

Pesticide Industry Migration in China

The Second Edition

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1. Introduction

In recent years, pesticide enterprises have accelerated their external expansion, as China's government has implemented effective and guiding policies towards the chemical production industry on production safety management and environmental protection. For the special rectification of chemical production enterprises and special rectification and improvement of chemical safety, many China's provinces have issued related rectification plans to reduce the size of chemical industry parks. What's more, a series of subsidies or allowances have been introduced to encourage the migration of the chemical production enterprises.

China's pesticide production investment mainly comes from eastern provinces, and the pesticide capacities are shifted to the western and central China. According to the statistics, the number of migration projects totals 97 in China in 2019–2021. Most of the projects planned or constructed are concentrated in pesticide technical, intermediates, or both.

Several provinces are popular among pesticide enterprises to build new production bases, whose pros and cons are listed in the tabular form. In this report, CCM will analyse pesticide industry migration in China from the following aspects:

- ✓ Overview of migration of China's pesticide industry
- ✓ Chemical industrial parks and capacity migration for better environment
- ✓ Migration direction in relevant provinces or regions

2. Approach for this report

The report is drafted by diverse methods as follows:

- Desk research

The sources of desk research are various, including published magazines, journals, government statistics, industrial statistics, customs statistics, association seminars as well as information from the Internet. A lot of work has gone into the compilation and analysis of the obtained information. When necessary, checks have been made with Chinese agrochemical players.

- Internet

CCM contacted with players in the domestic agrochemical industry through B2B websites and software as well as obtained registration information on the internet.

- Data processing and presentation

The data collected and compiled are sourced from:

- ✓ China Crop Protection Industry Association
- ✓ CCM's database
- ✓ Published articles in periodicals, magazines, journals and third-party databases
- ✓ Statistics from governments and international institutes
- ✓ Telephone interviews with domestic producers, joint ventures, service suppliers and governments
- ✓ Third-party data providers
- ✓ Comments from industrial experts
- ✓ Professional databases from other sources
- ✓ Information from the internet

The data from various sources have been combined and cross-checked to make this report as precise and scientific as possible. Throughout the process, a series of internal discussions were held in order to analyse the data and draw the conclusions.

3. Executive summary

With the sudden outbreak of COVID-19 and shrinking global market since 2020, China has undertaken international industry migration. Through the reform and opening-up policy and accession to the WTO, China's economy has developed rapidly in response to new opportunities. And China, as the only country in the world with all the industrial categories listed in the industrial classification of the United Nations, has actively integrated into economic globalization.

In recent years, the Chinese government has proposed to strengthen the planning and guidance of China's chemical industry, carry out the identification and regulations of chemical parks and industrial transfer parks, and provide subsidies and other incentives for enterprises that relocate their business. More than 20 provinces and cities have announced government-recognised chemical industry parks, including provinces like Jiangsu, Shandong, Hubei, Henan and Liaoning.

Domestic chemical enterprises have also implemented capacity transfer, with capacity shifted to lower-cost regions in China. Forced by the increasing pressure of environmental protection in the Yangtze River Delta and some coastal areas, as well as the rectification of chemical industry parks in the original production areas, many enterprises in pesticide industry have set up new production sites in the central and western regions of China.

China's pesticide enterprises have greatly expanded in this round of industry migration, which may cause overcapacity of some varieties and even lead to blind competition in the near future. In view of the key protection of the Yellow River basin by the latest environmental protection policies, enterprises in the new sites may be fined or even shut down if they fail to take environmental protection measures.

4. What's in this report?

Note: Key data/information in this sample page is hidden, while in the report it is not.

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1 Overview of migration of China's pesticide industry

1.1 Investment in pesticide industry by region, 20XX–20XX

During the XXX Five-Year Plan period (20XX–20XX), in terms of project construction sites, the number of projects planned or constructed in the central and western China has increased. Sichuan Province, Shaanxi Province, central and western Inner Mongolia Autonomous Region, Ningxia Hui Autonomous Region and Gansu Province have become target locations for new pesticide projects.

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Figure 1.1-1 Investment in pesticide industry by region, 20XX–20XX



Source: CCPIA

Table 1.1-1 Locations of newly-built projects

Location	Province/Region	City/County	Specific Location
XXX	XXX	XXX	XXX
	XXX	XXX	XXX
XXX	XXX	XXX	XXX
	XXX	XXX	XXX
XXX	XXX	XXX	XXX
...

Source: CCM

1.2 Project dynamics of new investments, 20XX–20XX

Since the end of 20XX, Chinese pesticide enterprises have actively responded to national industrial planning policies and accelerated the industry migration. As of Nov. 20XX, judging from the construction progress of pesticide projects, there are XXX under the environmental impact assessment (EIA), XXX having received EIA approvals and XXX projects under construction. Thereinto, pesticide technical project as well as the project of pesticide technical and its intermediates have become the key construction direction, with total number reaching XXX, about XXX% of the total.

Table 1.2-1 Project progress of new investments, 20XX–20XX

No.	Project progress	Pesticide technical	Pesticide technical & its intermediates	Pesticide intermediates	Pesticide formulations	Pesticide technical & formulations and their intermediates	Total
1	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3	XXX	XXX	XXX	XXX	XXX	XXX	XXX
...
10	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Total		XXX	XXX	XXX	XXX	XXX	XXX

Source: CCM

Table 1.2-2 Capacity of projects by region, 20XX–20XX, t/a

No.	Province/Region	Pesticide technical	Pesticide technical & its intermediates	Pesticide intermediates	Pesticide formulations	Pesticide technical & formulations and their intermediates	Total
1	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3	XXX	XXX	XXX	XXX	XXX	XXX	XXX
...
18	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Total		XXX	XXX	XXX	XXX	XXX	XXX

Source: CCM

1.3 Popular pesticide products of to-be-established projects

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2 Chemical industrial parks and capacity migration for better environment

2.1 Normalised regulation of production safety and environment protection

In recent years, the Chinese government has proposed to strengthen the planning and guidance of China's chemical industry, identification and management of chemical parks and industrial transfer parks, as well as provide preferential terms and supporting facilities for enterprises that relocate their

production capacity. As a matter of fact, since 20XX, China has carried out XXX rounds of special rectification of chemical production enterprises and special rectification and improvement of chemical production safety. So far, more than XXX provinces and cities have announced government-recognised chemical industry parks, including provinces like Jiangsu, Shandong, Hubei, Henan and Liaoning.

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2.2 Incentives for relocation and transformation of pesticide enterprises

In order to promote the transformation & upgrading and encourage green development of the pesticide and the intermediate industries, Guiding Opinions on Promoting the Relocation and Rectification of Hazardous Chemical Production Enterprises in Densely Populated Urban Areas was issued by the State Council in 20XX. It stipulates that chemical production enterprises, which do not meet the standards on safety or healthy protection distance from living areas, should be rectified or relocated from densely-populated residential urban areas.

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2.3 Standardisation and rectification of chemical industrial parks

The major explosion in Xiangshui, Jiangsu Province on XXX March, 20XX, speeded up the regulation progress for the chemical industry in this province, as well as across the whole China. Many provinces and autonomous regions have rolled out a series of guidance on chemical industrial parks. Many provinces also issued industry regulation plans to reduce the number of chemical industrial parks. The trend is set that chemical enterprises must enter chemical parks.

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Table 2.3-1 Relevant measures for chemical parks adopted in some provinces

Region	Province	Measure
XXX	XXX	XXX
XXX	XXX	XXX
XXX	XXX	XXX
...

Source: Local governments and CCM

As of XXX, only XXX provinces, i.e. XXX and XXX had not announced their lists of recognised chemical parks. More than XXX provinces, autonomous regions and municipality in China have announced XXX designated chemical industrial parks or concentrated zones.

Table 2.3-2 Number of recognised chemical industrial parks or concentrated zones in China by region, as of Oct. 20XX

Province/Region	Number
XXX	XXX
...	...

Source: CCM

2.4 Policy direction and future trend, 20XX–20XX

...

3 Migration direction in relevant provinces or regions

3.1 Advantages and risks of popular migration choices

The most popular provinces among pesticide companies to build new production bases are: XXX and XXX, which is around XXX, as well as XXX, such as XXX, XXX, XXX, XXX and XXX. Each of these popular choices has its own advantages and risks, due to the terrain, climate and previous industrial capability.

Table 3.1-1 Advantages and risks of popular migration provinces or regions

Location	Province/Region	Advantages	Risks
XXX	XXX	XXX	XXX
...

Source: CCM

...

3.2 Migration trend of pesticide industry

In terms of the number of new investments, there are XXX enterprises to make new investments in east China, accounting for XXX % of the total in 20XX–20XX. Most of the projects planned or constructed are concentrated in pesticide technical, intermediates, or both. Of all the new pesticide projects, XXX projects are designed to produce pesticide technical, XXX for intermediates, while XXX for technical & its intermediates.

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Table 3.2-1 Number of enterprises to make new investments, 20XX–20XX

Province/Region	Pesticide technical	Pesticide intermediates	Pesticide technical & its intermediates	Pesticide formulations	Pesticide technical & formulations and their intermediates	Total
XXX	XXX	XXX	XXX	XXX	XXX	XXX
...

Source: CCM

Table 3.2-2 Number of newly established projects by region, 20XX–20XX

No.	Province/Region	Pesticide technical	Pesticide technical & its intermediates	Pesticide intermediates	Pesticide formulations	Pesticide technical & formulations and their intermediates	Total
1	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2	XXX	XXX	XXX	XXX	XXX	XXX	XXX
...
18	XXX	XXX	XXX	XXX	XXX	XXX	XXX

Source: CCM

Figure 3.2-1 Migration direction of pesticide industry, 20XX–20XX



Source: CCM

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If you want more information, please feel free to contact us

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