

## PRICE

Because of China's dependence on imported polyacetal resin, domestic resin prices track those of imports. Domestic buyers are impacted by huge fluctuations in exchange rates between the renminbi and the U.S. dollar. For example, domestic prices rose significantly between 1993 and 1994 because of the devaluation of the renminbi against the U.S. dollar. The average exchange rate rose from 5.35 renminbi per U.S. dollar in 1992 to 8.30 renminbi/U.S. dollar in 1995, and the price of polyacetal resins in China rose from 16,700 renminbi to 25,000 renminbi per metric ton. In the long term, domestic prices should stabilize, as new capacity lessens the need for imports. The following table gives recent market prices and unit import values for polyacetal resins in China:

<b>Prices for Polyacetal Resins</b>				
	<b>Domestic Prices</b>		<b>Unit Import Values<sup>a</sup></b>	
	<b>Renminbi per Metric Ton</b>	<b>U.S. Dollars per Metric Ton</b>	<b>Renminbi per Metric Ton</b>	<b>U.S. Dollars per Metric Ton</b>
1992	16,700	3,030	--	--
1993	17,400	3,020	--	--
1994	26,000	3,015	--	--
1995	25,000	2,995	11,015	1,319
1996	26,000	3,125	10,625	1,278
1997	19,800	2,390	10,580	1,276
1998	19,000	2,295	11,185	1,351
1999	15,000-19,000	1,810-2,295	9,710	1,173
2000	14,000-19,000	1,690-2,295	10,265	1,240
2001	14,000-18,000	1,690-2,175	10,505	1,269
2002 <sup>b</sup>	14,000-18,000	1,690-2,175	10,510	1,270

a. Import values do not include the 16% preferential tariff or the 17% value-added tax.

b. Domestic prices are based on data for January through October.