

## SUMMARY

China currently has sufficient aniline capacity to satisfy domestic demand; however, China is still a net importer of aniline. Net imports accounted for 4.1% of consumption in 2001. Aniline capacity has increased steadily for the past decade from 1991 to 2001 by about 14% per year. The capacity utilization rate in 2001 was about 74%.

During 1991-2001, production of aniline in China increased at an average annual rate of 16%, while increases in aniline consumption averaged 16.6% per year. Aniline is used primarily for the production of traditional dyes and pigments, rubber additives, pharmaceuticals, and pesticides (collectively 83% in 2001), but the fastest-growing end use is the production of methylene di-phenyl isocyanate (MDI). MDI will become the largest end-use market with the start-up of a new 160 thousand metric ton MDI plant in Shanghai in 2006, accounting for 46% of the total aniline consumption by that time.

Over the 2001-2006 period, consumption is expected to increase at an average annual rate of 12.6%, with the strongest growth coming from MDI. Between 2006 and 2011, aniline demand growth will continue to increase at a relatively high rate of 6.3% per year, mainly because of additional MDI capacity. About 56% of aniline demand will go to the MDI market that year.

<b>Supply/Demand for Aniline in China—2001</b> (thousands of metric tons)	
Number of Major Producers	16
Annual Year-end Capacity	301
Production	222.9
Operating Rate	74%
Imports	10.4
Exports	0.9
Apparent Consumption	232.4