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# Household Appliances in China

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Industry Study with Forecasts to **2010 & 2015**

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*Demand for appliances in China will be driven by relatively low penetration rates, healthy gains in household formations and personal incomes, and the large stock of appliances already needing replacement.*

## Chinese demand to grow 4.5% yearly through 2010

Demand for major household appliances in China is projected to increase 4.5 percent per annum through 2010 to 138 million units, outpacing growth in most other parts of the world. Low penetration rates for most major appliances -- especially in comparison to the penetration rates in developed countries -- will be the key reason for growth in demand. Advances will also be boosted by healthy household formation rates and the large stock of appliances put into use over the last ten years, as many of these will require replacement. Rising personal income levels and growing urbanization will provide further support. Value growth will significantly outpace volume growth due to price increases.

## Cooking appliances to remain dominant type

Cooking appliances will remain the largest segment and post the fastest growth through 2010. Advances will be fostered by favorable replacement market dynamics and further growth in the number of households. Demand for dish sterilizers and dishwashers will also climb at an above-average rate, benefitting from the growing popularity of these appliances in Chinese households, due in part to health-related concerns. Refrigeration equipment and laundry equipment will experience below-average but healthy gains as rising average incomes create prospects for further market penetration.

## Household Appliances Demand in China, 2005 (111 million units)



Cooking Appliances  
59%

Refrigerators & Freezers  
19%

Clothes Washers & Dryers  
18%

Dish Sterilizers & Dishwashers 4%

## Rural household appliance demand to outpace urban

In 2005, more than four-fifths of appliances sold in China were installed in urban households, reflecting the much higher income levels and greater availability of such utilities as electricity, running water and natural gas in comparison to rural areas. However, through 2010 rural demand for household appliances will post faster gains, supported by significantly lower penetration rates in comparison to urban households, and rising income levels that will enable a growing number of rural households to acquire such appliances as gas cooktops and refrigerators for the first time. Expansion of utilities such as running

water and electricity into rural areas will also contribute to sales.

## Central-East, -South to stay top regional markets

The size, growth and composition of household appliances demand vary considerably in China on a regional basis. The Central-East and Central-South regions will remain the largest markets for household appliances as these regions comprise nearly 60 percent of all households. In addition to the Central-East region, the Northeast and Central-North regions have relatively intense appliance demand. These regions boast both high levels of per capita GDP and small average household sizes.

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## Sample Profile, Table & Chart

**TABLE IV-1**  
**HOUSEHOLD APPLIANCES DEMAND IN CHINA BY MARKET**  
 (million units)

Item	1995	2000	2005	2010	2015
Households (million)	31	35	39	42	45
Urban	11	13	15	17	19
Rural	20	22	24	25	26
units/000 households	10	11	12	13	14
units/000 urban households	10	11	12	13	14
units/000 rural households	10	11	12	13	14
Household Appliances Demand	4	5	6	7	8
Urban	2	3	4	5	6
Rural	2	2	2	2	2

### COMPANY PROFILES

**Jiangsu Little Swan Group Company Limited**  
 Number 67 Huiqian Road  
 Wuxi, Jiangsu 214035 CHINA  
 86-51-0370-4003  
<http://www.littleswan.com>

Annual Sales: [redacted] billion]  
 Employment: [redacted]

Key Products: [redacted] washers, re  
 erators and fre

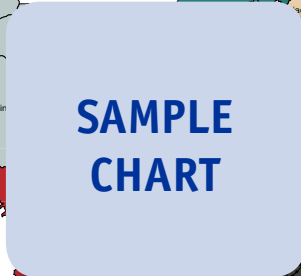
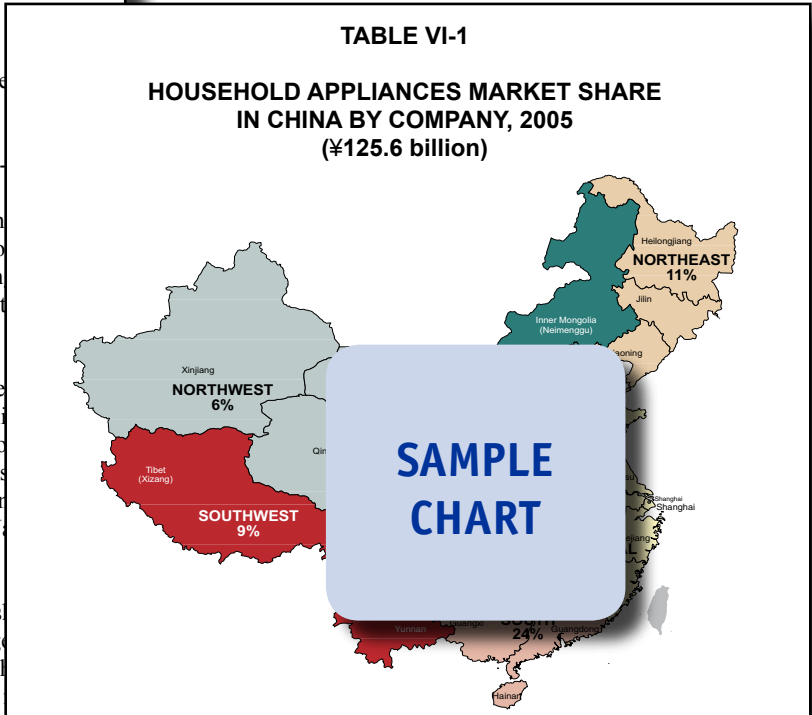
International C [redacted] 6-25-8460-



Jiangsu Little Swan Company Limited is a state-owned manufacturer of home appliances and accessories. The Company is one of the largest producers and sellers of washing machines in China. Jiangsu Little Swan operates through 33 subsidiaries, including Wuxi Little Swan Company Limited (China), a publicly traded company.

The Company competes in the Chinese household appliance market via the production of such home appliances as washing machines, clothes dryers, dishwashers, refrigerators and freezers. These products are sold by Jiangsu Little Swan through a network of sales offices, subsidiaries and 3,400 distribution centers that serve customers in China, as well as over 60 countries outside of China, including, Japan, Malaysia, Indonesia, the US and Germany.

**Products** -- Jiangsu Little Swan sold over 3.7 million washing machines in 2004. According to the Company, it has the largest washing machine market share in China. Many of Jiangsu's washing machines are marketed under the WATER MAGIC CUBE brand.



## Sample Text, Table & Chart

### PRODUCTS

#### Cooktops & Other Conventional Cooking Devices

Demand for cooktops and other conventional cooking devices is expected to grow at a 3 percent annual rate through 2015 (in value terms), limited by high replacement sales are expected to be the highest for any household appliance, accounting for the remainder. They have relatively high ownership rates conducive to replacement demand.

Nevertheless, the overall penetration rate will be just over 50 percent in 2010, leaving opportunities for growth in initial purchases, especially in rural areas, where fewer than 20 percent of the households are equipped with cooktops. Product sales will be further stimulated by healthy gains in the number of urban households, as well as by strong growth in residential investment.

Gas cooktops are the most popular cooking devices in urban households because of the greater availability of gas in cities. Urban residents in China utilize liquefied petroleum gas, coal gas and natural gas to cook meals. However, only a small percent of rural households are equipped with gas cooktops, mainly due to limited gas supply in these areas, and most rural residents have to resort to energy sources such as coal, straw and timber to cook meals. Demand for gas cooktops is expected to grow an above-average 3.4 percent per year, reaching 33.7 million units in 2010, benefitting from government efforts to encourage the use of clean energy such as natural gas. These units will continue to account for over 95 percent of all conventional cooking appliance sales.

Because electric cooktops are not suitable for cooking some traditional Chinese meals, demand for these items is limited. Other conventional cooking devices encompass appliances such as ranges and ovens.

50

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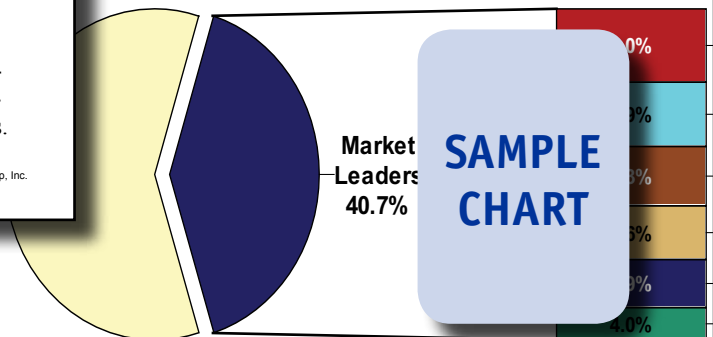
TABLE III-5

### COOKTOPS & OTHER CONVENTIONAL COOKING DEVICES DEMAND IN CHINA (million units)

Item	1995	2000	2005	2010	2015
Households (million)	317.9	360.2	392.8	420.0	445.0
% equipped	37.3	41.0	46.1	51.9	58.1
Cooktops & Other Conv Stock	110.0	145.0	180.0	215.0	250.0
Urban	40.0	55.0	70.0	85.0	100.0
Rural	70.0	90.0	110.0	130.0	150.0
Cooktops & Other Conv Demand	1.0	1.5	2.0	2.5	3.0
By Product:					
Gas Cooktops	0.6	0.9	1.2	1.5	1.8
Electric Cooktops & Other	0.4	0.6	0.8	1.0	1.2
By Application:					
New	0.7	1.0	1.3	1.6	1.9
Replacement	0.3	0.5	0.7	0.9	1.1
¥/unit					
Cooktops & Other Conv (bil ¥)	11.2	16.3	27.7	44.9	74.4

CHART VI - 1

### HOUSEHOLD APPLIANCES MARKET SHARE IN CHINA BY COMPANY, 2005 (125.6 billion)



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 #2246 ..... 10/2007..... \$5500

**Outdoor Furniture & Grills**

US demand for outdoor furniture and grills will grow 4% yearly through 2011. Demand will benefit from the increasing popularity of patios, porches and decks, and from lifestyle trends such as "cocooning" and "outdoor rooms". Patio heating products will lead gains, followed by the much larger grill segment. This study analyzes the \$6.2 billion US outdoor furniture and grill industry, with forecasts for 2011 and 2016 by product, market and region. It also evaluates market share and profiles major players.  
 #2221 ..... 09/2007..... \$4400

**World Power Tools**

Global demand for power tools will grow 4.1% annually through 2011. The developing countries of Asia, especially China, will see the fastest growth based on rising incomes and advances in residential and nonresidential building construction activity. Cordless electric tools will continue to lead gains. This study analyzes the \$23.4 billion global power tool industry, with forecasts for 2011 and 2016 by product, market, world region and for 25 countries. It also evaluates company market share and profiles major producers.  
 #2112 ..... 08/2007..... \$5400

**Wheelchairs & Other Personal Mobility Devices**

US demand for personal mobility devices will grow 5% annually through 2010. The aging population will benefit wheelchairs and related products, especially powered scooters and lifts. Commercial vehicles will lead gains among other devices as golf cars and in-plant personnel carriers are adapted for general commercial use. This study analyzes the \$2.4 billion US personal mobility device industry for 2010 and 2015 by product and market. It also evaluates company market share and profiles major producers.  
 #2112 ..... 10/2006..... \$4200

**Consumer Water Purification & Air Cleaning Systems**

US consumer water and air treatment system demand will grow 4.7% yearly through 2010. Gains will be driven by home air and water quality concerns, quieter and more user-friendly systems, and better filter replacement compliance. Conventional types will remain dominant while higher value systems lead gains. This study analyzes the \$1.3 billion US consumer water purification and air cleaning system industry to 2010 and 2015 by product, market and region. It also details market share and profiles major players.  
 #2088 ..... 09/2006..... \$4400

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