



MARKET REVIEW

Disposable paper products market in the PRC is still on the rise but market competition intensifies at the same time.

Feminine sanitary napkins market in the PRC continues to grow but at a much slower pace when comparing to the past few years. In recent years, small sanitary napkins manufacturers continued to increase and joined in the competition, especially in the mid to low-end market. Competition is fierce.

Baby diapers market in the PRC is still immature and the demand is mainly from the more affluent families in the big cities. Given the relatively low market penetration, baby diapers manufacturers continued to increase and joined in the competition. Growth in the market during the period was moderate but it starts to see pressure on the price of the products.

Notwithstanding the fact that the economy in the PRC is growing rather steadily, spending sentiment in the consumer market is still not recovering. In addition, the overall market supply exceeds greatly the demand and competition in both the feminine sanitary napkins and baby diapers market remain extremely fierce.