

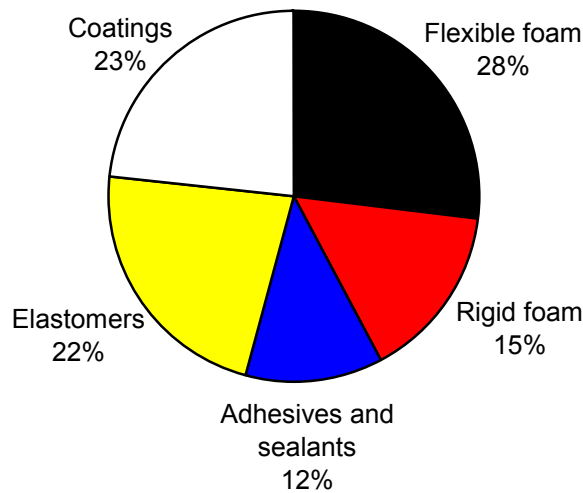
NEW FROM IAL CONSULTANTS

THE MARKET FOR POLYURETHANE CHEMICALS AND PRODUCTS IN EAST ASIA

IAL Consultants is pleased to announce the publication of *The Market for Polyurethane Chemicals and Products in East Asia*, the first volume in a three-volume series covering the Asian polyurethane industries and markets.

Production of polyurethane products in East Asia (viz. China and Hong Kong, South Korea, Japan and Taiwan) totalled almost 3.2 million tonnes in 2003 with flexible foams and coatings account for over half of all output, as seen below:

PU Product Output in East Asia, 2003 (%)



Source: IAL Consultants

China and Hong Kong account for 60% of the regional output and this is where the highest growth will be found over the next five years, averaging almost 8% pa. China dominates the region to such an extent that even slight increases or decreases in demand will affect the entire Asia-Pacific market.

Polyurethane flexible foam output in 2003 totalled an estimated 858,000 tonnes with flexible slabstock accounting for a majority share. Production and demand for flexible slabstock has broadly tracked GDP patterns in the region, which has translated into stagnation in Japan and South Korea, a 10% annual contraction in Taiwan as the domestic furniture industry has relocated to China and ASEAN countries but recovery in China after the SARS crisis.

Chinese demand for slabstock foam is influenced by development of the rural economies of north, east and south China. Flexible PU foam consumption in the country is less than 100g/head but will grow as demand for foam mattresses grows over the next 2-3 years. In addition, China accounts for almost one-third of the world's output of soft toys, which creates a huge demand for soft foam fillings and wadding materials.

Polyester foam production in China is less well-developed owing to the unavailability of processing equipment and technical knowledge. Demand here is therefore fulfilled by imports from Japan and South Korea, and is likely to develop in line with growth in the domestic footwear and clothing industries.

Polyurethane coatings output in the region totalled an estimated 743,000 tonnes in 2003 and is expected to grow by an average of 5.1% pa between 2003 and 2008. The major areas of use are waterproofing, flooring and automotive coatings, although the wood finishing sector dominates the scene, especially in China where output of PU wood finishes amounts to some 370,000 tonnes or very nearly half of the regional output alone. The main driving forces for all PU coatings in China are growth in new housing and construction, home renovation and decoration, refurbishment of old and construction of new infrastructure and the Beijing Olympic Games of 2008.

Preparations for the Beijing Olympics will see sports venue construction peak between 2004-2006 and therefore demand for coatings reaching a maximum between 2005-2007. As well as the huge level of Chinese polyurethane coatings output, China has also been an attractive market for Korean polyurethane coatings exports, accounting for 55% of all exports, since polyurethane and speciality coatings produced in Korea are cheaper than those originating from Japan and Europe.

The Market for Polyurethane Products and Chemicals in East Asia covers the polyurethane markets in **China and Hong Kong, South Korea, Japan and Taiwan**. It has the following contents:

1. Introduction
2. Market Summary and Forecast to 2008
3. Raw Materials
4. Market Review by PU Product
5. Major End-Use Markets for Polyurethane
6. Directory of Raw Material Suppliers
7. Sources of Information

The Market for Polyurethane Products and Chemicals in East Asia, which contains in its 164 pages some 116 tables, is available from IAL Consultants, price €3,000.

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