



Lighting Industry In China

Chen Yansheng

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China Association of Lighting Industry



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1. Lighting Industry Introduction

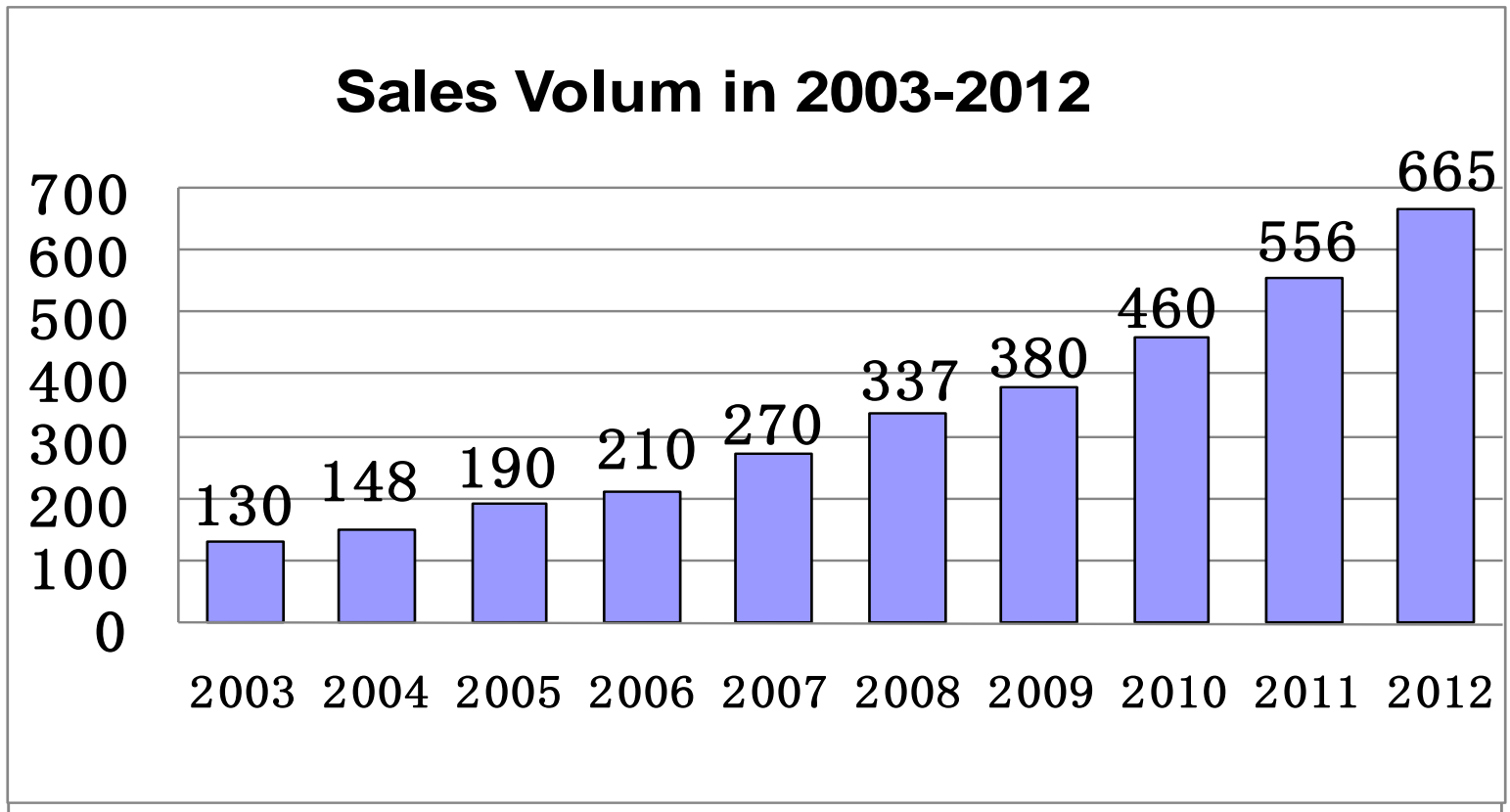


1.1 overview

- China Lighting Industry has maintained a rapid, stable and sustainable development over the last decade.
- In 2012, the sales volume of lighting industry is more than RMB 420 billion (\$68.5 billion USD), with exports amounting to \$30.04 billion USD .

1.1 overview

Sales volume
\$ Billion USD



Year



1.1 overview

- There are more than 10,000 lighting manufacturers in China. Geographically concentrated in the southeastern coastal provinces, such as Guangdong, Fujian, Zhejiang, Shanghai, Jiangsu etc..



1.1 overview

- Chinese lighting manufacturers have been able to produce all kinds of lighting products, and its product quality has improved greatly.
- China has become the world lighting products production and export base.



1.2 Enterprises

- The features of chinese lighting enterprises is:
Small-scale and large numbers.
- How enterprises grow bigger and stronger is the challenge of our chinese “twelve- five year plan”.
- We encourage mergers and acquisitions of our chinese enterprises, expand their scale and strength.
- We encourage qualified enterprises listed on the capital market,take capital advantage to become bigger and stronger.



1.3 Products

The structure of electric light source product undergone tremendous changes.

The total production of fluorescent lamps has exceeded incandescent lamps, as incandescent lamps are gradually phasing out worldwide.

In terms HID lamps, high pressure sodium and metal halide lamps have developed rapidly, high-pressure mercury lamp will gradually be eliminated.

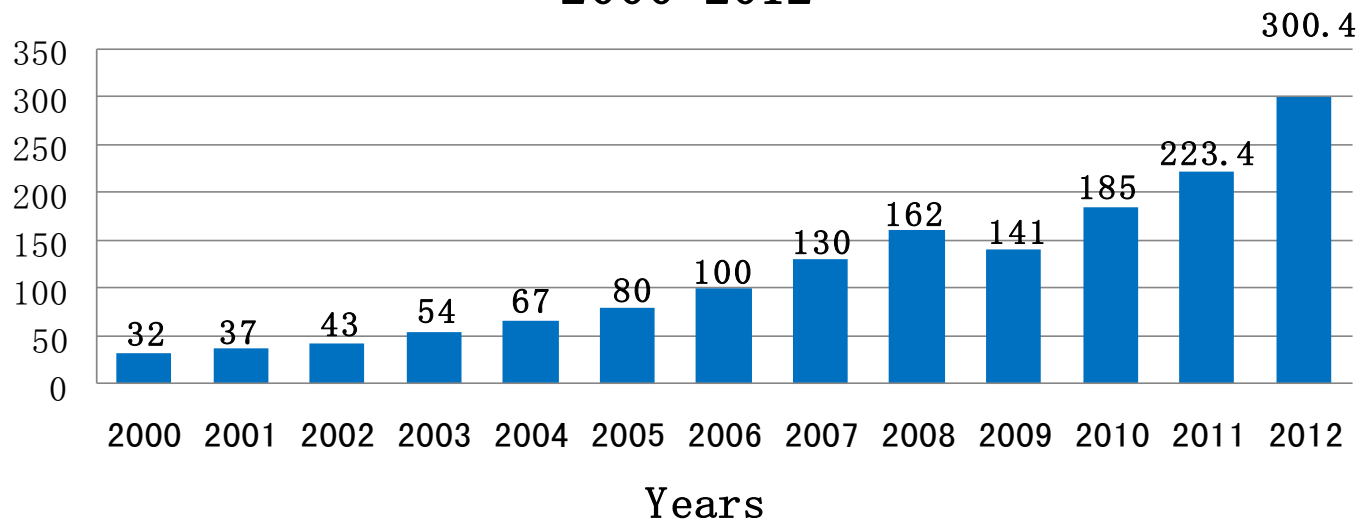
LED as a lighting source begins to enter the general lighting field.

1.4 Production and sales

- 2012 lighting products exports reached \$ 30.04 billion, a record. Imports reached \$ 2.63 billion.

Lighting Product Export situation in
2000-2012

Annual
Volume
of Export







1.5 International prestige

- China is currently the world's largest producer of lighting products, lighting products produced in China are exported to nearly 200 countries and regions.
- Internationally renowned lighting companies such as PHILIPS, OSRAM, GE, etc., in the nineties, after entering China, now has China as a major production base.



1.5 International prestige

Typr of products		Impact in the world
 <p>Compact fluorescent lamps (CFL)</p> <p>Christmas lamps</p>	Over 80% of the global market	
 <p>Incandescent</p>	1/3 --one-third of the world's	
 <p>Lighting fixtures</p>	Trade exports account 30% of the world	
 <p>LED lighting products</p>	<ul style="list-style-type: none"> ✓ Many foreign brands of LED lighting products are manufactured in China. ✓ Become the production base. 	

1.5 International prestige

Chinese lighting enterprises

- Through years of development, there are many brand names with scale production emerged in China.
- With the scale expansion, enterprises pay more attention to product quality and brand.
- In addition to a large number of export OEM production, in recent years, the independent brand of export growth trend is obvious.



2. Lighting Industry situation in 2012

2.1 2012 Export & Import Data



	Total Lighting Products		
Export	30.04 Billion US Dollars	34.5% Increase	Light Sources \$6.6 Billion US Dollars
			Light Fixtures \$19.54 Billion US Dollars
			Other Lighting Products \$3.9 Billion US Dollars
Import	2.63 Billion US Dollars	10.5% Decrease	



2.2 2012 Annual Exports Data

2012 Annual Exports Data Electric light source products



Incandescent lamp is flat with last year, amount to 3.15 billion



CFL is decreased 2.4% over last year, amount to 2.75 billion



Other fluorescent lamps fell 7.1% last year, amount to 710 million



Halogen lamps increase 6.7% over last year, amount to 1.02 billion

2.3 2012 export volume of the top ten countries and regions

CFL(10 Thousands)			NES incandescent lampCFL(10 Thousands)		
Rank	Country/Region	Total Amount	Rank	Country/Region	Total Amount
1	America	43912	1	America	90653
2	Brazil	18369	2	Nigeria	19019
3	Indonesia	17782	3	Venezuela	14852
4	The United Arab Emirates	12914	4	The United Arab Emirates	10553
5	Mexico	10968	5	The United Kingdom	9834
6	Malaysia	9166	6	Turkey	9135
7	Turkey	9046	7	Egypt	8595
8	Russia	8348	8	Canada	7485
9	Philippines	7870	9	Germany	7007
10	Korea	7520	10	Saudi Arabia	6533

2.4 2012 nes lamps and lighting fixtures (including LED lighting products)

Pre-export ten countries and regions (Ten thousand U.S. dollars)		
Rank	Countries and Regions	Export Value
1	America	142980
2	Japan	72426
3	Germany	46842
4	Hongkong	26692
5	The United Kingdom	22884
6	The Netherlands	20286
7	France	18767
8	Russia	16727
9	Canada	14160
10	Italy	13103

2.5 Export lighting products



A slight increase in indoor and outdoor lighting



Lighting accessories increase largely:

- *4 times in glass pieces*
- *4 times in plastic parts*
- *2 times in other parts*



LED lighting products increased by around 40%.

3. Lighting Situation Analysis



3.1 Development Trend Analysis

- For a long period of time, traditional lighting products, especially energy efficient lighting products and LED lighting products will co-exist.
- But the LED lighting products will increased year by year.

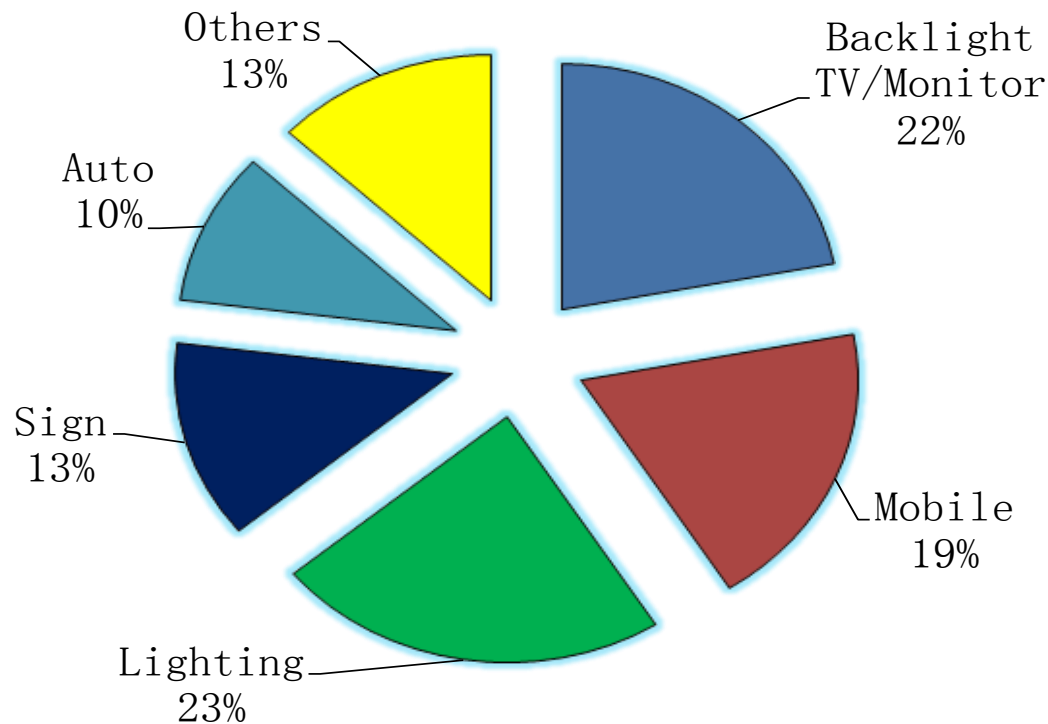


3.2 Exports data of First quarter in 2013

	Incandescent lamps	Export	639million Pics	A slight decrease over last year
	CFL	Export	614million Pics	Increase 5.5%
	Fluorescent lamps	Export	168million Pics	Increase 9.0%
	Tungsten halogen lamps lighting	Export	268 million Pics	Increase 24.3%
	LED lighting products	Export	1.6 billion US Dollars	Increase 31.8%

3.3 2012 LED Market by Application

2012 LED Market by Application



2012 LED package is \$ 13.7 billion worldwide



3.4 LED lighting product development trends

- Current market demand is more alternative sources, such as bulbs, MR16, PAR lamps, lamp and so on.
- Future trends will develop gradually to light, such as an office with a plate lights, household ceiling and versatile downlight.

3.5 Lighting Associations

Due to LED lighting application, the and boundaries of the light source and light fixture are becoming vague.

ELC and CELMA merged into LIGHTING EUROPE in December 2012



JELMA and JLA merger in April 2013



3.6 Lighting control system

Many companies start to focus on the wireless network control system.

Last September, six lighting companies initiated “The Connected Lighting Alliance”.

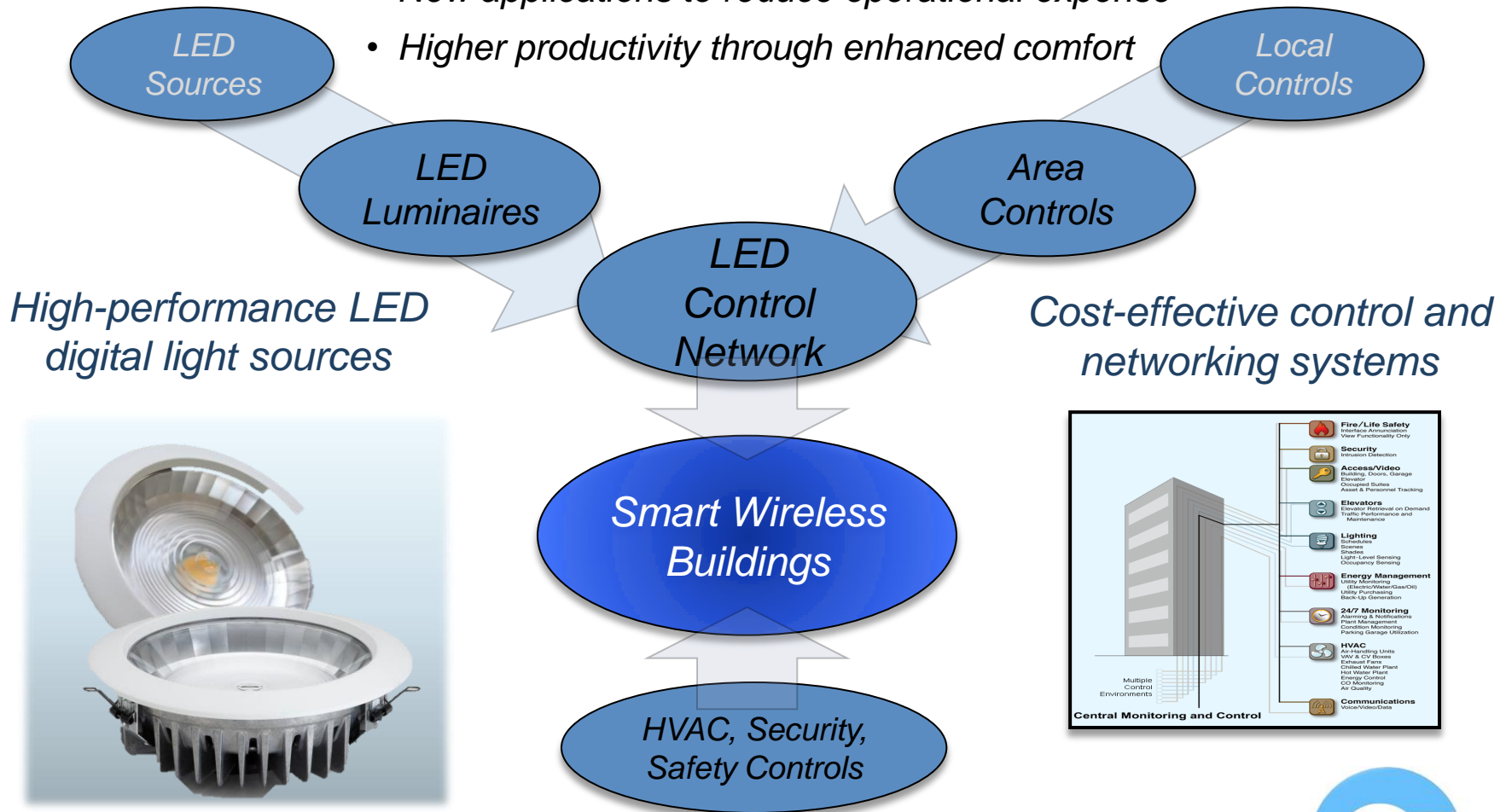


*Six founding companies, including
GE, LUTRON, OSRAM, PANASONIC,
PHILIPS, TOSHIBA.*



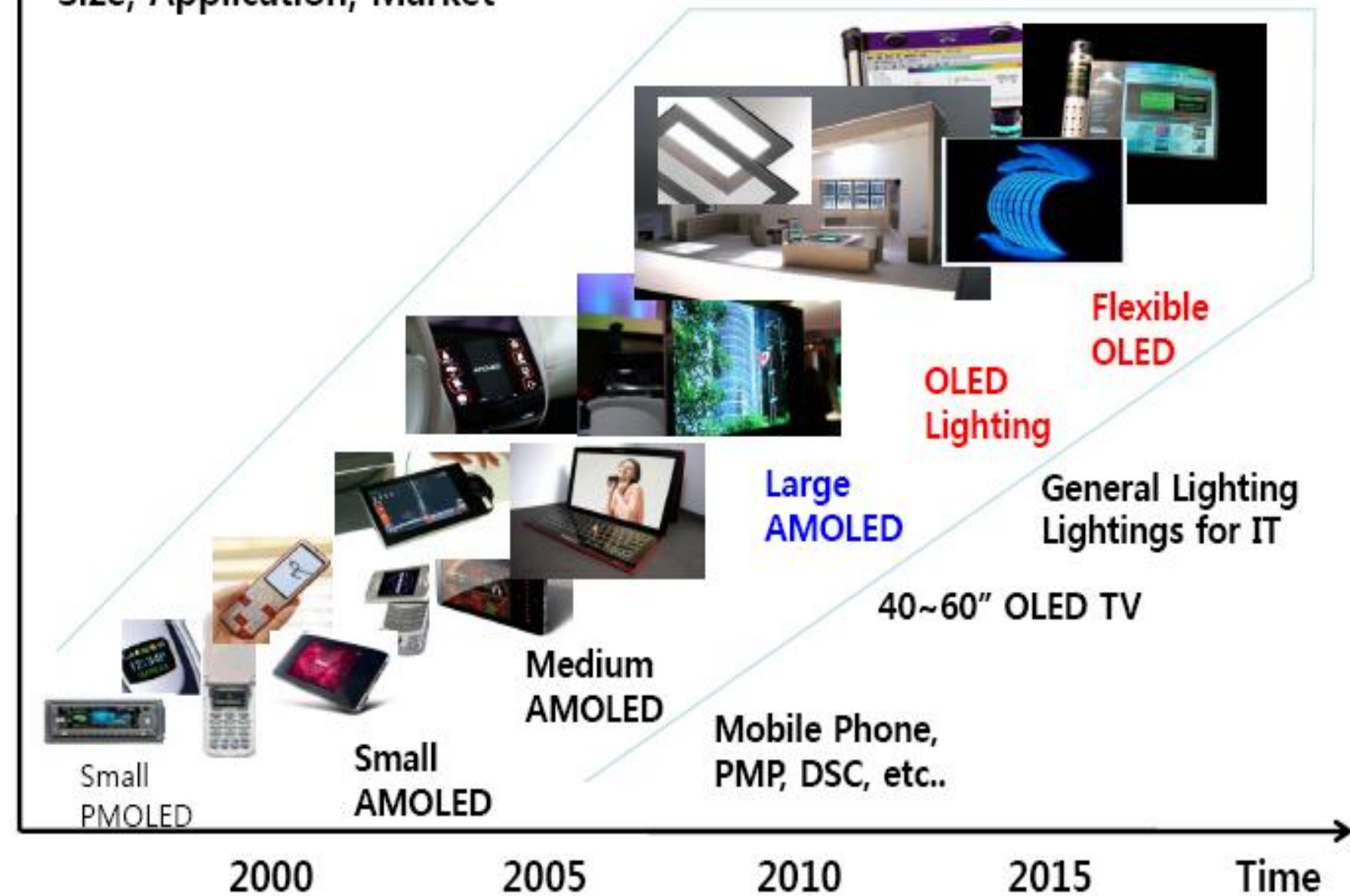
3.7 Intelligent Luminaires & Building Management

- *New applications to reduce operational expense*
- *Higher productivity through enhanced comfort*



OLED Roadmap

↑ Size, Application, Market



3.8 Domestic Situation



- ✓ *The financial subsidies of LED lighting project , carried out by China Development and Reform Commission, Ministry of Finance, will promote LED lighting applications in the domestic market.*
- ✓ *Tender includes outdoor lights, tunnel lights, indoor downlights and PAR lamps.*
- ✓ *It is estimated that the project will continue this year.*

3.9 Industry Chain- Upstream

- The operating rate of Chips Extension enterprises is about 50%.
- Some imported MOCVD equipment have not carried out preliminary test.
- Some are finished preliminary test but not engaged in mass production due to market oversupply.

3.9 Industry Chain-Midstream

- Some of the packaging companies are expanded to the downstream.
- Engaged in lighting product development and production.

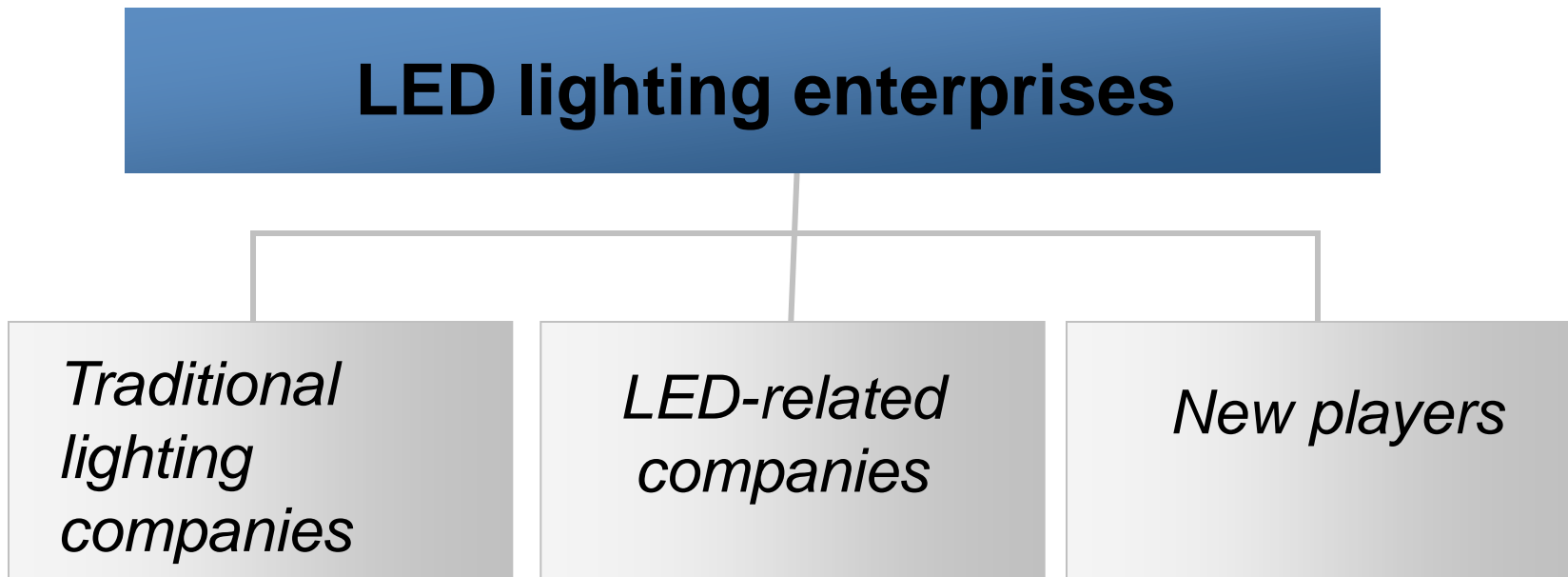


3.9 Industry Chain- Downstream

- LED lighting companies are facing terminal market.
- Some of them are relatively stable because they have good product quality and enough orders.
- Because there are many lighting companies in China, the competition are intense.

3.9 LED lighting enterprises

Currently there are three categories for LED lighting enterprises in China .



3.9 Traditional lighting companies

✓ *Most traditional lighting companies are developing and producing LED lighting products.*

✓ *They have advantage in their existing customers, channels , understanding of lighting products and foundation of CFL electronic ballast production.*



3.9 LED-related companies

- ✓ *LED chip extension companies and packaging companies are expanding to downstream.*
- ✓ *Currently few of them are success.*
- ✓ *The main reason is they lack of customer channels, distracted by many factors.*

3.9 New players

- ✓ *These consumer electronics companies are a strong force as new players.*
- ✓ *They have advantage in supply channels, technology, production and equipments.*
- ✓ *Once they have appropriate customers, they will launch LED lighting products soon and formed scale production.*

3.10 Two Production Models

Xiamen Model

- ✓ *They original produce CFLs.*
- ✓ *Their clients are unchanged.*
- ✓ *Their clients demand for LED lighting products.*
- ✓ *They have solid foundation in electronic ballast production.*
- ✓ *They have scale production in LED lighting products soon.*

Shenzhen Model

- ✓ *They have solid foundation in consumer electronics production.*
- ✓ *They have advantages in accessory procurement, production technology and equipment.*
- ✓ *They will launch LED lighting products quickly.*

3.11 Korea Companies

- Korea Companies are expanding Chinese market.



- Their main products are LED chips and components.

3.12 China & Korea

- It is estimated that Chinese LED lighting products will continue to export to South Korea in the future for price and quality advantages.
- We hope that Korea could use more Chinese LED lighting products.

THANK YOU

Chen Yansheng

China Association of Lighting Industry

