

# **Current Market Situation and Development of Chinese High Efficiency Motors**

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**June 2007**

# Contents

## Overview of China's Motor Industry

The Energy-saving Potential of Small & Medium Size Motors

The Current Status of the High-efficiency Motor Market

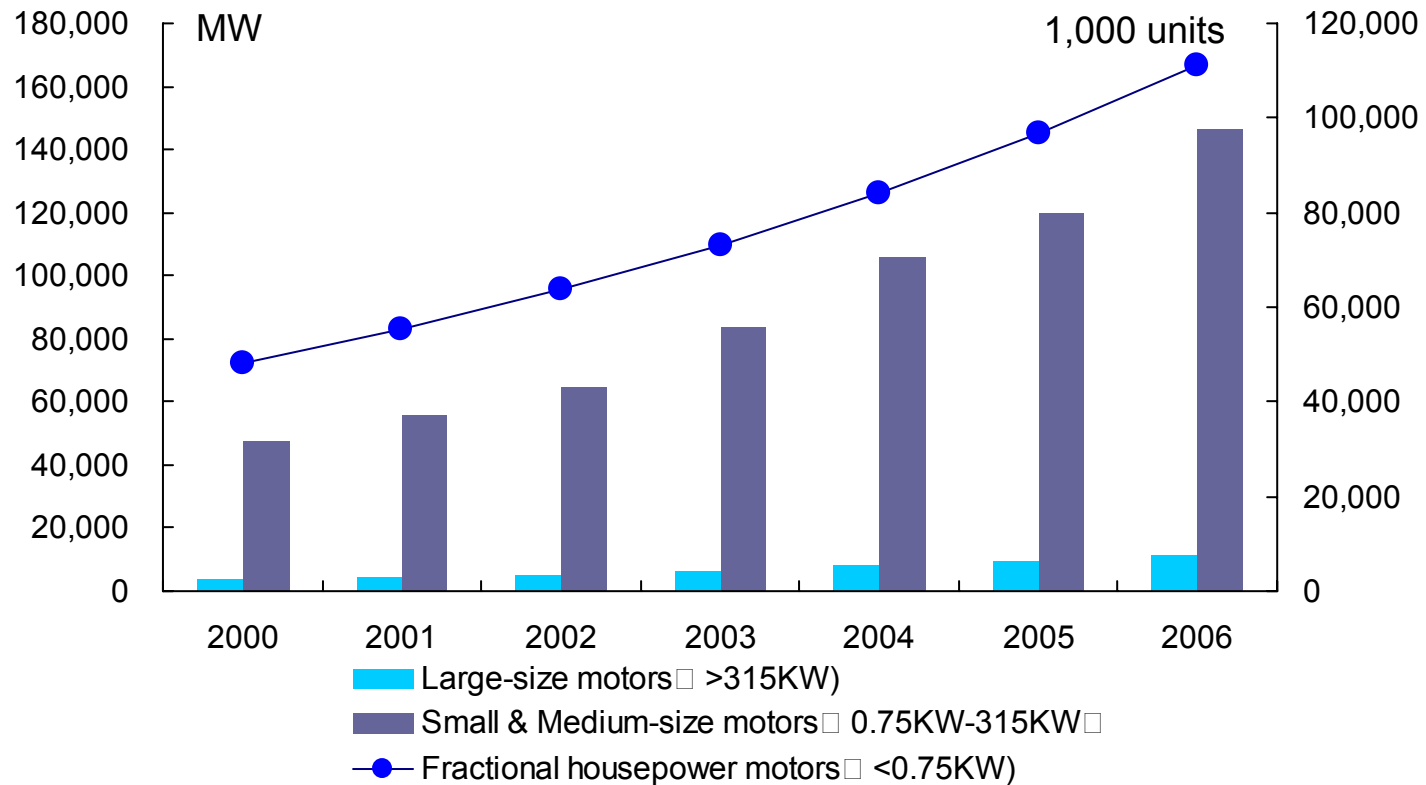
Prospective of the High-efficiency Motor Market

Conclusions

# Research Scope

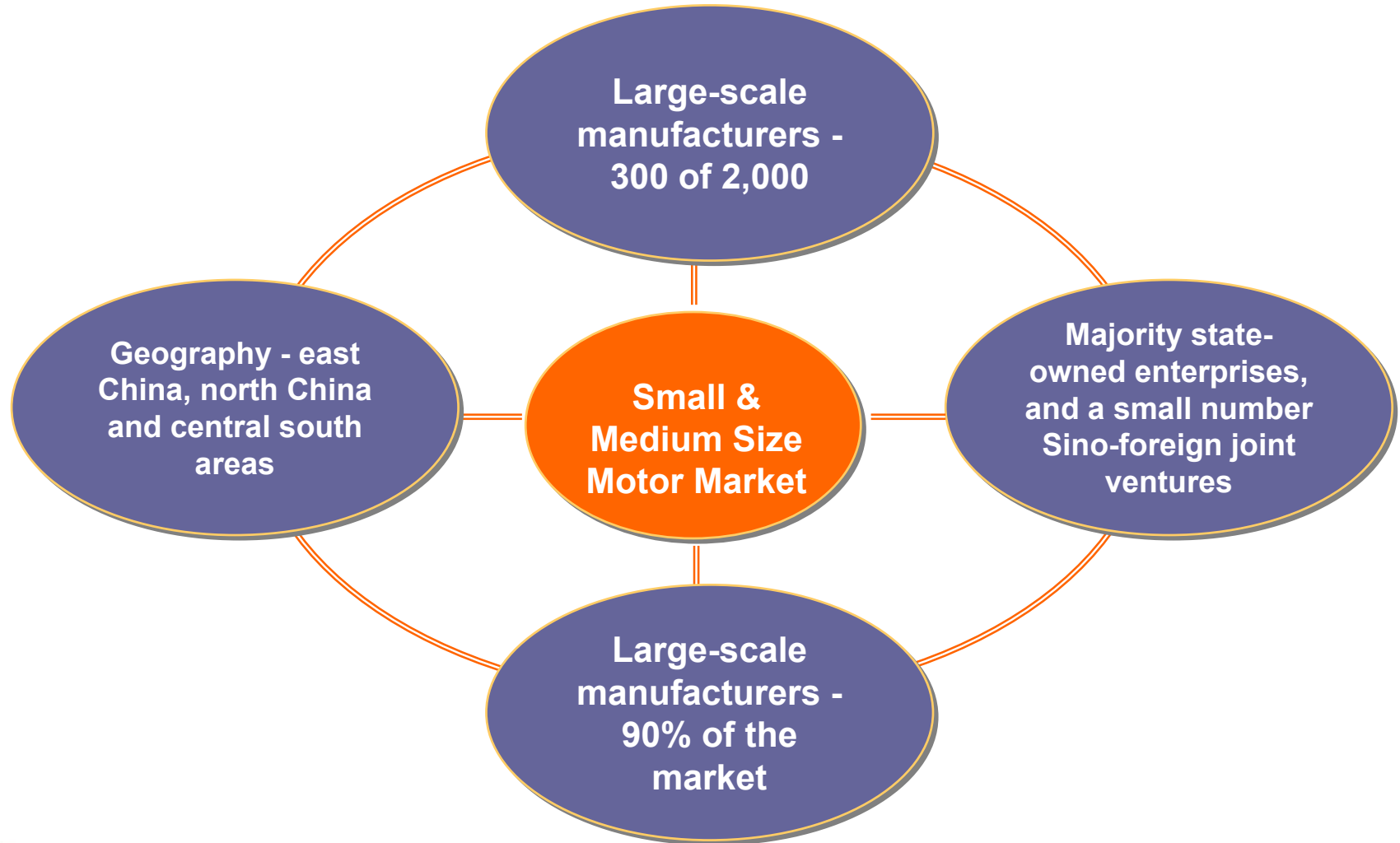
Sample Type	Sample Size
Experts	6
Motor Manufacturers	61
OEMs	30
End Users	304
Total	401

# 2000-2006 Output of Motors in China

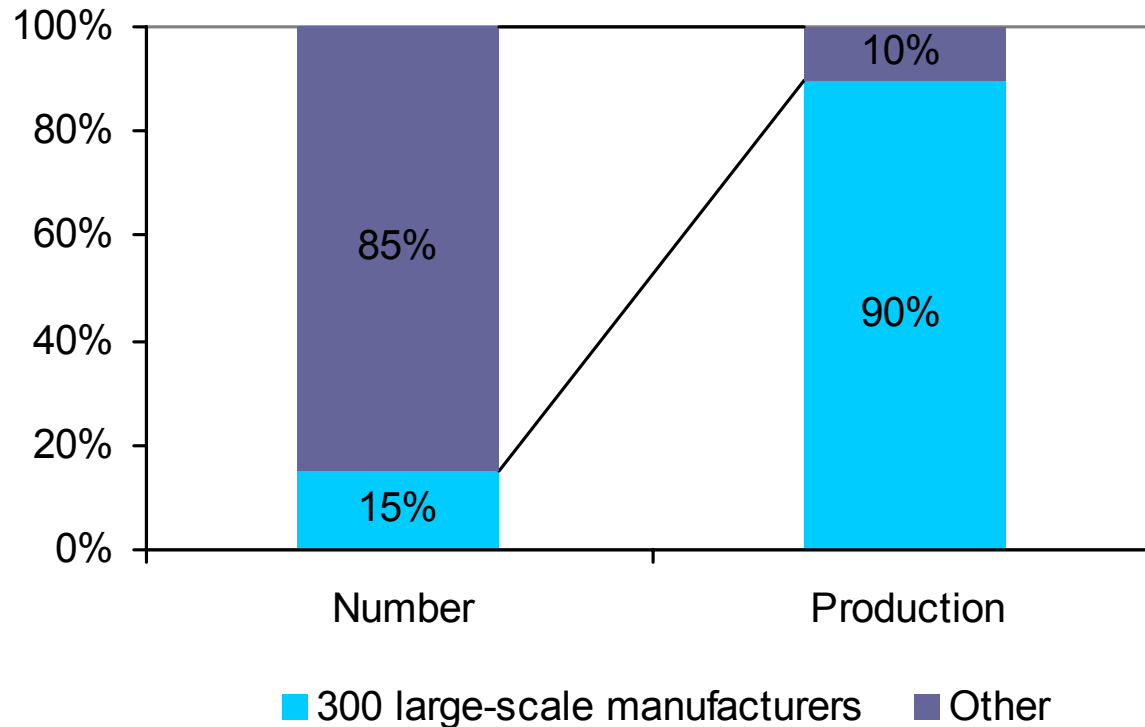


**Small & Medium Size motors account for over 90%.**

# Characteristics of the Small & Medium Size Motor Market



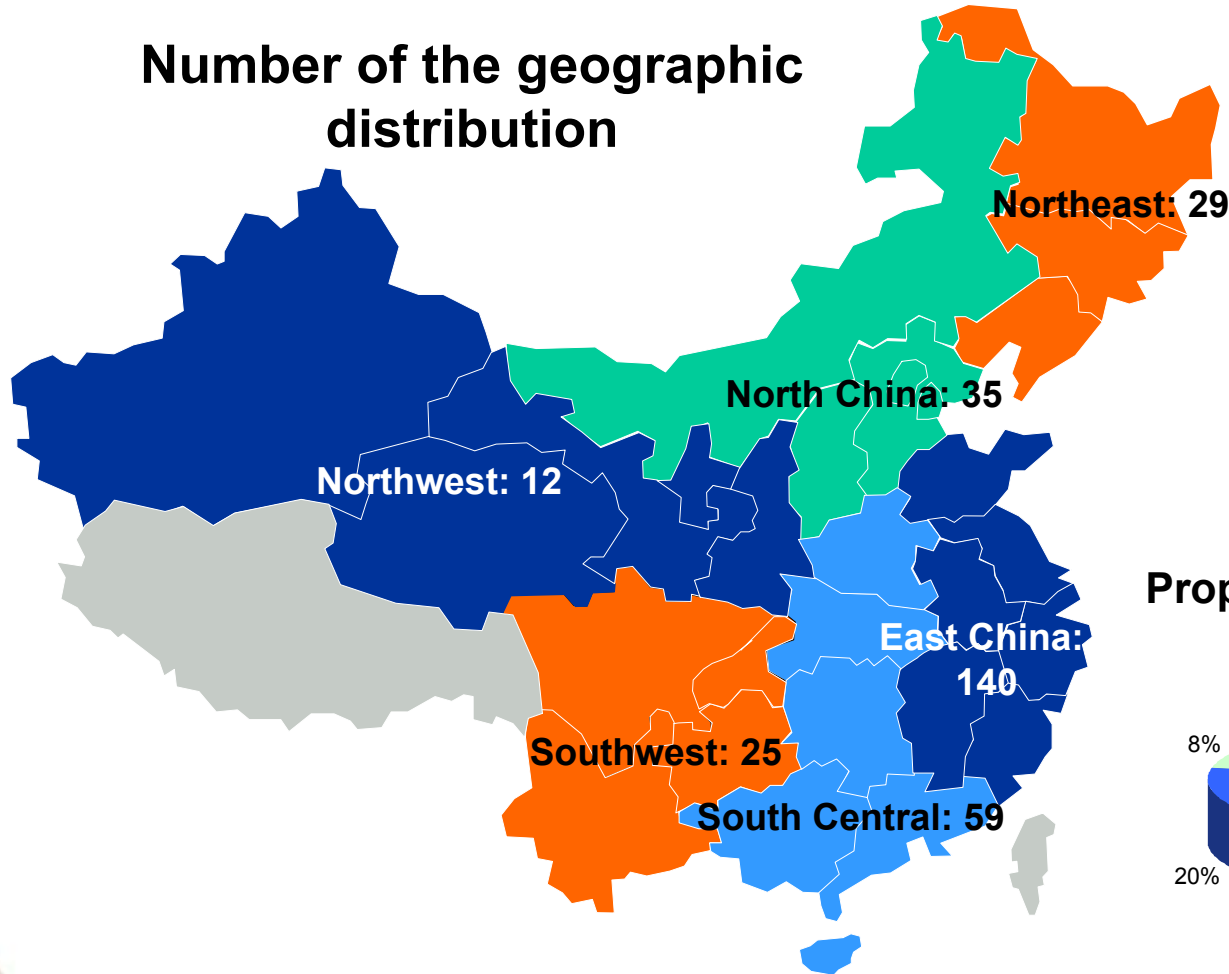
# The Number and Output of Small & Medium Size Motor Manufacturers



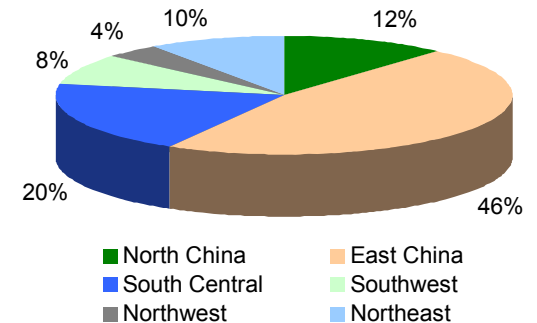
**The output of 300 large-scale manufacturers accounts for 90% of the total output.**

# Geographic Distribution of Large-scale Small & Medium Size Motor Manufacturers

Number of the geographic distribution



Proportion of the geographic distribution



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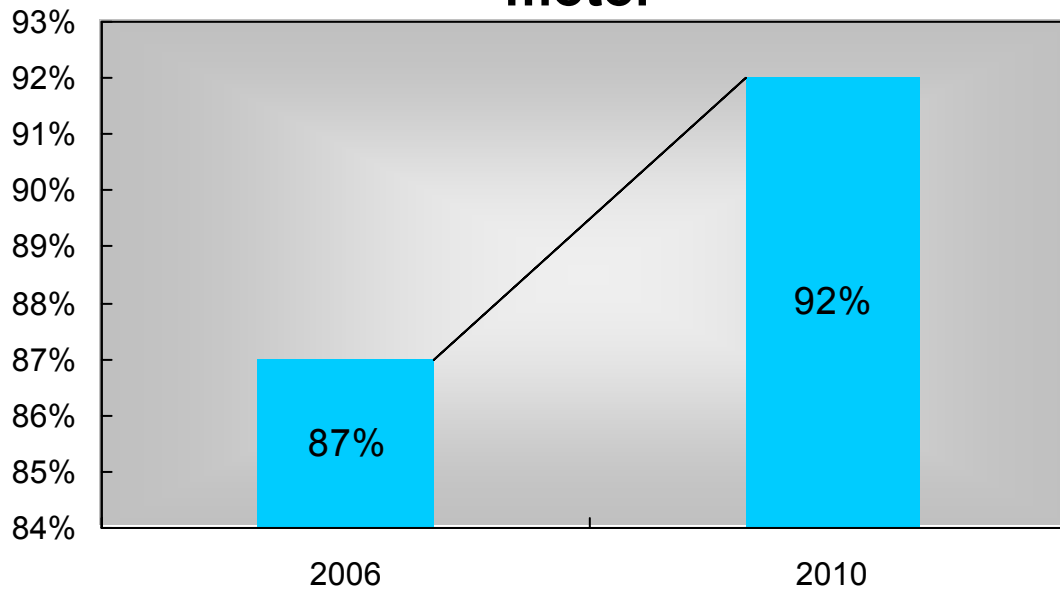
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# Analysis of the Energy Saving Level of Small & Medium Size Motors

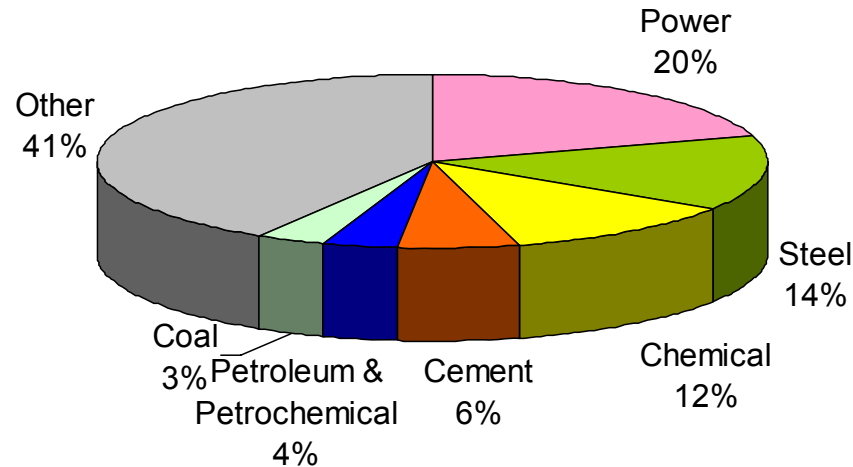
The efficiency level of small & medium size motor



The efficiency level of small & medium size motors will have reached 90-92% by 2010

# Analysis of Energy Saving of Small & Medium Size Motors-By Industry I

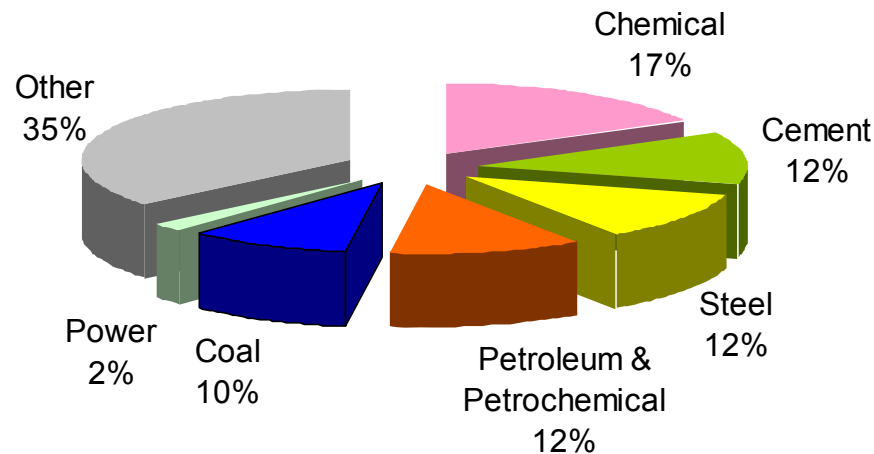
The power consumption of major industrial industries as a percentage of the total industrial power consumption



The power, steel and chemical industries are key power consumption industries in China. Energy consumption could be in direct ratio to energy-saving potential.

# Analysis of Energy Saving of Small & Medium Size Motors-By Industry II

Proportion of the small & medium size motors adopted in major industrial industries



The small & medium size motors are also most frequently adopted in the chemical, steel and chemical industries; therefore, the high-efficiency motors will have a greater potential in these industries.

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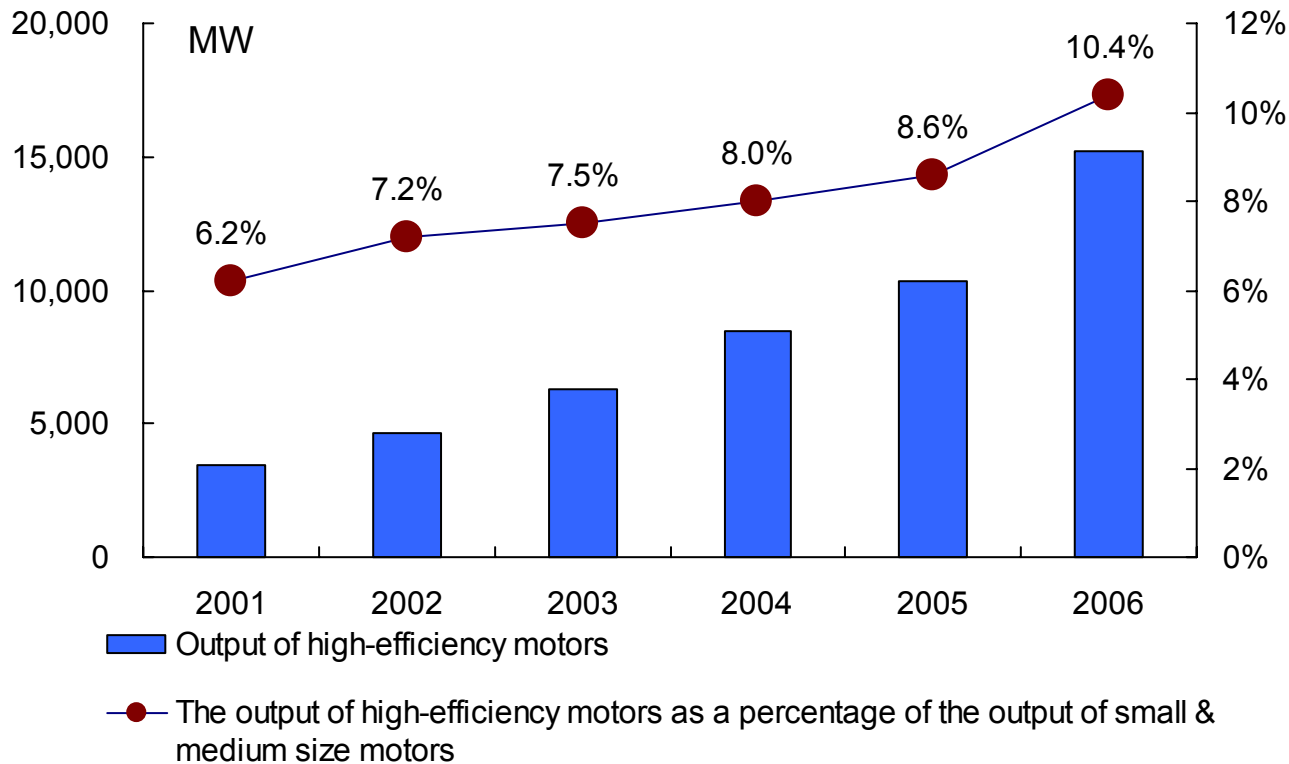
The Energy-saving Potential of Small & Medium Size Motors

**The Current Status of the High-efficiency Motor Market**

Prospective of the High-efficiency Motor Market

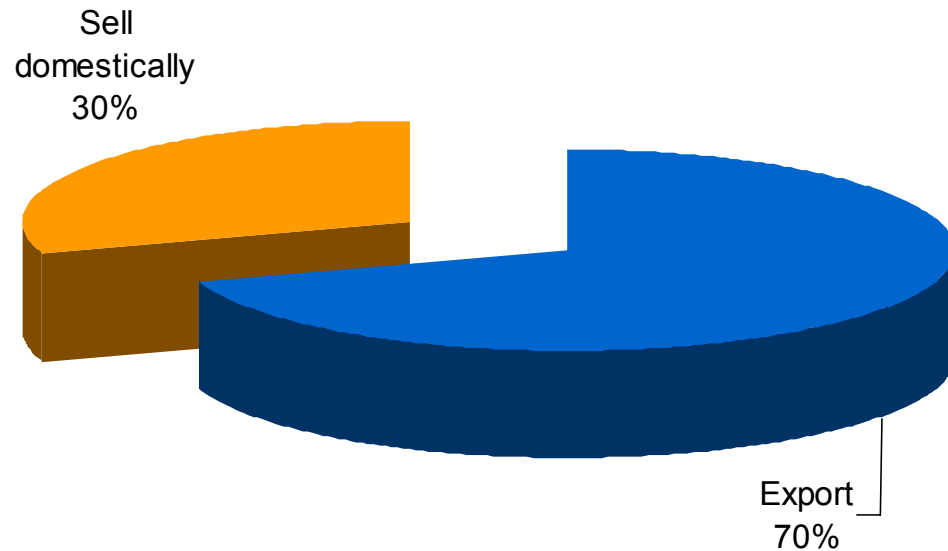
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# The Output Status of High-efficiency Motors



**Currently, the production of high-efficiency motors account for about 10% of the production of and small & medium size motors.**

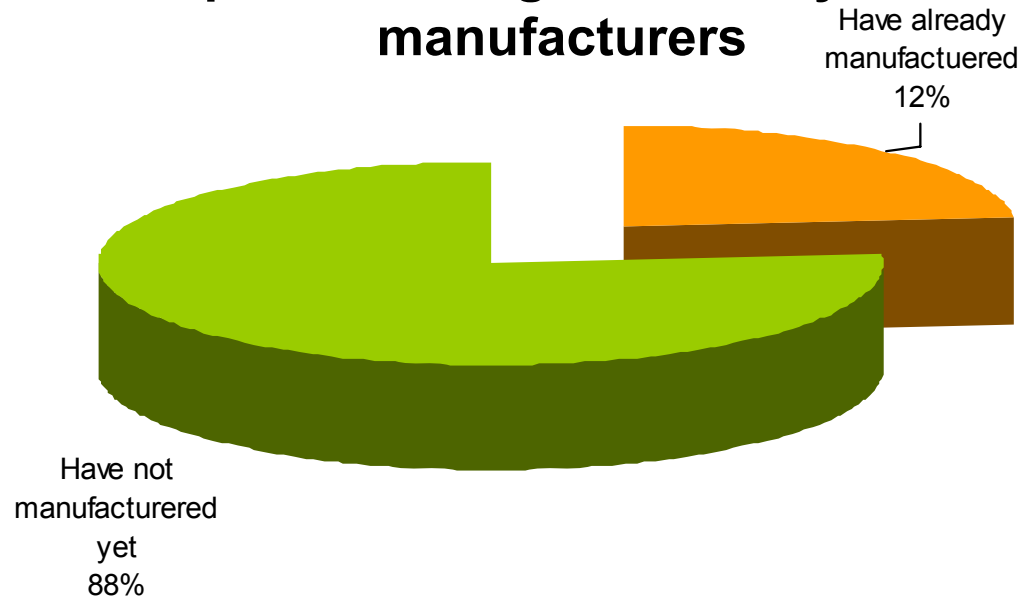
# The Sales Information of High-efficiency Motors



**The domestic high-efficiency motors are export-oriented.**

# Analysis of the Existing Manufacturers of High-efficiency Motors

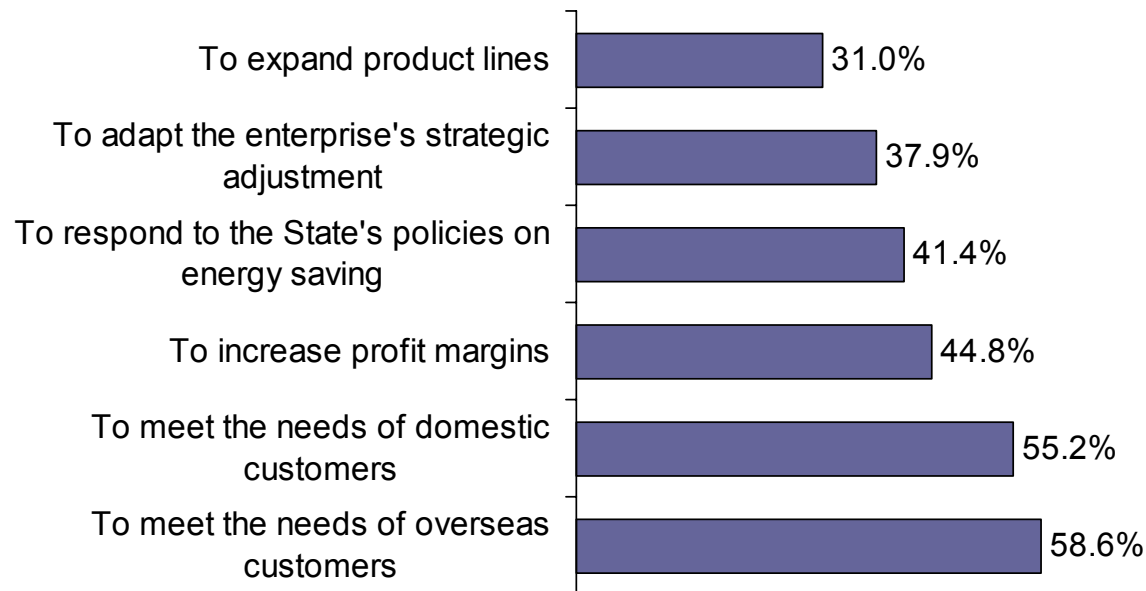
## Proportion of high-efficiency motor manufacturers



**There are only a small number of high-efficiency motor manufacturers among large-scale enterprises.**

# Analysis of the Existing Manufacturers of High-efficiency Motors

## Driven forces for the production of high-efficiency motors

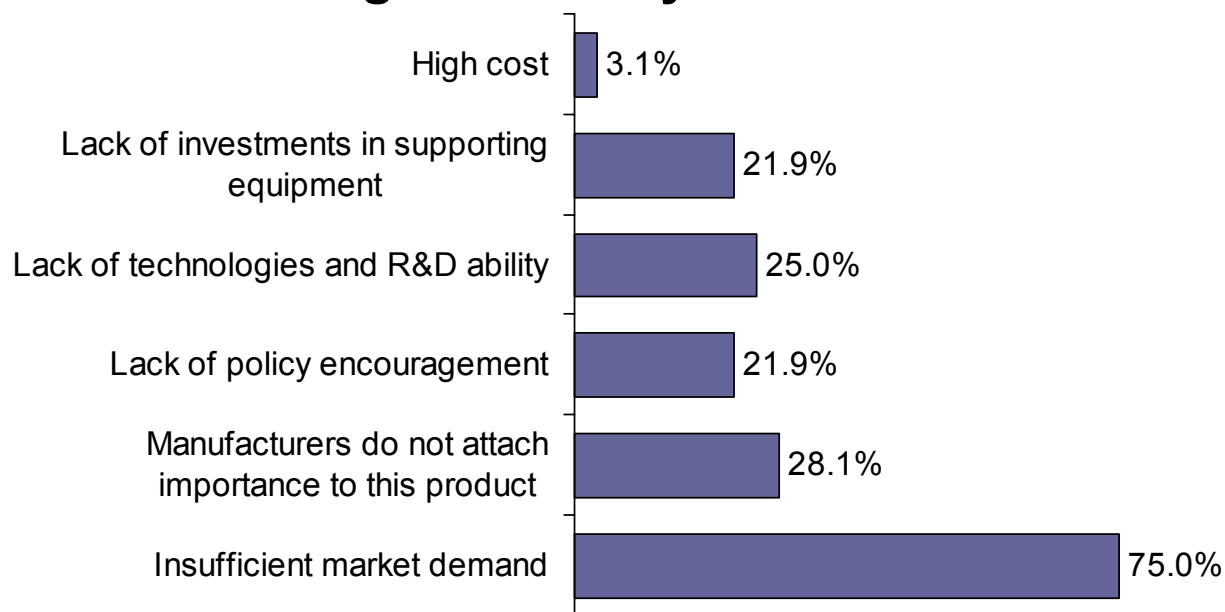


**To meet customer needs is the key driven force for manufacturers to produce high-efficiency motors.**



# Analysis of the Potential Manufacturers of High-efficiency Motors

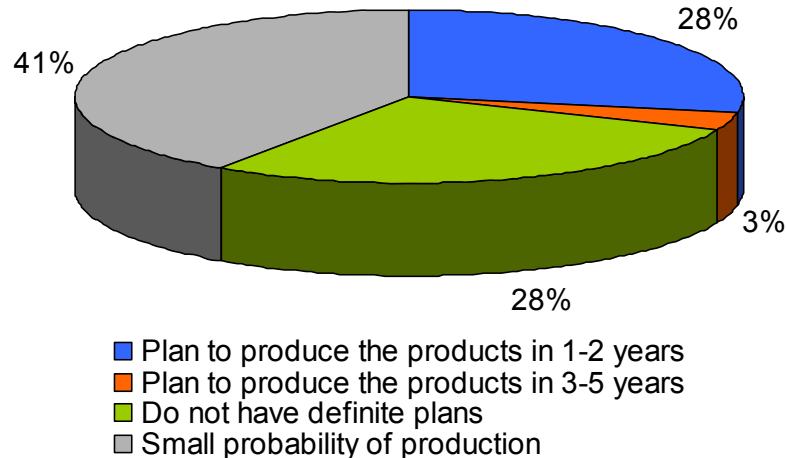
## The reasons for manufacturers not to produce high-efficiency motors



**The insufficient market demand is the key reason why manufacturers do not produce high-efficiency motors.**

# Analysis of the Potential Manufacturers of High-efficiency Motors

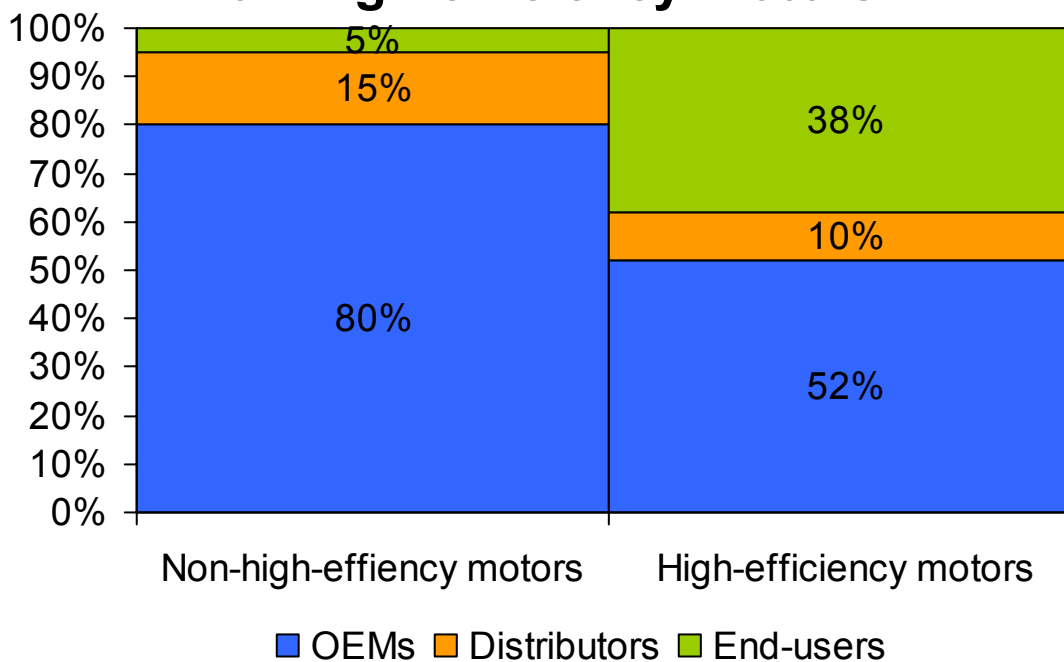
## Manufacturers' willingness to produce high-efficiency motors



**1/3 of manufacturers are optimistic about the prospective of the high-efficiency motor market.**

# Analysis of the Customer Structure of High-efficiency Motors

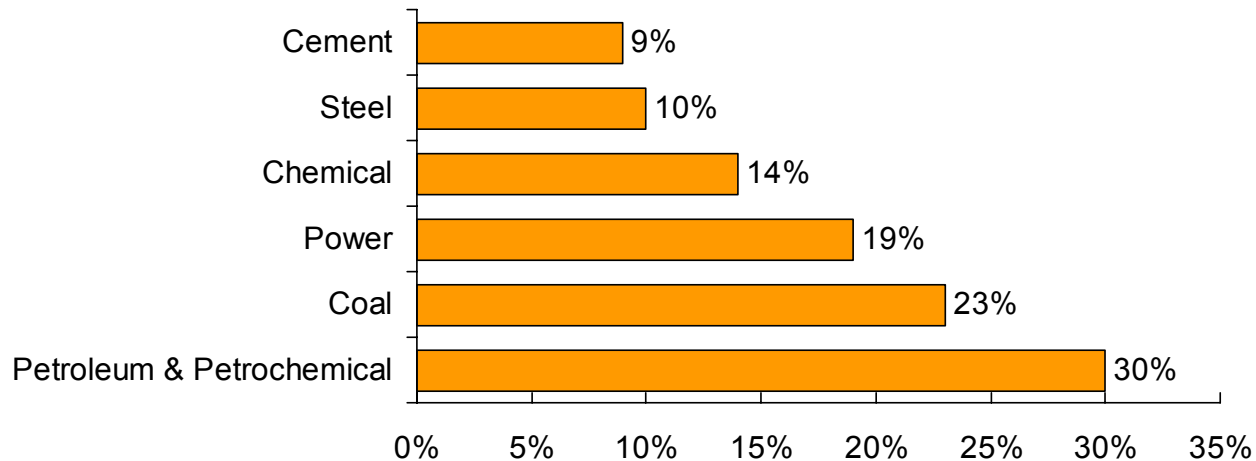
Comparison between the customer structure of high-efficiency motors and non-high-efficiency motors



**End-users are paying great attention to high efficiency motors.**

# Analysis of the Application Industries of High-efficiency Motors

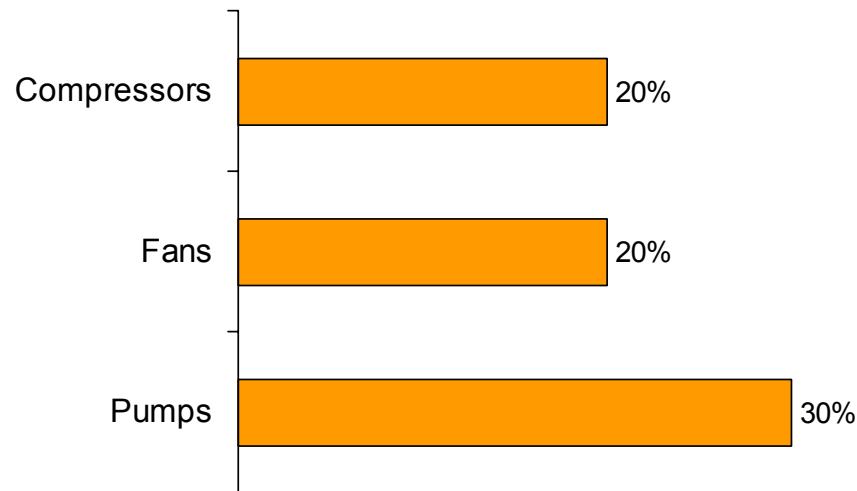
**Mentioned ratio of high-efficiency motors application in major industries**



End-user industry	Sample size	Application	No application
Petroleum & Petrochemical	63	19	44
Coal	48	11	37
Power	32	6	26
Chemical	59	8	51
Steel	48	5	43
Cement	54	5	49

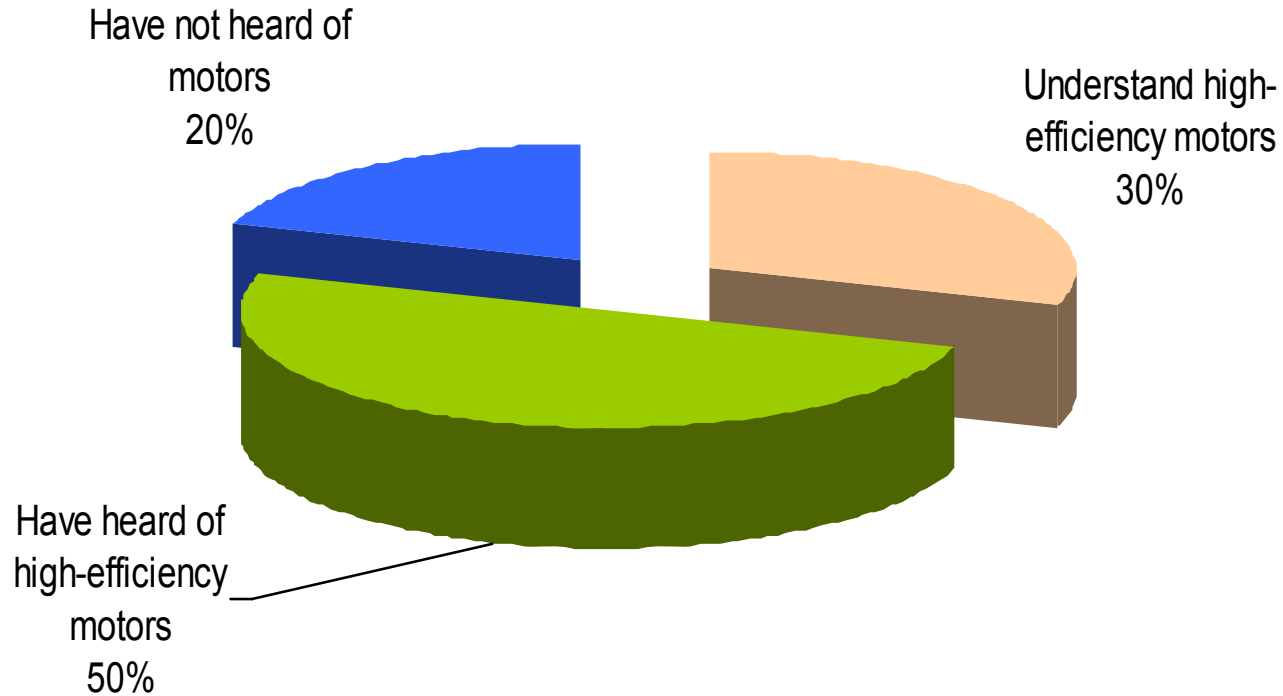
# Analysis of the Application Fields of High-efficiency Motors

## Mentioned ratio of high-efficiency motors application in major OEM industries



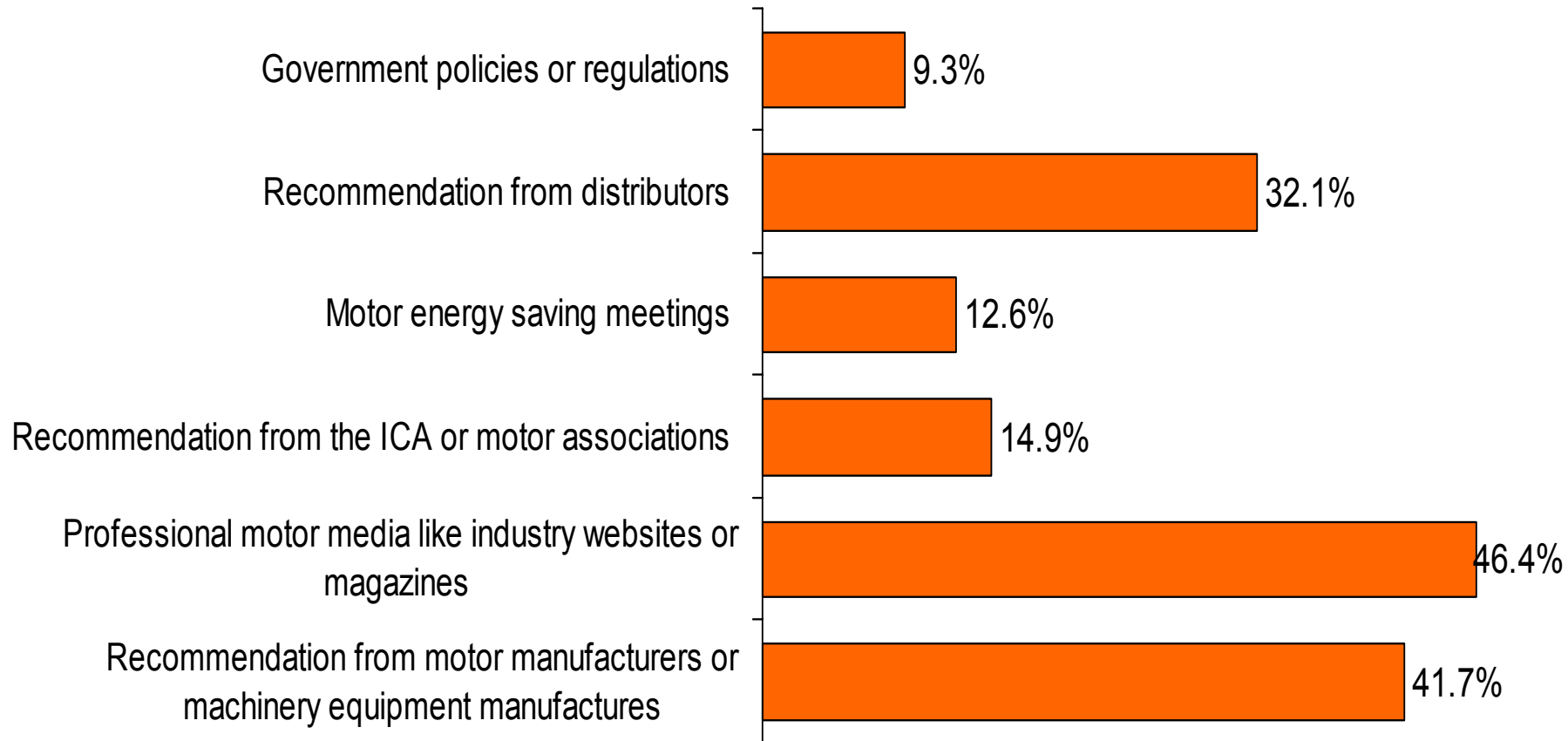
OEMs	Sample size	Application	No application
Pump manufacturers	10	3	7
Fan manufacturers	10	2	8
Compressor manufacturers	10	2	8

# Analysis of End Users' Awareness on High-efficiency Motors

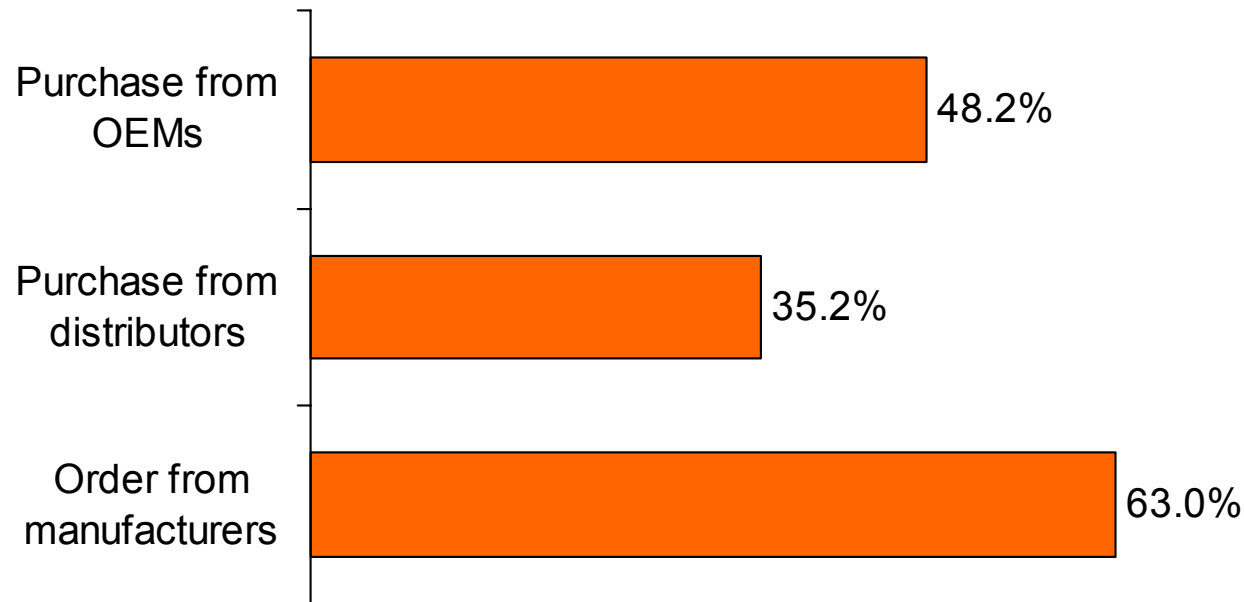


**End users' awareness should be further enhanced.**

# Analysis of End Users' Information Channels for High-efficiency Motors



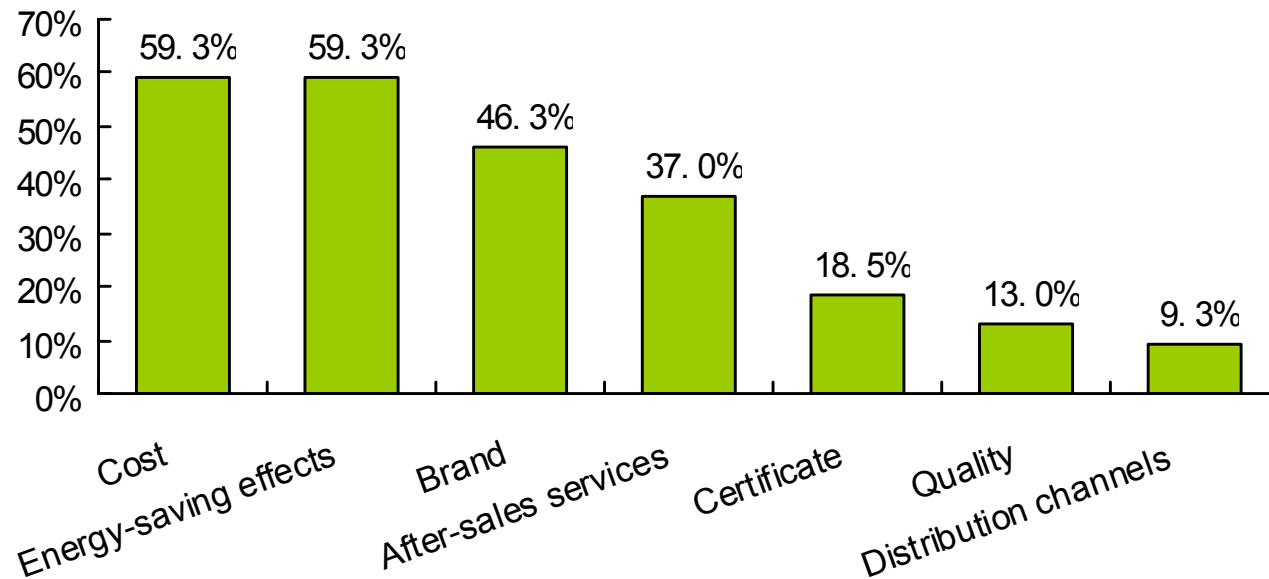
# Analysis of End Users' Purchasing Channels for High-efficiency Motors



**Manufacturers' promotions stimulate customer demand.**

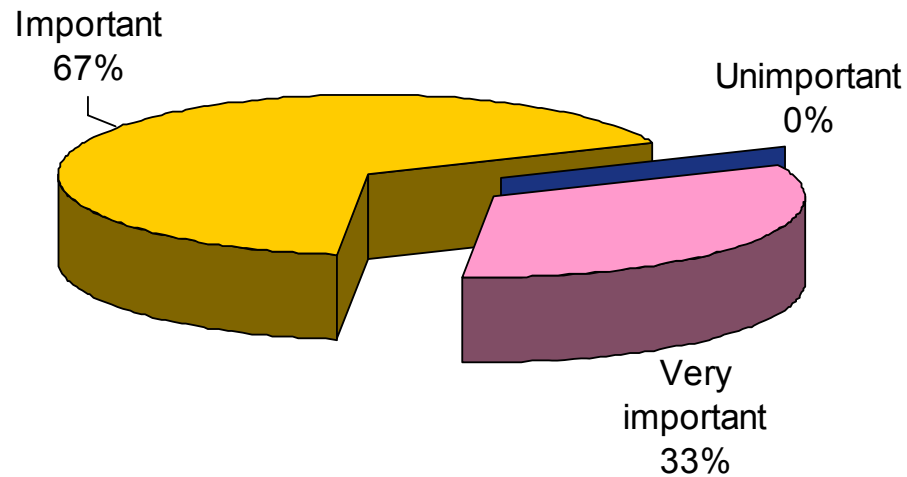


# Analysis of End Users' Purchasing Considering Factors for High- efficiency Motors



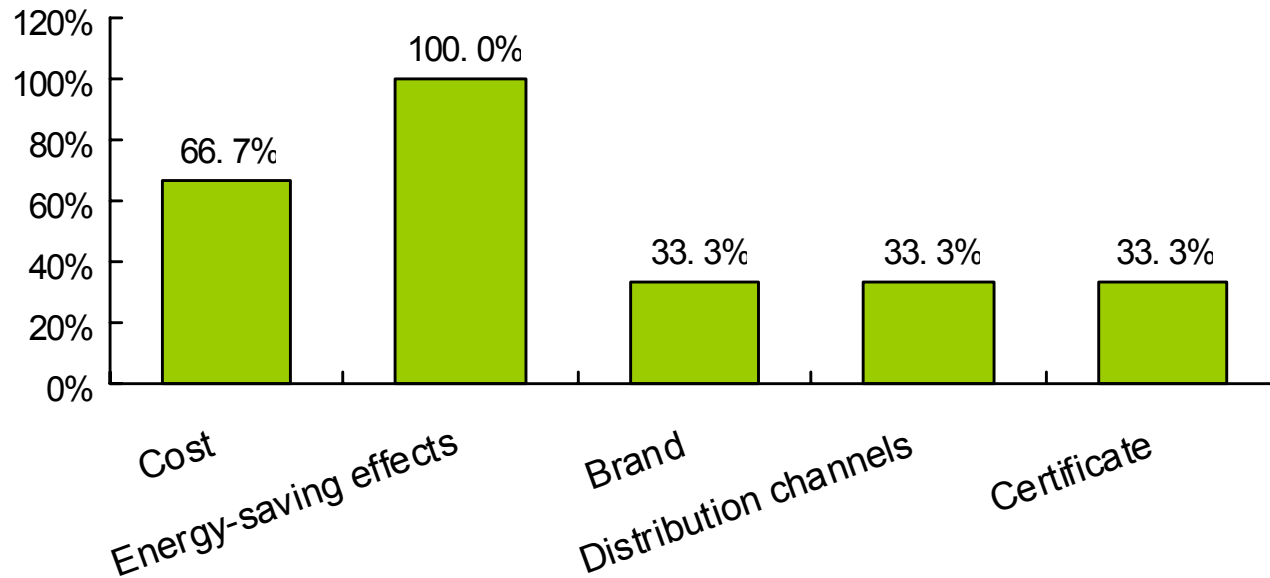
**Customers attach the greatest importance to the cost and energy-saving effects.**

# The Importance of Motors Perceived by OEMs



**OEMs attach great importance to motors.**

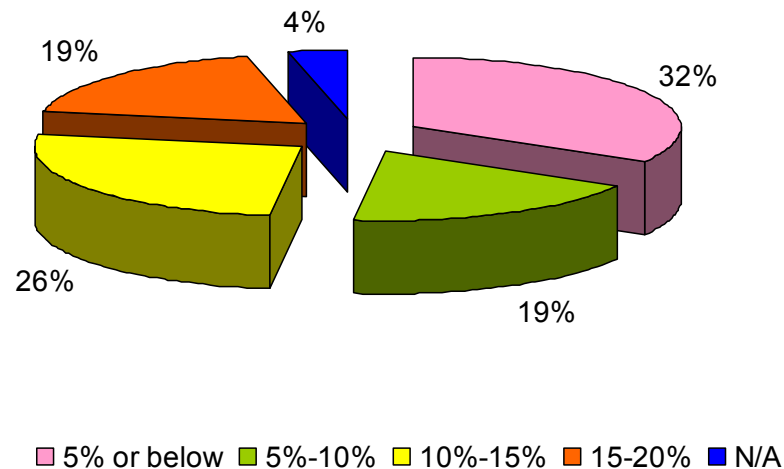
# Analysis of OEM's Purchasing Considering Factors for High- efficiency Motors



**OEMs pay a great deal of attention to the energy-saving effects, which is a key factor for the promotion of high-efficiency motors.**

# The Influence of Cost on OEMs' Purchasing Decisions

At what price gap will OEMs purchase high-efficiency motors



**Over 50% of OEMs will purchase high-efficiency motors only when the price gap is less than 10%.**

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# Market Environment Analysis

-  China began to carry out ten major energy conservation projects in 2006.
-  The Government issued “Limited Values of Energy Efficiency and Energy Efficiency Grade of Small & Medium Three Phase Asynchronous Motors” (GB18613-2006) in the end of 2006.
-  During the “11<sup>th</sup> Five Year Plan” period, the Government established a fixed target on energy conservation for some key energy consumption industries.
-  Implementation of “Regulation on Energy-Efficiency Labeling Administration”

# Conclusion

- **There is a great energy-saving potential for electrical motors in China.**
- **End-users are key decision makers for high efficiency motors.**
- **The high-efficiency motor market enjoys a prospective future, but still to be developed.**

# Thank You

## Q & A