

2013 STRUCTURE CABLING MARKET REPORT- CHINA



Green Industry Market Research Company Ltd
新业视点咨询公司



Company Address: Level 7, Metropolis Tower, No. 2,
Haidian East Three Street, Zhongguancun Xi Zone, Haidian
District, Beijing, 100080, P.R. China
Tel: +86 10 6260 2426
Fax: +86 10 6260 2201
www.gimresearch.com

PREFACE

The Chinese structure cabling market is growing and developing, with many opportunities for well-informed companies to take advantage of. However, any plan, no matter how well thought out, is not complete without accurate statistics and data. This is where GIM Research's 2013 Structure Cabling Market Report can step in to help businesses in fully understanding the market and to provide the facts and figures necessary to support any long-term strategic decisions.

Backed up by numerous one-on-one interviews with managers and decision makers from within the structure cabling industry and sound analysis from GIM Research's dedicated team of researchers and analysts, this report will allow you to not only understand the past and current conditions of the market, but the future as well. If there is a critical market statistic that you need to understand the structure of cabling market in China, you will find it in the 2013 Structure Cabling Market Report.

COMPANY INTRODUCTION

GIM Research is a market research agency that specializes in conducting independent and exclusive studies focusing on the Green Buildings and Smart Technologies sectors, and offers a comprehensive range of market research services to clients across the globe.

Established by a dedicated group of market consultants, GIM Research offers over many years of combined experiences in the building efficiency and smart technologies markets, and their personal network of researchers, consultants and insiders reinforces the strength and accuracy of all of our syndicated reports. The team at GIM research strives to give our clients the most precise and clearest evaluation of the market, and has the willingness and the know-how to guide them towards achieving success in the market.

China Structure Cabling Market Report 2013

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1 MARKET DEFINITIONS

The methodology of this study relies on tracking manufacturer sales to distributors or value added contractors, thus the market size is therefore defined by the first point of sale. Market size is calculated by adding the sales revenues of suppliers, excluding 17.5% VAT. Our definition of market size does not take into account any value added by distributors or contractors, because this can vary case by case and is consequently very difficult to calculate.

Additionally, our market size figures also exclude counterfeit and gray products sold in the market. Counterfeit products, also referred to as non-standard products, are still available on the open market, as has been the case in China for many years. Various small-scale local manufacturers still exist, mostly in southern China, although the number of these manufacturers and the quantity of products sold by them has dropped significantly in recent years due to turbulent copper price fluctuations, as well as increased competition from legitimate suppliers. Counterfeit products primarily target the lowest-end market segment and are sold through retail channels or for small scale projects. It is estimated that the gray and counterfeit market (products sold through unofficial channels to avoid taxes and duties) accounts for some 15–20% of the overall market.

Special Note:

i. Exchange Rate:

In 2012, the RMB-USD exchange rate was more stable compared to 2011. The value of the USD fell from 1 USD/6.4544RMB to 1 USD/6.3034 RMB so growth rates in USD are inflated by 2.3% compared to the equivalent RMB calculation.

ii. Market Size and Supplier's Sales

As a correction to our 2012 report, the total market size for the year of 2011 was adjusted from 588.9 million USD to 552.9 million USD as some sales revenue figures were inaccurately reported by several key suppliers. We have done our best to rectify this mistake in good faith, but nevertheless we apologize for this inaccuracy.

2 EXECUTIVE SUMMARY

Figure 2-1: Map of China



Source: www.cia.gov

Although Slower, the Market Continues to Grow

The Chinese structure cabling market exhibited steady growth in 2012, with total market value increasing to 608.6 million USD with 10.1% YTY growths due to relatively stable and positive macroeconomic conditions (5.8% in real terms with copper cable price increases and RMB-USD exchange rate fluctuations taken into account). Compared to previous years, growth has slowed down nominally by only 6.6%. The main reasons behind this slowdown are overall Chinese economic sluggishness and decreased investment in the real estate and government sectors.

In 2012, the entire copper products market, valued at 495.1 million USD, exhibited moderate growth, growing by 8.1%, but falling short of the overall industry average. Among all copper products, the cable market posted the strongest numbers, reaching 330.1 million USD and achieving an annual growth rate of 8.8%; on the other hand, copper components brought down the average for copper products with its subpar 6.9% growth.

In contrast, 2012 was a banner year for fiber products that saw the market grow by 19.4%. The overall value of the fiber products market was 113.5 million USD, with cable accounting for 48.1 million USD and components accounting for 65.4 million USD, with annual growth rates of 17.6% and 20.7% respectively. These upbeat statistics can be attributed from soaring demand from the data center (DC) market, especially the middle and large scale DC segments which prefer fiber over copper.