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# Construction Outlook in China

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Industry Study with Forecasts for **2017 & 2022**

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Study #3035 | July 2013 | \$5300 | 235 pages

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### INDUSTRY STRUCTURE

1 Construction Market Share in  
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*Construction expenditures in China will benefit from upgrades to the country's transportation infrastructure and utilities' expansion, plus government efforts to fuel personal income levels.*

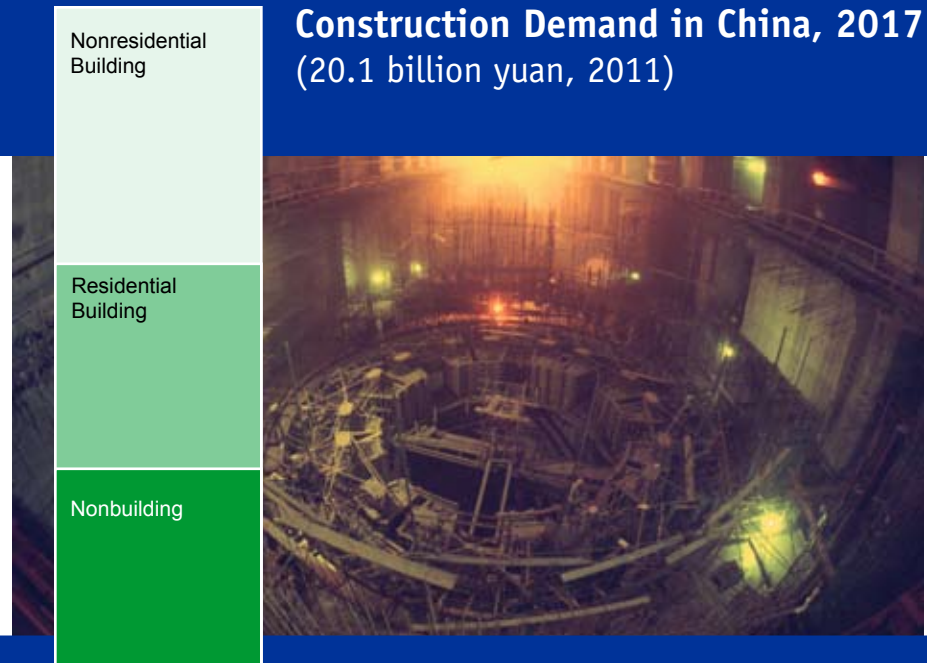
## Demand to increase 8.5% per year through 2017

Construction expenditures in China are expected to increase 8.5 percent per year in real terms through 2017. Ongoing urbanization and industrialization, rising income levels, further population and household growth, and the government's continuing efforts to expand and upgrade physical infrastructure in the country will support healthy growth in construction spending.

## Construction expenditure uses nearly evenly split

Construction expenditures in China are nearly equally split among residential buildings, nonresidential buildings, and nonbuilding structures. Each of these segments accounted for around one-third of the total construction market in 2012. Nonbuilding construction will see the fastest growth (in real terms) through 2017. Increases will benefit from state-led efforts to expand and upgrade the country's transportation infrastructure, such as the "7918" highways network, subway systems in major cities, and several airports. Utilities construction will also contribute to nonbuilding construction spending gains, particularly in fast growing urban areas, as the government continues to expand and improve access to such infrastructure as water supply, sewage treatment, rubbish disposal, and gas distribution. Further efforts to raise the country's power generation capacity and improve electricity transmission networks will stimulate spending on nonbuilding construction.

## Construction Demand in China, 2017 (20.1 billion yuan, 2011)



## Nonresidential buildings to see best annual gains

Inflation-adjusted nonresidential building construction expenditures are forecast to post the best annual gains through 2017. Growth will be led by strong advances in industrial building construction. The manufacturing sector in China will continue to expand quickly, benefiting from robust increases in consumer spending for manufactured goods, accommodative government policies, and foreign direct investment. Spending on residential buildings will be slightly less through 2017, with market gains primarily driven by continuing population migration from rural to urban areas and supported by rising personal income levels. Despite strong gains in housing construction over

the last decade, living conditions remain poor for some residents due to uneven distribution of housing ownership in urban areas in China.

## Central-East to remain largest regional market

The Central-East region, home to about one-third of the country's total population and economic output, supports the largest regional construction market and will account for the majority of total construction spending in China in 2017. Construction expenditures in the Northwest region are expected to enjoy the fastest growth, benefiting from the government's "Great Western Development" strategy and rising personal incomes.

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## Sample Text, Table & Chart

### RESIDENTIAL BUILDING

#### Maintenance & Repair

Maintenance and repair represents the smallest segment of residential building construction market in China, accounting for four percent of all spending in 2012. Residential maintenance includes projects such as painting chipped or faded walls and broken windows, doors, flooring, and roofs. The replacement of functional items like windows, doors, and flooring by homeowners who wish to change their residence's appearance is considered to be a remodeling/redecorating expenditure, and therefore is included in alterations. Through the 1980s and most of the 1990s, much of the housing stock was government-owned and rented to employees of state-run enterprises and institutions at extremely low, subsidized rates. This system did not provide adequate funds for ongoing maintenance, and average housing conditions deteriorated. However, the implementation of market-oriented housing policies helped spur increases in maintenance and repair construction activity over the past decade. Residents who own their homes have been more inclined to invest in housing maintenance and repair, supported by rising income levels.

Spending on residential building maintenance and repair is expected to increase annually through 2017. Advances will primarily come from higher personal income levels and increasing housing prices. Homeowners will make major repairs to inferior quality housing units. "Second-rate construction" practices and the use of second-rate materials will also contribute to growth in maintenance and repair expenditures.

However, gains will be restrained by the number of substandard quality housing units which need to be demolished and by strict controls on new home construction. As a result, per-unit spending on maintenance and repair in China will remain low by developed country standards, averaging less than one-tenth the amount spent by

TABLE IV-6

HOUSING STOCK IN CHINA BY TYPE & OWNERSHIP  
(million units)

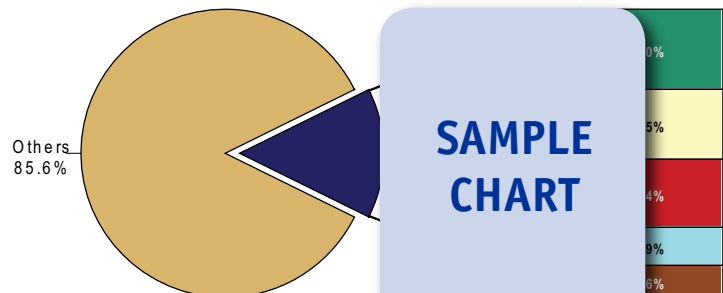
Item	2002	2007	2012	2017	2022
Households units/household					
Housing Stock By Type:					
Single Family					
Multifamily					
By Ownership:					
Private					
Government					
square meters/unit					
single family					
multifamily					
Housing Stock (million square meters)					
Single Family					
Multifamily					

SAMPLE  
TABLE

SAMPLE  
TEXT

CHART VIII-1

CONSTRUCTION MARKET SHARE IN CHINA BY COMPANY  
(¥13.3 trillion)



SAMPLE  
CHART

## Sample Profile, Table & Forecast

**TABLE V-1**  
**NONRESIDENTIAL BUILDING CONSTRUCTION EXPENDITURES IN CHINA BY TYPE**  
 (billion 2011 yuan)

Item	2002	2007	2012	2017	2022
Construction Expenditures % nonresidential building					
Nonresidential Building Construction					
New Construction					
Additions & Alterations					
Maintenance & Repairs					
price deflator (2011=100)					
Nonresidential Bldg Construction (bil ¥)					

**SAMPLE TABLE**

**COMPANY PROFILES**

**Sinohydro Group Limited**  
 No. 22, Che Gong Zhuang West Road  
 Haidian District, Beijing 100048  
 China  
 86-10-5838-2  
 http://www.si

Revenues: ¥  
 Employment:  
 Key Services:

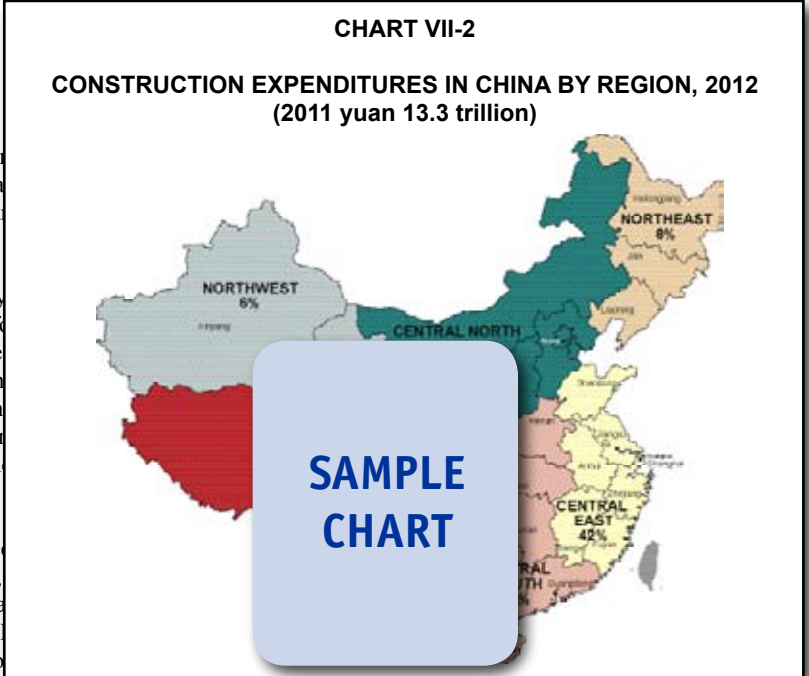
**SAMPLE PROFILE**

Sinohydro Group is a hydraulics and hydroelectricity construction enterprise. In addition, the Company builds other public and major works projects, and produces and installs hydraulic steelworks and electromechanical equipment.

The Company is active in the Chinese construction industry through the provision of construction and engineering services for large scale public works and civil engineering projects. These services are utilized in a range of building and nonbuilding projects, including construction and engineering of airport runways, expressways, highways, power plants, water distribution networks, railways, subways, irrigation systems, water and sewage treatment plants, bridges, viaducts, hospitals, industrial facilities, public works, hospitals, and schools.

Sinohydro Group has rendered services for numerous projects in China, such as the Canton-Baiyun International airport terminal, Qiaoli Expressway and Shuinan Expressway, the Three Gorges and Longtan Hydropower Station projects, and the Jianan-Liacheng Class Road Project. The Company has won provincial and national awards for several of its projects, including the Luban Prize, China's

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**OTHER STUDIES**

**Windows & Doors in China**

Window and door sales in China will rise 8.1 percent yearly to 570 billion yuan in 2017. Plastic will be the fastest growing window material based on insulation and cost advantages. Wood will remain the top door material, supported by more wood/steel and wood/plastic composite doors. This study analyzes the 387 billion yuan window and door industry in China. It presents historical demand data (2002, 2007, 2012) and forecasts for 2017 and 2022 by type, material, market and region. The study also evaluates company market share and profiles industry players.  
 #3088.....January 2014 ..... \$5300

**World Windows & Doors**

Through 2017, global demand for windows and doors is expected to rise 7.1 percent annually to \$223 billion. China was the world's largest window and door market in 2012, and will see its share of global demand rise to 36 percent of the total in 2017. Plastic window and door products will see the fastest demand gains worldwide. This study analyzes the \$158 billion world window and door industry, with forecasts for 2017 and 2022 by product, material, market, world region, and for 21 countries. The study also evaluates company market share and profiles industry players.  
 #3039.....June 2013 ..... \$6400

**Prefabricated Housing**

US demand for prefabricated housing is forecast to expand 15 percent annually through 2017 to 135,000 units. Manufactured housing will remain the most common type, while other prefabricated housing such as modular, precut and panelized housing will grow the fastest. The South will remain the leading US regional market. This study analyzes the 67,000 unit US prefabricated housing industry, with forecasts for 2017 and 2022 by product and US region. The study also evaluates company market share and profiles industry competitors in the US market.  
 #3001..... February 2013..... \$4900

**World Flat Glass**

World demand for flat glass is forecast to rise 7.1 percent per year through 2016 to 9.2 billion square meters. The dominant Asia/Pacific region will continue to post the fastest gains. Fabricated flat glass demand will benefit from rapid growth in sales of energy efficient products such as solar control, insulation and low-E glass. This study analyzes the 6.6 billion square meter world flat glass industry, with forecasts for 2016 and 2021 by product, market, world region and for 21 countries. The study also evaluates company market share and profiles industry players.  
 #2970.....January 2013 ..... \$6400

**Insulation in China**

Demand for insulation materials in China is projected to grow 9.4 percent per annum through 2016 to 65.7 billion yuan. Foamed plastic will remain the dominant product while mineral wool and fiberglass will grow the fastest from small bases. Residential and nonresidential building construction will be the fastest growing markets. This study analyzes the 42 billion yuan insulation industry in China, with forecasts for 2016 and 2021 by product, market and geographic region. The study also evaluates company market share and profiles industry participants.  
 #2932.....January 2013 ..... \$5400

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