

## **Industrial PET Film Markets: Key Research Findings 2015**

### ◆ **Research Outline**

**Yano Research Institute has conducted a study on the domestic and overseas PET film markets with the following conditions:**

1. Research period: From May to July, 2015
2. Research target: Manufacturers of PET films, protection films, and release films, etc.
3. Research methodologies: Face-to-face interviews by the expert researchers

#### **What are the Industrial PET Film Markets?**

The industrial PET film markets in this research indicate those PET films for optical application (PET films used for optical materials and secondary materials), and general industrial application. The industrial PET film market size is calculated based on the shipment volume from the domestic and overseas manufacturers (i.e., manufacturers in Japan, South Korea, and Taiwan.)

### ◆ **Key Findings**

#### ■ **Industrial PET Film Market in 2015 Expected to Attain 590,390 Tons, Japanese Manufacturers Occupying 42.5% of Market Share, 100.8% of Preceding Year**

Total shipment volume of industrial PET films (both for optical and general industrial purposes) at Japanese, South Korean and Taiwanese manufacturers in 2015 is likely to attain 590,390 tons, 97.5% of that in the previous year. The Japanese and South Korean manufacturers both occupy 42.5% each of the market share, with Taiwanese manufacturers holding the rest of 15.0%.

#### ■ **When Considering Composition of PET Film Market by Application in 2015 Optical Likely to Account for 46.5%, While General Industrial Occupy 53.5%**

Until today, the industrial PET film market has been expanded by the growing demands of optical application (PET films used for optical materials and secondary materials). However, the recent reduction of film components used for LCD backlighting and decreasing sales of smartphones and tablets are tending to scale down the optical application of PET films. This led some PET film manufacturers to review the conventional, optical-oriented business to shift to focus more on general industrial application.

Based on the shipment volume at manufacturers, the industrial PET film market in 2015 is likely to be consisted of optical application (for optical materials and secondary materials) to account for 46.5% of the market, and general industrial application to occupy 53.5%.

#### ■ **While Vigorous Capital Investment Continues in China and Taiwan, Restructuring of Production Bases Seen Occasionally in Japan and South Korea**

Although demands for PET film market slowed down in 2011, series of augmented production bases at manufacturers during the period between 2011 and 2013 has led to oversupply of PET films. This brought about some manufacturers to review and reorganize their production facilities, and in 2014, some determined to close down unprofitable ones.

The total balance of production capacity of leading PET film manufacturers in Japan and South Korea during the period between 2013 to 2016 is likely to total annual 72,000 tons: In detail, Japan is likely to decline its production capacity from 333,400 tons in 2013 to 303,400 tons in 2016, and South Korea to decrease that from 495,000 tons in 2013 to 453,000 tons in 2016.

On the other hand, however, domestic and overseas PET film makers are investing to plants and equipment in China, one after another. As a result of consolidation and reorganization of production bases at each of manufacturers, the total production capacity of leading manufacturers (in Japan, South Korea, Taiwan and China) is likely to attain annual 1,612,400 tons by the end of 2015, 101.2% of the size in the previous year.

#### ◆ Report format

Published report: “High-Performance Film Market 2015”

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■ Table 1. Transition and Forecast of Shipment Volume of Industrial PET Films at Leading Manufacturers in Japan, South Korea, and Taiwan

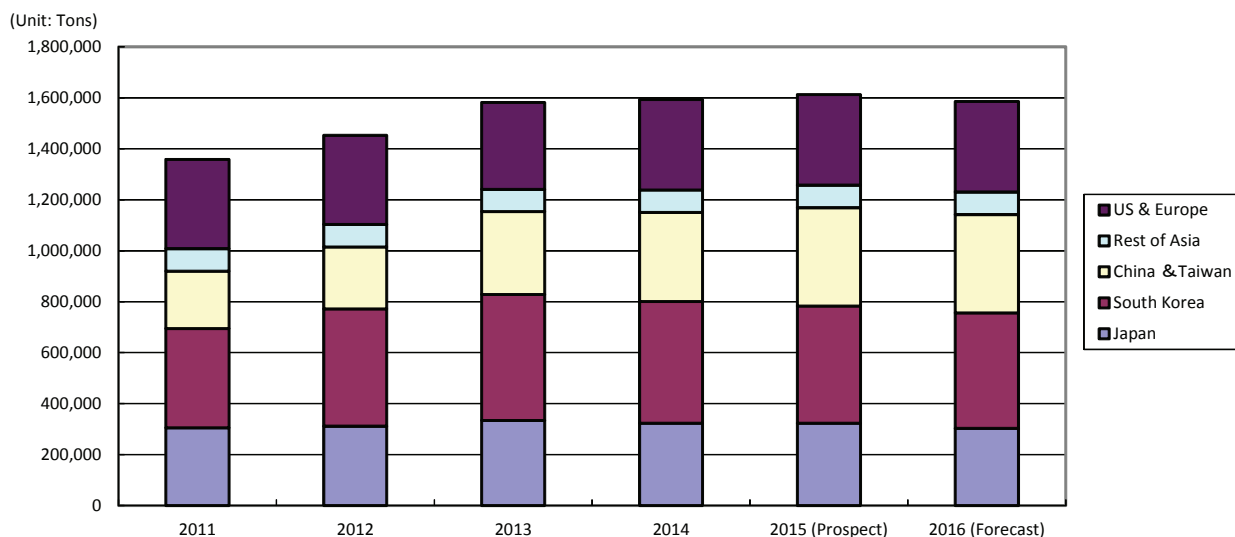
		Unit: Tons. Component ratio/Y-o-Y comparison: %								
		2013	2014		2015 (Prospect)		2016 (Forecast)		2017 (Forecast)	
				Y-o-Y		Y-o-Y		Y-o-Y		Y-o-Y
Japan	Optical Application (Component ratio)	108,600 (43.7%)	107,650 (43.3%)	99.1%	110,650 (44.1%)	102.8%	107,050 (43.6%)	96.7%	106,400 (42.5%)	99.4%
	General Industrial App. (Component ratio)	139,800 (56.3%)	141,120 (56.7%)	100.9%	140,200 (55.9%)	99.3%	138,550 (56.4%)	98.8%	143,800 (57.5%)	103.8%
	Sub Total (Component ratio)	248,400 (100.0%)	248,770 (100.0%)	100.1%	250,850 (100.0%)	100.8%	245,600 (100.0%)	97.9%	250,200 (100.0%)	101.9%
South Korea	Optical Application (Component ratio)	154,740 (56.5%)	157,600 (58.7%)	101.8%	134,400 (53.6%)	85.3%	142,800 (55.1%)	106.3%	142,700 (55.2%)	99.9%
	General Industrial App. (Component ratio)	119,340 (43.5%)	111,000 (41.3%)	93.0%	116,400 (46.4%)	104.9%	116,600 (44.9%)	100.2%	115,900 (44.8%)	99.4%
	Sub Total (Component ratio)	274,080 (100.0%)	268,600 (100.0%)	98.0%	250,800 (100.0%)	93.4%	259,400 (100.0%)	103.4%	258,600 (100.0%)	99.7%
Taiwan	Optical Application (Component ratio)	26,800 (30.2%)	27,400 (31.2%)	102.2%	29,700 (33.5%)	108.4%	37,200 (32.7%)	125.3%	38,400 (33.0%)	103.2%
	General Industrial App. (Component ratio)	61,900 (69.8%)	60,500 (68.8%)	97.7%	59,040 (66.5%)	97.6%	76,440 (67.3%)	129.5%	78,040 (67.0%)	102.1%
	Sub Total (Component ratio)	88,700 (100.0%)	87,900 (100.0%)	99.1%	88,740 (100.0%)	101.0%	113,640 (100.0%)	128.1%	116,440 (100.0%)	102.5%
Total	Optical Application (Component ratio)	290,140 (47.5%)	292,650 (48.4%)	100.9%	274,750 (46.5%)	93.9%	287,050 (46.4%)	104.5%	287,500 (46.0%)	100.2%
	General Industrial App. (Component ratio)	321,040 (52.5%)	312,620 (51.6%)	97.4%	315,640 (53.5%)	101.0%	331,590 (53.6%)	105.1%	337,740 (54.0%)	101.9%
	Total (Component ratio)	611,180 (100.0%)	605,270 (100.0%)	99.0%	590,390 (100.0%)	97.5%	618,640 (100.0%)	104.8%	625,240 (100.0%)	101.1%

Estimated by Yano Research Institute

#### Notes:

1. The market size is calculated based on the shipment volume at manufacturers.
2. The figures in 2015 are prospect values, and in 2016 and beyond are forecast values.
3. The shipment volume in 2013 has been calculated retroactively.

■ **Table & Figure 1. Transition and Forecast of Production Capacity of PET Films at Leading Manufacturers in Japan, South Korea, and Taiwan**



(Unit: Tons)

Base Regions	2011	2012		2013		2014		2015 (Prospect)		2016 (Forecast)	
			Y-o-Y		Y-o-Y		Y-o-Y		Y-o-Y		Y-o-Y
Japan (Composition Ratio)	305,400 (22.7%)	311,400 (21.6%)	102.0%	333,400 (21.1%)	107.1%	323,400 (20.3%)	97.0%	323,400 (20.1%)	100.0%	303,400 (19.1%)	93.8%
South Korea (Composition Ratio)	389,000 (28.9%)	460,000 (31.9%)	118.3%	495,000 (31.3%)	107.6%	477,000 (29.9%)	96.4%	460,000 (28.5%)	96.4%	453,000 (28.6%)	98.5%
China & Taiwan (Composition Ratio)	215,700 (16.0%)	233,700 (16.2%)	108.3%	325,200 (20.6%)	139.2%	350,000 (22.0%)	107.6%	386,000 (23.9%)	110.3%	386,000 (24.3%)	100.0%
Rest of Asia (Composition Ratio)	88,000 (6.5%)	88,000 (6.1%)	100.0%	88,000 (5.6%)	100.0%	88,000 (5.5%)	100.0%	88,000 (5.5%)	100.0%	88,000 (5.6%)	100.0%
US & Europe (Composition Ratio)	350,000 (26.0%)	350,000 (24.3%)	100.0%	340,000 (21.5%)	97.1%	355,000 (22.3%)	104.4%	355,000 (22.0%)	100.0%	355,000 (22.4%)	100.0%
<b>Total (Composition Ratio)</b>	<b>1,348,100 (100.0%)</b>	<b>1,443,100 (100.0%)</b>	<b>107.0%</b>	<b>1,581,600 (100.0%)</b>	<b>109.6%</b>	<b>1,593,400 (100.0%)</b>	<b>100.7%</b>	<b>1,612,400 (100.0%)</b>	<b>101.2%</b>	<b>1,585,400 (100.0%)</b>	<b>98.3%</b>

[Estimated by Yano Research Institute]

**Notes:**

- The production capacity is calculated based on total production volume of PET films at manufacturers in Japan, South Korea, Taiwan and China.
- The PET films in this report target those for optical, general industrial and wrapping applications,
- Since the numeric values are rounded, some parts of totaled values and ratio may not match.