

Home Appliances Market in China

Introduction

China accounts for 60% of total WW production of White Goods. Thanks to washing machines and fridges, Midea and Haier are today N.1 and N.2 world largest producers of White Goods. Midea started with OEM / export oriented strategy, so grew at a way slower pace than Haier during the last 5 years. Both companies already started globalizing their production footprint.

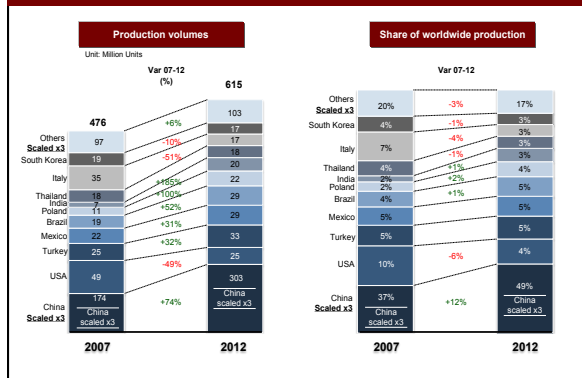
Client background

Our client is an accessory parts supplier for home appliances especially for oven and dish washer. They want to know who's the major player in this field, how do they organize current production and what will be the evolution of this industry.

Key findings

- Turkey, Italy, Germany and Spain are the largest producers of ovens; APAC production represents 6%, of which 3% from China. Big players are for take-away ovens. Fotile and 2-3 OEM companies are with volumes for built-in ovens.
- US still is the largest production base for dishwashers but it is rapidly loosing ground in favour of China, Poland and Turkey. APAC accounts for 21% of global dishwashers production, China alone making 16% by Midea and other OEM players.
- Due to different design and using habits, accessories for DW and OV in China are quite different from Europe in terms of structure, assembly methods, complexity and especially the price. But the market is evolving quickly for high end products.

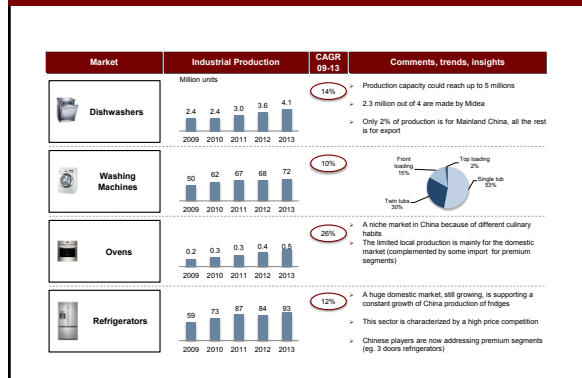
China is the biggest production site for home appliances



Top 10 players account for 50% of global production

Company	Production 2012 (Million units)	Share of WW production
Aiidea	55.4	9.0
Haier	47.9	7.8
Whirlpool	45.0	7.3
Electrolux	32.5	5.3
Galanz	26.7	4.3
LG	25.3	4.1
Panasonic	25.2	4.1
B/S/H/	25.0	4.1
SAMSUNG	20.4	3.3
arçelik	14.4	2.3

Oven is the most promising market in term of growth



Global giants are not performing well in China

Company	Ownership	Product	Status
Whirlpool in China			
WP Snowflake	JV	Refrigerator	Setup 1993, closed 1995
WP Raybo	JV	Air condition	Setup 1995, closed 2000
WP Narcissus	JV	Washer	Setup 1995, closed 2009
WP Sanyo	JV	Refrigerator, washer	Setup 2009
Embraco Snowflake	JV	Compressor	Setup 1995
WP SMC	JV	Microwave oven	Setup 1995
Electrolux in China			
EL Changsha	WFOE	Refrigerator	Acquired 1997, closed 2009
EL Bole	JV	Refrigerator, Washer	Setup 2000, closed 2003
EL Hangzhou AC	JV	Air condition	Setup 2000
EL Hangzhou	WFOE	Cooking appliances	Setup 2009

Battaglia Advisory Services

More information please contact us:

Riccardo Battaglia
Tel: +86 21 31265735
r.battaglia@battaglia-as.net

Julia MO
Tel: +86 21 51083529
j.mo@battaglia-as.net

Unit 3007, Jing'an China Tower
No.1701, Beijing West Rd.
Shanghai P.R.C
P.C. 200040
info@battaglia-as.net