

China Apple Juice Concentrate Industry Report, 2008

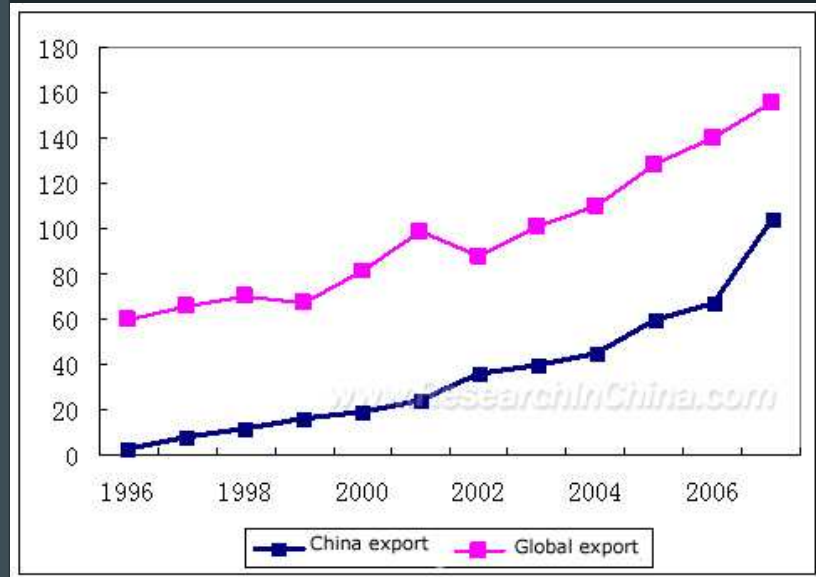


In recent years, fruit juice consumption has increased by 10% annually in the developed countries, leading to a continuous rise in demand for apple juice concentrate in international market. At the same time, with the sustained improvement of Chinese people's living standard, domestic demand for apple juice has become larger and larger.

In the extracting season 2006-2007, China's export of apple juice concentrate was four times the figure in 2001-2002, reaching 1.04 million tons, amounting to 67% of trade volume in international market.

China Export of Apple Juice Concentrate, 1996-2007

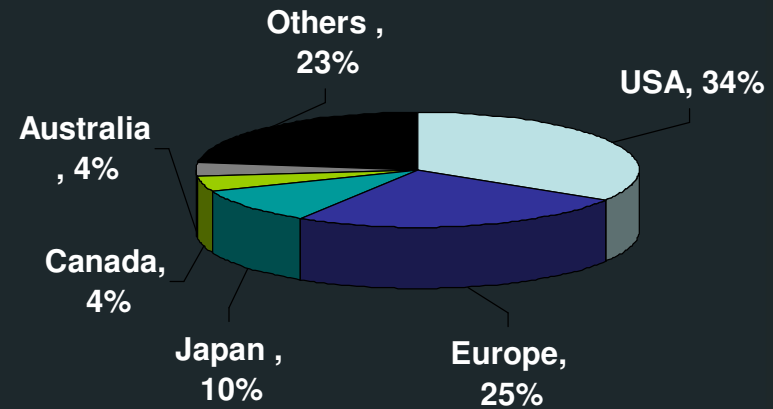
(unit: 10,000 tons)



Source: ResearchInChina

China's export of apple juice concentrate grows rapidly and its growth rate is higher than that of global trade volume and consumption of apple juice concentrate. China has achieved a rapid growth in its production of apple juice concentrate by occupying emerging market and grabbing export market shares of other countries. China's exports mainly go to the United States of America, the Europe and Japan, which took up respectively 34%, 25% and 10% of China's total exports In the extracting season 2006-2007.

Export Destination Countries of China Apple Juice Concentrate in Extracting Season 2005-2006



Source: Bank of China International

Based on the statistics issued by the National Bureau of Statistics, the listed companies and the Bank of China International, this report studies the changes of supply and demand and development prospect of China's apple juice concentrate industry in 2007-2008 and then analyses operation status and development trend of key companies in this industry.

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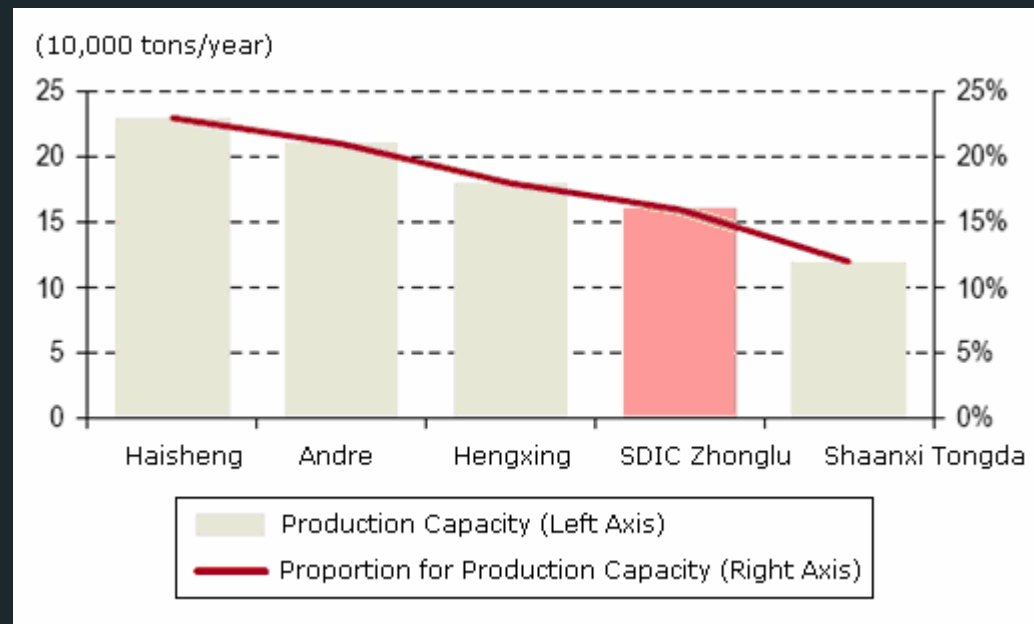
Development Trend of China Apple Juice Concentrate Industry, 2008

1.3.1 Continuous Integration

In 2006, the production capacity of China apple juice concentrate industry totaled above one million tons, and the number of production enterprises registered 60 to 70 or so, five of which has a total production capacity share of about 86 percent. Obviously, the industry is characterized by high concentration. As main enterprises have completed their expansion production plans, the industry concentration will witness a higher degree in 2007-2008. The improving concentration of the industry is favorable for strengthening the competitiveness of enterprises and for the bargaining ability of enterprises in export market.

At present, apple juice concentrate enterprises have basically accomplished their layout of production capacity around apple bases. The fierce competition is a driver for the high purchasing price of apple, thus there is a limited number of newcomers in this industry. In addition, the majority of apple juice concentrate has been distributed abroad. For overseas customers, the elements such as credit, quality and scale are the main considerations. Well known enterprises have strength in order acquirement, and there is a tendency of more overseas orders towards scaled advantageous enterprises.

Production Capacity Distribution of China Apple Juice Concentrate Industry, 2006



Source: BOCI

Development of High Acid Apple Juice Concentrate

In the market of medium and low acid apple juice concentrate, China boasts of the overwhelming shares. Now, Chinese apple juice concentrate enterprises have already been in the production of high acid apple juice concentrate whose price is above 30% higher than low acid product. Most of China-made medium and low acid apple juice concentrate are produced with non-standard apple (malformed fruit). Whereas, apple juice concentrate in Europe is as usual produced with high-quality apple. To improve acidity, Chinese apple juice concentrate producers may as well construct more production bases in North China regions where high acid apple grows easily or plantations where high acid apple can be produced. It is expected that China-made high acid apple juice concentrate will be rolled into the market in 2009.

How to Buy

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	699	PDF	By fax: 86-10-82600829
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