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NEW industry forecasts for 2011 & 2016

Metal Cans in China

Study # 2227 September 2227 $4900

Chinese demand for metal cans to rise 6.2% annually through 2011

Chinese demand for metal cans is projected to post annual gains of 6.2 percent to reach 26.8 billion units in 2011, valued at nearly ¥22 billion. Value gains will be aided by price increases while overall unit demand increases at a slower pace. Advances will be stimulated by an expanding population base, rising disposable personal income levels, smaller household sizes, consumer demand for more conveniently prepared foods, and the trend toward value-added packaging, accentuated by high impact graphics and increased barrier properties. Still, gains will be constrained by intense competition from alternative packaging materials like glass and plastics.

Steel and bi-metal cans to outpace aluminum types

Steel and bi-metal cans will continue to represent the largest segment of the metal can market and expand market share at the expense of aluminum cans, accounting for more than 49 percent of metal can demand in China in 2011. Advances will be fueld by robust prospects for metal cans used for nonalcoholic beverages packaging, based on an expanding customer base and growing popularity of beverages. Opportunities will also result from the ongoing proliferation of steel beer cans. Steel cans will face increasing competition from other packaging materials such as plastic and glass in food markets. In applications aside from food and beverages, steel cans will benefit from their high strength-to-weight ratio, relatively long shelf life, resistance to tampering, ease of stacking and storing, and recyclability.

Steel and bi-metal cans will continue to be the largest segment of the metal can market in China through 2011.

While aluminum can demand will benefit from increased beverage production and favorable retail trends, slower gains will reflect maturity in the carbonated soft drink market. Aerosol cans will see increasing use in other product markets, particularly in household products such as insecticides, paints and coatings, benefiting from smaller container sizes as well as development in shaping technologies.

Beverage applications to retain the largest share in unit terms

Metal can demand in beverage applications is expected to expand 6.1 percent per annum through 2011 approaching 19.4 billion units and remain the largest segment. Gains will be spurred by population and economic growth, which will support increases in beverage consumption. Cans will log more favorable advances in beer and other smaller fast-growing nonalcoholic beverage markets such as functional drinks, RTD coffees, protein beverages and fruit beverages. In the carbonated soft drink market, moderate demand will largely reflect the ongoing penetration of competitive plastic containers, especially smaller sized polyethylene terephthalate (PET) bottles.

Chinese demand for metal food cans is forecast to increase 5.9 percent per year through 2011 to 5.2 billion units, trailing the industry average. Can gains will be in line with growth in canned food production, though metal cans will face stiff competition from glass and plastic bottles, jars and cups in many food applications. Strong growth opportunities will be based on rising personal income and construction expenditures in the country, which will fuel greater spending on higher value protective coatings.

Study coverage

This new Freedonia industry study, ***Metal Cans in China***, is available for $4900. It presents historical demand data for the years 1996, 2001 and 2006 plus forecasts for 2011 and 2016 by metal can material, market and Chinese geographic region. The study also considers market environment factors, details industry structure evaluates company market share and profiles leading metal can manufacturers participating in the Chinese market.

Metal Cans in China

TABLE OF CONTENTS/ LIST OF TABLES & CHARTS

MATERIALS

Aluminum

Demand … percent annually through 2011 to … will be the result of continued loss … ft drinks, as well as stagnant grow… markets that overwhelmingly dom… Still, the popularity of larger (e.g., 1… and somewhat.

SAMPLE PAGE
Explanations that support each table's data and forecasts

Overall aluminum can advances will be limited by mature markets and intense competition from plastic (in soft drinks) and glass bottles (in beer). For more than a decade, aluminum has controlled the metal can market for beverages in China, although steel remains significant in Europe and certain other foreign markets. Looking forward, aluminum's share of the metal can market will continue to fall, the result of inroads made by the steel cans and bi-metal containers.

Aluminum cans offer a number of advantages which have allowed them to compete against their steel and bi-metal counterparts. Aluminum is strong, lightweight and highly ductile; maintains flavor and temperature well; and has excellent corrosion resistance. There is also less waste in aluminum can production than in steel can production, and aluminum -- unlike steel -- requires no further coating applications for use with beverages. Because of these factors, aluminum beverage cans have traditionally been cheaper to produce and transport than steel ones, despite the higher costs of primary aluminum can sheets, relative to steel and bi-metal sheets.

These cost advantages have been accentuated by improvements in line speeds and the continual downgauging of aluminum cans, as thinner can walls and smaller bases and necks translate into raw material and hence cost savings. However, there is a limit to how thin a can's walls can be while retaining its structural integrity, and further significant lightweighting will be difficult to achieve. Moreover, steel, PET and other containers have also undergone significant lightweighting and continue to offer possibilities along those lines. Pricing will also continue to play an important factor in the competitive mix, with lower aluminum can stock prices a virtual necessity if further market share loss to PET is to be staved off.

TABLE IV-3

FOOD METAL CAN DEMAND IN CHINA
(million units)

Item	1996	2001	2006	2011	2016
Canned Food Production (000 tons)					
cans/ton					
Food Metal Can Demand					
Meat & Seafood					
Fruit & Vegetables					
Other Food					
% food					
Metal Can Demand					

Source: The Freedonia Group, Inc.

SAMPLE TABLE
Historical data for 1996, 2001 and 2006 as well as Freedonia forecasts for 2011 and 2016

COMPANY PROFILES

ORG Canmaking Corporation
Huixin Plaze B0404/0405
Number B East Road
Beichen Chaoy…
86-10-8499-00…
http://www.chi…

Annual Sales:
Employment:

COMPANY PROFILES
Presented for 35+ competitors in the Chinese industry

Key Products: three-piece steel cans

International Contact: Mr. Yunjie Zhou, General Manager (86-10-8528-8212)

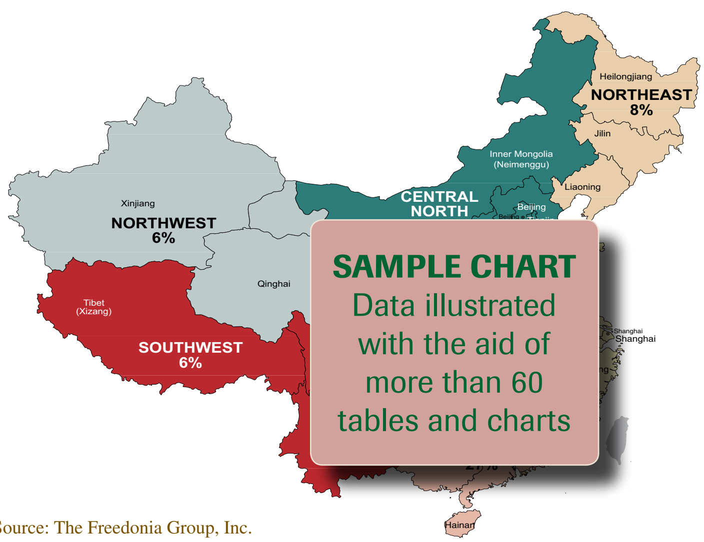
ORG Canmaking is a leading producer of steel cans, steel/aluminum ends, and printed tinplate sheets. The privately held company operates through four subsidiaries and a Sino-foreign joint venture.

The Company participates in the Chinese metal can industry through the production of steel cans. ORG Canmaking's three-piece steel cans are suitable for fruit and vegetable drinks and other beverages, fruit and other foods, and chemicals. Among the Company's customers are Red Bull GmbH (Austria) for that company's RED BULL energy drinks.

ORG Canmaking operates various subsidiaries and a joint venture that are all headquartered in China, and have a combined annual production capacity of more than 1.5 billion three-piece steel cans, 1.7 billion steel/aluminum ends and 15 million printed tinplate sheets. Of the Company's subsidiaries, the Hainan ORG Packaging Industry Company Limited subsidiary has two can processing lines and one end processing line. The company has an annual production capacity of 25 million beverage cans and 17 million steel/aluminum ends. The other three subsidiaries are Linyi ORG Tinplate Printing & Can Making Company Limited, which has three can and three end manufacturing lines, and two metal coating and printing lines; Xinjiang ORG Tinplate Printing & Can Making

CHART V-4

METAL CAN DEMAND IN CHINA BY REGION, 2006
(19.8 billion units)



SAMPLE CHART
Data illustrated with the aid of more than 60 tables and charts

Source: The Freedonia Group, Inc.

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World Caps & Closures

Global demand for caps and closures will grow 4.7% annually through 2011. Unit gains will be driven by the penetration of closures into gabletop and aseptic drink cartons and plastic pouches. Emerging markets will perform strongly, led by China and India. Plastic closures will continue to supplant metal and cork. This study analyzes the $25.2 billion cap and closure industry, with forecasts given for 2011 and 2016 by material, market, world region and for 17 countries. It also details market share and profiles major firms.

#2211.......................... 07/2007..............................$5500

Food Containers: Rigid & Flexible

US food container demand will reach $23.5 billion in 2011. Growth trends include heightened demand for more convenient foods and a shift toward value-added packaging. Plastic containers, and bags and pouches will log the fastest growth. Meat and dairy products and frozen specialties will lead gains by market. This study analyzes the 263 billion unit US food container industry, with forecasts given for 2011 and 2016 by product and market. It also evaluates company market share and profiles major players.

#2208.......................... 07/2007..............................$4500

Beverage Containers in China

Demand for beverage containers in China will grow 8.9% per annum through 2010. Plastic will remain the dominant material in unit terms while paperboard will grow the fastest. Milk will stay the largest market and be one of the fastest growing, with fruit beverages posting the fasted gains. This study analyzes the ¥60.5 billion beverage container industry in China, with forecasts for 2010 and 2015 by market and material. The study also evaluates company market share and profiles leading industry participants.

#2183.......................... 05/2007..............................$4900

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