

Status Quo and Future Development of China's Polyester Industry

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CONTENT



China Polyester Market Status



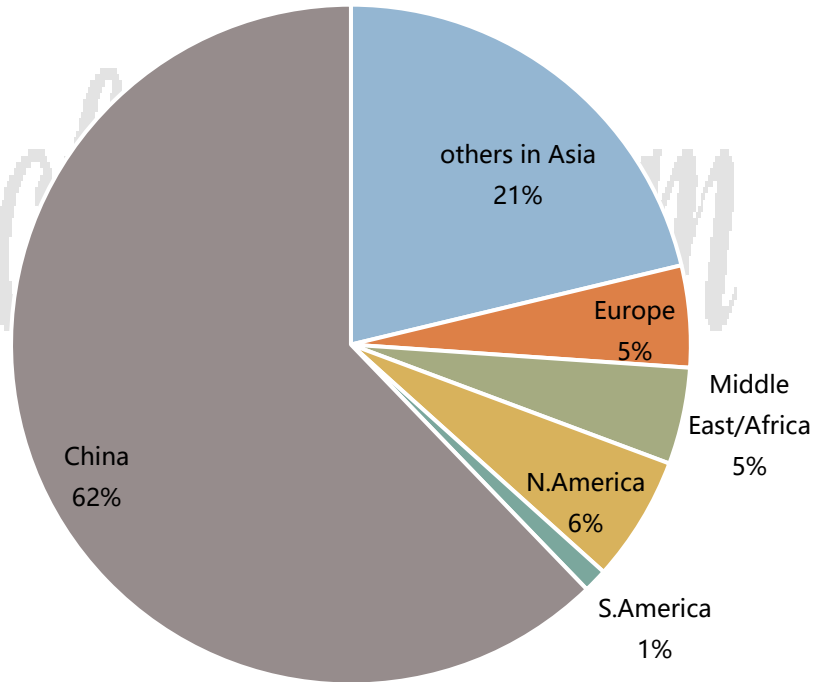
China Export Increase VS Trade Barriers



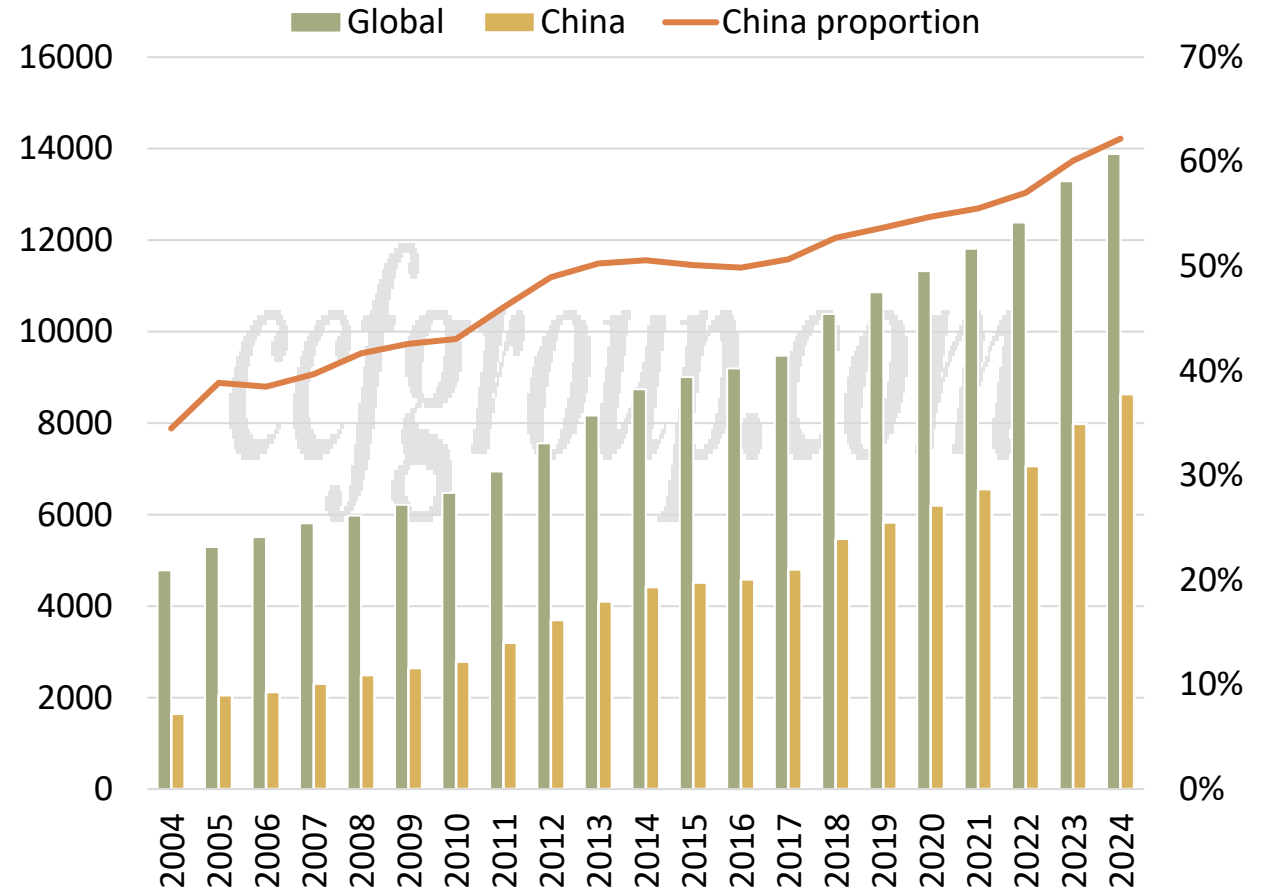
Future Directions & Outlook

China Polyester Market Status

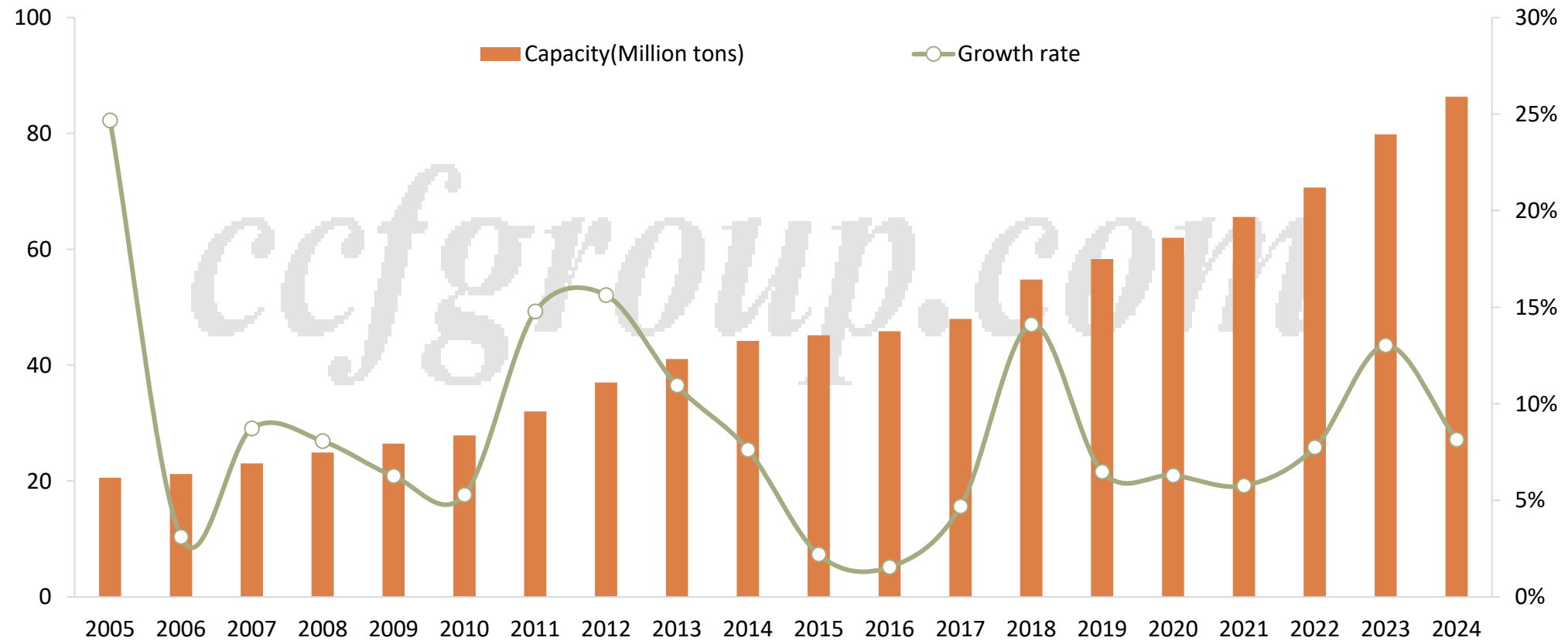
Global polyester capacity distributions

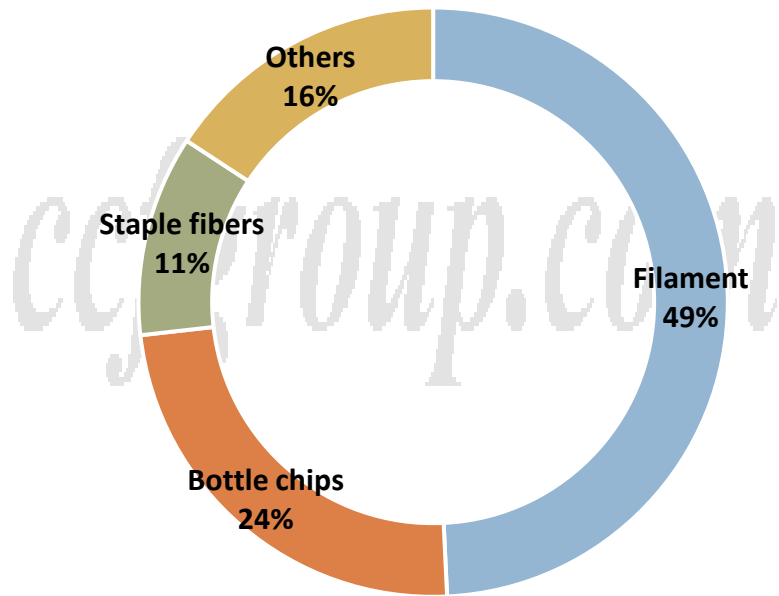


Proportions of China is increasing

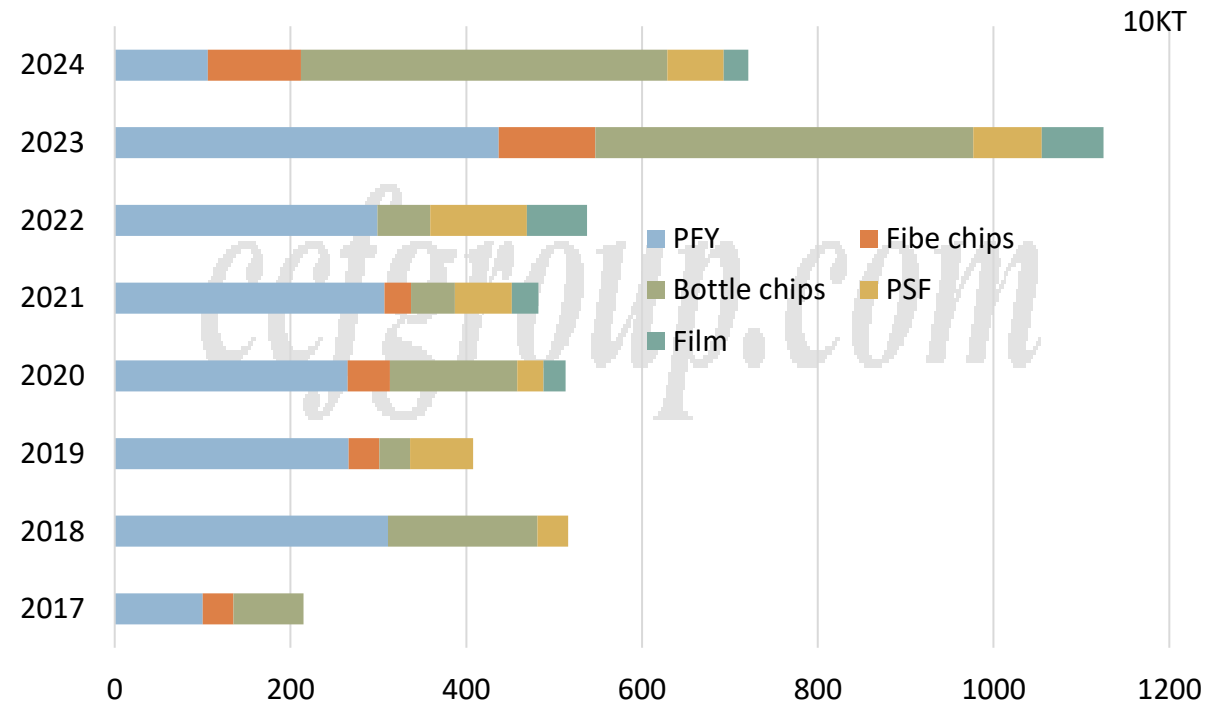


China polyester capacity growth in 2005-2024





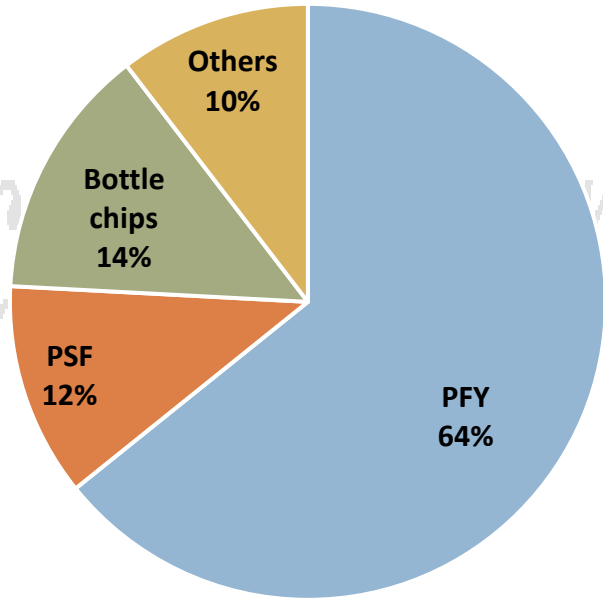
Expansion of China major polyester products



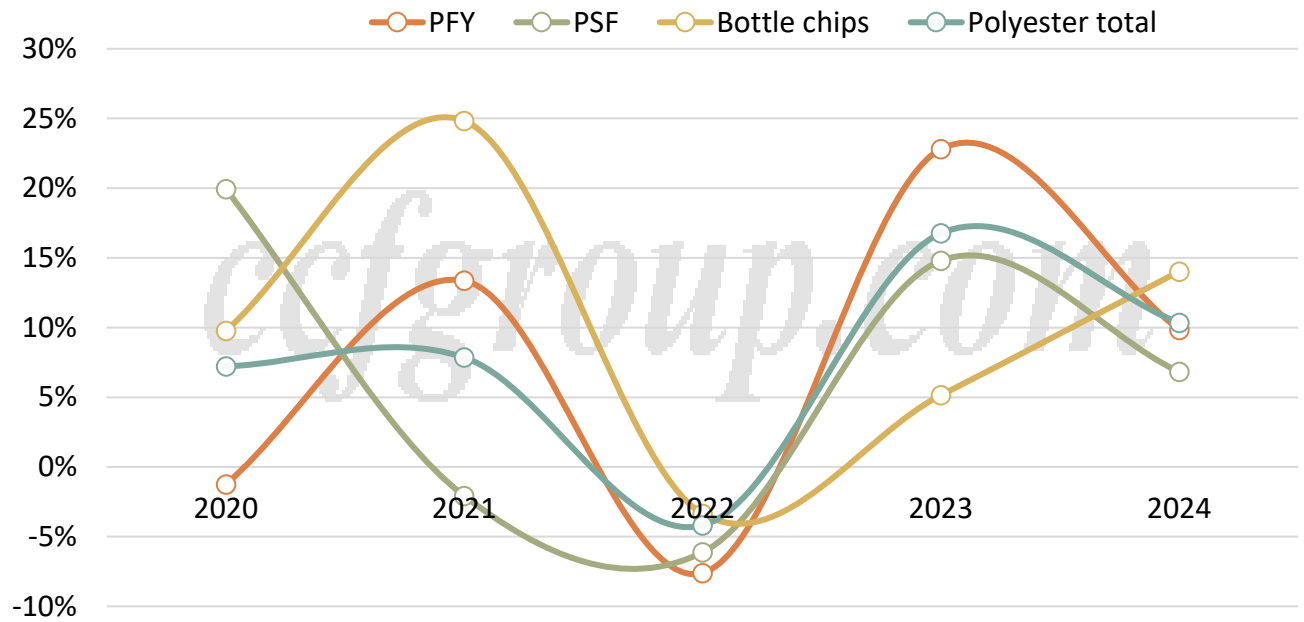
➤ Till April 2025, total polyester capacity in China is around 87.34million tons/yr.

➤ Bottle chip has experienced the most rapid capacity expansion in recent years.

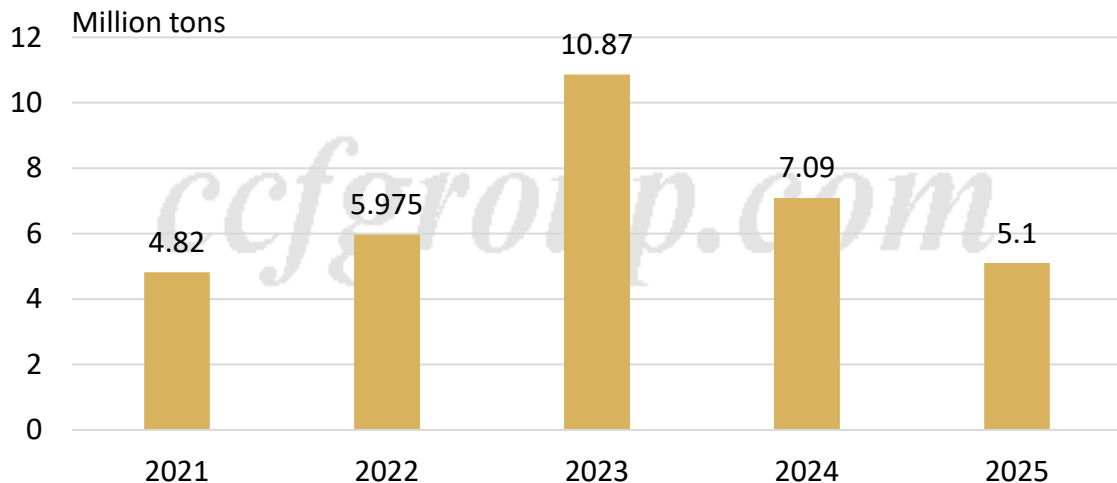
Demand by products



China major polyester products demand growth in 2020-2024

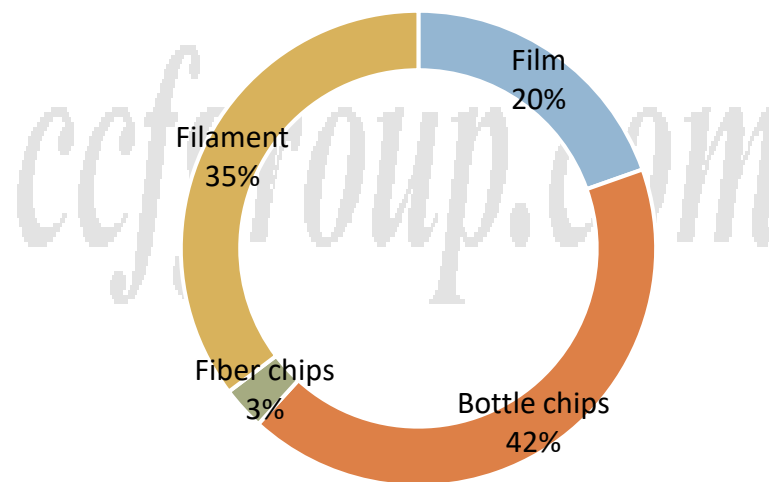


China polyester capacity expansion slows down in 2025

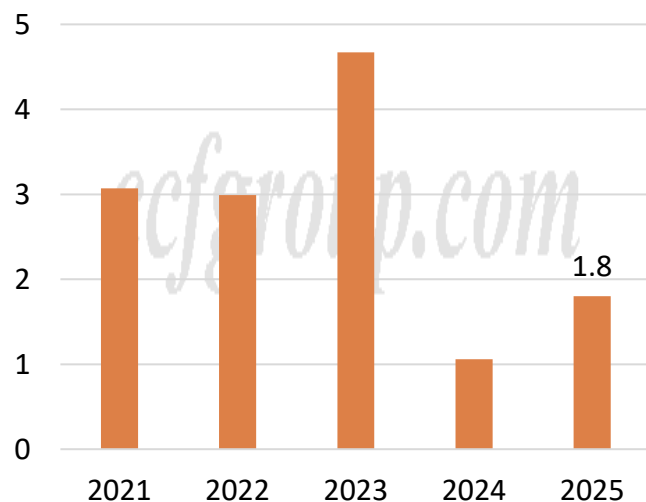


- **Bottle chips:** expansion in the final stage;
- **Filament:** New investments increase; primarily concentrated among leading enterprises and expected to be more geographically dispersed.

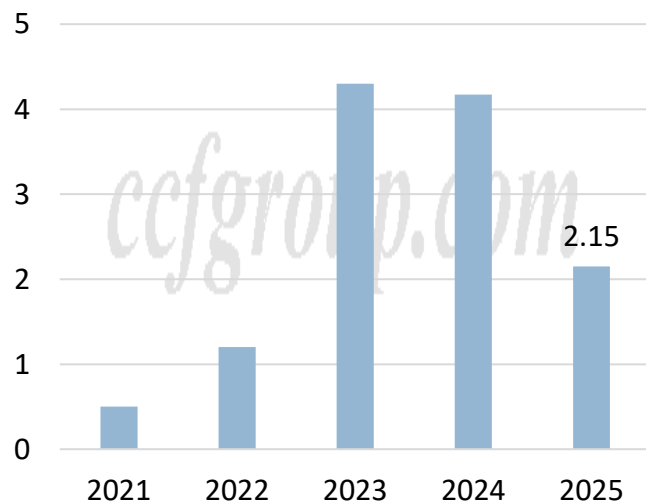
Polyester capacity investment in 2025



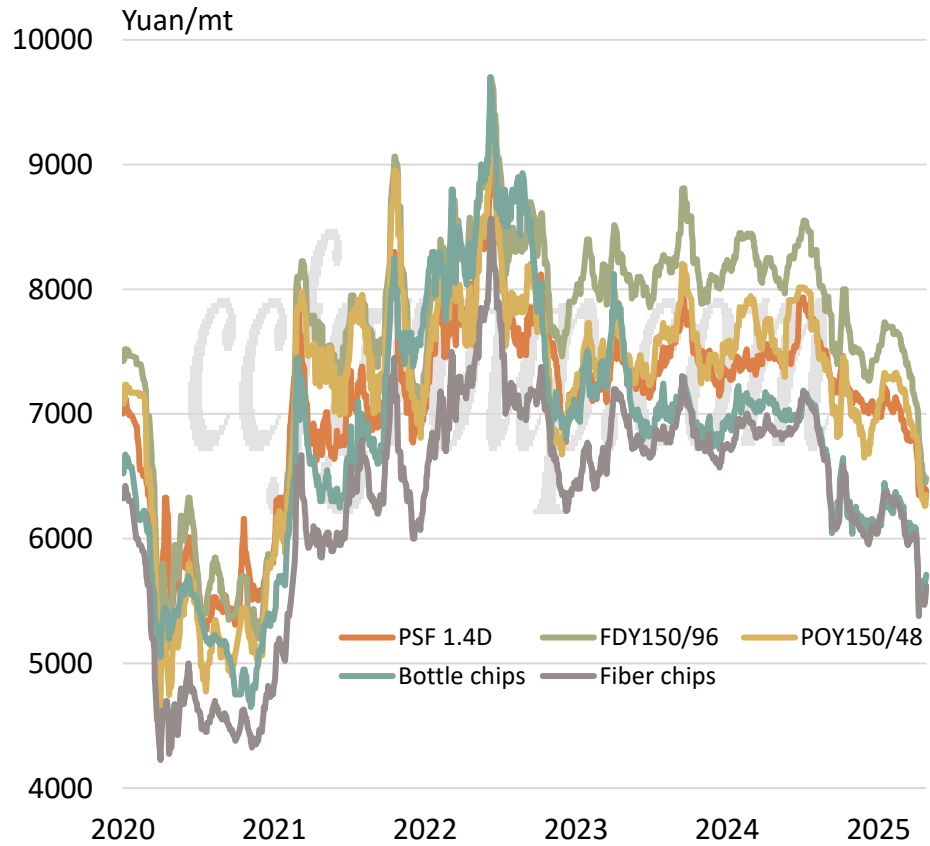
Filament(million tons)



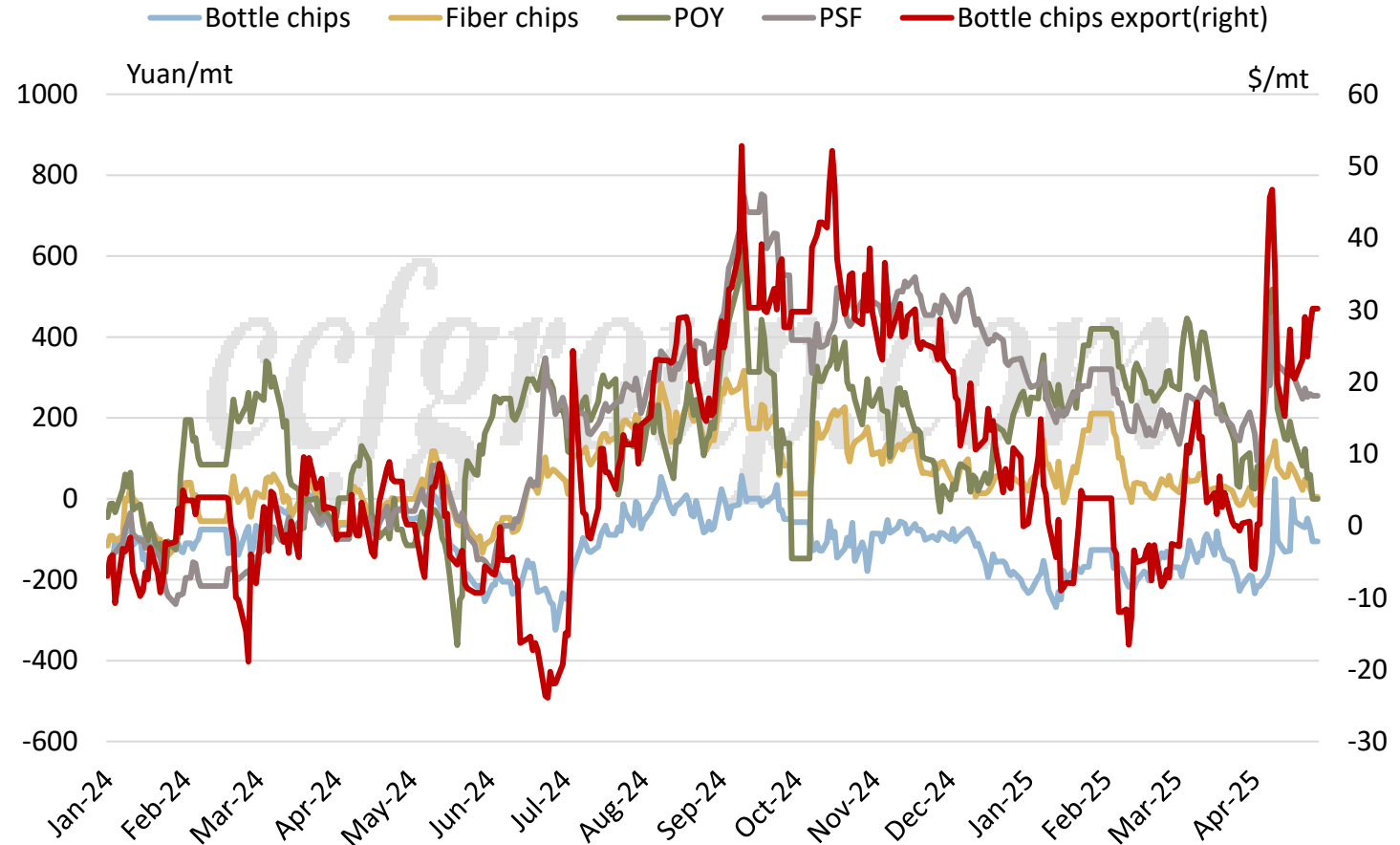
Bottle chips(million tons)



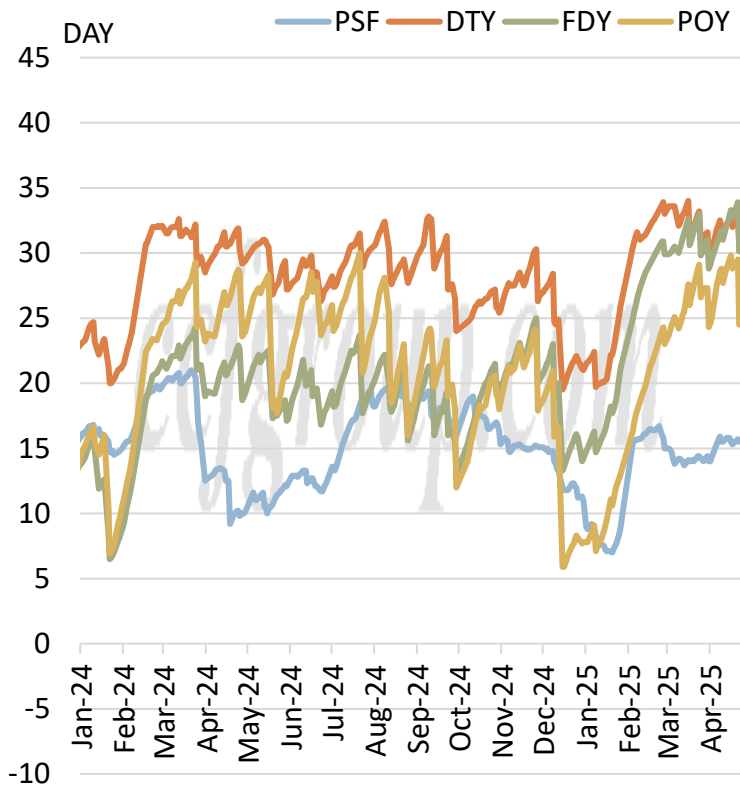
Price trend of major polyester products



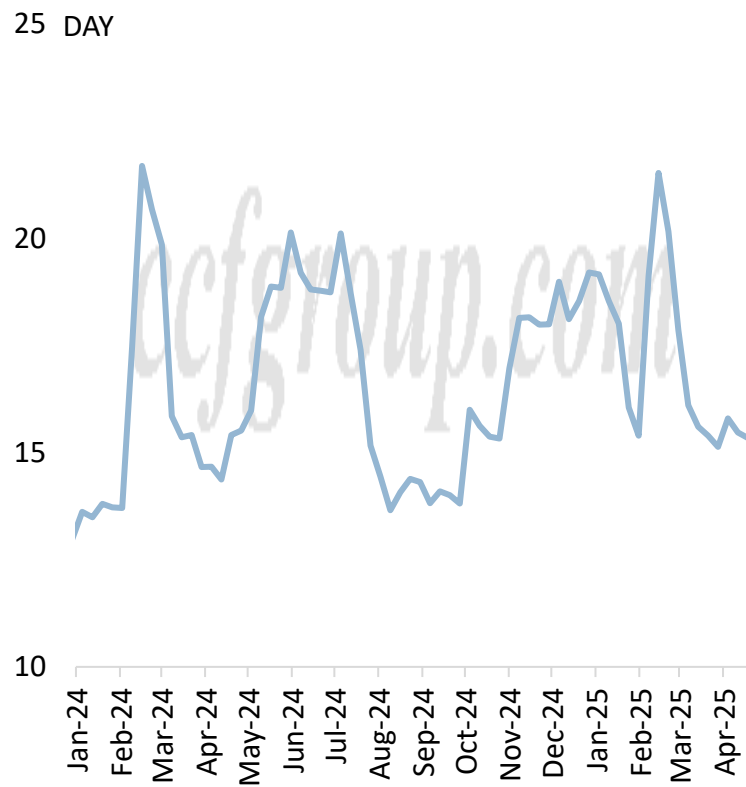
Cash flows of major polyester products



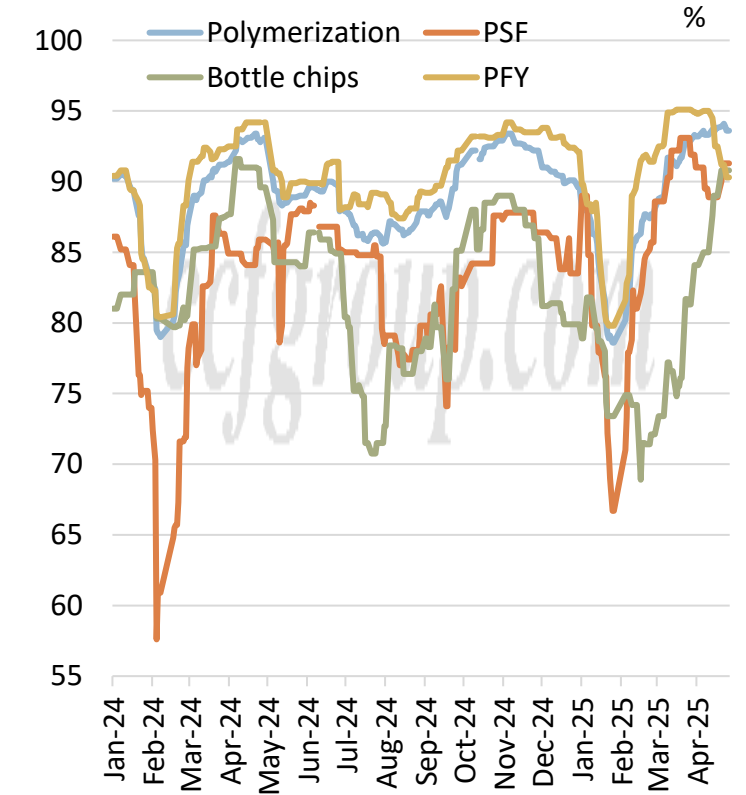
Inventory of PFY & PSF plants in China



Inventory of PET bottle chip plants



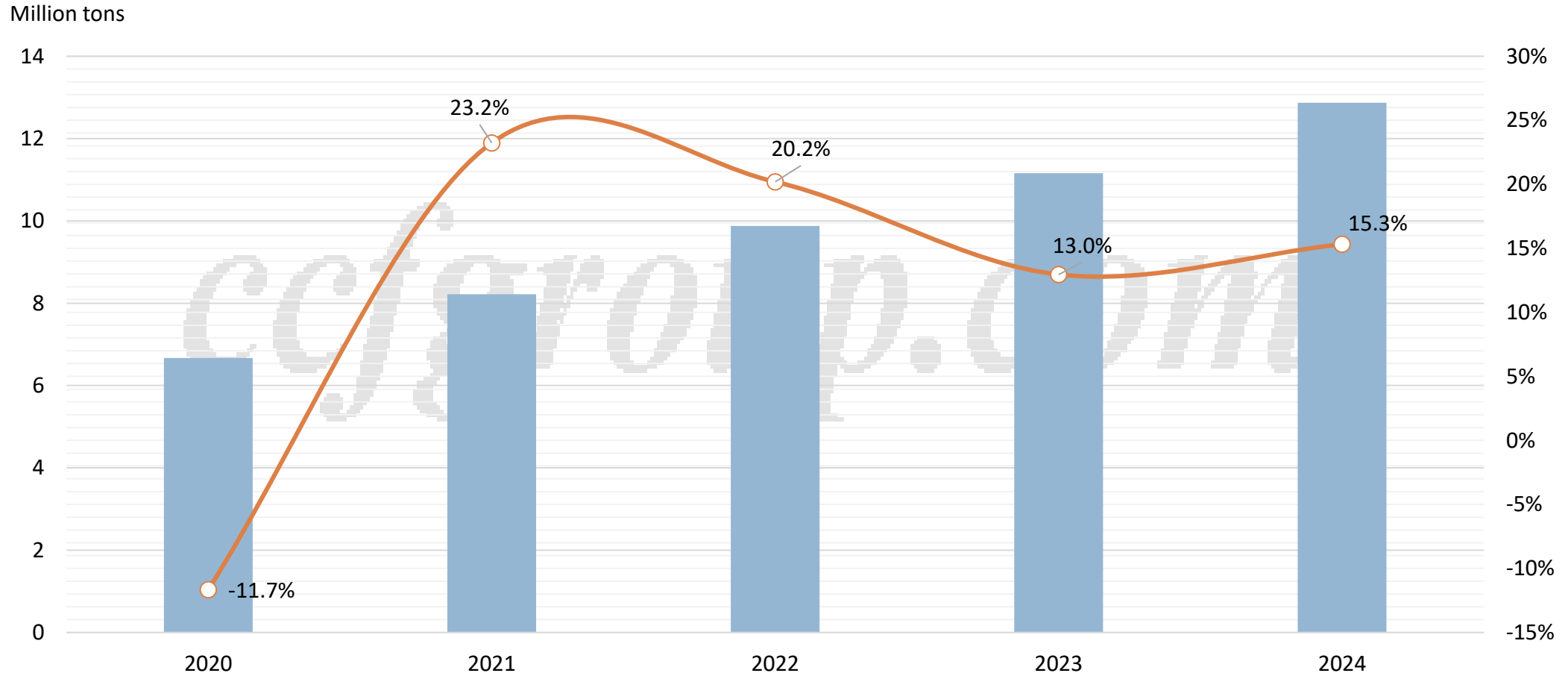
Operation rates



China Export Increase VS Trade Barriers

China Polyester Exports Increasing Fast

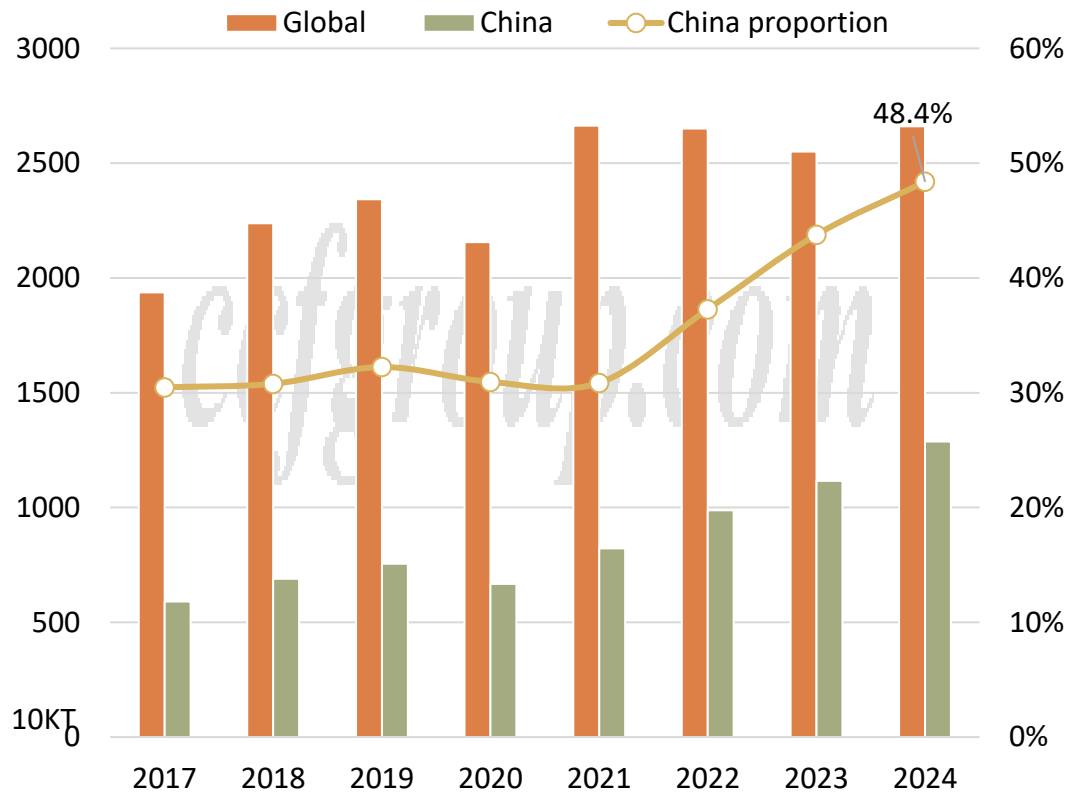
China polyester product exports over 12 million tons per year



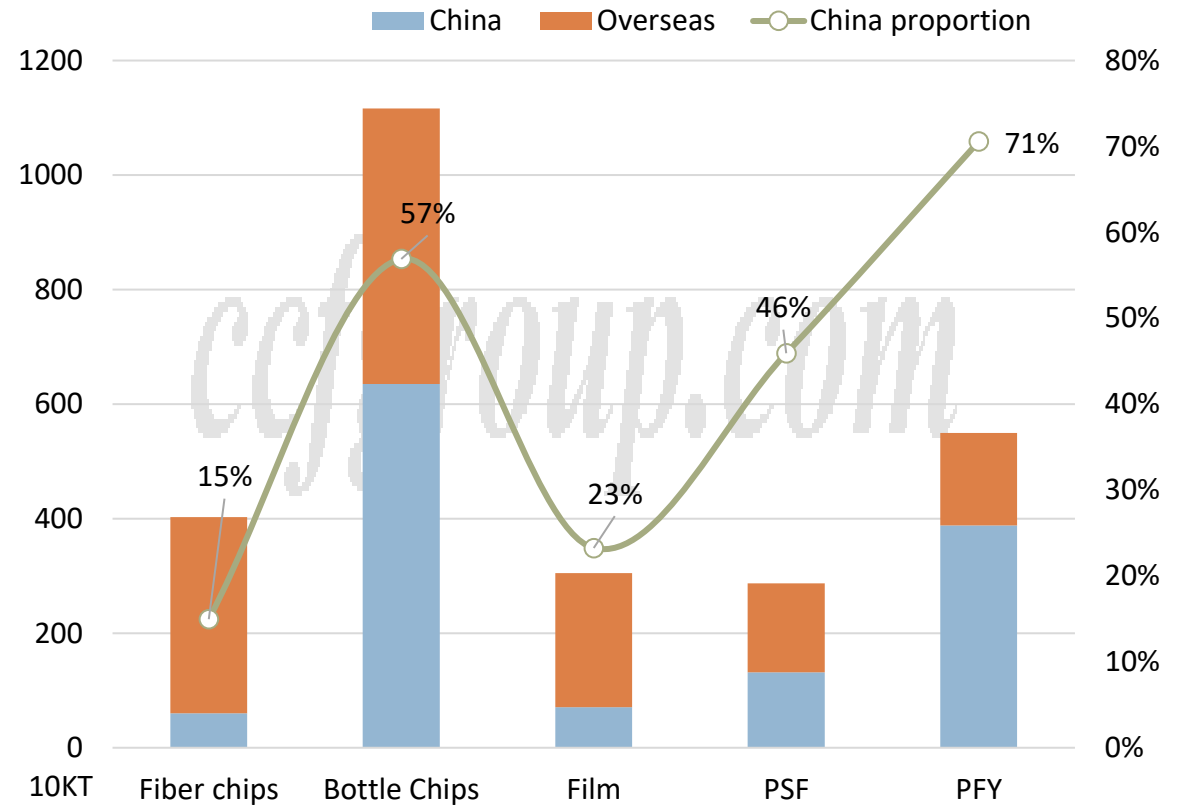
China Polyester Products: ≈50% of Global Total Exports



China & global polyester exports

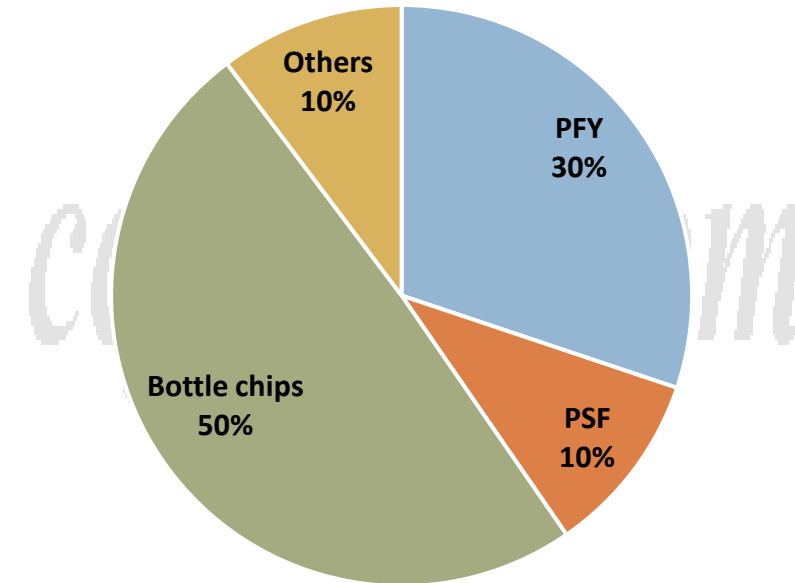
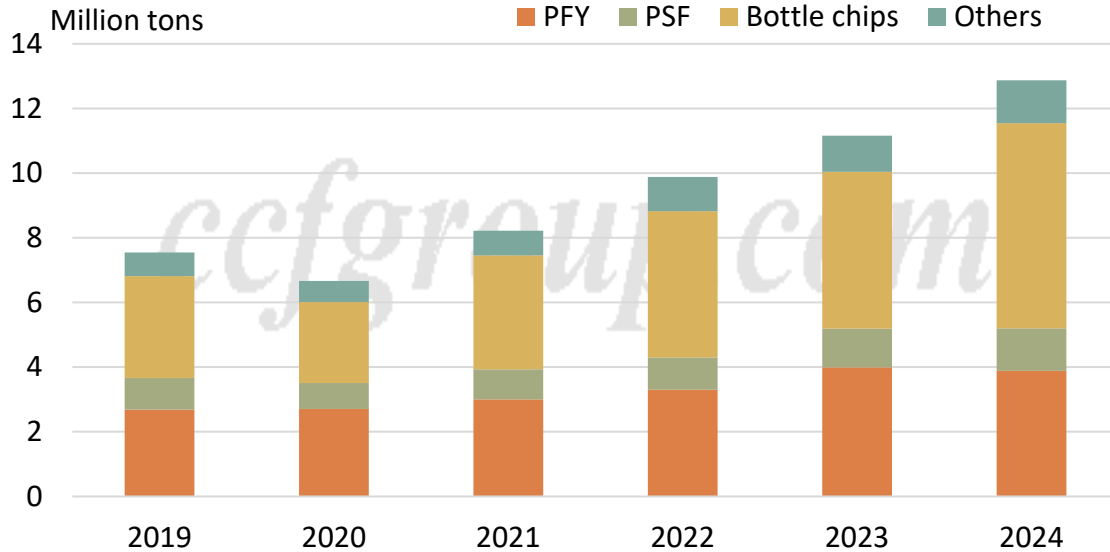


Export proportions of major polyester products

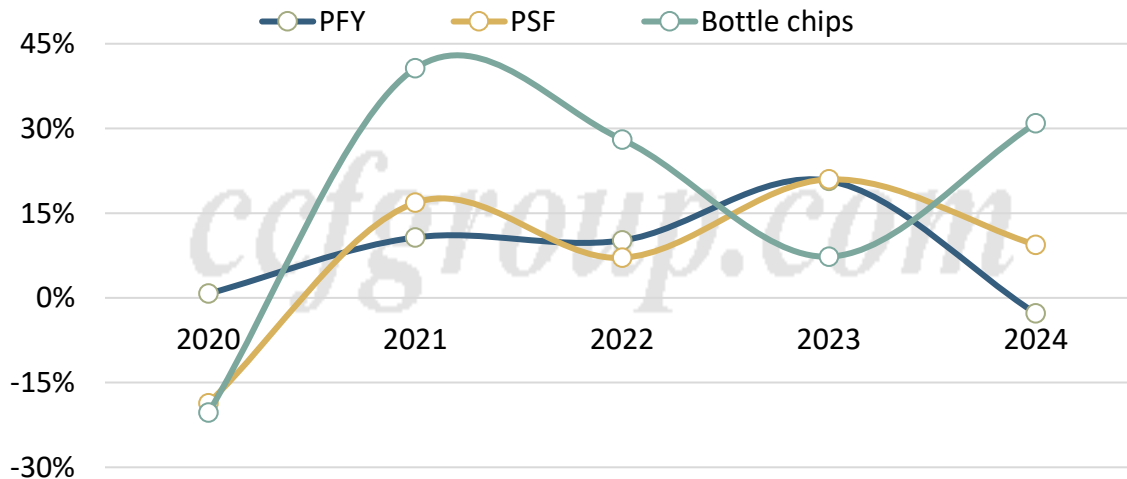


Bottle Chips: ≈ 50% of Total China Polyester Exports

China bottle chip exports increasing fast since from 2021



Export growth of China major polyester products



- PET bottle chip export volumes have been doubled in 2024 compared with 2019: Capacity expansion & cheaper cost.
- PFY export decreased in 2024 suddenly: Indian BIS influence has faded away; overseas capacity expanded

PET bottle chips

Country	Trade Barriers
EU	In November 2023, the EU preliminarily disclosed anti-dumping duties on Chinese PEI chips. Provisional tariffs were imposed on Chinese enterprises: 6.6% for Sanfang, 10.7% for Wankai, and 17.2% for Huarun; average tariff rate 11.1%; punitive tariff rate 24.2%.
Mexico	On August 9, 2024, Mexico issued a preliminary anti-dumping ruling on PET/PEI resin originating from China, deciding to continue the investigation and impose provisional tariffs of 34%–63% on Chinese product.
Turkey	On December 13, 2023, Turkey's Ministry of Trade announced (No. 2023/7) a sunset review of anti-dumping measures on imported PEI, proposing to maintain safeguard measures for three years. Tariffs: 0.054/kg (2023.12.13–2024.12.12), 0.052/kg (2024.12.13–2025.12.12), \$0.050/kg (2025.12.13–2026.12.12). Turkish customs code: 3907.69.000.00.
US	On March 10, 2022, the U.S. International Trade Commission (ITC) affirmed material injury in the first countervailing duty (CVD) investigation on PET resin from China and India, and in the first anti-dumping (AD) investigation on PET resin from Canada, China, India, and Oman. Existing AD/CVD measures remain effective. All five ITC commissioners voted affirmatively.
Brazil	On November 25, 2022, Brazil's Foreign Trade Chamber (CAMEX) issued Resolution No. 419/2022, continuing anti-dumping duties for five years on PET resin (intrinsic viscosity 0.70–0.88 dl/g) from China and India: 87.23–143.01\$/mt, 87.23–143.01\$/mt for China, 193.78–468.97\$/mt for India. Customs codes: 3907.61.000 and 3907.69.000.
Japan	On February 4, 2023, Japan's Ministry of Finance extended anti-dumping measures on PET chips from mainland China (excluding Hong Kong and Macau) until February 2, 2028, with tariffs of 39.8%–53.0%. Customs code: 3907.61.
South Africa	On May 19, 2020, South Africa imposed anti-dumping duties on Chinese PET products (customs code 3907.67): 28.26% for Zhejiang Wankai, 26.4% for Shanghai Yunda, and 28.89% for others. The general tariff for Chinese exports is 15%.
Malaysia	On January 7, 2025, Malaysia's Ministry of Investment, Trade, and Industry issued a preliminary anti-dumping ruling on PET resin from China and India: 6.33% for China's Yunda, 1.74% for Sanfang (after tax adjustment), and 37.44% for India. Customs code: 3907.61.000.00 (AHTN). Final ruling expected within 120 days.
India	On August 28, 2024, India's Ministry of Commerce issued a final anti-absorption ruling on PET resin (intrinsic viscosity ≥ 0.72 dl/g) from China. Wankai New Materials' duty increased from 15.54\$/mt to 40.41\$/mt; duties for others remain unchanged. Customs codes: 3907.61.90 and 3907.69.90. Earlier, on December 28, 2020, India imposed 5-year anti-dumping duties (excluding recycled PET): Sanfame 0.92\$/mt, Wankai 15.54\$/mt, others up to 200.66\$/mt.
South Korea	On October 17, 2024, South Korea's Trade Commission (Case No. 23-2024-1) imposed 5-year anti-dumping duties on Chinese PET resin at 7.00%–7.98%.
Canada	On March 19, 2025, Canada Border Services Agency (CBSA) initiated anti-dumping and countervailing investigations on PET resin from China and Pakistan, following a complaint by Alpek Polyester Canada. Customs codes: 3907.61.000.00, 3907.69.000.10, 3907.69.000.80, 3907.69.000.90. Preliminary ruling expected within 90 days.

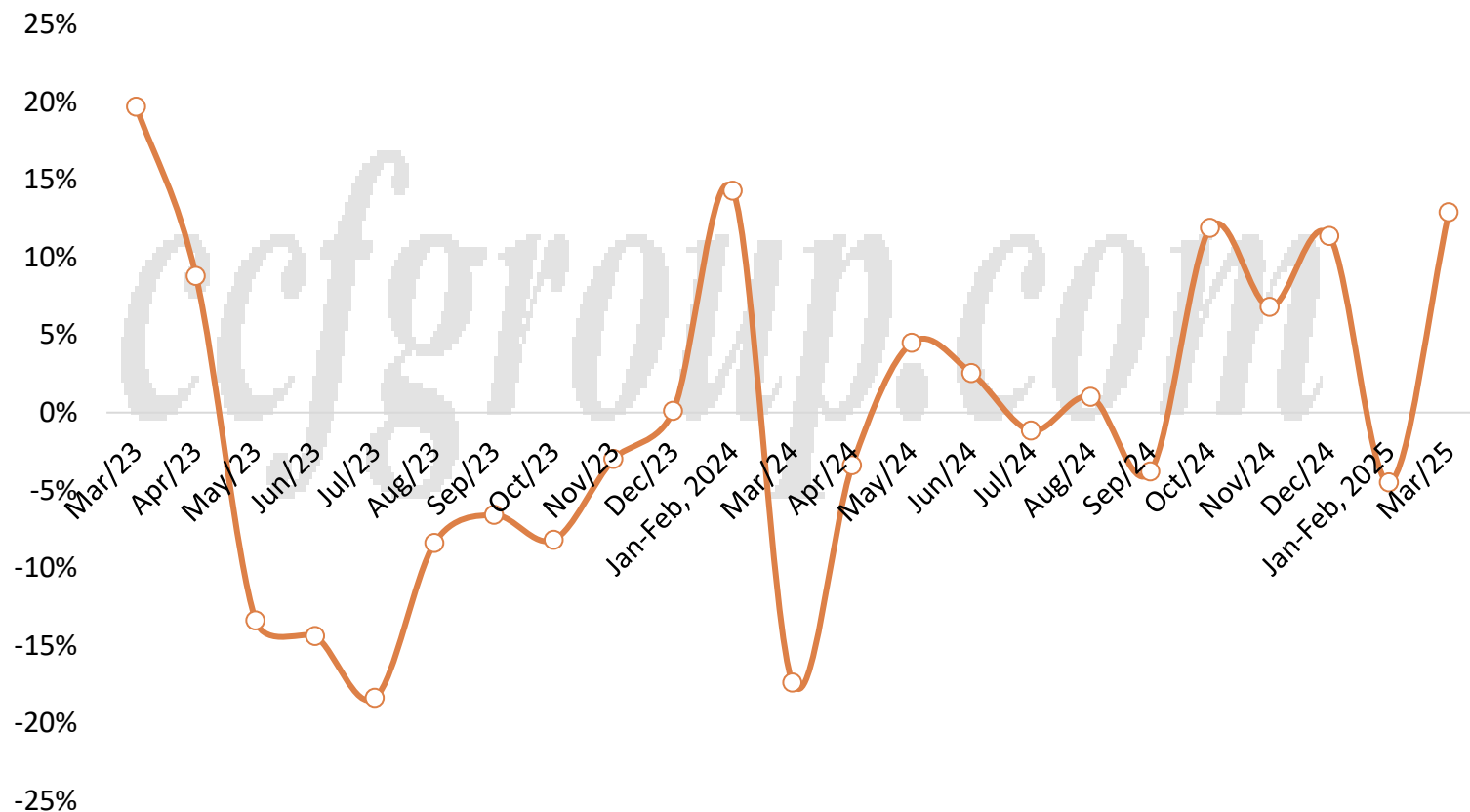
More Exports → More Trade Barriers

Filament Yarn

Country/Region	Related Tariff Item NO.	Anti-dumping Results
Turkey	5402.47	0.25-0.30\$/kg
	5402.33	268-351\$/mt
	5402.33.01	0.532\$/kg; anti-dumping duty to be levied starting September 30, 2022
Mexico	5402.33.01	Self-initiated anti-dumping review investigation on polyester filament yarn originating from China and India (October 1, 2018 ~ September 30, 2023)
	5402.33.01	Canceled anti-dumping duty of \$5.32/kg for China and India
	Under items 5402.33.00, 5402.46.00, and 5402.47.00	3.36% ~ 17.45%
Vietnam	Under items 5402.33.00, 5402.46.00, and 5402.47.00	Mid-term anti-dumping review
	Under items 5402.33.00, 5402.46.00, and 5402.47.00	Adjusted anti-dumping duties for certain companies: 3.24% ~ 17.45%
	5402.47.9000	3.95% ~ 10.91%
South Korea	5402.46.9000	Initiated anti-dumping investigation
	5402.46.9000	Terminated anti-dumping investigation
	Under items 5402.33.00, 5402.47.00, and 5402.62.00	Adjusted duties to 2.78% ~ 6.82% (previously 3.25% ~ 11.35%)
Pakistan	Under items 5402.33.00, 5402.47.00, and 5402.62.00	Terminated anti-dumping measures
	5402.33.00 and 5402.62.00	Preliminary ruling to impose provisional anti-dumping duties of 2.13% ~ 20.78%
	Note (110°C ~ 170°C): Full social coverage, full-price elasticity, approx.	Continued 5-year anti-dumping duty of \$547/metric ton
India	5402.209	Anti-circumvention investigation
	5402.209	Affirmative anti-circumvention ruling: Recommended expanding the scope of duties on Chinese products
	5402.209	Imposed 5-year anti-dumping duty ranging from 0 to 528\$/mt
Brazil	All polyester filament yarn	Non-BIS certified enterprises prohibited from entry
	5402.33.10, 5402.33.20, and 5402.33.90	57.85- 585.70\$/mt implemented starting August 2023
	5402.33.10, 5402.33.20, and 5402.33.90	Suspended duties for ten years; measures to terminate if not re-implemented upon expiry
EU	EU CN code 54022000	Mid-term anti-dumping review investigation reinitiated against Hailide
	EU CN code 54022000	Upgraded anti-dumping measures; increased duties to 6.9%~23.7%
Indonesia	543.02.33.10, 542.03.30, 5402.46.10, and 5402.	Initiated anti-dumping investigation

- Monthly exports of textiles and apparels **showed significant growth** in most months from Q4 2024 to Q1 2025 due to concerns about the **uncertainty of Trump's tariffs** which has led to **export-rush actions** occurred before Trump's high tariffs were implemented.
- However, China textile and clothing exports may witness **negative year-on-year growth in the second quarter of 2025** due to crazy additional tariffs.

Yearly growth of textiles and apparels export value



1. Downward Price Pressure

Root Cause: The price decline stems primarily from the **reciprocal tariff policies** impacting polyester and downstream textile/apparel sectors, leading to massive **order cancellations** and **shipment suspensions** from international buyers. This has created upstream feedstock suppression, *not* due to intrinsic PET bottle-grade chip market dynamics.

2. PET Tariff Exemptions

Key Insight: According to the **April 2025 White House exclusion list**, polymers exempted from reciprocal tariffs include **PE, PP, nylon, PET ,etc.** This enables suppliers outside China mainland to maintain U.S. market access while effectively blocking direct Chinese PET exports.

3. U.S. Export Ban on Chinese PET

Regulatory Context: Since **2015 anti-dumping/countervailing duties** implementation, Chinese PET bottle-grade producers have been **prohibited from direct exports** to the U.S. market through standard trade channels.

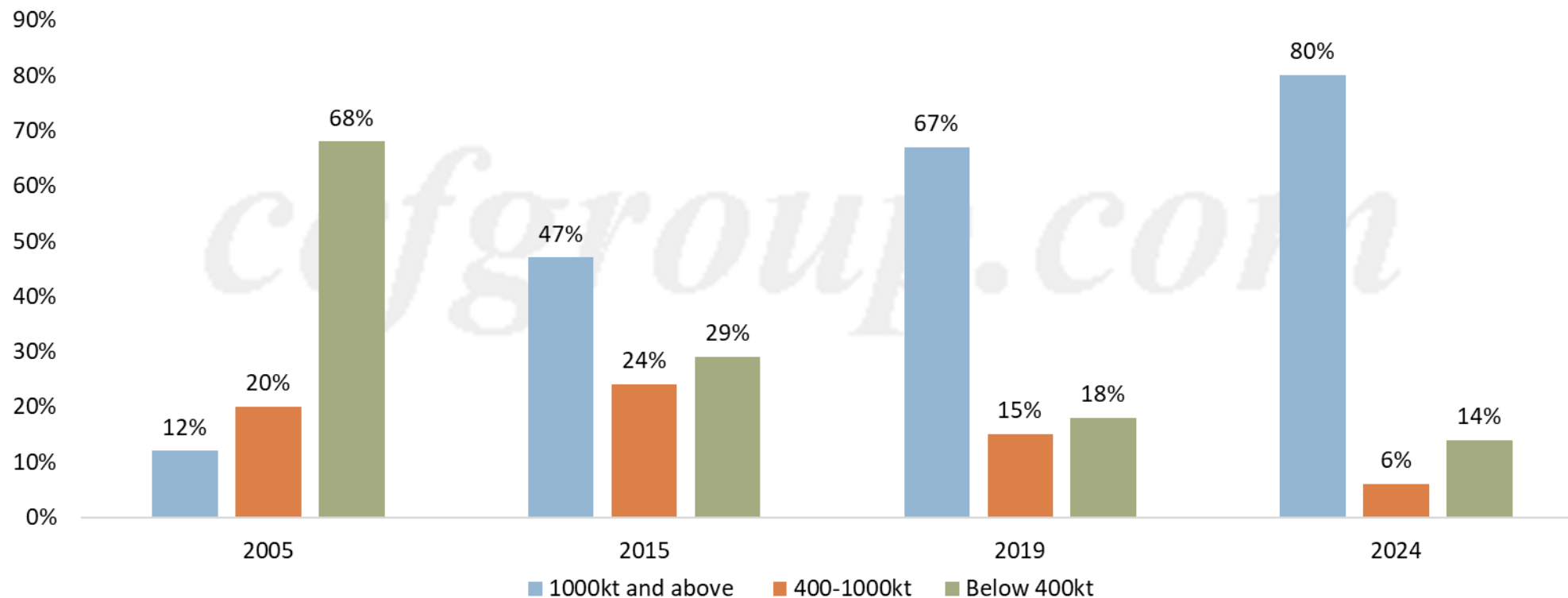
4. Geopolitical Risk Focus

Strategic Imperative: Chinese producers must monitor whether **partners** (e.g., Mexico, South Korea, Canada) will succumb to U.S. pressure to impose **secondary tariffs** targeting Chinese mainland entities through:

- **Transshipment route restrictions**
- **Local content requirement escalations**
- **Customs valuation challenges**

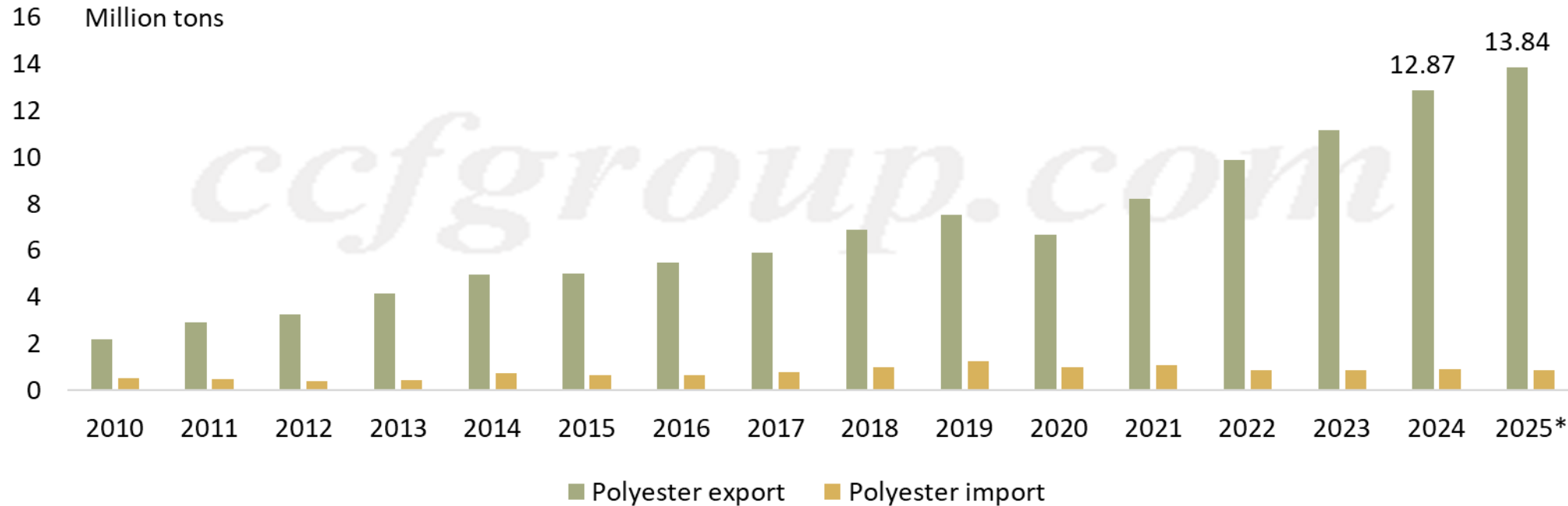
Critical Action: Develop **contingency plans** for alternative markets rather than obsessing over direct U.S. tariff measures.

Future Directions & Outlook

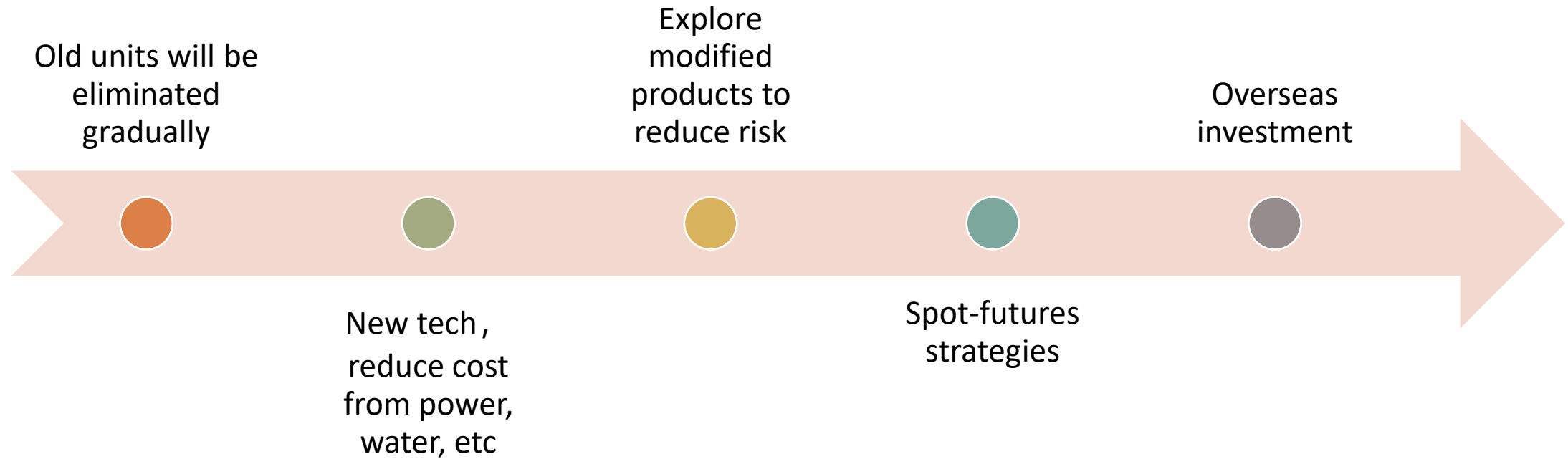


- Polyester capacity is increasingly **concentrated among leading enterprises**, with SMEs losing share. Industry leaders boost concentration via horizontal expansion and address raw material gaps through vertical integration, shifting competition from single segments to the full value chain.
- In recent years, the proportion of non-fiber integrated by the polymerization capacity has continued to increase. At present, the proportion of **non-fiber integrated polymerization units has reached 39%**.

Polyester import and export in 2010-2025



- **China is becoming a significant supplier for textile and packaging raw materials in the world.** PET bottle chip and PFY have witnessed increasing market shares in recent year in overseas, driven by China's price advantage and the migration of China textile industry.
- Polyester exports are expected to reach **13.84 million tons in 2025**, with a growth rate around **7.5%**.



1. Consolidation of Industry Leadership

The competitive landscape has stabilized with established market leaders, resulting in fixed market share distribution and reduced competitive volatility.

2. Mature Demand Dynamics

End-user demand growth will enter into a sustained low-speed phase gradually, eliminating the fundamental driver for polyester industry hyper-expansion.

3. Strategic Pivot to Profitability

Capital allocation priorities have shifted decisively:

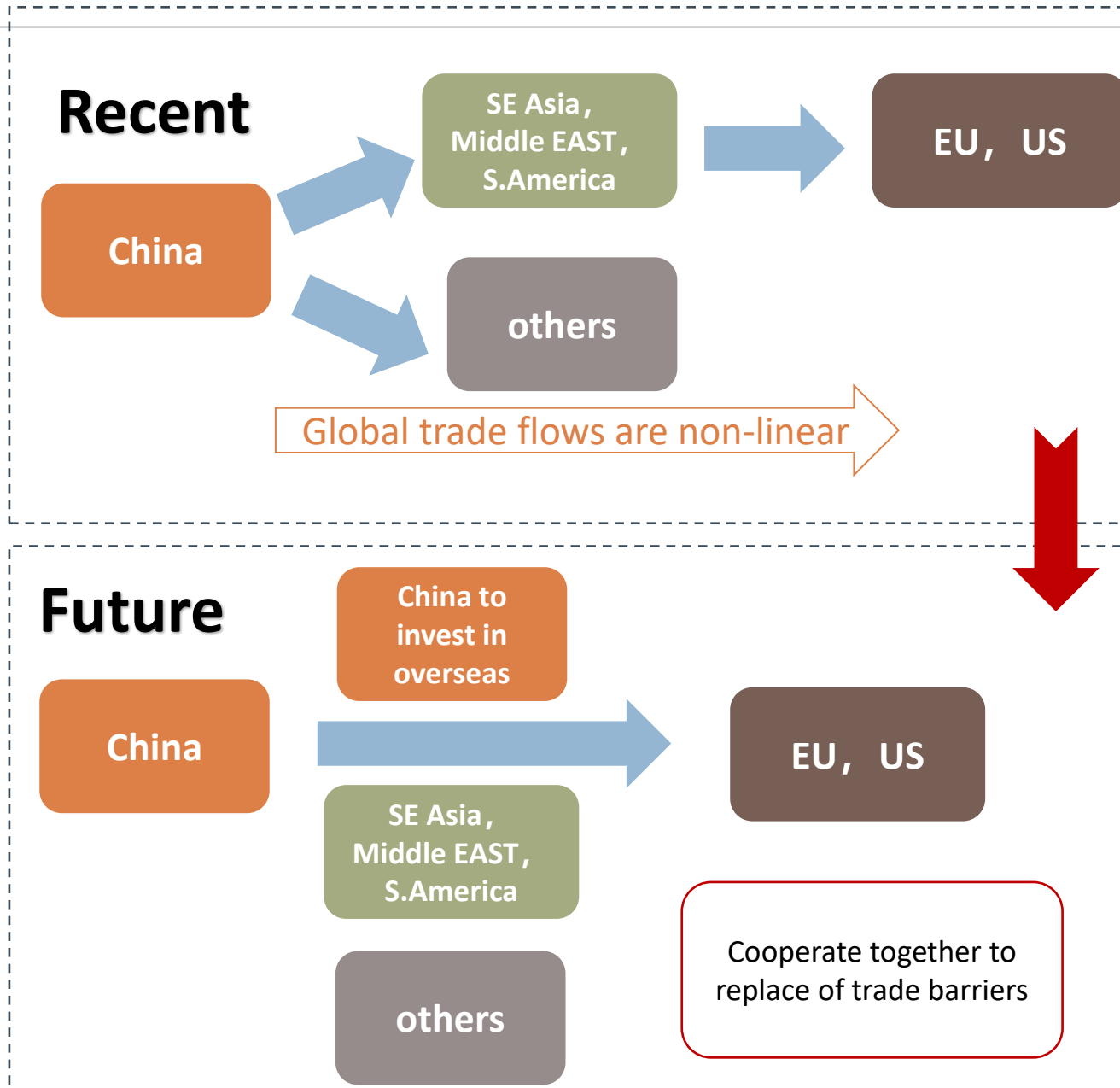
- **From** capacity-driven growth
- **To** profit-focused optimization

4. Innovation-Led Growth Pathways

Despite moderated sector growth, value creation continues through:

- **Tech-enabled transformation**
- **Product premiumization**
- **Market diversification**
- **Circular economy**





Thank You!

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