



2016 STRUCTURE CABLING



MARKET REPORT-CHINA

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PREFACE

Amidst a flagging economy and uncertain financial conditions, the structure cabling market in China is entering an era that will separate the weak from the strong and challenge all companies in the industry to find opportunities for growth and expansion. Although the industry is growing at a much slower speed than previous years, there are still many segments of the industry that are prime targets for development, and GIM Research highlights and illustrates these in the 2016 China Structure Cabling Market Report.

In this report, the rising star of e-commerce channels will be presented in clear detail and backed by reliable facts and statistics from direct interviews with industry insiders and on-point analysis of market trends. The 2015 report will also spill all of the details on the acquisition of TE by CommScope, the shockwaves their merger has had on the market and what impact the combined superpowers will have on the structure cabling market in the future.

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 knowhow to guide them towards achieving success in the market.

China Structure Cabling Market Report 2016

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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 2015, the value of the USD strengthened from 1 USD/6.1385 RMB to 1 USD/6.2269 RMB, so growth rates in USD have deflated by 1.5% due to exchange rate fluctuations.

2 EXECUTIVE SUMMARY

Figure 2-1: Map of China



Source: www.cia.gov

Market Growth Slowdown of 1.6%

The structure cabling market in China witnessed slow growth momentum in 2015, amounting to only 1.6% nominal annual growth, the lowest figure in the past decade. The market was valued at 747.8 million USD (4.7 billion RMB). Accounting for RMB-USD exchange rate fluctuations in 2015, where the RMB depreciated 1.5%, real annual growth was estimated to be around 3.1%.

The copper cabling product market exhibited slight growth momentum, with sales volume reaching 593.0 million USD and growing 0.7%. Copper cable sales reached 395.3 million USD (amounting to 0.6% annual growth rate), while copper connectivity reached 197.6 million USD (amounting to 1.1%). Meanwhile, the fiber cabling product market grew faster than its copper counterpart. The total value of the fiber cabling market reached 154.8 million USD, growing 5.1% over the course of the year. Within the fiber cabling market, the fiber cable and connectivity market accounted for 59.7 million USD and fiber connectivity market accounted for 95.2 million USD, with respective growth rates of 2.9% and 6.6%.

Sluggish Economy in 2015

As it continues to shift away from its manufacturing and investment roots, China saw its GDP growth slowdown to a 25-year low of 6.9% in 2015. China is experiencing some short-term turbulence as a result of structural changes to its economic development strategy, as well as diminishing results from previous stimulus measures. China's fixed-asset investment (FAI), a key growth driver, dropped from 15.3% in 2014 to a 14-year low of 9.8% and real estate development experienced a sharp decline across the board, exhibiting 1.0% nominal annual