Methoxy polyethylene glycol, abbreviated as MPEG, is a water-soluble liner polymer obtained from addition reaction of epoxy ethane. It is widely used in such industries as construction, coating, printing ink, textile, electronics, rubber, food processing and package, pharmacy, household goods, agriculture and metal processing. Its specific performance is as follows; effective solvent carrier in processing of textile dyes, active solvent of solvent-based coating, household, industrial cleaning agent, painting and floor polishing agent, hard surface cleanser, adhesives and solvents of disinfectors, resin and water-based printing pigment ink binder and component of high boiling point hydraulic brake fluid.
In 2007, China’s chemical industry continued to maintain a relatively rapid growth in investment and output value. Epoxy ethane and its deep processing industry in China are in a stage of fast development. China’s specialty chemicals like MPEG and epoxy ethane derivatives have an extremely vast development space. Compared to the developed countries, China’s fine chemical industry of epoxy ethane derivatives has a long way to go. Therefore, China’s epoxy ethane industry should accelerate the development of extended downstream fine chemical products to promote the technical level and core competitiveness. Making full use of domestic resources and intensifying the development and application of downstream fine chemical products will not only satisfy the development need of related industries at home, but also speed up the adjustments to the consumption structure of epoxy ethane and the creation of fine chemical product clusters in epoxy ethane downstream processing sector, aiming at seeking higher economic returns, which will ensure the healthy and stable development of China’s epoxy ethane industry.

### Epoxy Ethane Capacity Expansion in China, 2007-2009

(Unit: 10,000 t/a)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Production Capacity</th>
<th>Timetable to put into Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liangyi Petrochemical</td>
<td>13</td>
<td>2007</td>
</tr>
<tr>
<td>Tianjin Petro-Chemi</td>
<td>30</td>
<td>2008</td>
</tr>
<tr>
<td>Zhenhua Petrochemical</td>
<td>52</td>
<td>2008-2009</td>
</tr>
<tr>
<td>Yangzi Petrochemical</td>
<td>37</td>
<td>Expansion project, 2007</td>
</tr>
<tr>
<td>Sichuan Petrochemical</td>
<td>80</td>
<td>2008-2009</td>
</tr>
<tr>
<td>Dalian Petrochemical</td>
<td>48</td>
<td>2008-2009</td>
</tr>
<tr>
<td>Jilin Economy Development Zone</td>
<td>12</td>
<td>2009</td>
</tr>
</tbody>
</table>
In 2007, China's MPEG downstream industry had a good development momentum. Water-reducing admixture is one of key products in the pillar industry of new building materials. Naphthalene series high range water-reducing admixture is the most frequently used in China, but it is the tendency that it is being replaced by polycarboxylate high performance water-reducing admixture, which is becoming more and more popular in the market at home. Due to their optimistic outlook for China's market, many foreign companies have entered Chinese market. Meanwhile, more and more Chinese local companies and research institutions are capable of developing polycarboxylate high performance water-reducing admixture. China's cosmetics and beauty industry has maintained a rapid growth in recent years. It is forecasted that China's cosmetic market will reach CNY80 billion in 2008.

China pharmacy industry entered a new development period in 2007. Although China was in a period of making adjustments to its pharmaceutical industry policies in the past two to three years, its overall market demand still continued rising, up 17% averagely year on year, much higher than the global average of 7% to 8%, showing a broad space for development.

Nowadays, China is making great efforts to save energy and cut emissions. Chemical industry, as a high consumption and high pollution industry, is regarded as the key industry, so chemical industry shoulders heavy responsibility for environment protection. Energy saving and emission reduction will have a big impact on high consumption and high pollution industry, meaning that companies with obsolete production facilities and small production scale will be eliminated.
Cosmetics Healthy Standard (2007), which is to be put in force from July 1, 2008, will also raise the standards to usage of chemical substance. Such changes in chemical downstream will have great impact on upstream fine chemical industry pattern, including MPEG.

The report is based on the authoritative statistics from the National Bureau of Statistics, the Ministry of Commerce, the National Development and Reform Commission, the Development Research Center of The State Council, the General Administration of Customs, the State Information Center, the China Petroleum and Chemical Industry Association, the China Daily-Used Chemical Industry Association and the China Pharmaceutical Industry Association.

The report makes an in-depth study on the general situation of China MPEG industry and makes a profound analysis on the development of MPEG upstream products and downstream application, the development trend of China MPEG industry and the development trend and strategy of key companies in the industry.
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# How to Buy

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<td>By email: <a href="mailto:report@researchinchina.com">report@researchinchina.com</a></td>
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<td>By fax: 86-10-82600829</td>
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<td>Publication date: Jul. 2008</td>
<td>By online: <a href="http://www.researchinchina.com">www.researchinchina.com</a></td>
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