



China Die Casting Industry - Overview

The die casting industry has witnessed a surge over the past years from 266,700 metric tons in 1995 to 624,000 metric tons in 2002, growing at an average annual rate of 13%. The following factors contribute to the growth of the local die casting industry:

- ◆ The boom of the local automotive industry
- ◆ Transfer of die casting capacity from overseas
- ◆ Global automotive purchasing

According to Shanghai Die Casting Technology Association, there are about 2622 die casting related foundries (Including JV and Wholly Foreign Owned Enterprises) and workshops in China. The average productivity of these foundries is 295 tons per foundry. The output from state-owned enterprises only account for less than 30% of the total die casting output.

The automotive industry consumes 62% of China's annual die casting production. In China, most of the auto die casting products are made of aluminum and magnesium alloys, the market for aluminum and magnesium alloy die casting is between USD 1.4 billion -2 billion in 2002.

With less sophisticated casting die development levels and strong demand for die casting products, the industry is facing both challenges and opportunities. It is predicted that by 2006, the market will grow to 1.2 million tons with a total value of about USD 4.4 billion.

Referring to NADCA classification standards and methodology, Chinese die casting industry involves in any activities that relate to the designing, tooling, manufacturing, and selling of die casting products and services. In this report, we will focus our delineation of the industry in perspective of die tooling, die casting raw materials, die casting equipment and techniques as well as die casting foundries.

Following the rapid development of China automotive industry, the die casting industry has undergone a spectacular expansion. Though it only represents 6% of total casting output in China, the sector has experienced a double-digit growth in recent years. The output of die castings was 266,700 metric tons in 1995, and this number surged to 624,000 metric tons in 2002, growing at an average annual rate of 13%. Die casting export is about 10% of the total output, i.e. 62,400 tons in 2002.(Chinese Custom does not have the corresponding HS Code 8708997360 assigned to die casting products, therefore, the exact import and export data are not available.)

Figure 1 illustrates the annual die casting output and its growth during 1998 – 2002. The automotive industry consumes 62% of China's annual die casting production. In China, most of the auto die casting products are made of aluminum and magnesium alloys, the market for aluminum and magnesium alloy die casting is between USD 1.4 billion -2 billion in 2002.



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