

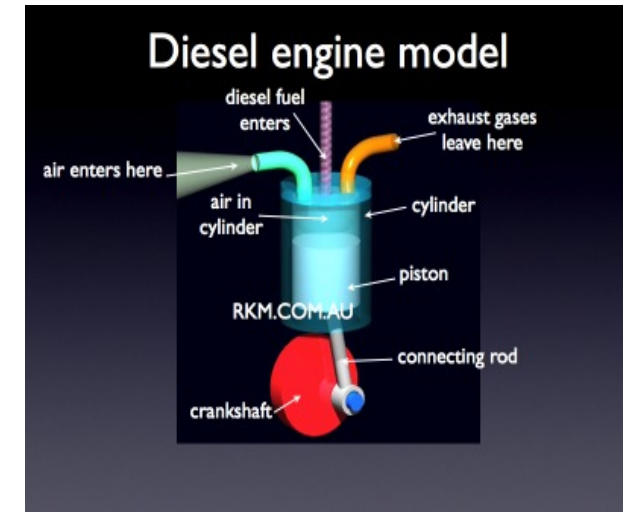
# The China Diesel Engine Market

## Product Briefing



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# The China Diesel Engine Market – Product Overview

## Diesel Engines in China

This LPS provides an in-depth understanding of the market for diesel engine in Mainland China, which was produced from our primary survey in 1H, 2011.



This study focuses on domestic sales of diesel engine which are divided into three product categories: marine diesel engines, diesel generating sets and engineering machinery diesel engines. A quantitative and qualitative assessment of the following is included:

- Market Figures
- Competitive Analysis
- Channel Analysis
- Analysis by industry
- Growth Rates & Forecasts
- Market Opportunities

The following figure shows a breakdown of the interviews conducted for this study.

**Interviewed Companies include:  
Caterpillar, Cummins, DMD, Wärtsilä, HMM, Jichai Power, MAN, MTU, Sime Darby, Weichai Power, Weichai Heavy Machinery, Yuchai Group, Lei Shi Hong Machinery and more.**

## Interview Sampling

| Target Groups      | Companies (No.) |
|--------------------|-----------------|
| Suppliers          | 43              |
| Downstream Players | 18              |
| Experts            | 5               |
| <b>Total</b>       | <b>66</b>       |

# Market Snapshot “An approximately RMB 80.4 Bn market ”



The market grew by approximately 6% in 2010 and will maintain a CAGR of around 8% through to 2015.

## Definitions

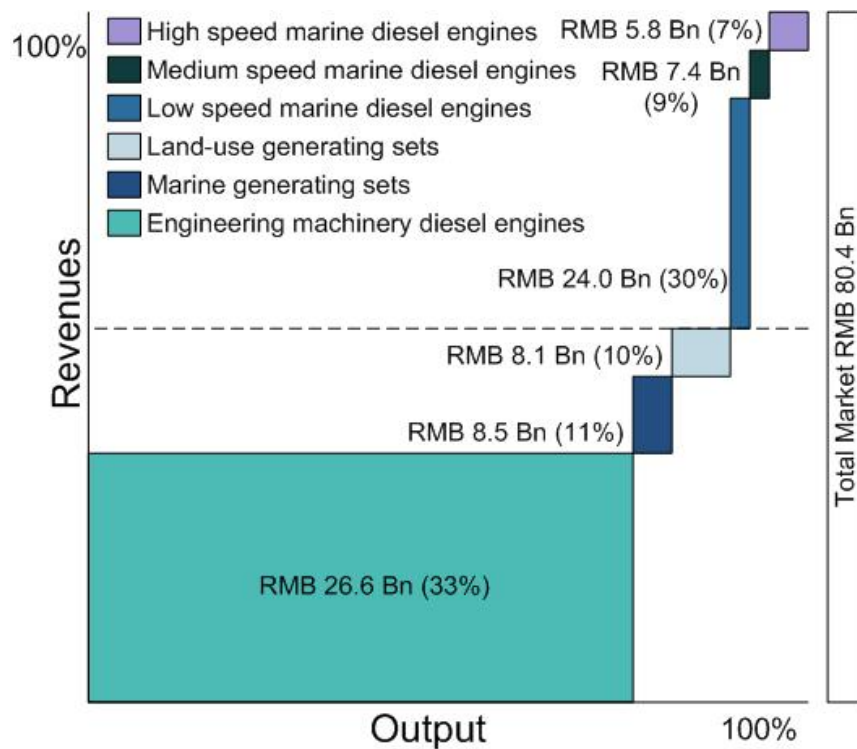
**Diesel Engines:** A diesel engine is an internal combustion engine that uses heat of compression to initiate ignition of fuel. This is in contrast to spark-ignition engines such as petrol or gas engines. The market for diesel engines in this study is classified by speed.

**Diesel Fuel:** Any kind of liquid fuel that is used to power diesel engines. Diesel fuel is most commonly derived from petroleum distillation but there are also some alternatives such as biodiesel. Petroleum diesel has a higher density than petrol. Diesel fuel is widely used in most types of transportation and power generation.

**Diesel Generator Set:** A packaged combination of a diesel engine, an inductor and various additional devices is referred to as a diesel generator set. Diesel generators sets are classified by power output, which is inversely related to the speed of the diesel engine.

**Target Market:** The target market of this study is defined as the market in China for diesel engines for land-use and marine-use generator sets, diesel engines for use in marine propulsion, and diesel engines used in engineering machinery equipment. This study does not consider diesel engines for use in cars, trucks and tractors or diesel engines for use in agriculture.

## Market Size Figures 2010



Source: GCiS

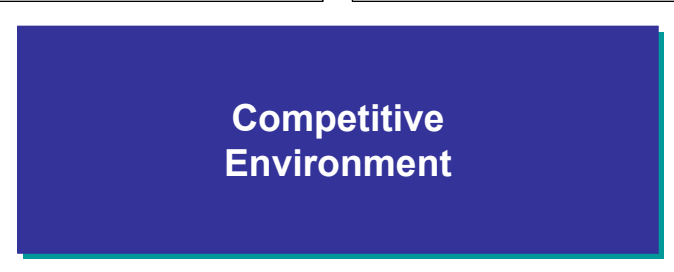
# Market Dynamics “Price competition and wait-and-see attitude ”



Suppliers are holding off on investment in capacity expansion while investors take a wait-and-see attitude to market developments. Competition is fierce with supply and demand side pressure on prices.

**Market Entry**  
Market entry is complicated by high investment requirements, barriers on the activities of wholly- foreign owned enterprises and the existence of cheap, high volume producers in many of the more accessible market segments.

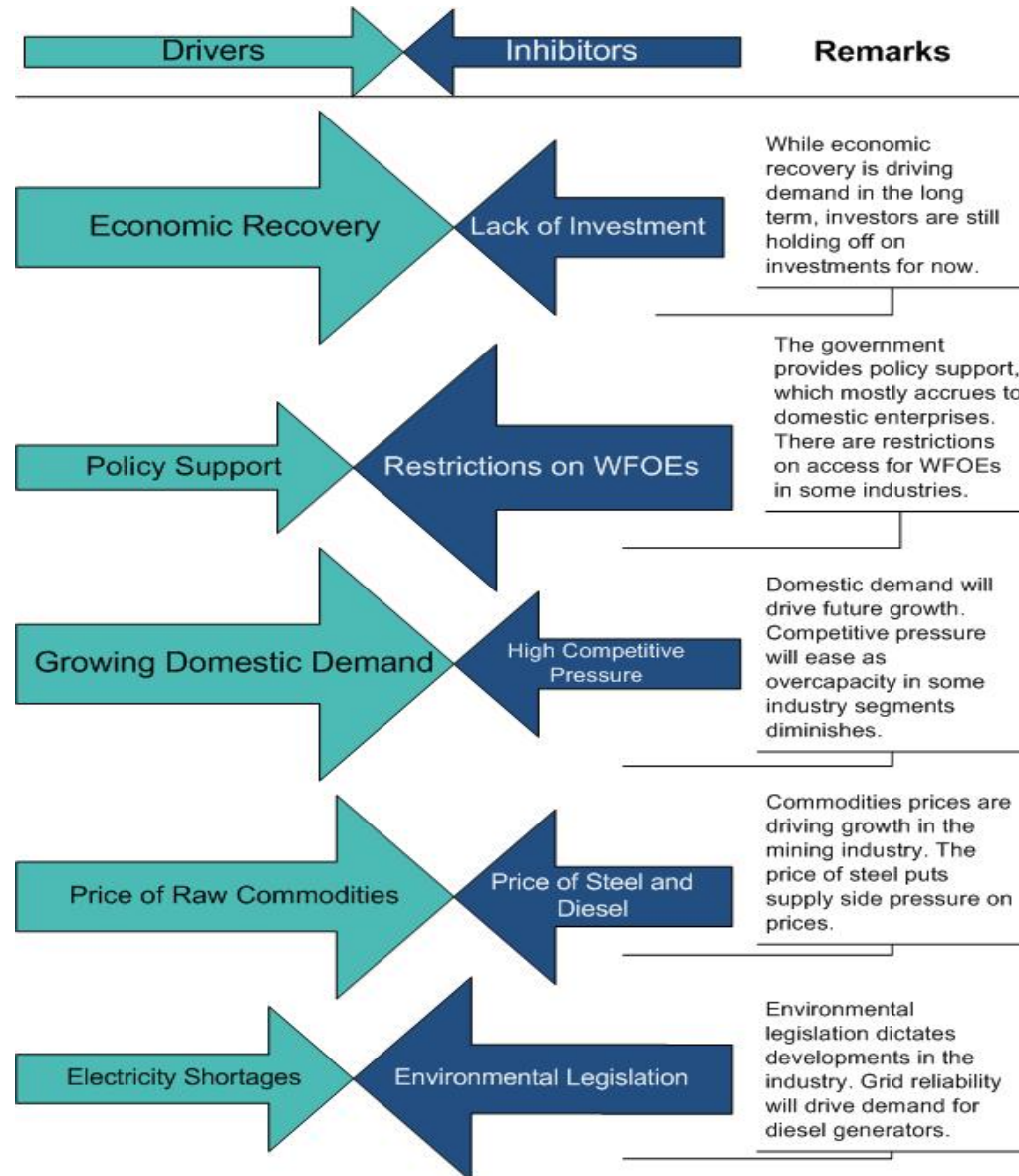
**Trends**  
Key trends are the rise in domestic consumption, which results in a growing demand for domestic shipping and growth in the inland shipbuilding industry.



**Regional Focus**  
Demand for marine diesel engines and marine generator sets is concentrated in the shipbuilding centers in the Northeast, the East and the South.

**Foreign and Domestic Firms**  
Foreign suppliers control more than 50% of the market and enjoy further advantages from a technological oligopoly. Domestic suppliers are still very much dependent on their foreign counterparts for technology and parts.

# Drivers & Inhibitors “Domestic demand drives future growth”



## Purchasing the Study

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This Study is priced at:

|                                   |                   |                      |                   |
|-----------------------------------|-------------------|----------------------|-------------------|
| Complete Study:                   | <b>RMB 23,600</b> | Executive Summary:   | <b>RMB 10,400</b> |
| Aggregate Analysis:               | <b>RMB 16,100</b> | Supplier Profiles:   | <b>RMB 13,800</b> |
| Competitive Analysis:             | <b>RMB 11,100</b> | Influencer Analysis: | <b>RMB 9,800</b>  |
| Product Segments Analysis (each): | <b>RMB 8,700</b>  |                      | <i>Plus Tax</i>   |

Major areas covered include:

- Market size and shares
- Five-year Projections
- Market Structure
- Pricing trends
- Distribution
- Consumption
- Assessment of key suppliers

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