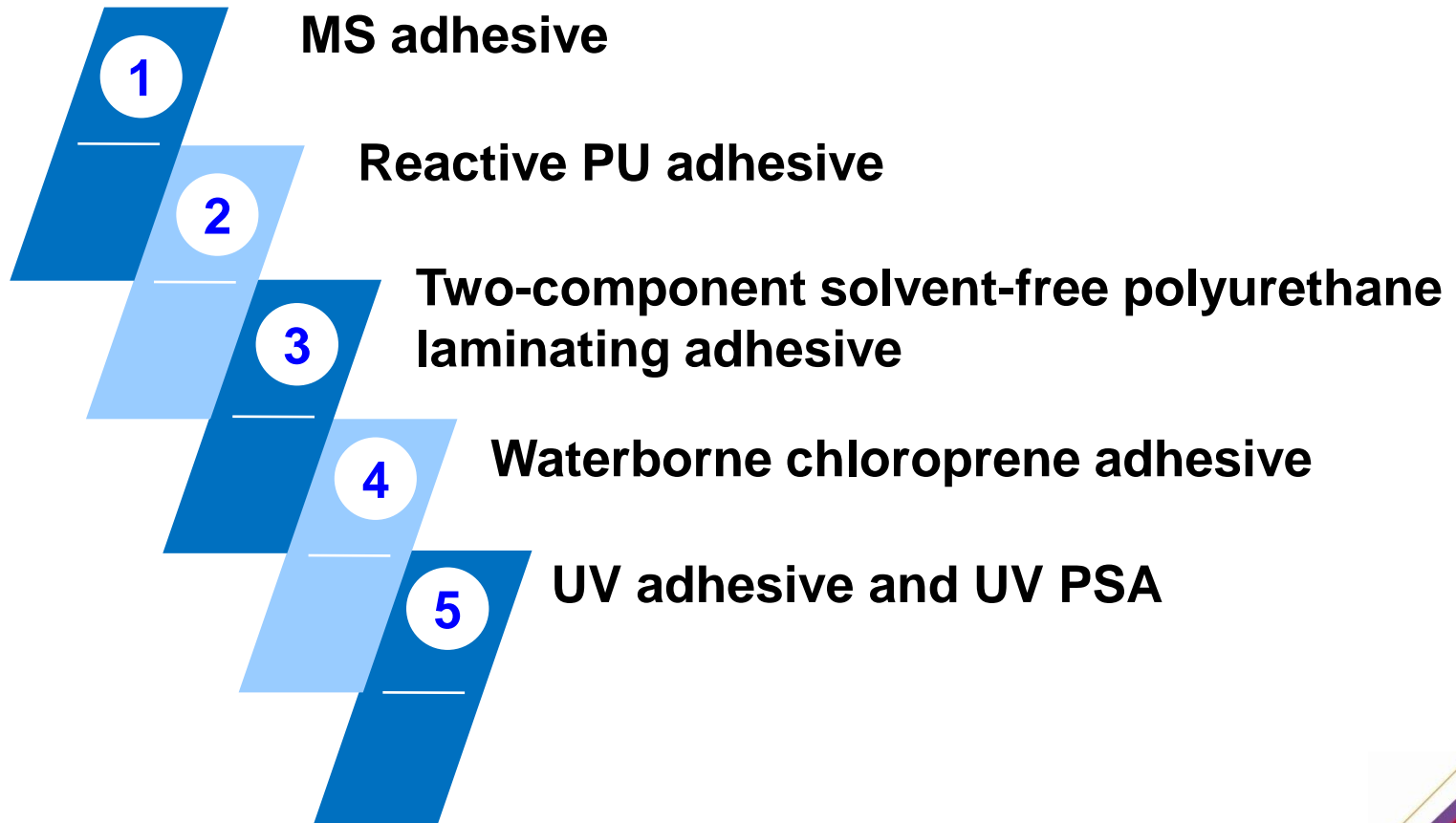
Professionalization

High end adhesive products such as conductive/thermally conductive and UV products focused on their own market and developed rapidly.

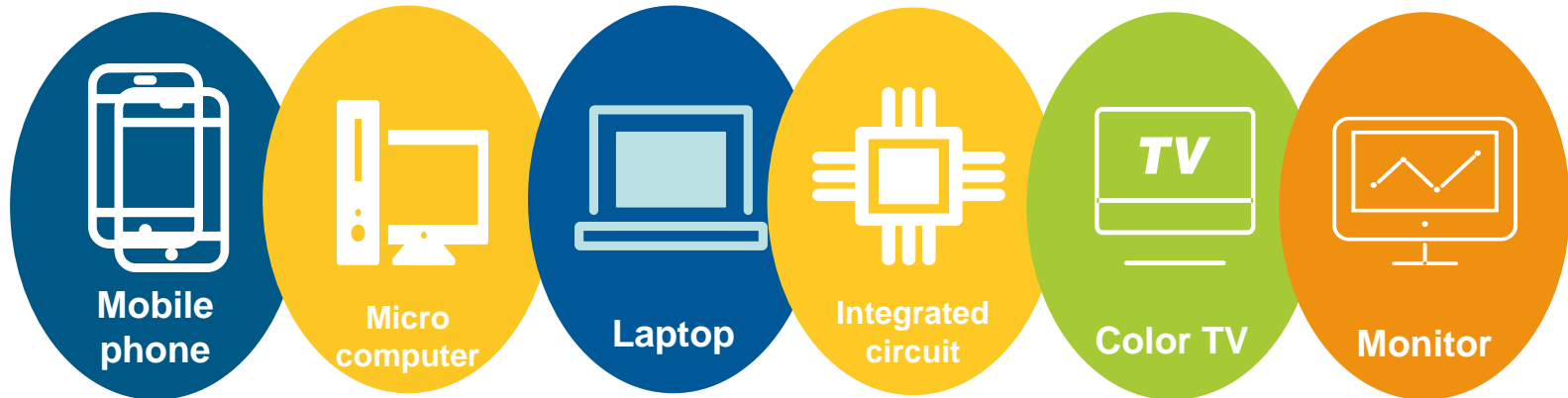
Standardization



Environmentally friendly, solvent-free and UV curing technologies have become the driving force of industry growth.



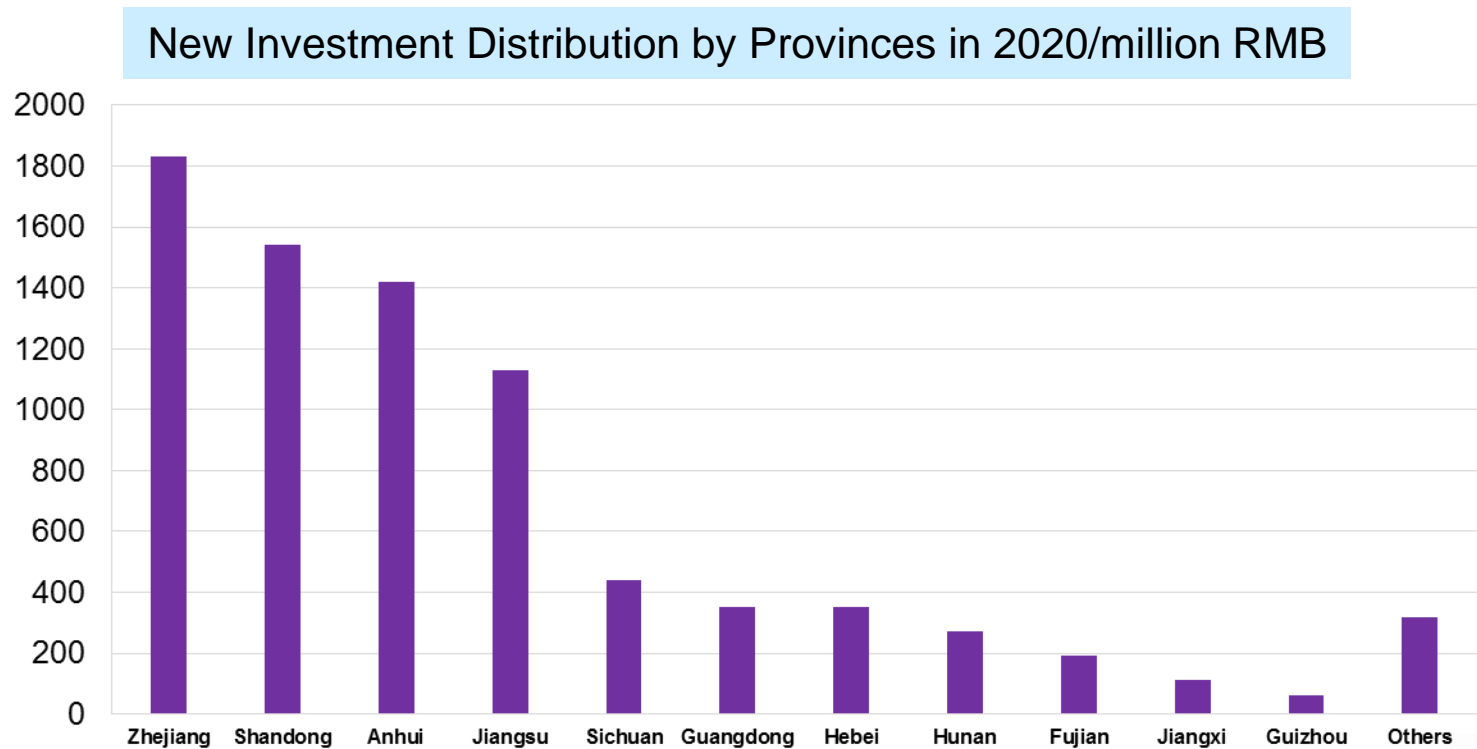
The market of assembly industry driven by consumer electronic equipment has increased significantly, and electronic adhesive has developed rapidly.



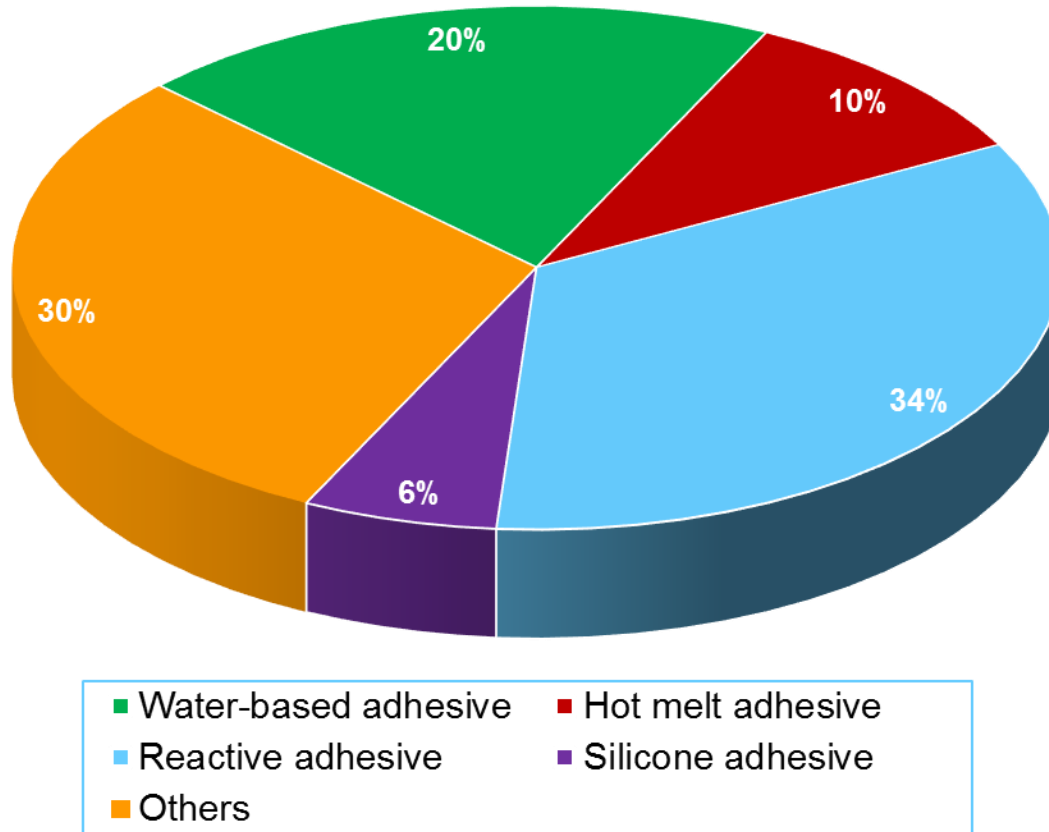
In 2020, the output of mobile phone was 1.47 billion, a decrease of 13.3%.	In 2020, the output of microcomputer was 378 million, an increase of 10.6%.	In 2020, the output of laptop was expected as 196 million, an increase of 5.8%.	In 2020, the output of integrated circuit was 261.47 billion, an increase of 29.6%.	In 2020, the output of color TV was 196 million, an increase of 3.3%.	In 2020, the output of monitor was expected as 180 million, an increase of 6.5%.
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Source: National Bureau of Statistics

In 2020, the new investment in adhesive industry was about 8.0 billion RMB, of which the investment in water-based adhesive accounted for 48%, the investment in silicone sealant accounted for 20% and the investment in hot melt adhesive accounted for 7%.



In 2020, there were about 1,800 authorized invention patents related to adhesive industry of Mainland China.



Major challenges facing industry development



3. Industry Development Prospect

1. The steady recovery of China's real estate and automobile industries, the rapid development of prefabricated buildings, the demand for "Internal Circulation" such as new energy (photovoltaic and wind power) and 5G consumer electronics will drive the rapid growth of domestic industrial adhesive products.
2. International Circulation, Belt & Road, and Carbon Neutrality will boost exports of consumer adhesive products. The adhesive industry of Mainland China is expected to grow faster in 2021.
3. Water-based, hot-melt, solvent-free, radiation curing, modified, biodegradable and other low VOCs content adhesive products will be favored by the market.



Thank you

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