Independent Market Research
China's Hygienic Disposables Market Study

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婴舒宝

Frost & Sullivan

19 March 2025

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For and on behalf of
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.

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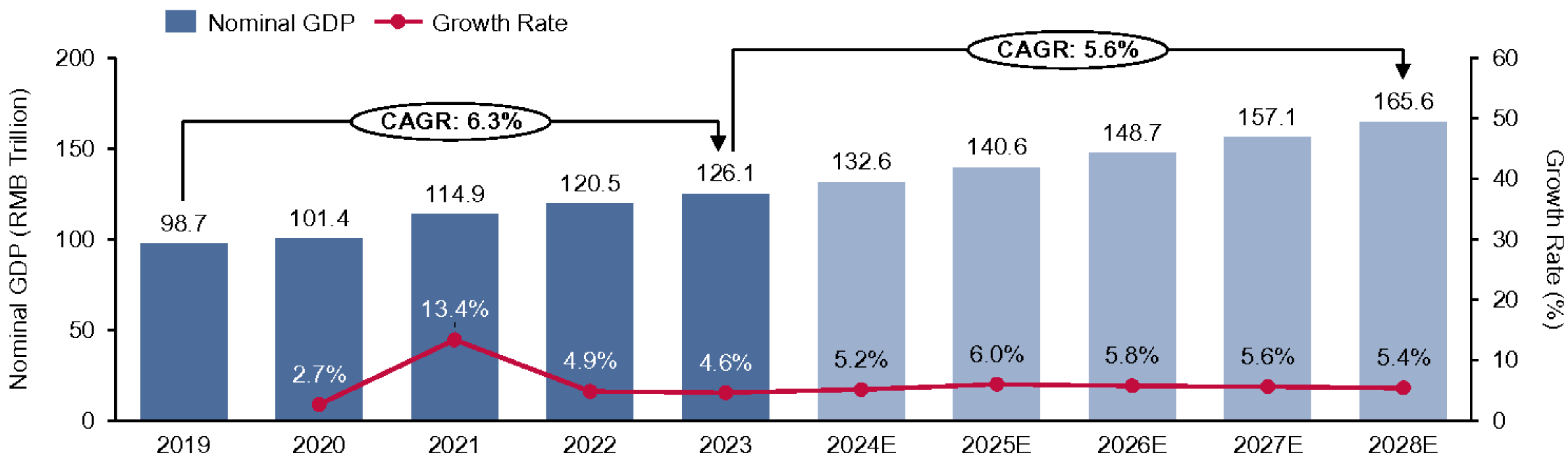
Content

China's and Fujian Province's Macro Economy Overview

Nominal GDP of China

Nominal GDP (China), 2019-2028E

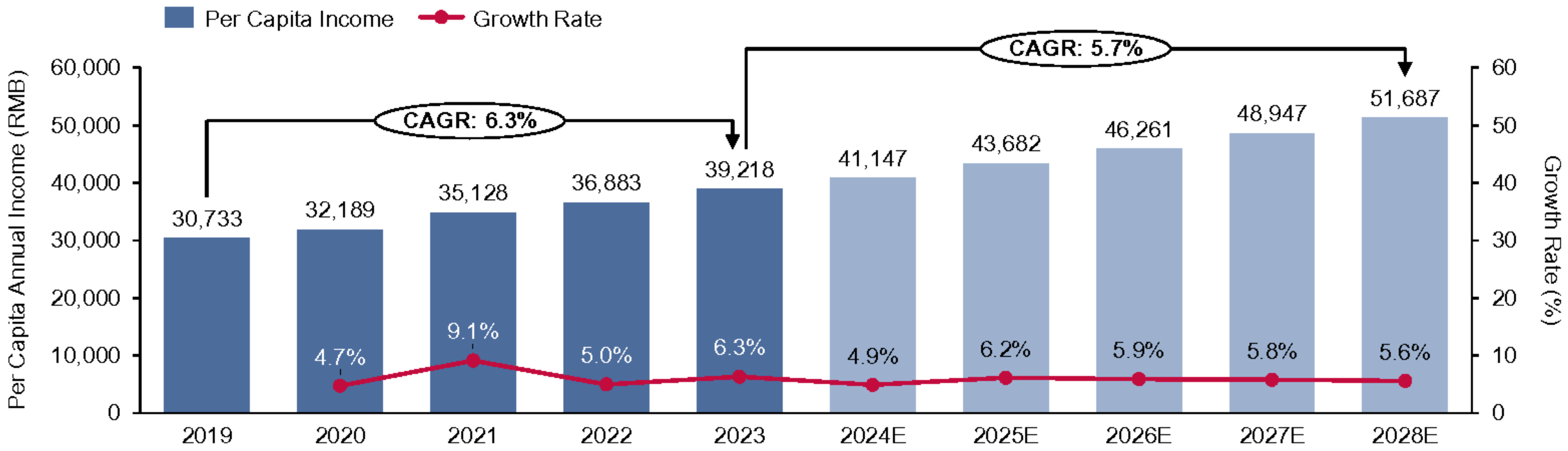


- Entering 2020, the pandemic of COVID-19 has caused a certain impact on economic activities and sentiment in China. Due to the government's effective control of COVID-19, the economic performance of China remained positive in 2020 and further recovered in 2021. As a result, the nominal GDP grew at a CAGR of 6.3% from 2019 to 2023.
- Going forward, the Chinese authorities are likely to maintain the consistency and stability of macroeconomic policies so as to maintain macroeconomic stability. In the meantime, structural adjustment of the economy is predicted to be pushed forward strongly by the Chinese authorities to improve quality and efficiency of economic development. The Chinese economy is likely to transition from an investment-driven model to a consumption-driven model with the share of final consumption in GDP picking up. According to the International Monetary Fund (the "IMF") and Frost & Sullivan, the Chinese economy is forecasted to grow at a CAGR of 5.6%from 2023 to 2028.

Source: National Bureau of Statistics, IMF (April 2023), Frost & Sullivan

Per Capita Income

Per Capita Income (China), 2019-2028E

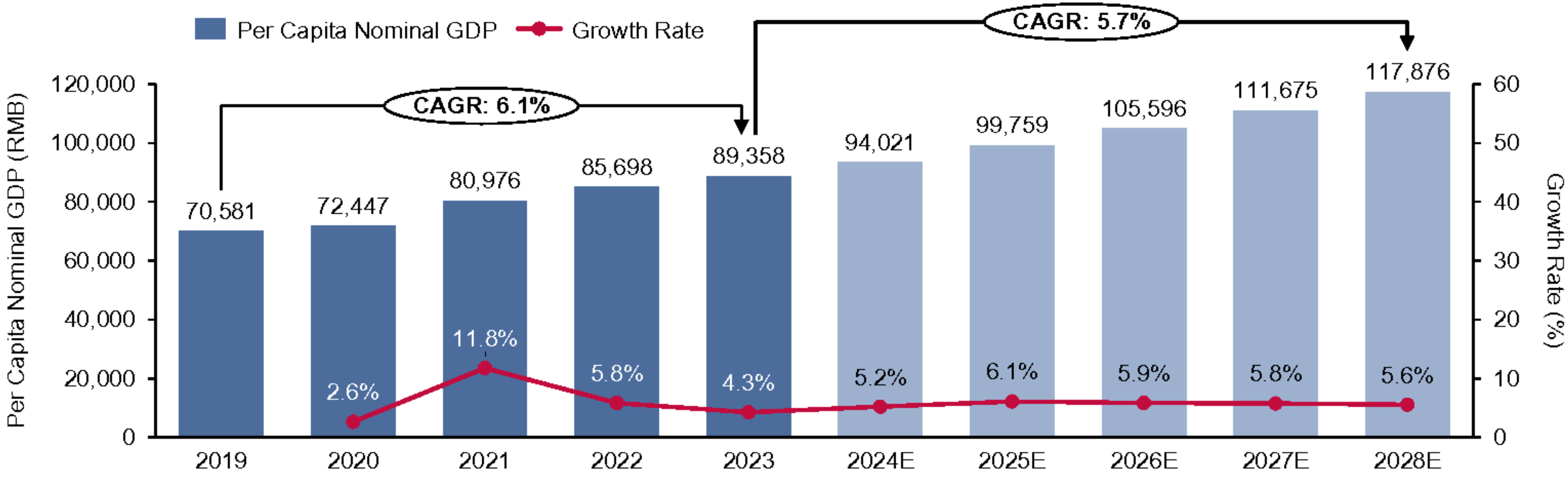


- Together with continuous growth in the economy and urbanization, the average income level of Chinese households has also increased continuously in recent years. In 2023, the per capita annual disposable income increase to RMB39,218 from RMB30,733 in 2019, representing a CAGR of 6.3%.
- The growing per capita disposable income has had a positive effect on Chinese residents' purchasing power, further encouraging the development of secondary and tertiary industries. By 2028, the per capita annual disposable income level of Chinese households is expected to increase to RMB51,687, with a CAGR of 5.7% from 2023.

Source: National Bureau of Statistics, IMF (April 2023), Frost & Sullivan

Per Capita Nominal GDP of China

Per Capita Nominal GDP (China), 2019-2028E

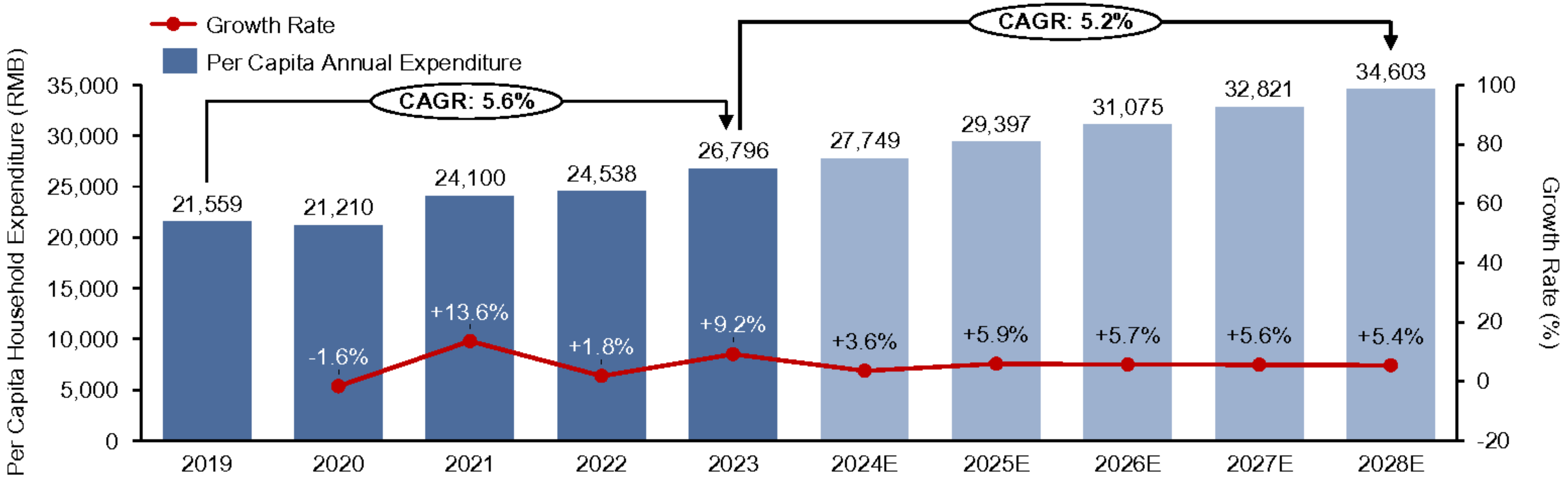


- China's total population is expected to remain stable and hence growth of per capita nominal GDP is in line with the growing Chinese economy. Per capita nominal GDP maintained its solid growth, and reached RMB89,358 in 2023.
- In the future, due to the sound growth of the Chinese macro economy, per capita nominal GDP is also likely to maintain a steady growth. According to the IMF, the per capita nominal GDP in China is predicted to reach RMB117,876 in 2028, growing at a CAGR of 5.7% from 2023.

Source: National Bureau of Statistics, IMF (April 2023), Frost & Sullivan

Per Capita Annual Expenditure

Per Capita Annual Expenditure (China), 2019-2028E



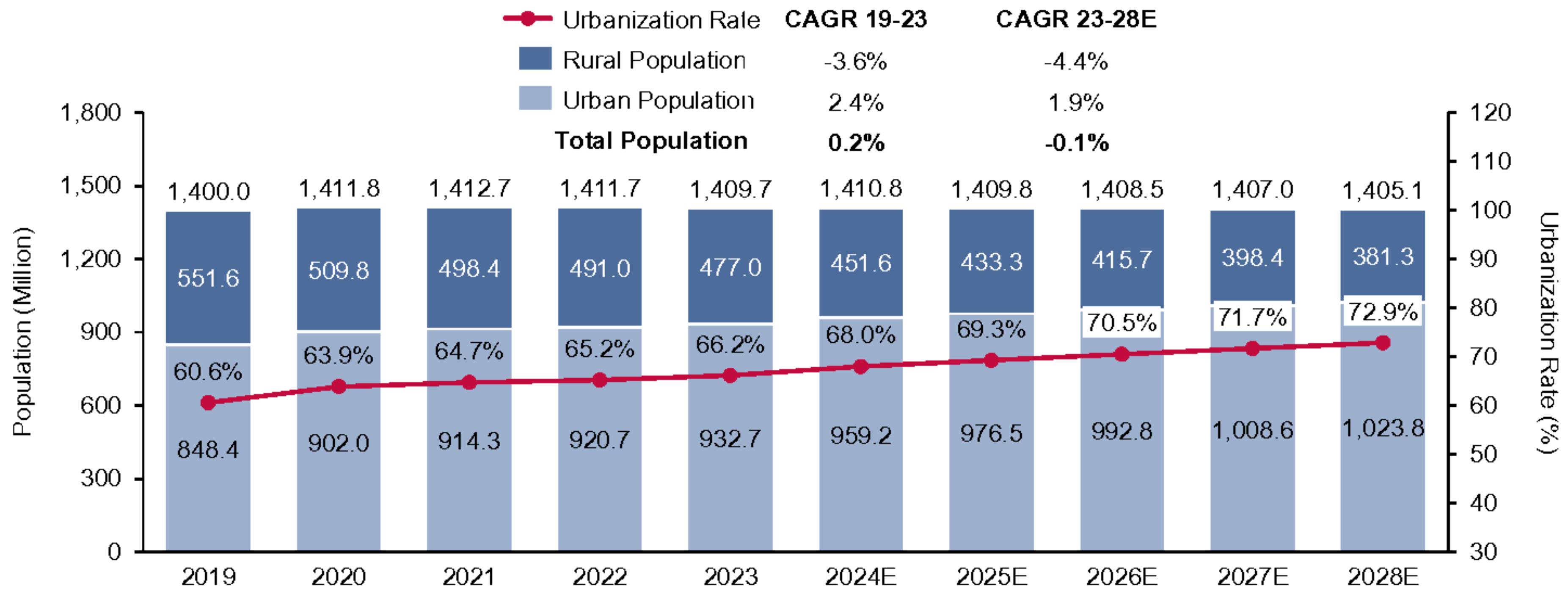
- Together with continuous growth in the economy and the disposable income of Chinese households, the per capita household expenditure has also increased continuously in recent years. In 2023, the per capita household expenditure increased to RMB26,796 from RMB21,559 in 2019, representing a CAGR of 5.6%.
- The growing per capita disposable income has had a positive effect on the per capita household expenditure. In the future, the per capita household expenditure is expected to continue to increase due to economic development and increase of per capita annual disposable income. Frost & Sullivan estimates that by 2028, the per capita household expenditure is expected to increase to RMB34,603, with a CAGR of 5.2% from 2023.

Source: National Bureau of Statistics, Frost & Sullivan

China's and Fujian Province's Macro Economy Overview

China's Population and Urbanization

Population and Urbanization (China), 2019-2028E



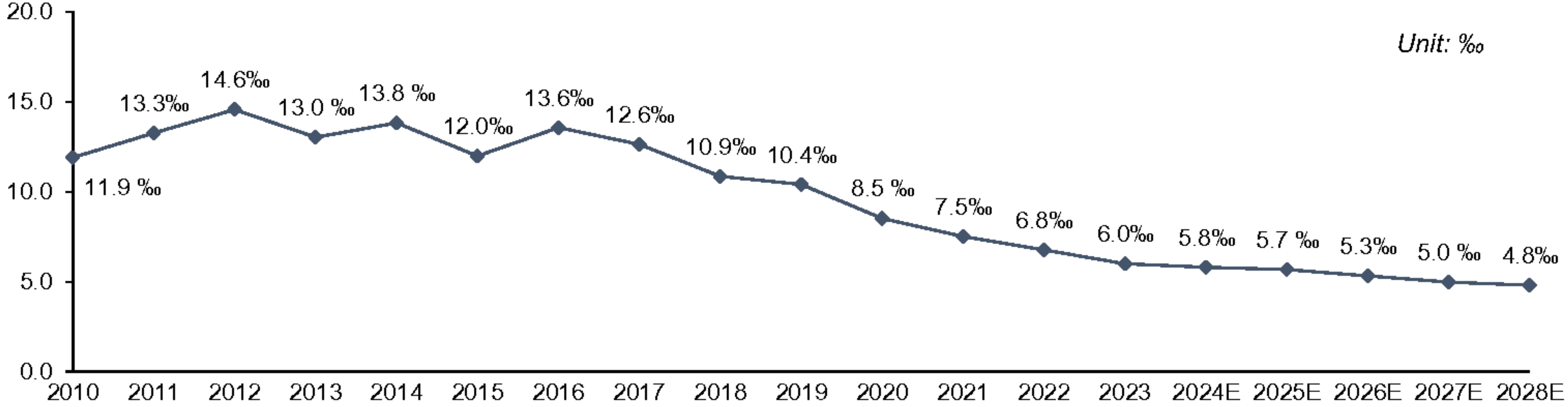
- China is the most populous nation in the world. In 2023, China's total population reached 1,409.7 million. In the future, total population of China is estimated to decrease at a moderate level, fall to 1,405.1 million in 2028.
- Due to rapid economic development and the influx of migrants from rural areas to developed areas, China's urban population has been steadily increasing. China's rapid economic growth has fueled the unprecedented urbanization of its population since the 1990s. From 2019 to 2023, the country's urban population has increased from 848.4 million to 932.7 million, with a CAGR of 2.4%. During the same period, the urbanization rate in China increased from 60.6% to 66.2%.
- With continuous urbanization, the urban population is expected to maintain a CAGR of 1.9% from 2023 to 2028. Under the "The Fourteenth Five-Year Plan for the National Economic and Social Development of the PRC and the Outline of Long-Term Goals for 2035 (Draft) (*《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要（草案）》*) raised in 2021, the urbanization rate is expected to increase no less than 65.0% in 2025. Accordingly, Frost & Sullivan forecasts that China's urban population is expected to reach 1,023.8 million by 2028, and the urbanization rate is likely to increase gradually, reaching 72.9%.

Source: National Bureau of Statistics, IMF (April 2023), Frost & Sullivan

China’s and Fujian Province’s Macro Economy Overview

China’s Birth Rate

Birth Rate (China), 2010-2028E

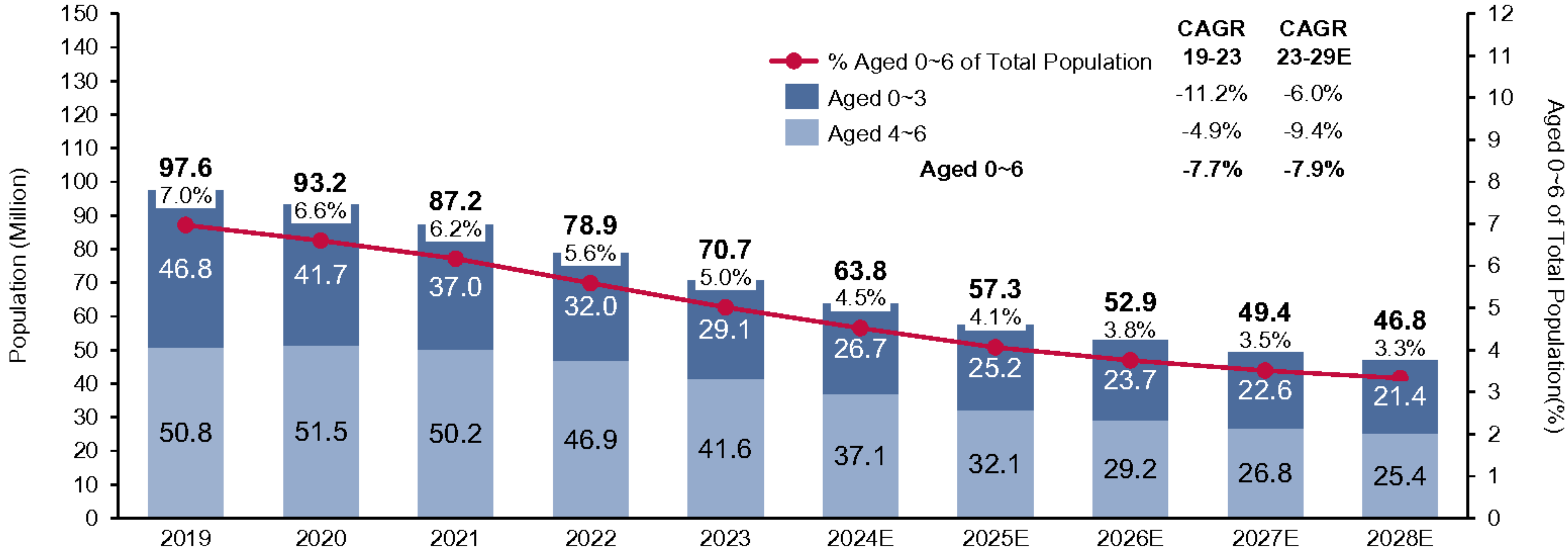


- "Family Planning Policy", also known as the "One Child Policy", was once the central government's key population policy in the late 1970s. The policy advocates delayed marriage and childbearing as well as fewer and better births, especially one-child births.
- However, since the 21st century, with the increase of the aging population and the disappearance of the demographic dividend in China, the policy has gradually been relaxed, especially in well-developed regions. In late 2013, the Chinese government announced that it would further relax the policy by allowing families to have two children if one parent is an only child. By 2015, the Chinese government relaxed its decades-old child policy and allowed all couples to have two children. And later in June 2021, a multi-child policy was issued to further boost fertility. Although the birth rate has been declining in recent years, it is expected that with the gradual adjustment and improvement of the birth policy in the future, the Chinese population will maintain a long-term balanced development.

Source: National Bureau of Statistics, Frost & Sullivan

China's Population by Age Groups

China's Population by Age Groups (Aged 0~6), 2019-2028E

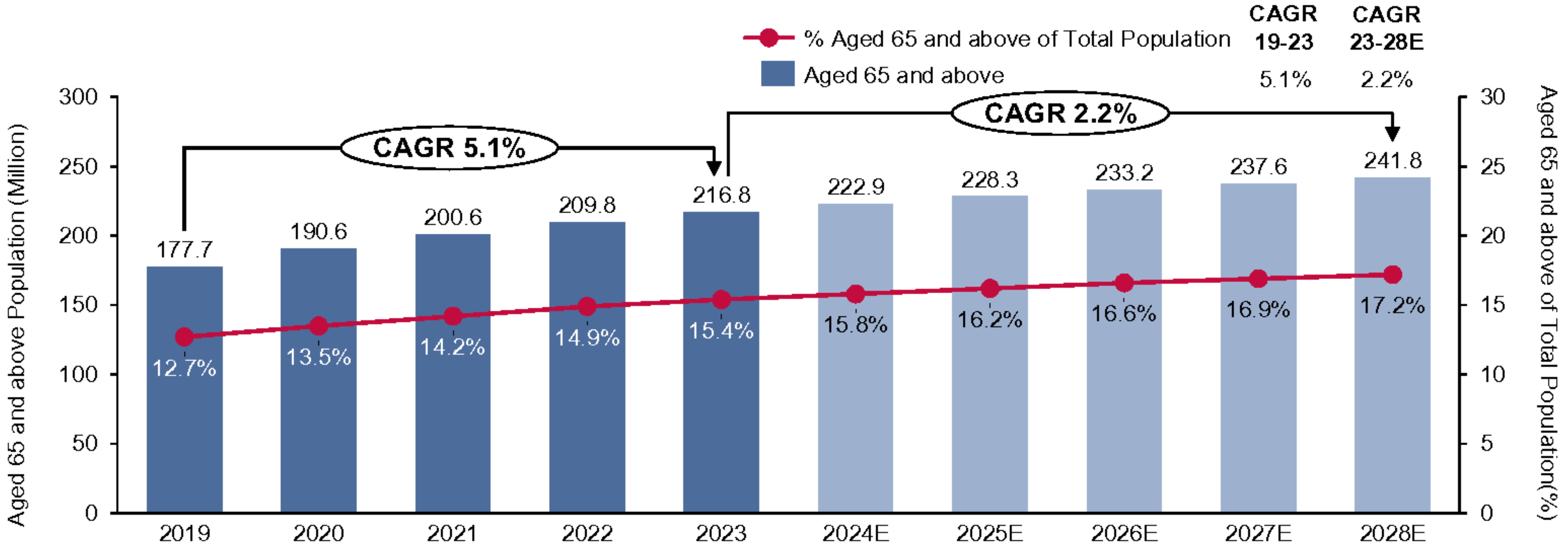


- With China's declining birth rate, the population of those aged between 0 and 6 has fallen from 97.6 million in 2019 to 70.7 million in 2023, with a CAGR of -7.7%. And it is expected to fall further to 46.8 million in 2028, with a CAGR of -7.9% from 2023 to 2028. The 0-6-year-old population accounted for 5.0% of China's total population in 2023, and is expected to fall to 3.3% by 2028.
- The population between 0 and 3 years of age is directly affected by the declining birth rate. In 2023, the population of those aged 0-3 years reached 29.1 million, up from 46.8 million in 2019, with a CAGR of -11.2%. However, over the forecast period, it is expected to decline to 21.4 million by 2028, with a CAGR of -6.0% from 2023 to 2028.

Source: National Bureau of Statistics, IMF (April 2023), Frost & Sullivan

China's Aging Population

China's Aging Population (Aged 65+), 2019-2028E

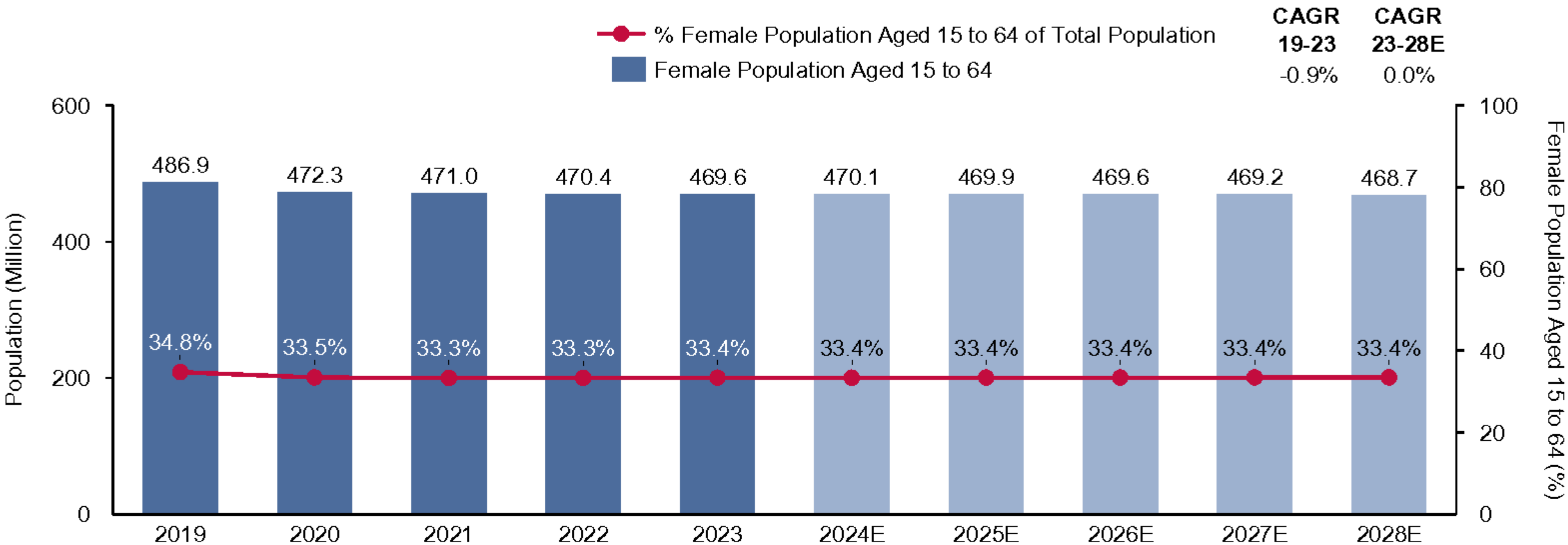


- As the birth rate declines and the average life span increases, China is experiencing an aging population, with the population of people aged 65 and above increasing from 177.7 million in 2019 to 216.8 million in 2023, with a CAGR of 5.1%.
- And it is expected to increase further to 241.8 million in 2028, with a CAGR of 2.2% from 2023 to 2028. The aging population is gradually rising and accounted for 15.4% of China's total population by 2023. Frost & Sullivan estimates that the proportion of the elderly population will continue to grow and is expected to increase to 17.2% by 2028.

Source: National Bureau of Statistics, IMF (April 2023), Frost & Sullivan

China's Female Population Aged 15 to 64

China's Female Population Aged 15 to 64, 2019-2028E



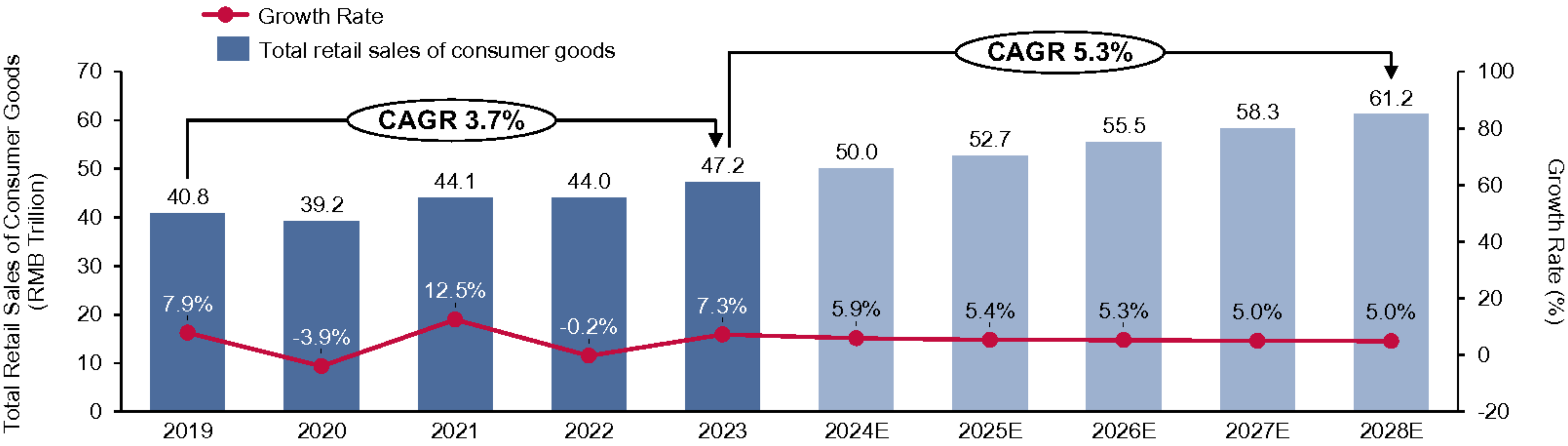
- Female population aged 15 to 64 shows a slight decline from 486.9 million in 2019 to 469.6 million in 2023, with a CAGR of -0.9%. And it is expected to fall slightly to 468.7 million in 2028.
- From 2019 to 2023, the proportion of China's female population aged 15 to 64 in the total population remained at about 33.4%, and it is expected that this proportion will continue to maintain over the forecast period.

Source: National Bureau of Statistics, IMF (April 2023), Frost & Sullivan

China's and Fujian Province's Macro Economy Overview

Total Retail Sales of Consumer Goods

Total Retail Sales of Consumer Goods (China), 2019-2028E

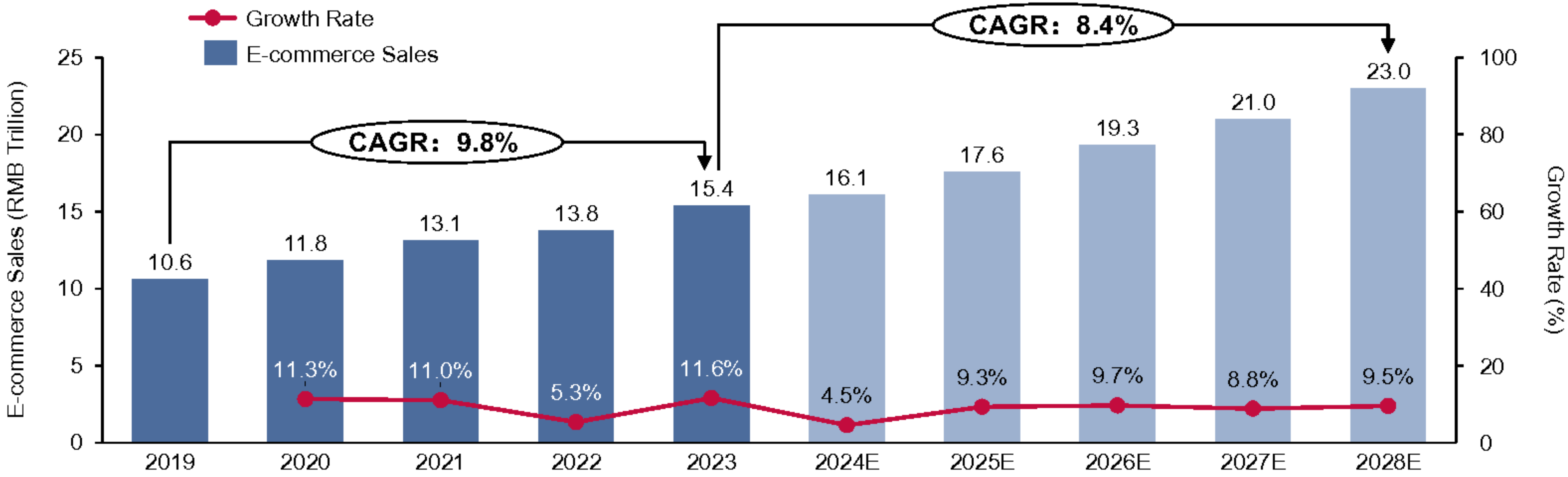


- Together with continuous growth in the economy and the disposable income of Chinese households, the total retail sales of consumer goods has also increased continuously in recent years. In 2023, the total retail sales of consumer goods reached RMB47.2 trillion from RMB40.8 trillion in 2019, representing a CAGR of 3.7%.
- The continuous growth in the economy has had a positive effect on the total retail sales of consumer goods. Frost & Sullivan estimates that by 2028, the total retail sales of consumer goods is expected to increase to RMB61.2 trillion, with a CAGR of 5.3% from 2023 to 2028.
- E-commerce live streaming has emerged and is widely welcomed by PRC consumers, especially for categories such as beauty, fashion and consumption goods. Live streaming and short video have integrated with various online channels in the PRC in recent years. For example, social media platforms and short video platforms in the PRC, such as Weibo (微博), Douyin (抖音), and Xiaohongshu (小紅書), have cultivated an increasing number of KOLs alongside their own prominent growth, and are seeking to capitalize on the "fan effect" of these KOLs by entering into the live streaming and short video industries. In addition, a variety of industries began to embrace live streaming and short videos.
- Through an extensive online marketing campaign, enterprises can rapidly appeal to potential customers located throughout the PRC and take advantage of the PRC's well-developed online sales and distribution network. Further, enterprises can also rapidly develop their brand equity, which will enable the enterprises to have a greater appeal to household customers who often value well-known brands.

Source: National Bureau of Statistics, China Internet Network Information Center, Frost & Sullivan

China's and Fujian Province's Macro Economy Overview
E-commerce Sales

E-commerce Sales (China), 2019-2028E



- The overall growth of China's retail market is primarily driven by China's e-commerce market, which includes the e-commerce sales of consumer goods and online consumption of service and entertainment, according to the Ministry of Commerce.
- The e-commerce businesses have existed in China since the 1990s. China's e-commerce sales experienced a rapid growth from 2019 to 2023, with a CAGR of 9.8%. In the future, the e-commerce sales is expected to increase from RMB15.4 trillion in 2023 to RMB23.0 trillion in 2028, with a CAGR of 8.4%.
- Under the impact of COVID-19 in 2020 and 2022, the growth rate of e-commerce market experienced a downward trend driven by the decline in per capita annual disposable income, and thanks to the increasing number of internet users and the popularity of online shopping, the growth rate of e-commerce sales is expected to maintain steady and reach 9.5% in 2028.

Source: Ministry of Commerce, Frost & Sullivan

China's and Fujian Province's Macro Economy Overview

Development Trend of China's E-commerce Platform

1 E-commerce is Endowed with Social Attributes

2 Online Shopping Experience is Closer to Offline

3 New opportunities for cross-border e-commerce

- Social e-commerce is a new model in the e-commerce industry. Merchants can interact directly with consumers through social media platforms. Consumers can also share shopping experiences, evaluate products and services, and recommend products to friends on the platform.
- Social e-commerce provides active search scenarios, allowing consumers to gradually develop consumption behaviors of purposefully searching for products.

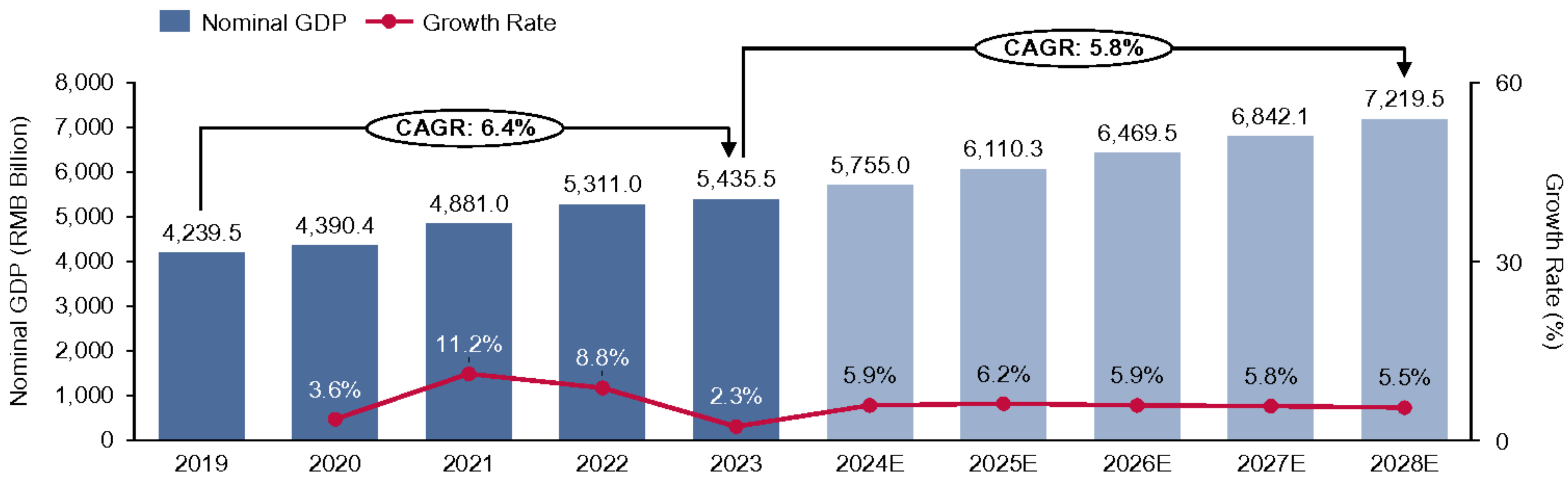
- As technology develops and infrastructure improves, advanced display technologies and logistics and distribution methods have significantly narrowed the online shopping experience and timeliness gap.
- The rise of short videos and live broadcasts（短视频与直播）has brought a vivid way of presenting products, online shopping has further converged with offline shopping experience characterized by two-way real-time interaction.

- Cross-border e-commerce is one of the important development directions of the e-commerce industry. With the process of globalization and the growth of people's demand for overseas goods, more and more e-commerce companies have begun to participate in the cross-border e-commerce market.Covid-19 has promoted the continued growth of online retail penetration in overseas markets, showing new characteristics in categories, directions, brands, channels, etc.

China's and Fujian Province's Macro Economy Overview

Nominal GDP of Fujian Province

Nominal GDP (Fujian Province), 2019-2028E



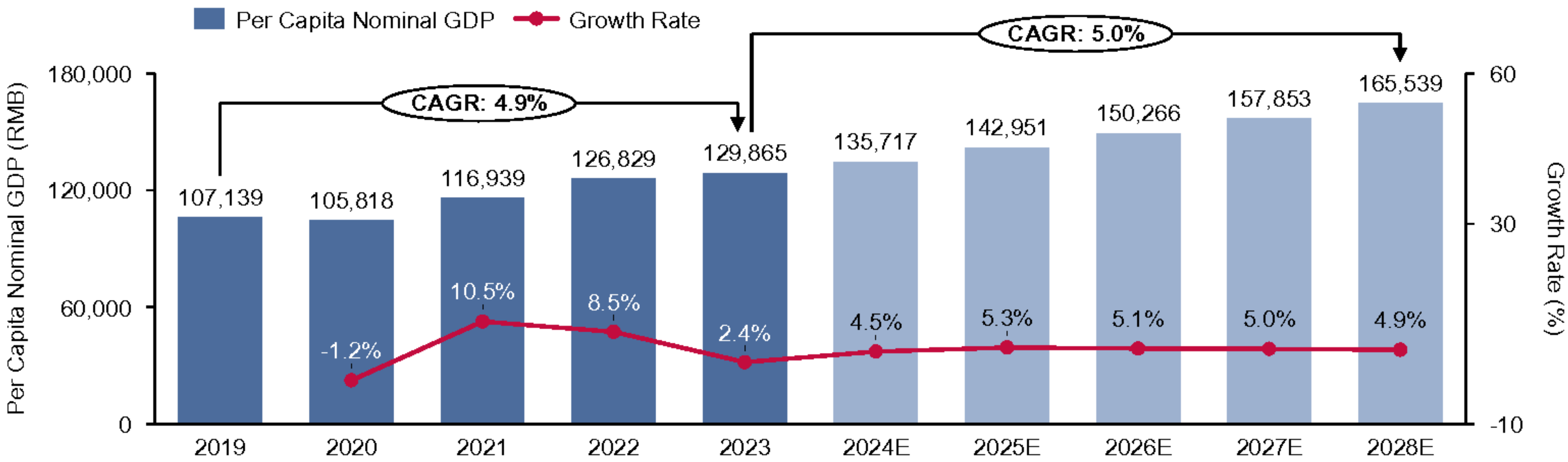
- The growth trend of the local economy in Fujian Province is similar to that of the macro economy in China. Fujian Province's nominal GDP grew from RMB4,239.5 billion in 2019 to RMB5,435.5 billion in 2023, with a CAGR of 6.4%. It is forecast to reach RMB7,219.5 billion in 2028, with a CAGR of 5.8% from 2023 to 2028.

Source: Fujian Bureau of Statistics, Frost & Sullivan

China's and Fujian Province's Macro Economy Overview

Per Capita Nominal GDP of Fujian Province

Per Capita Nominal GDP (Fujian Province), 2019-2028E

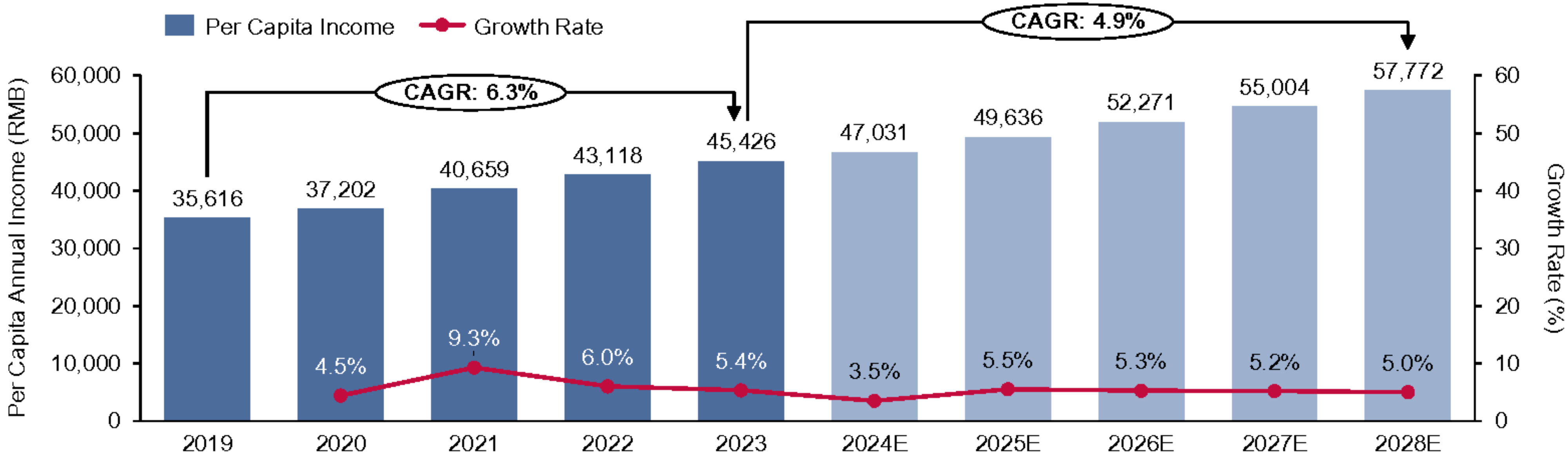


- Fujian Province's nominal GDP per capita is growing in line with the local economy. Per capita nominal GDP of Fujian Province maintained solid growth, reaching RMB129,865 in 2023.In the future, due to the sound growth of the local macro economy and local economy, Fujian Province's nominal GDP per capita is also likely to maintain steady growth. It is forecast to reach RMB165,539 in 2028, growing at a CAGR of 5.0% from 2023.

Source: Fujian Bureau of Statistics, Frost & Sullivan

Per Capita Income of Fujian Province

Per Capita Income (Fujian Province), 2019-2028E

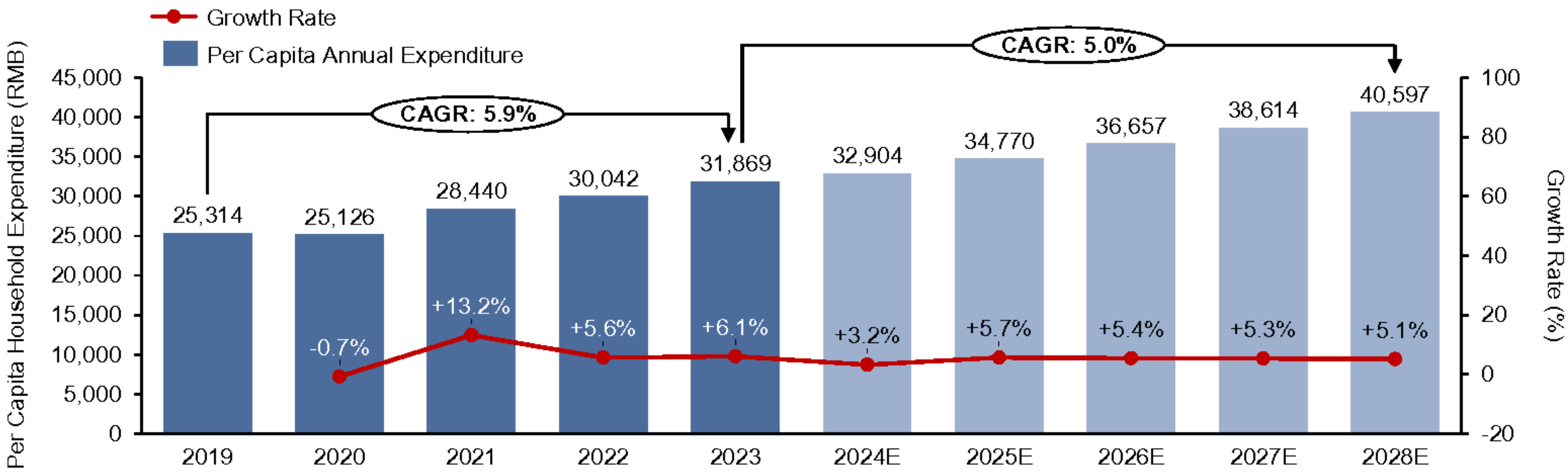


- Along with continuous economic growth and urbanization, the average income level of households in Fujian Province has also increased continuously in recent years. In 2023, Fujian Province's per capita disposable income increased to RMB45,426 from RMB35,616 in 2019, representing a CAGR of 6.3%.
- By 2028, Fujian Province's per capita disposable income is expected to increase to RMB57,772, with a CAGR of 4.9% from 2023.

Source: Fujian Bureau of Statistics, Frost & Sullivan

Per Capita Annual Expenditure of Fujian Province

Per Capita Annual Expenditure (Fujian Province), 2019-2028E

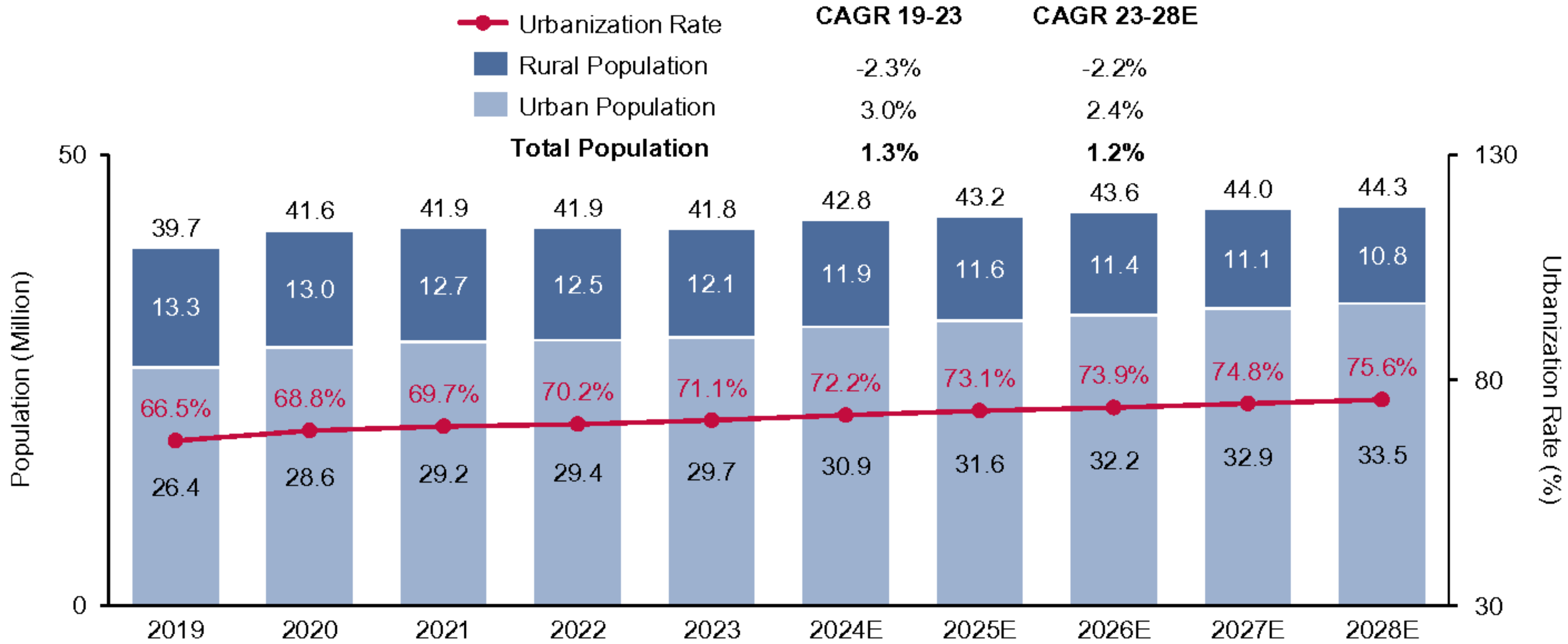


- With the continuous growth of the economy and disposable income, the per capita household expenditure of Fujian Province has also increased continuously in recent years. In 2023, per capita household expenditure in Fujian Province increased to RMB31,869 from RMB25,314 in 2019, representing a CAGR of 5.9%.
- The increase in disposable per capita income has had a positive effect on per capita household expenditure. In the future, per capita household expenditure in Fujian Province is expected to continue to increase due to economic development and an increase in per capita annual disposable income. Frost & Sullivan estimates that by 2028, per capita household expenditure in Fujian Province is expected to increase to RMB40,597, with a CAGR of 5.0%from 2023.

Source: Fujian Bureau of Statistics, Frost & Sullivan

Population and Urbanization of Fujian Province

Population and Urbanization (Fujian Province), 2019-2028E



- The total population of Fujian Province reached 41.8 million in 2023, and is estimated to grow at a moderate level, reaching 44.3 million in 2028.
- Due to rapid economic development and the influx of migrants from rural areas to developed areas, Fujian's urban population has been steadily increasing. From 2019 to 2023, Fujian's urban population increased from 26.4 million to 29.7 million, with a CAGR of 3.0%. During the same period, Fujian Province's urbanization rate increased from 66.5% to 71.1%. With continuous urbanization, Fujian's urban population is expected to maintain a CAGR of 2.4% from 2023 to 2028. Accordingly, Frost & Sullivan forecasts that Fujian Province's urban population is expected to reach 33.5 million by 2028, and the urbanization rate is likely to increase gradually to 75.6%.

Source: Fujian Bureau of Statistics, Frost & Sullivan

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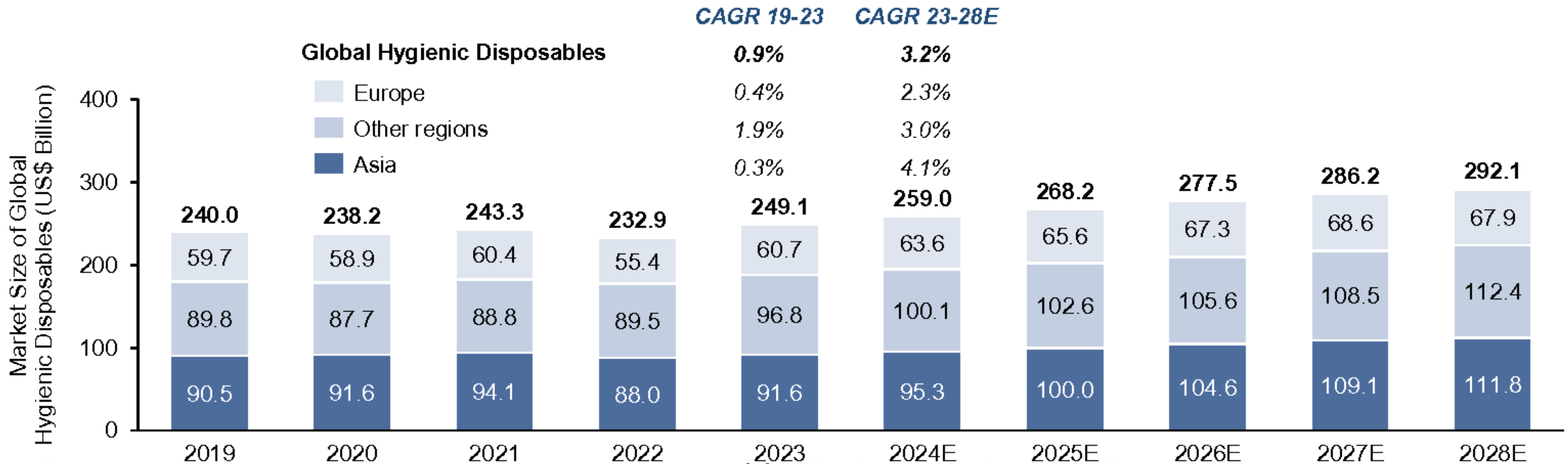
Global Hygienic Disposables Market

Market Size and Growth of Global Hygienic Disposables Market

Market Size of Global Hygienic Disposables Market, 2019-2028E



- During the unprecedented disruption caused by the COVID-19 pandemic in 2020, the global economy experienced significant challenges. The repercussions on the global supply chain for disposable absorbent hygiene products were profound, leading to substantial disruptions. These disruptions impacted the procurement of raw materials and the distribution of finished goods, thereby affecting the availability and accessibility of these products to consumers. The pandemic-induced constraints on production capabilities, coupled with limitations in transportation and logistics, contributed to a diminished capacity to meet market demand. Consequently, the market size of the global disposable hygiene products experienced a decline from 2019 to 2022.
- The global consumer market for disposable absorbent products is experiencing a gradual resurgence after the COVID-19 pandemic. With the epidemic progressively coming under control, manufacturing activities for disposable absorbent products have rebounded. Heightened consumer focus on health and personal hygiene has steered purchasing preferences towards hygiene and personal care products. Consequently, this shift has precipitated an upsurge in market demand for disposable absorbent products, culminating in an upward trajectory in market size from 2022 to 2023.

Source: IMF(April 2024) , Frost & Sullivan

Market Size and Growth of Global Hygienic Disposables Market (Cont.)

- Despite the economic fluctuations, the impact of the COVID-19 pandemic and fluctuations in raw material prices, the market size of the global hygienic disposables market still increased slightly from US$240.0 billion in 2019 to US$249.1 billion in 2023, representing a CAGR of 0.9%. It is expected to reach US$292.1 billion in 2028, representing a CAGR of 3.2% from 2023.
- In the Asian region, despite a marginal reduction in market size from US$94.1 billion in 2021 to US$88.0 billion in 2022, the region continues to play a significant role in the global hygienic disposables market, commanding a market share of 36.8% in 2023. With population growth and an increasing focus on hygiene awareness, the market is poised for recovery, expected to reach US$111.8 billion by 2028, with a CAGR of 4.1% from 2023.
- Europe, however, witnessed a more substantial decline in market size, from US$60.4 billion in 2021 to US$55.4 billion in 2022. Nevertheless, a recovery is expected, and the market is expected to reach US$67.9 billion in 2028, with a CAGR of 2.3% from 2023.

Source: IMF(April 2024) , Frost & Sullivan

Content

China's Hygienic Disposables Market

Definition and Classification

- **Hygienic disposables** refer to disposable hygiene products that come into direct contact with the human body, primarily composed of materials such as fluff pulp, nonwoven fabric, highly absorbent resin, and other components. They feature a layered structure consisting of a surface layer, an absorbent core layer, and a leak-proof bottom film layer, designed to absorb and collect human excretions.
- Divided by target consumers, **hygienic disposables** mainly refer to babycare hygienic disposables, feminine care hygienic disposables and adult incontinence disposables.

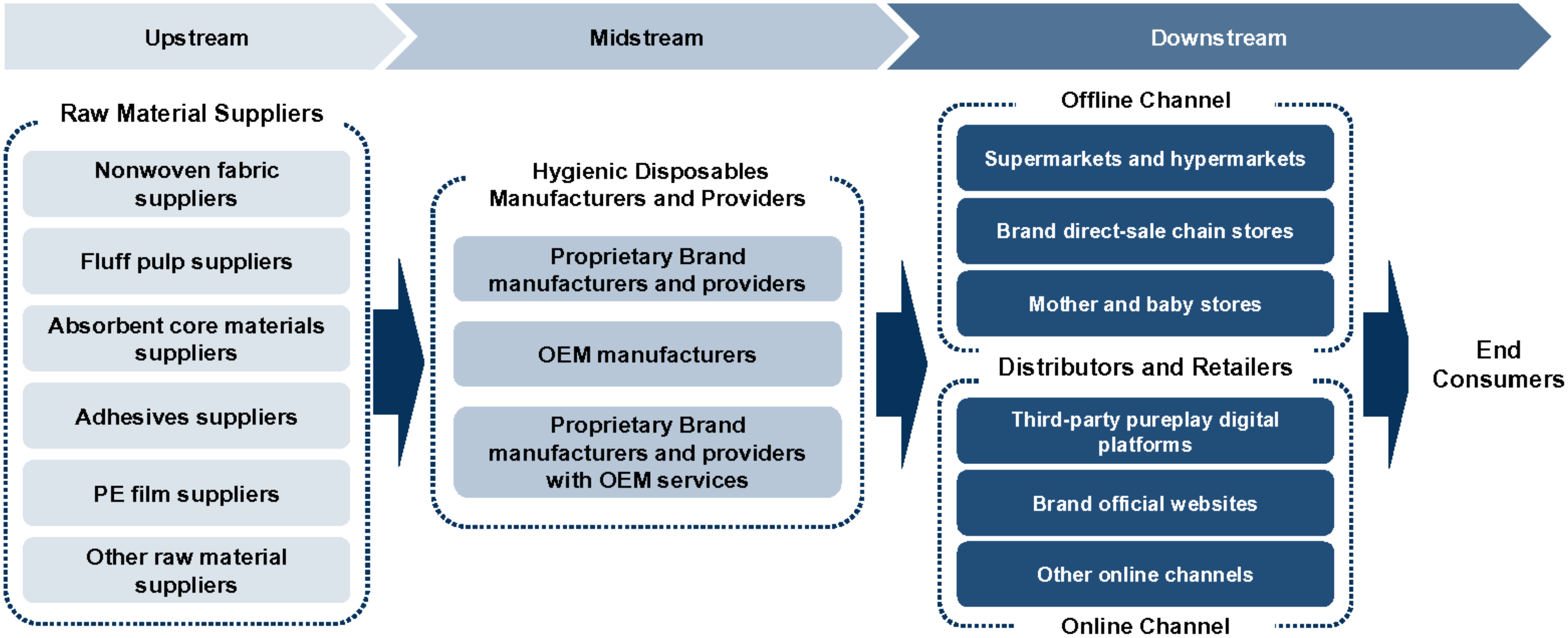
Classification of Hygienic Disposables

- **Babycare hygienic disposables**
  - Baby diapers
  - Baby pants
  - Baby diaper pads and others
- **Feminine care hygienic disposables**
  - Sanitary pads
  - Panty liners
  - Sanitary
  - Tampons
- **Adult incontinence disposables**
  - Adult Diapers
  - Adult pull-ups
  - Adult incontinence pads

Source: Frost & Sullivan

China's Hygienic Disposables Market
Value Chain

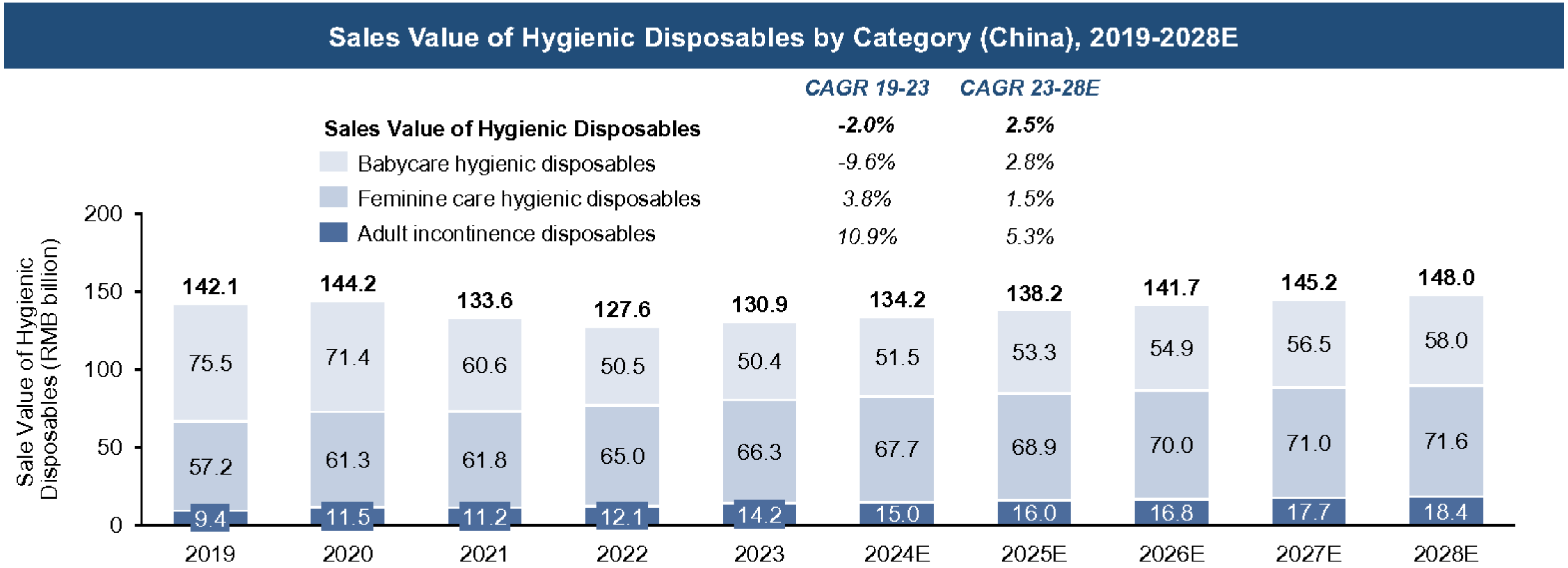
- The value chain of the hygienic disposables market in China includes upstream raw material supply, midstream absorbent hygiene product manufacturers and suppliers, and downstream end customers.
- In the manufacturing and processing process, OEM (Original Equipment Manufacturer) and OEM (Original Equipment Manufacturing) modes are commonly used for absorbent hygienic disposables. Hygienic disposables suppliers can outsource production to selected domestic third-party manufacturers under OEM arrangements , allowing these suppliers to focus their resources on research and development, product planning and design, branding and marketing, and sales and distribution.
- In the distribution process, the distribution channels for hygienic disposables include third-party pureplay digital platforms, brands official websites, key account (the "KA") channels (such as supermarkets and hypermarkets), brand direct-sale chain stores, mother and baby stores, among others, to reach end customers.



Source: Frost & Sullivan

China's Hygienic Disposables Market

Sales Value and Growth of Hygienic Disposables Market



- Hygienic disposables s include babycare hygienic disposables, feminine care hygienic disposables and adult incontinence disposables. Affected by the continuously decreasing birth rate and the severe impact of the COVID-19 epidemic in China, from 2019 to 2023, the sales value of China's babycare hygienic disposables market decreased from approximately RMB75.5 billion to RMB50.4 billion, with a CAGR of approximately -9.6%. As a result, the sales value of the hygienic disposables market decreased slightly from approximately RMB142.1 billion in 2019 to RMB130.9 billion in 2023, representing a CAGR of approximately -2.0%. It is expected to reach approximately RMB148.0 billion in 2028, representing a CAGR of approximately 2.5% from 2023.
- Adult incontinence disposables market is the fastest growing subset of the hygienic disposables market, whose sales value grew from approximately RMB9.4 billion in 2019 to RMB14.2 billion in 2023, representing a CAGR of approximately 10.9%. It is expected to reach approximately RMB18.4 billion in 2028, representing a CAGR of approximately 5.3% from 2023.

Source: China Paper Association (CPA), National Bureau of Statistics, Frost & Sullivan

China’s Hygienic Disposables Market

Sales Value and Growth of Hygienic Disposables Market (Cont.)

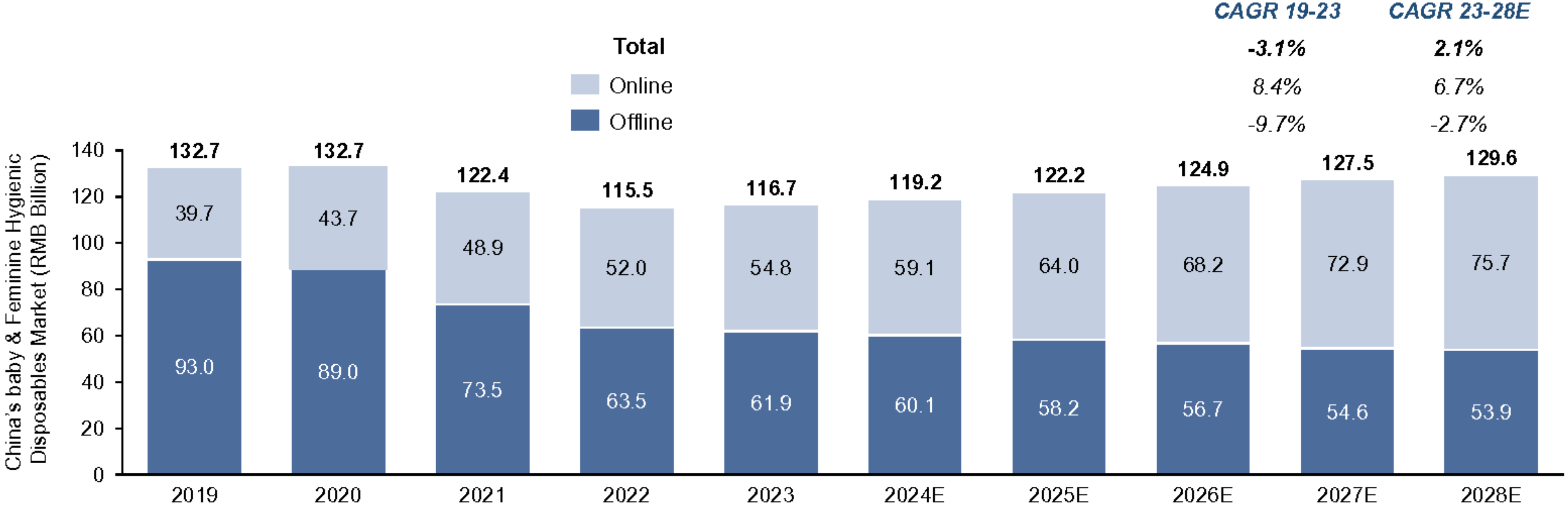
- The negative CAGR for China’s hygienic disposables market from 2019 to 2023 was primarily due to the contraction in the babycare hygienic disposables segment from 2019 to 2022 and the impact of the COVID-19 pandemic. The babycare hygienic disposables market decreased from approximately RMB75.5 billion in 2019 to RMB50.5 billion in 2022, with a CAGR of approximately -12.5%. The market size of babycare hygienic disposables was RMB50.4 billion in 2023, which was only a slight decline of 0.2% from 2022. In contrast, the feminine care hygienic disposables market and adult incontinence disposables experienced growth during this period.
- With the implementation of the three-child policy in August 2021 and the introduction of more government policies to support childbirth, the declining birth rate trend is expected to alleviate and gradually reverse. In addition, as Chinese consumers’ purchasing power increases and the demand for higher-quality babycare hygienic disposables rises, higher-priced baby pants have emerged and gained popularity in China’s babycare hygienic disposables market due to their distinct features and functionalities. The rebound in fertility rates and the increase in the frequency of baby pants consumption are expected to drive the growth of China’s hygienic disposables market from 2023 to 2028.

Source: China Paper Association (CPA), National Bureau of Statistics, Frost & Sullivan

China's Hygienic Disposables Market

Market Size of China's Baby & Feminine Care Hygienic Disposables Market

Market Size of Baby & Feminine Care Hygienic Disposables Market by Sales Channels (China), 2019-2028E



- The baby & feminine care hygienic disposables market can be classified into online and offline markets based on channel segmentation. From 2019 to 2023, the online and offline sales channels for baby & feminine care hygienic disposables have changed significantly. The online market increased from approximately RMB39.7 billion in 2019 to RMB54.8 billion in 2023,representing a CAGR of approximately 8.4%, and accounted for 47.0% of the baby &feminine care hygienic disposables market in 2023. Meanwhile, offline market for baby &feminine care hygienic disposables declined from approximately RMB93.0 billion in 2019 to RMB61.9 billion in 2023, with a CAGR of approximately -9.7%.

Source: National Bureau of Statistics, China Paper Association (CPA), , Frost & Sullivan

China’s Hygienic Disposables Market

Market Size of China’s Baby & Feminine Care Hygienic Disposables Market (Cont.)

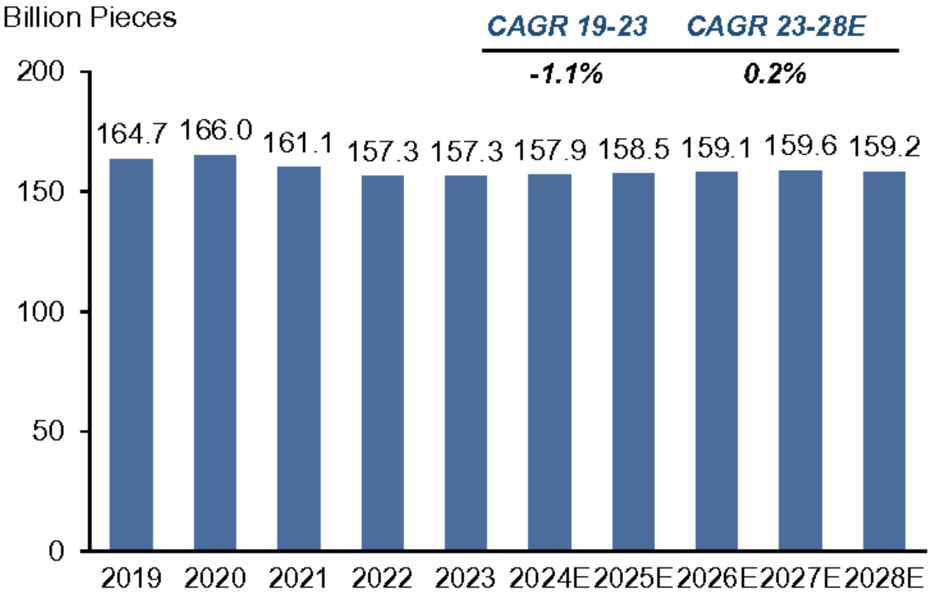
- In the digital era, consumers are increasingly gravitating towards online shopping, especially for daily necessities, including baby & feminine care hygienic disposables. Online retailers offer competitive pricing, often with additional discounts and deals, making the online shopping experience not only time-saving but also cost-effective. In the forecast period (being 2024 to 2028), the online retail sales value of the baby & feminine care hygienic disposables is expected to reach approximately RMB75.7 billion in 2028, with a CAGR of approximately 6.7% from 2023 to 2028. The offline retail sales value of the baby & feminine care hygienic disposables is expected to decline further to approximately RMB53.9 billion in 2028, with a CAGR of approximately -2.7%. The online market and the offline market are expected to account for approximately 58.4% and 41. 6%, respectively, of the total market in 2028.
- The reduction in the proportion of offline sales does not inherently signify a contraction in the overall market size. As e-commerce becomes more widespread, offering consumers the benefits of convenience and accessibility, sales of babycare and feminine care hygienic disposables are increasingly shifting to online channels. This trend has reduced reliance on the offline market. However, the expansion of online sales channels has the potential to offset the decline in offline market share, thus maintaining or even strengthening the total hygienic disposables market size.

Source: National Bureau of Statistics, China Paper Association (CPA), , Frost & Sullivan

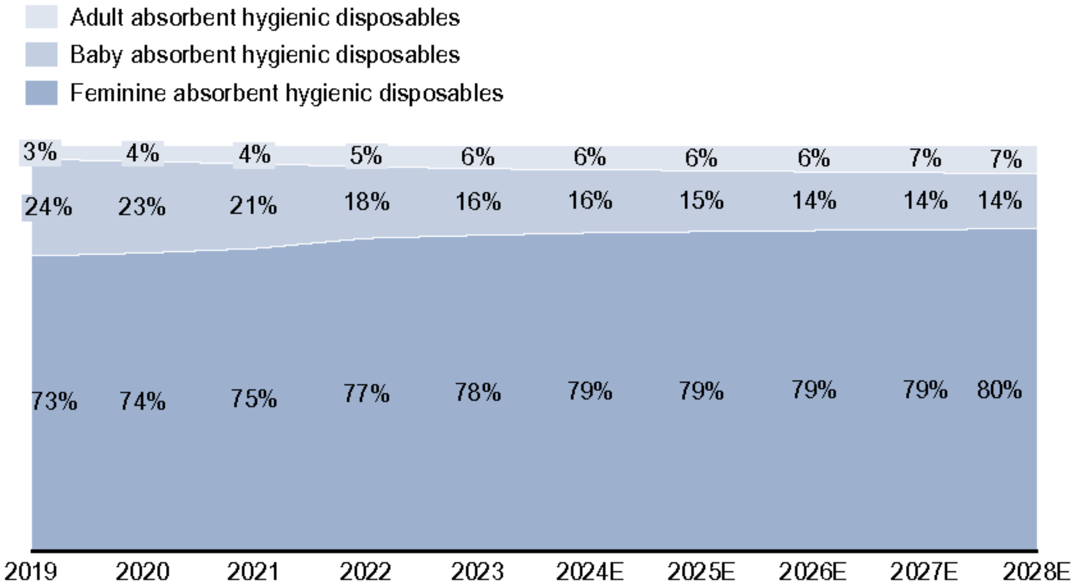
China's Hygienic Disposables Market

Sales Volume and Growth of Hygienic Disposables Market

Sales Volume of Hygienic Disposables (China), 2019-2028E



Hygienic Disposables Sales Volume Structure (China), 2019-2028E



- Affected by the continuously decreasing birth rate and the severe impact of the COVID-19 epidemic in China, from 2019 to 2023, the sales volume of China's babycare hygienic disposables market decreased from 39.4 billion pieces to 25.8 billion pieces, with a CAGR of -10.0%. As a result, the sales volume of the hygienic disposables market decreased slightly from 164.7 billion pieces in 2019 to 157.3 billion pieces in 2023, representing a CAGR of -1.1%. It is expected to reach 159.2 billion pieces in 2028, representing a CAGR of 0.2% from 2023.
- Adult incontinence disposables market is the fastest growing subset of the hygienic disposables market, with sales volume grew from 5.4 billion pieces in 2019 to 8.9 billion pieces in 2023, representing a CAGR of 13.3%. It is expected to reach 10.9 billion pieces in 2028, representing a CAGR of 4.1% from 2023. The percentage of adult incontinence disposables' sales volume in relation to the overall sales volume also increased from 3.3% in 2019 to 5.7% in 2023, with expectations to reach 6.8% by 2028.

Source: China Paper Association (CPA), National Bureau of Statistics, Frost & Sullivan

China's Hygienic Disposables Market

Policies and Regulations

Name	Issued Year	Issued Department	Key Messages
The 14th Five-Year National Health Plan 《"十四五"國民健康規劃》	2022	State Council of the People's Republic of China 中華人民共和國國務院	• Enhancing Quality and Promoting Equity: Prioritizing the improvement of the quality of healthcare service delivery, expediting the expansion of high-quality medical and healthcare resources, and striving for a more balanced regional distribution. This includes continually enhancing the fairness and accessibility of basic healthcare services, thereby narrowing the disparities in resource allocation, service capacity, and overall health levels among urban and rural areas, regions, and different demographic groups.
Adjustment Plan of the Temporary Import Tax Rates for 2020 《2020年進口暫定稅率等調整方案》	2020	Ministry of Finance of the People's Republic of China 中華人民共和國財務部	• Starting from January 1, 2020, provisional import tax rates were applied to 859 items of goods (excluding goods subject to tariff quotas). Among these, baby diapers and adult diapers were granted a zero tariff.
Notice on Further Strengthening Quality and Safety Supervision Inspections of Daily Plastic Products, Children's Toys, and Hygiene Products 《關於進一步加強日用塑膠製品、兒童玩具、一次性使用衛生用品品質安全監督檢查的通知》	2019	State Administration for Market Regulation 國家市場監督管理總局	• Enhancing random inspection efforts for everyday plastic products, children's toys, disposable hygiene products, etc.
Guiding Opinions on the Development of the Industrial Textile Industry during the 13th Five-Year Plan 《產業用紡織品產業"十三五"發展指導意見》	2017	National Development and Reform Commission 中華人民共和國國家發展與改革委員會 Ministry of Industry and Information Technology of the People's Republic of China 中華人民共和國工業與信息化部	• Supporting brand evaluation research with a focus on nurturing consumer product brands In the fields of adult and babycare hygienic disposables, • Expanding the market penetration of domestic supply for products catering to the elderly and individuals requiring care.
Consumer Goods Standards and Quality Enhancement Plan (2016-2020) 《消費品標準和質量提升規劃（2016—2020年）》	2016	State Council of the People's Republic of China 中華人民共和國國務院	• Introducing stringent safety standards for babycare hygienic disposables and nurturing the growth of domestic brands. • Accelerating the standardization of Feminine Absorbent Hygiene products to improve the quality of domestic brands. • Emphasizing the promotion of standardized development for products catering to the elderly and individuals requiring care, while enhancing quality management.

Source: Frost & Sullivan

China’s Hygienic Disposables Market
Market Drivers

	Key Drivers	Impact (1-2 years)	Impact (3-5 years)
1	**Rising purchasing power and consumption upgrade**	Medium	Medium
2	**Growing penetration of babycare hygienic disposables**	High	High

Major Driver	Description
Rising purchasing power of women and families with infants:	As women’s economic empowerment continues to rise, coupled with the focus on child health and well-being, there’s a notable surge in expenditure on high-quality hygienic disposables for both infants and mothers. According to Frost & Sullivan, the consumption expenditure per household on hygienic disposables is expected to grow from RMB254.5 to RMB298.0 from 2023 to 2028, with a CAGR of approximately 3.2% . This demographic segment’s inclination towards premium and specialised products, coupled with their increasing disposable income, significantly contributes to the expansion of the domestic market for absorbent hygiene items tailored for babies and women.
Growing penetration of babycare hygienic disposables	China’s market for babycare hygienic disposables has shown consistent growth in its market penetration, reaching approximately 86.5% in 2023 and projected to climb to approximately 92.7% by 2028. As parental awareness regarding diverse babycare hygienic disposables expands, it triggers a surge in market demand, contributing significantly to the continual expansion and development of the babycare hygienic disposables market.
Implementation of the three-child policy and supporting measures	In pursuit of balanced and sustained population growth, the State Council issued the "Decision on improving birth policies to promote long-term and balanced population development" in 2021 to implement the three-child policy and several incentives to further adapt to the new changes in the population structure and the requirements for high-quality development. The implementation of the three-child policy, and tax reductions to stimulate growth in the babycare hygienic disposables market.

Source: Frost & Sullivan

China's Absorbent Hygienic Disposables Market
Market Drivers

	Key Drivers	Impact (1-2 years)	Impact (3-5 years)
1	Rising purchasing power and consumption upgrade	Medium	Medium
2	Growing elderly population and increased penetration rate of incontinence	High	High
3	Rapid growth of e-commerce and digital marketing	High	Medium

Major Driver	Description
Rising purchasing power and consumption upgrade	Per capita disposable income plays a crucial role in shaping a nation's purchasing power and driving the trend towards increased consumption. In the coming years, as consumer awareness of personal hygiene continues to grow and disposable incomes increase, the overall market for disposable hygiene products is poised for continued expansion. In addition, the pursuit of an improved quality of life by middle- to high-income consumers will stimulate the growth of mid- to high-end brands and manufacturers in the disposable hygiene product sector. When comparing per capita disposable income, there is currently a significant disparity between China and countries such as Japan and the United States. Nevertheless, China's consistently high year-on-year growth rates provide ample opportunities for the disposable absorbent hygiene product market, both in terms of pricing and volume.
Growing elderly population and increased penetration rate of incontinence	The expanding elderly population and the concurrent rise in incontinence prevalence significantly affect China's domestic absorbent hygienic disposables market. The proportion of the elderly population aged 65 and above increased from 12.7% in 2019 to 15.4% in 2023. As the number of elderly individuals increases, so does the incidence of incontinence problems in this demographic. This surge in the elderly population, coupled with increased awareness and acceptance of incontinence-related concerns, is driving a substantial demand for high-quality absorbent hygienic disposables tailored to elderly care. This demographic shift and the increased recognition of the need for specialized hygiene items contribute in particular to the growth of China's domestic market for absorbent hygienic disposables that address the needs of the elderly population.
Rapid growth of e-commerce and digital marketing	The development and expansion of different sales channels have made a wider range of absorbent hygienic disposables more accessible to consumers across China and have increased the frequency of consumption of products. While traditional sales channels (KA channel, specialty channel, etc.) are, and will remain as important sales channels for absorbent hygienic disposables, e-commerce channels are growing rapidly benefiting from consumers' habits of online shopping as well as the greater convenience and accessibility offered by such channels. In addition, absorbent hygienic disposables companies will continue to launch digital marketing campaigns to promote their brands and products to reach a wider range of consumers.

Source: Frost & Sullivan

China's Hygienic Disposables Market
Future Trends

Growing usage of sustainable and eco-friendly raw materials

- With increasing environmental awareness and concerns among consumers and manufacturers, there is a notable shift towards more sustainable and eco-conscious sourcing of raw materials for hygienic disposables. This trend is expected to drive the development and adoption of innovative, environmentally friendly materials and production methods, catering to the demand for products that have a reduced environmental footprint and are in line with global sustainability goals.

Increasing penetration of domestic hygienic disposables brands

- The rising penetration of domestic hygienic disposables hygiene products brands is another upcoming trend in China's hygienic disposables market. This trend is further supported by the "Guiding Opinions on the Development of the Industrial Textile Industry during the 14th Five-Year Plan" issued in 2022 by the National Development and Reform Commission and the Ministry of Industry and Information Technology. These guidelines highlight the government's focus on fostering domestic consumer product brands, and is expected to drive the growth of local hygienic disposables brands and increase their presence in the market.

Continuous improvement of industry standards

- The Chinese government is actively revising standards for the hygiene products industry to advance industrial upgrades and raise consumer product standards and quality. To meet evolving consumer demands, manufacturers in China's hygienic disposables market are expected to establish and adhere to more stringent quality and safety standards. This commitment to the continuous improvement of industry standards will serve as a cornerstone for the high-quality development of the hygienic disposables sector.

Source: Frost & Sullivan

Opportunities and Challenges

Growing elderly population and increased penetration rate of incontinence

- As the number of elderly individuals increases, coupled with increased awareness and acceptance of incontinence-related concerns, is driving a substantial demand for high-quality hygienic disposables tailored to elderly care. This demographic shift and the increased recognition of the need for specialised hygiene items contribute in particular to the growth of China's domestic market for hygienic disposables that address the needs of the elderly population.

Rapid growth of e-commerce and digital marketing

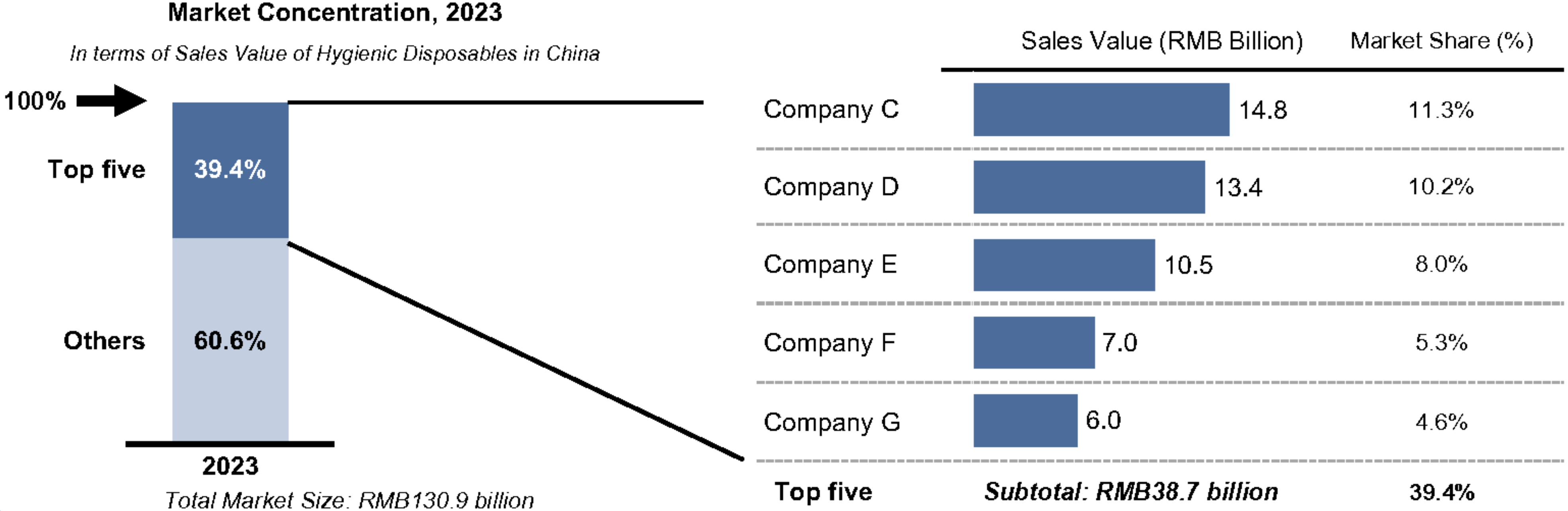
- The development and expansion of different sales channels have made a wider range of hygienic disposables more accessible to consumers across China and have increased the frequency of consumption of products. While traditional sales channels (KA channel, specialty channel, etc.) are, and will remain as important sales channels for hygienic disposables, e-commerce channels are growing rapidly benefiting from consumers' habits of online shopping as well as the greater convenience and accessibility offered by such channels.

Source: Frost & Sullivan

Competitive Landscape of China’s Hygienic Disposables Market

Ranking and Market Share of China’s Hygienic Disposables Providers

Ranking and Market Share of Top Five Hygienic Disposables Providers in terms of Sales Value of Hygienic Disposables (China), 2023



Note:

1. *Company C is a subsidiary of a NYSE listed company, founded in 1993. It specializes in a wide range of personal health/consumer health, and personal care and hygienic disposables.*
2. *Company D is a subsidiary of a NYSE listed company, founded in 1872. It is an American multinational personal care corporation that produces mostly paper-based consumer products.*
3. *Company E is a HKEX listed company, founded in 1985 in China and headquartered in Fujian province. It specializes in personal care and hygienic disposables.*
4. *Company F is a private domestic company, founded in 2014 and headquartered in Zhejiang Province. It principally provides supplementary nutrition, maternal and infant health care products, maternal and infant consumer products and other products.*
5. *Company G is a subsidiary of a Tokyo Stock Exchange listed company, founded in 1961. It specializes in a wide range of personal care and pet care products.*

- The hygienic disposables market in China was relatively concentrated, with the top five hygienic disposables providers accounting for an aggregate market share of 39.4% in terms of sales value in 2023.
- In 2023, the Company’s market share in terms of sales value in the hygienic disposables market in China was 0.2%.

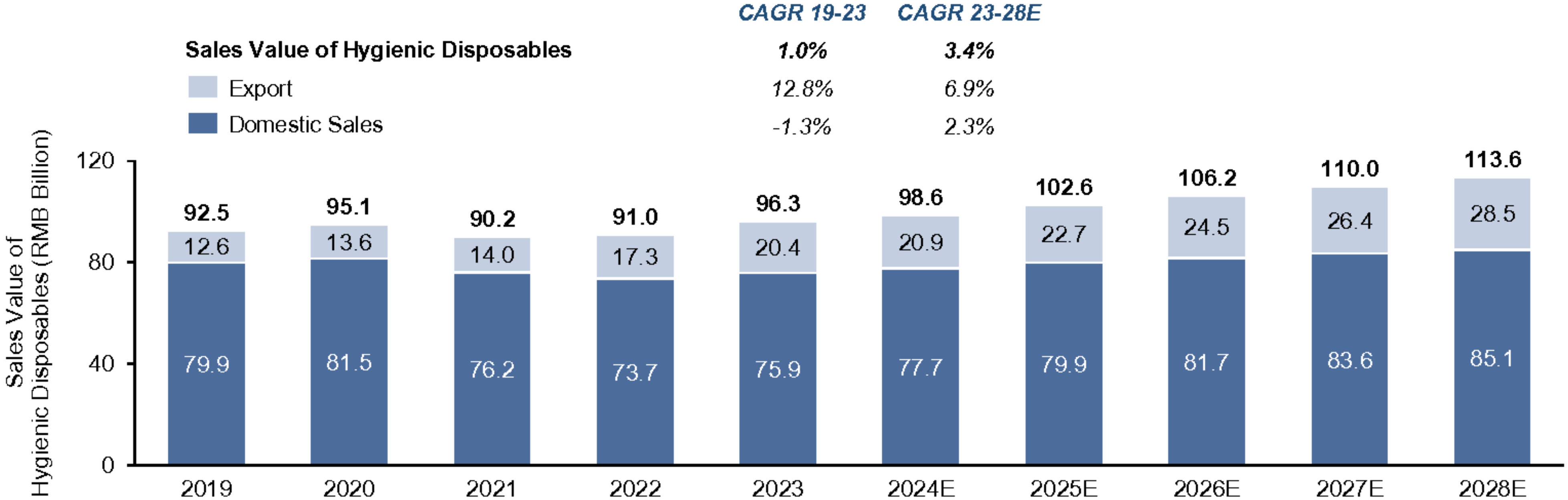
Source: China Paper Association (CPA), Frost & Sullivan

Content

China's Hygienic Disposables Export Market

Sales Value of Hygienic Disposables

Sales Value (Value-added Tax inclusive) of Hygienic Disposables by Export and Domestic Sales (China), 2019-2028E



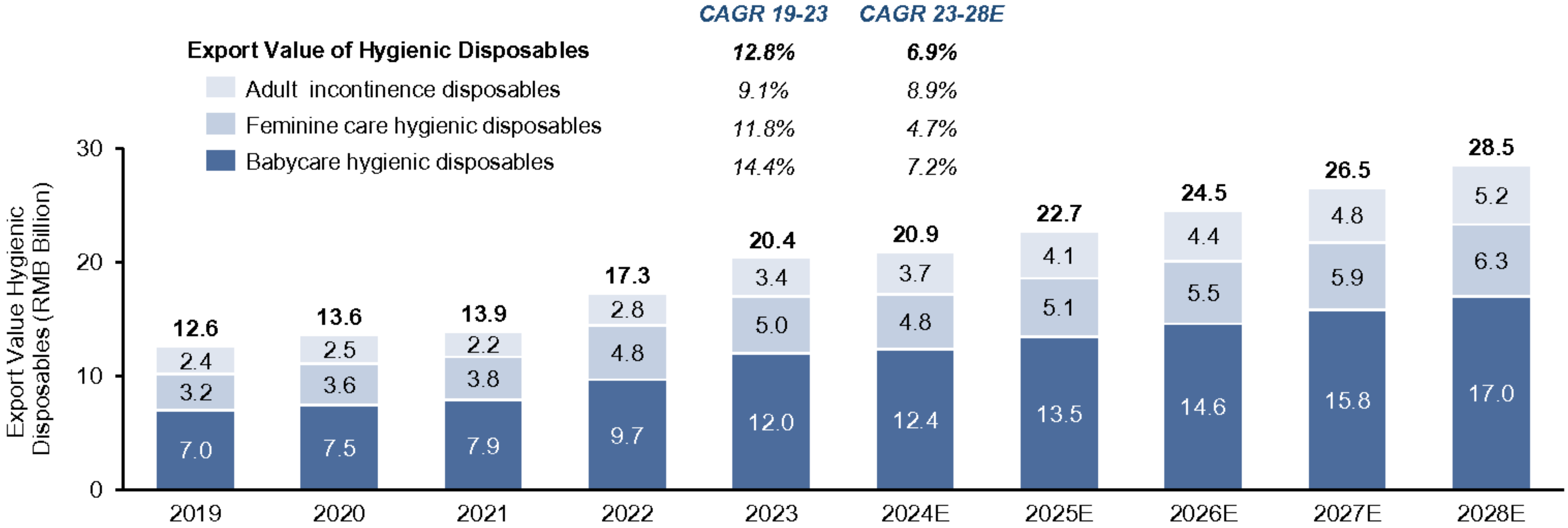
- Revenue generated from the manufacturing of absorbent hygienic disposables, indicative of sales value, increased from RMB92.5 billion in 2019 to RMB96.3 billion in 2023, demonstrating a CAGR of 1.0%. Projections indicate a further increase to RMB113.6 billion by 2028, representing a CAGR of 3.4% from 2023.
- At present, the sales value attributed to exports experienced substantial growth, surging from RMB12.6 billion in 2019 to RMB20.4 billion in 2023, marking a notable CAGR of 12.8%. Forecasts predict a continued upward trajectory, reaching RMB28.5 billion by 2028, with a CAGR of 6.9% from 2023. Moreover, the share of export value relative to total sales value rose from 13.6% in 2019 to 21.2% in 2023 and is expected to rise to 25.1% by 2028.

Source: China Paper Association, General Administration of Customs, Frost & Sullivan

China's Hygienic Disposables Export Market

Export Value of Hygienic Disposables

Export Value (Value-added Tax inclusive) of Hygienic Disposables by Category (China), 2019-2028E



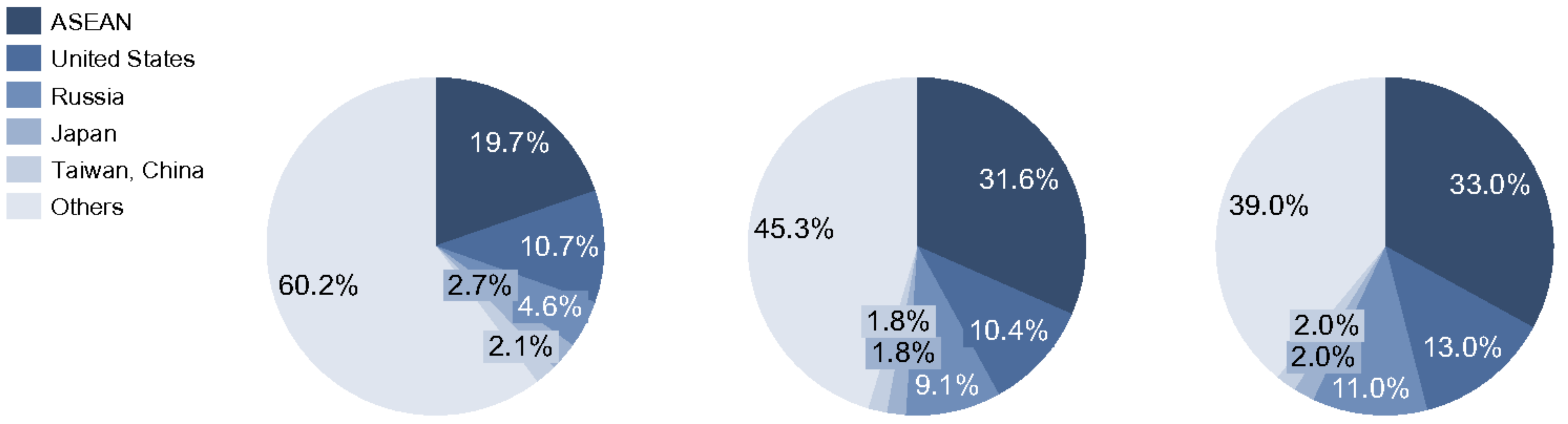
- The export value of hygienic disposables increased significantly from approximately RMB12.6 billion in 2019 to approximately RMB20.4 billion in 2023, representing a approximately CAGR of 12.8%. It is expected to reach approximately RMB28.5 billion in 2028, representing a CAGR of approximately 6.9% from 2023.
- Babycare hygienic disposables export market is the fastest growing subset of the hygienic disposables export market, which grew from approximately RMB7.0 billion in 2019 to RMB12.0 billion in 2023, representing a CAGR of approximately 14.4%. It is expected to reach RMB17.0 billion in 2028, representing a CAGR of approximately 7.2% from 2023.

Source: General Administration of Customs, Frost & Sullivan

China's Hygienic Disposables Export Market

Export Value of Hygienic Disposables

Export Value of Hygienic Disposables by Regions (China), 2019 vs 2023 vs 2028E



China's export value of hygienic disposables (2019) = RMB12.6 billion

China's export value of hygienic disposables (2023) = RMB20.4 billion

China's export value of hygienic disposables (2028E) = RMB28.5 billion

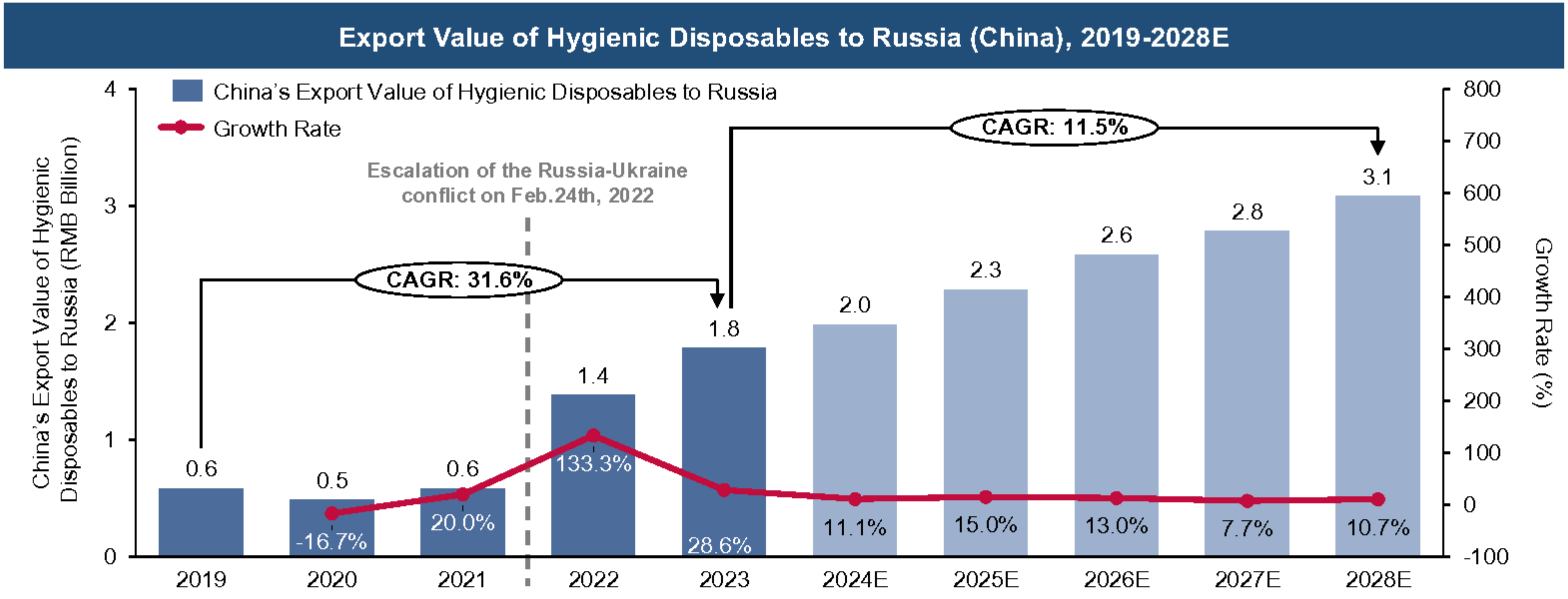
- The primary export destinations for China's hygienic disposables are ASEAN, the United States, and Russia. The percentage share of China's exports of hygienic disposables to these three regions changed from 19.7%, 10.7%, and 4.6% in 2019 to 31.6%, 10.4%, and 9.1%, respectively, in 2023. This growth is attributed to China's advancements in production, technology, and strengthened trade relations, which have provided more export opportunities. It is projected that by 2028, the export proportions of China's hygienic disposables to these three regions are expected to reach 33.0%, 13.0%, and 11.0%, respectively.

Note: ASEAN includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

Source: General Administration of Customs, Frost & Sullivan

China's Hygienic Disposables Export Market

Export Value of Hygienic Disposables to Russia



- The export value of hygienic disposables from China to Russia has experienced remarkable growth, surging from approximately RMB0.6 billion in 2019 to RMB1.8 billion in 2023, indicating a remarkable CAGR of approximately 31.6%. This substantial increase can be attributed to several factors, including heightened demand for quality hygiene products in the Russian market, improved trade relations, and the commendable reputation of Chinese manufacturers for delivering reliable and cost-effective products. As such, it is expected to reach approximately RMB3.1 billion in 2028, representing a CAGR of approximately 11.5% from 2023.

Source: General Administration of Customs, Frost & Sullivan

Export Value of Hygienic Disposables to Russia (Cont.)

- It is noted that the annual export values of hygiene disposables from China to Russia during the period 2019 to 2021 (i.e. the period before the imposition of the International Sanctions) were stable about approximately RMB0.5 billion to RMB0.6 billion. Following the imposition of the International Sanctions in early 2022, Chinese exports to Russia have significantly increased to approximately RMB1.4 billion in 2022 (133.3% year-on-year increase) and RMB1.8 billion in 2023 (28.6% increase). Such growth was largely driven by the increasing sale orders from Russian retailers and local diaper brands to fill the gap in market demand amid the exodus of global brands in Russia following the imposition of the International Sanctions. Since Russian local diaper brands and retailers are more willing to engage independent contract manufactures instead of their competitors’ manufacturing partners (i.e. the OEM manufacturers of the leading global diaper companies) in China, the growth in export values of hygiene disposables from China to Russia has largely been captured by independent Chinese contract manufacturers.
- Despite the low birth rate in Russia, private label babycare products have gained significant popularity in Russia as consumers seek more affordable options. Many Russian retailers have experienced rapid growth in demand for private-label products, driven further by raw material shortages and higher logistics costs. This trend could help offset the impact of the declining birth rate.

Source: General Administration of Customs, Frost & Sullivan

China's Hygienic Disposables Export Market
Market Drivers

Key Drivers		Impact (1-2 years)	Impact (3-5 years)
1	Cost competitiveness	High	High
2	Technological advancements	High	High
3	Trade partnerships and market penetration	High	Medium

Major Driver	Description
Cost competitiveness	China's manufacturing sector benefits from cost advantages, including lower labor costs and economies of scale. This advantage allows Chinese manufacturers of hygienic disposables to produce at a lower cost than many other countries. As a result, Chinese products remain competitive in the global market, attracting buyers looking for affordable yet high-quality hygienic disposables.
Technological advancements	Continued investment in research and development fosters technological innovations within China's hygienic disposables manufacturing industry. Upgrades in machinery, production techniques, and materials lead to improved product quality, efficiency, and innovation. Enhanced technological capabilities enable manufacturers to produce products that meet international standards, ensure reliability and meet varying consumer requirements worldwide.
Trade partnerships and market penetration	China is actively engaged in promoting trade partnerships and expanding its market reach for hygienic disposables. Efforts to penetrate emerging markets or strengthen foothold in established markets contribute significantly to the growth of China's export market in the hygienic disposables sector. Market penetration strategies, such as effective distribution networks, targeted marketing, and understanding local consumer preferences, facilitate increased exports to new regions and strengthen overall export growth. In 2023, China exported hygienic disposables to 193 trade partners. The market penetration rate, calculated by dividing China's export value of hygienic disposables by the market size of the global hygienic disposables market excluding China, increased from 0.9% in 2019 to 1.4% in 2023.

Source: Frost & Sullivan

China’s Hygienic Disposables Export Market

Future Trends

Advancing toward sustainable and eco-friendly products

- Global concern for the environment is driving a shift towards eco-friendly products worldwide, including in China’s hygienic disposables exports. Manufacturers will invest in eco-conscious R&D for biodegradable materials, reducing environmental impact and adoption of eco-friendly production processes meets consumer demand for environmentally responsible choices.

Innovating through customization and tailored offerings

- China’s hygiene product exports will prioritise customisation and innovation, tailoring products to diverse consumer needs with advanced materials and technologies to enhance competitiveness globally. Such customization will open up the market for private label and contract manufacturing.

Embracing digitalization and expanding E-commerce integration

- The adoption of digital technologies and the increasing penetration of e-commerce will significantly impact the export landscape for absorbent hygienic disposables from China. Manufacturers will leverage digital platforms for marketing, sales and distribution, capitalizing on the global reach of e-commerce. Improved online visibility, efficient supply chain management, and optimized logistics will facilitate higher export volumes through online channels. This trend is driven by evolving consumer preferences for seamless shopping experiences, convenience, and accessibility to a wide range of products. As a result, leveraging digitalization and e-commerce will become integral for Chinese manufacturers to expand their global market presence and meet consumer demands more effectively.

Source: Frost & Sullivan

China's Hygienic Disposables Export Market

Opportunities and Challenges

Opportunities 'lenges

Expanding global demand

- Increasing global awareness of hygiene and health-related concerns presents an opportunity for China's hygienic disposables export market. With increased awareness of personal hygiene, especially in emerging markets, there is a growing demand for high-quality hygienic disposables. China can capitalise on this expanding market by offering a diverse range of high-quality and affordable products tailored to different consumer segments.

Technological advancements and innovation

- China's advances in technology and manufacturing capabilities provide an opportunity to innovate in the absorbent hygienic disposables sector. Continued research and development efforts can lead to the creation of innovative products that respond to evolving consumer preferences. Leveraging technology for better product design, materials, and manufacturing processes can enhance the competitiveness of Chinese products in the global market.

Challenges

Intense market competition

- One of the challenges facing China's export market for hygienic disposables is intense competition from both domestic manufacturers and international players. Different countries produce similar products, leading to a competitive landscape where pricing, quality, and branding become key factors. This competition requires constant innovation, cost management, and differentiation strategies to maintain market share.

Quality and compliance standards

- Meeting international quality standards and compliance regulations remains a major challenge for Chinese manufacturers. Adhering to stringent quality control measures and complying with various regulations in different export markets can be complex. Ensuring consistent quality, safety, and certification requirements across regions requires significant investment in research, testing, and production practices, posing a challenge for some manufacturers.

Source: Frost & Sullivan

China's Hygienic Disposables Export Market

Entry Barriers

Entry Barriers

Large initial investment

- Hygienic disposables manufacturing is a capital-intensive industry, and new entrants require large initial investments to purchase production equipment, raw materials, and set up production lines. In addition, manufacturers need to continue to invest in technology upgrades and product R&D.

Technical knowledge and production experience

- The production of hygienic disposables involves complex technological processes, including the selection of raw materials, the optimization of absorption performance, and the design of products. Manufacturers need to have the relevant technical knowledge to ensure that product quality meets the standards of domestic and international markets and consumer expectations.

Brand Building and Marketing

- In a competitive market, building a brand and increasing awareness is the key to success. New entrants need to invest resources in marketing and branding to attract consumers and build a loyal customer base, and tailor their marketing strategies to match the consumption habits of local consumers. Given that existing brands may already have market share, new entrants must devise strategies to differentiate themselves and appeal to consumers.

Source: Frost & Sullivan

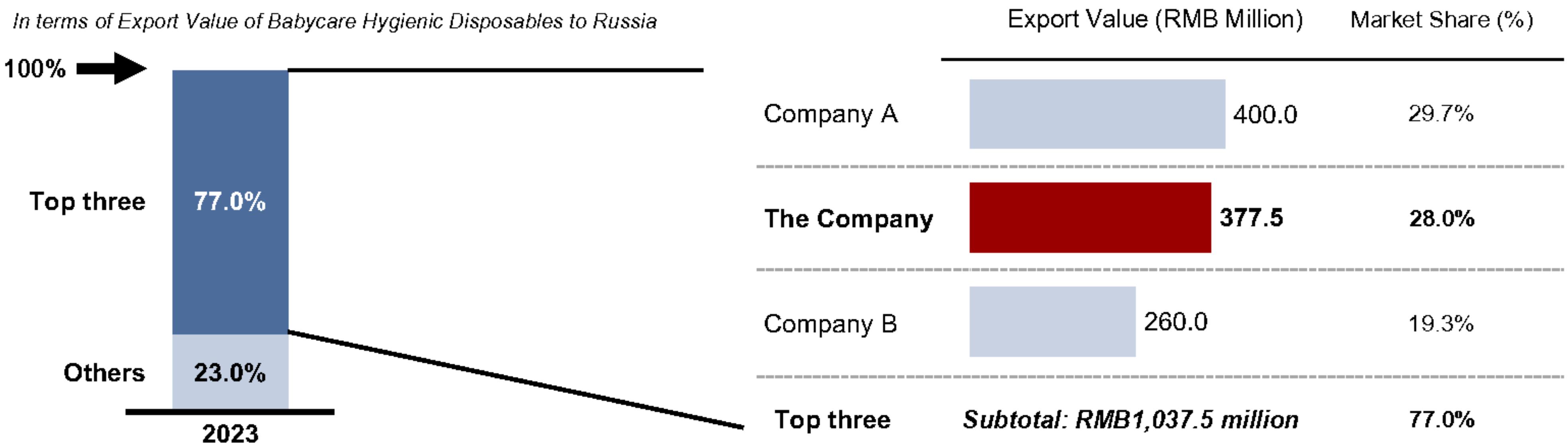
Competitive Landscape of China's Hygienic Disposables Export Market

Ranking and Market Share of China's Hygienic Disposables Providers

Ranking and Market Share of Top Three Hygienic Disposables Providers in terms of Export Value of Babycare Hygienic Disposables to Russia (China), 2023

Market Concentration, 2023

In terms of Export Value of Babycare Hygienic Disposables to Russia



Total Market Size: RMB1,346.1 million

Note:

1. *Company A is a private domestic company, founded in 2012 and headquartered in Fujian Province. It principally provides babycare hygienic disposables, feminine care hygienic disposables, adult incontinence disposables, pet diapers, wet wipes, etc.*
2. *Company B is a private domestic company, founded in 2005 and headquartered in Fujian Province. It principally provides babycare hygienic disposables, feminine care hygienic disposables, adult incontinence disposables, etc.*

- The export market of babycare hygienic disposables to Russia from China was highly concentrated, with the top three hygienic disposables providers accounting for an aggregate market share of 77.0% in terms of export value in 2023.
- In 2023, the Company ranked second in terms of the export value of babycare hygienic disposables to Russia among all hygienic disposables providers in the PRC, with a market share of approximately 28.0% of the export value of babycare hygienic disposables to Russia from China in 2023. The Group mainly generates revenue from its contract manufacturing business and that the Group recorded significant and increasing revenue from Russia during the Track Record Period as a result of the International Sanctions on Russia.

Source: Federal Customs Service of the Russian Federation, Frost & Sullivan

Competitive Landscape of China's Hygienic Disposables Export Market

Ranking and Market Share of China's Hygienic Disposables Providers (Cont.)

- The babycare hygienic disposables sold in Russia by leading global diaper companies are not exclusively domestically produced. With Chinese companies gaining substantial experience and technological proficiency in production, they are now capable of manufacturing high-quality products that meet international standards. Consequently, renowned diaper companies such as Company C and Company G have partnered with OEM manufacturers in China.
- Moreover, economic sanctions against Russia may disrupt the supply chain of raw materials or increase raw material prices, thereby raising production costs for local manufacturers. In contrast, China possesses a mature supply chain and robust production capacity, allowing it to maintain a stable supply to Russia even under sanctions. This positions Chinese baby care product manufacturers competitively in the Russian market.

Source: Federal Customs Service of the Russian Federation, Frost & Sullivan

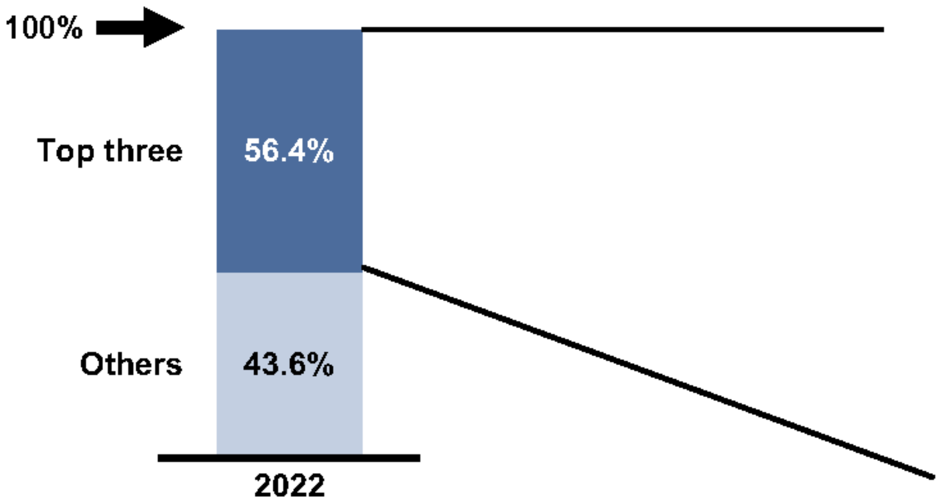
Competitive Landscape of China's Hygienic Disposables Export Market

Ranking and Market Share of China's Hygienic Disposables Providers

Ranking and Market Share of Top Three Hygienic Disposables Providers in terms of Export Value of Babycare Hygienic Disposables to Russia (China), 2022

Market Concentration, 2022

In terms of Export Value of Babycare Hygienic Disposables to Russia



Total Market Size: RMB1,087.3 million

	Export Value (RMB Million)	Market Share (%)
Company A	265.5	24.4%
The Company	**205.5**	18.9%
Company B	**142.0**	13.1%
Top three	***Subtotal: RMB613.0 million***	**56.4%**

Note:

1. *Company A is a private domestic company, founded in 2012 and headquartered in Fujian Province. It principally provides babycare hygienic disposables, feminine care hygienic disposables, adult incontinence disposables, pet diapers, wet wipes, etc.*
2. *Company B is a private domestic company, founded in 2005 and headquartered in Fujian Province. It principally provides babycare hygienic disposables, feminine care hygienic disposables, adult incontinence disposables, etc.*

- The export market of babycare hygienic disposables to Russia from China was concentrated, with the top three hygienic disposables providers accounting for an aggregate market share of 56.4% in terms of export value in 2022.
- In 2022, the Company ranked second in terms of the export value of babycare hygienic disposables to Russia among all hygienic disposables providers in the PRC, with a market share of approximately 18.9% of the export value of babycare hygienic disposables to Russia from China in 2022. The Group mainly generates revenue from its contract manufacturing business and that the Group recorded significant and increasing revenue from Russia during the Track Record Period as a result of the International Sanctions on Russia.

Source: Federal Customs Service of the Russian Federation, Frost & Sullivan

Content

China's Babycare Hygienic Disposables Market Analysis

Definition and Classification of China's Babycare Hygienic Disposables Market

- **The babycare hygienic disposables market caters to the essential needs of babies, usually between 0 and 3 years old.** It includes a wide range of babycare hygienic disposables that provide comfort, hygiene, and practicality for babies. The babycare hygienic disposables market is diverse and can be divided according to different factors such as product types, which are available in a range of sizes from "small" to "extra-large" to suit the diverse needs of babies at different ages and stages of development. Also, it can be divided according to pricing and sales channels, all to accommodate the preferences and needs of parents and guardians.
- Categorized by product types, the babycare hygienic disposables market comprises (i) **baby diapers (紙尿褲)** that offer easy disposal and are suitable for infants; (ii) **baby pants (拉拉褲)** that support toddler potty training with underwear-like designs; and (iii) **baby diaper pads (紙尿片)** and other products, including baby wipes, providing additional functionality and protection.
- Categorized by pricing, the babycare hygienic disposables market offers **economy babycare hygienic disposables** (经济型婴幼儿吸收性产品) that are comfortable and accessible, appealing to a broader range of consumers with their practicality and value, as well as **mid-end babycare hygienic disposables (中端型婴幼儿吸收性产品)** and **high-end babycare hygienic disposables (高端婴幼儿吸收性产品)** with premium features and additional functions.
- The babycare hygienic disposables market can be divided into **online babycare hygienic disposables market** and **offline babycare hygienic disposables market** based on the different sales channels.

	Baby tape diapers	Baby diaper pants	Baby diaper pads
Definition	A type of disposable pant-style baby diapers that has underwear-like designs, can be pulled down easily and used as an aid for potty training and night training of toddlers and preschoolers	A type of disposable baby diapers with resealable adhesive tapes around the waistband area that can be teared off easily and is suitable for infants and crawlers	A type of disposable baby diapers without the resealable adhesive tapes around the waistband area
Target Age	Infants and crawlers up to approximately 11-month-old	Toddlers and preschoolers up to approximately 36-month-old	Younger babies up to approximately 3-month-old
Primary Function	Suitable for younger babies who are less active, crawlers or babies during their sleep time	Suitable for babies who are more active and are able to sit, stand and move around on their own	Enhancing diaper usage by providing additional functionality and protection for younger babies

Source: Frost & Sullivan

China's Babycare Hygienic Disposables Market Analysis

Key Milestones of China's Babycare Hygienic Disposables Market

1993 - 2005

Initial Stage of Development

- In the early 1990s, international baby absorbent hygiene brands entered China, and local Chinese enterprises mainly operated as contract manufacturers for these brands.
- Leveraging their technological advantage, international baby absorbent hygiene manufacturers introduced advanced techniques and consumer education, driving the rapid growth of China's babycare hygienic disposables market.

2005- 2010

Rapid Growth Stage

- From 2005 to 2010, driven by the influence of international baby absorbent hygiene brands, domestic brands and manufacturers emerged consecutively. This laid the foundation for technological research and development, ensuring the prospective growth of domestic baby absorbent hygiene brands.
- As consumer preferences in baby care evolved during this period, baby absorbent hygiene pants emerged and garnered increasing popularity within China's babycare hygienic disposables market.

2010 - 2016

Rise of Online Retail Stage

- Since the 2010s, an increasing number of baby absorbent hygiene sales have shifted towards online channels, driven by the rapid evolution of e-commerce. This transition has provided consumers with a more convenient shopping experience. This paradigm shift has fundamentally transformed how consumers access and acquire babycare hygienic disposables, resulting in a noteworthy migration of sales to online platforms.

2016-2018

Live-streaming E-commerce Stage

- Since 2016, live-streaming e-commerce emerged in China on a large scale, combining live video streaming with online shopping. Internet celebrities recommended and sold babycare hygienic disposables to consumers through live broadcasts on e-commerce platforms. Fueled by the widespread adoption of smartphones in the country and a seamless connection with online payment methods, this trend attracted millions of Chinese consumers.

2018 onward

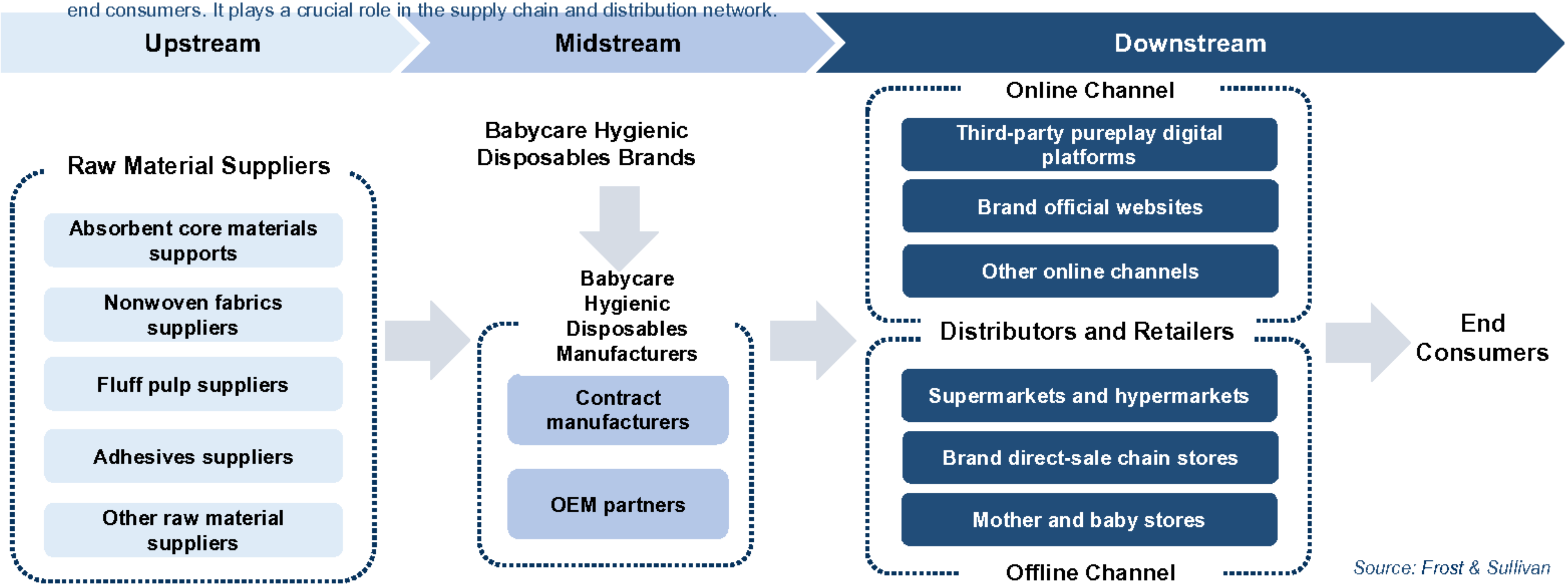
Domestic Brands Expansion Stage

- Since 2018, domestic and international brands in the babycare hygienic disposables market have launched fierce competition to seize their market share.
- As domestic brands strengthen their research and development capabilities and provide quality assurance validated over time, the trust and recognition of domestic brands by the new generation of maternal and infant consumers is growing.

China's Babycare Hygienic Disposables Market Analysis

Value Chain of China's Babycare Hygienic Disposables Market

- The value chain of China's babycare hygienic disposables market consists of upstream raw material suppliers, midstream baby absorbent hygiene manufacturers, downstream distributors, retailers and end consumers.
- The upstream mainly includes suppliers of raw materials and specialized chemical plants, which typically provide the essential raw materials for the manufacture of baby absorbent hygiene. These materials involve key components like absorbent core materials (like superabsorbent polymer, "SAP", 高分子吸水树脂), nonwoven fabrics (无纺布), fluff pulp (绒毛浆), adhesives, etc.
- The midstream mainly includes various babycare hygienic disposables brands and manufacturers. It is a common practice that many baby absorbent hygiene brands do not directly produce their own products but instead collaborate with contract manufacturers or OEM partners. These manufacturers have production lines, equipment, and expertise to produce diaper products according to the brand's specifications. Manufacturers (contract manufacturers or OEM partners) are responsible for supervising and managing every step involved in the production of babycare hygienic disposables, from the acquisition of raw materials for production to the final stage of creating the finished products.
- The downstream segment consists primarily of distributors and retailers, including online and offline channels. Online channels involve third-party pureplay digital platforms such as Taobao and JD.com, official brand websites, etc. Offline channels include supermarkets and hypermarkets, brand direct-sale chain stores (BDS) in physical locations, mother and baby stores, etc. Sales channels can be further classified into B2C and B2B, depending on the type of consumer. Distributors either market their products via online stores maintained with third-party pureplay digital platforms or collaborate with online and offline retailers, making it easier for end consumers to buy products. Using distributors is an industry practice in the downstream segment of the babycare hygienic disposables market. It enables manufacturers to streamline operations, expand market reach, and focus on core competencies while relying on distribution experts to manage the complexities of getting products to end consumers. It plays a crucial role in the supply chain and distribution network.

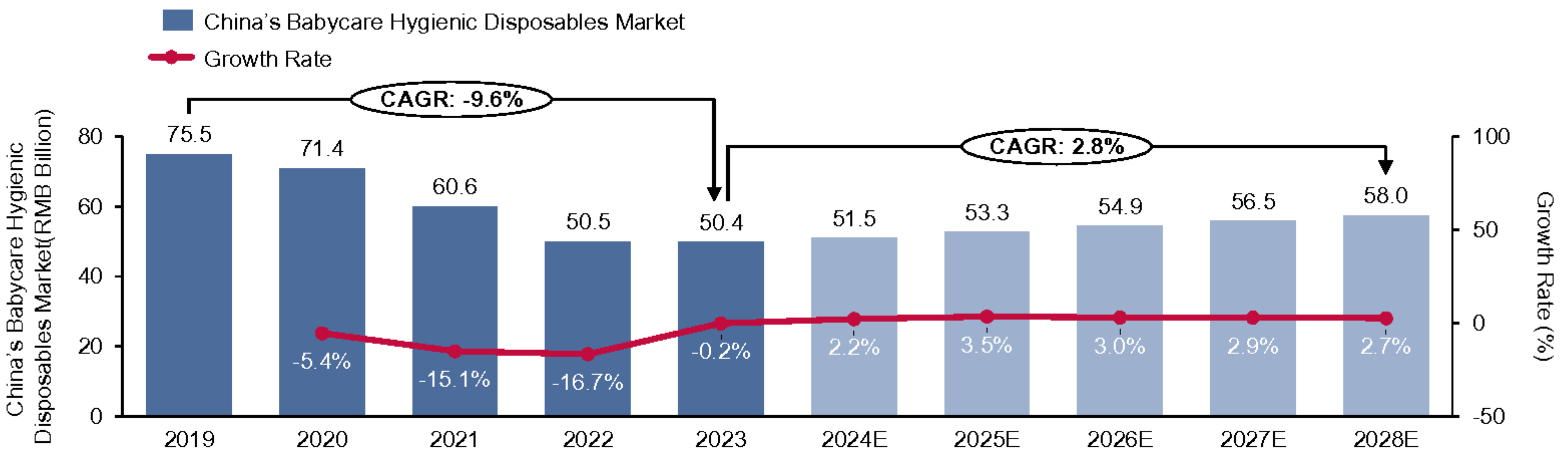


Source: Frost & Sullivan

China's Babycare Hygienic Disposables Market Analysis

Market Size of China's Babycare Hygienic Disposables Market

Market Size of Babycare Hygienic Disposables Market (China), 2019-2028E



Note: The market size of China's babycare hygienic disposables market refers to the retail sales value generated by baby absorbent hygiene companies in China.

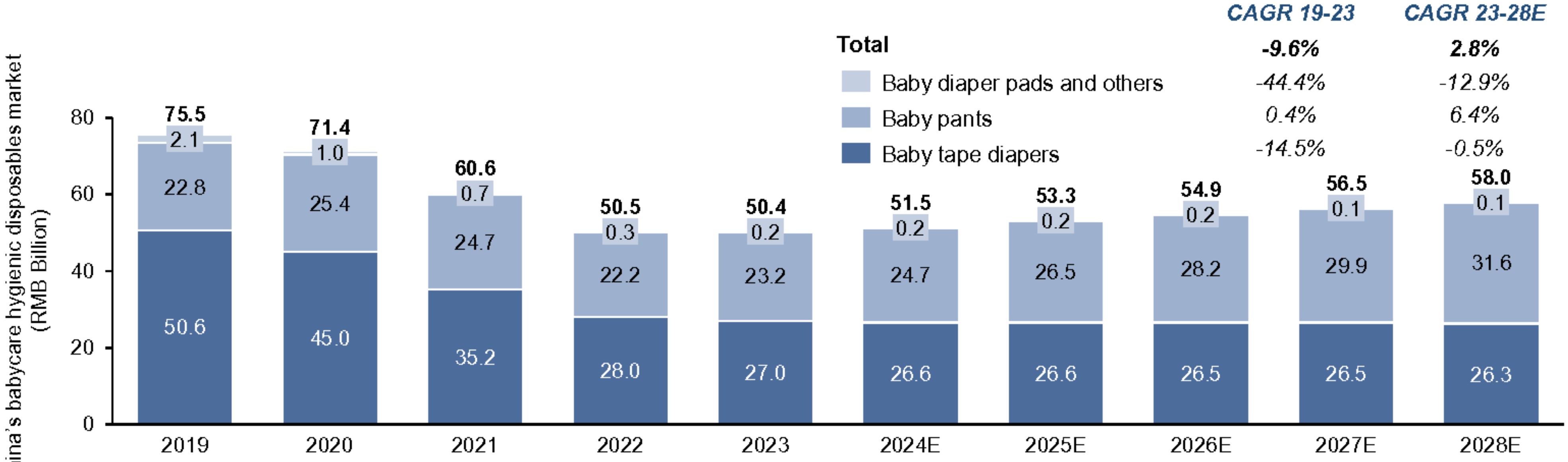
- Affected by the continuously decreasing birth rate and the severe impact of the COVID-19 epidemic in China, from 2019 to 2023, the market size of China's babycare hygienic disposables market decreased from RMB75.5billion to RMB50.4 billion, with a CAGR of -9.6%. China's babycare hygienic disposables market witnessed steady growth. However, the market experienced a temporary decline from 2020 to 2022 mainly due to the declining birth rate of newborns, and also the impact of the COVID-19 pandemic.
- With rising urbanization rates and rising disposable income and spending levels among the new generation of parents, there is potential for an escalation in both the purchase and use frequency of babycare hygienic disposables. In addition, driven by consumer demand for diversification and high-quality products, as well as the positive impact of favorable government policies such as birth subsidies, the implementation of the three-child policy, tax reductions for baby care and other supporting measures, China's babycare hygienic disposables market is expected to maintain steady growth. Along with other Chinas government measures aimed at providing economic and financial support to households in education and housing, China's babycare hygienic disposables market is expected to rise from RMB50.4 billion to RMB58.0billion by 2028, driven by a CAGR of 2.8% from 2023.

Source: National Bureau of Statistics, China Paper Association (CPA), Frost & Sullivan

China’s Babycare Hygienic Disposables Market Analysis

Market Size of China’s Babycare Hygienic Disposables Market (Cont.)

Market Size of Babycare Hygienic Disposables Market by Product Types (China), 2019-2028E



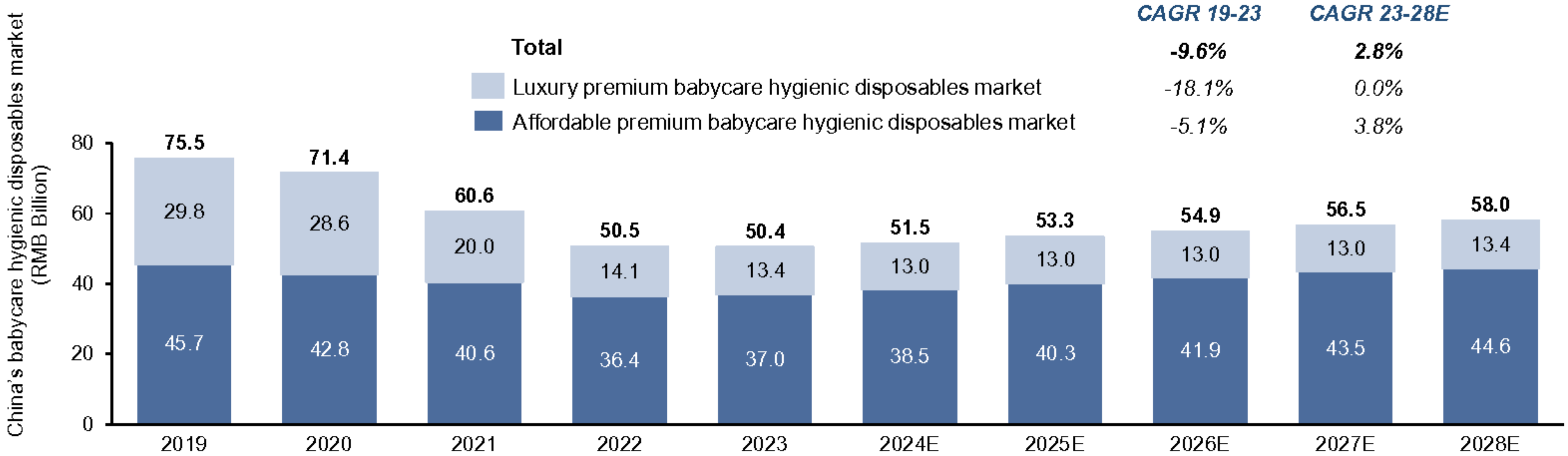
- Babycare hygienic disposables come in various types, catering to diverse market demands, age groups, and specific requirements. These different baby absorbent hygiene offer unique features and benefits, allowing consumers to choose based on their preferences and needs. The babycare hygienic disposables market can be classified into baby diapers , baby pants, baby diaper pads, and other product types. Baby diapers and babycare hygienic disposables are the most commonly used babycare hygienic disposables categories around the globe and are necessities for households and parents with babies.
- Affected by the continuously decreasing birth rate and the outbreak of the COVID-19 epidemic in China, the baby diapers market witnessed a significant decline in its retail sales value, falling from RMB75.5 billion in 2019 to RMB50.4 billion in 2023, with a CAGR of -9.6%. Baby diapers accounted for the largest share at 53.6% in the retail sales value of the babycare hygienic disposables market in 2023. Over the forecast period, it is expected to decrease to RMB58.0 billion in 2028, with a CAGR of 2.8%.
- As consumer preferences in baby care have evolved, baby pants have emerged and gained popularity in China's babycare hygienic disposables market, due to their distinct features and functionalities. For example, they help toddlers walk independently, offer a range of features tailored to their developmental needs, and enhance convenience. Baby diaper pants quickly became the most popular choice in the babycare hygienic disposables market, with its market share growing from 30.2% in 2019 to 46.0% in 2023. In the forecast period, it is expected to increase to RMB31.6 billion in 2028, with a CAGR of 6.4%, driven by increased consumption frequency and continuous upgrading of product categories of baby pants.
- Baby diaper pads and other related products have a relatively small market share in the babycare hygienic disposables market. This is mainly due to limitations related to the age group (only 0-3 months) of users and the relatively narrow range of functions they offer. As a result, the market witnessed a decline in its retail sales value, from RMB2.1 billion in 2019 to RMB0.2 billion in 2023, with a CAGR of -44.4%. It is expected to decline further to RMB0.1 billion in 2028, with a CAGR of -12.9%.
- Domestic brands in China's babycare hygienic disposables market are poised to consolidate their market share, comprising approximately half of the total in 2023, compared to less than 40% in 2019. This anticipated strengthening of dominance stems from their continued focus on improving product quality and optimizing cost-effectiveness. By leveraging their deep insights into the local market landscape and making significant strides in technological innovation within baby absorbent hygiene manufacturing, domestic brands are gradually closing the competitive gap with their foreign counterparts. This strategic convergence enables them to sustain and potentially expand their footprint in the baby absorbent hygiene segment, positioning them well in the face of evolving market dynamics.

Source: National Bureau of Statistics, China Paper Association (CPA), Frost & Sullivan

China's Babycare Hygienic Disposables Market Analysis

Market Size of China's Babycare Hygienic Disposables Market (Cont.)

Market Size of Babycare Hygienic Disposables Market by Product Positioning (China), 2019-2028E

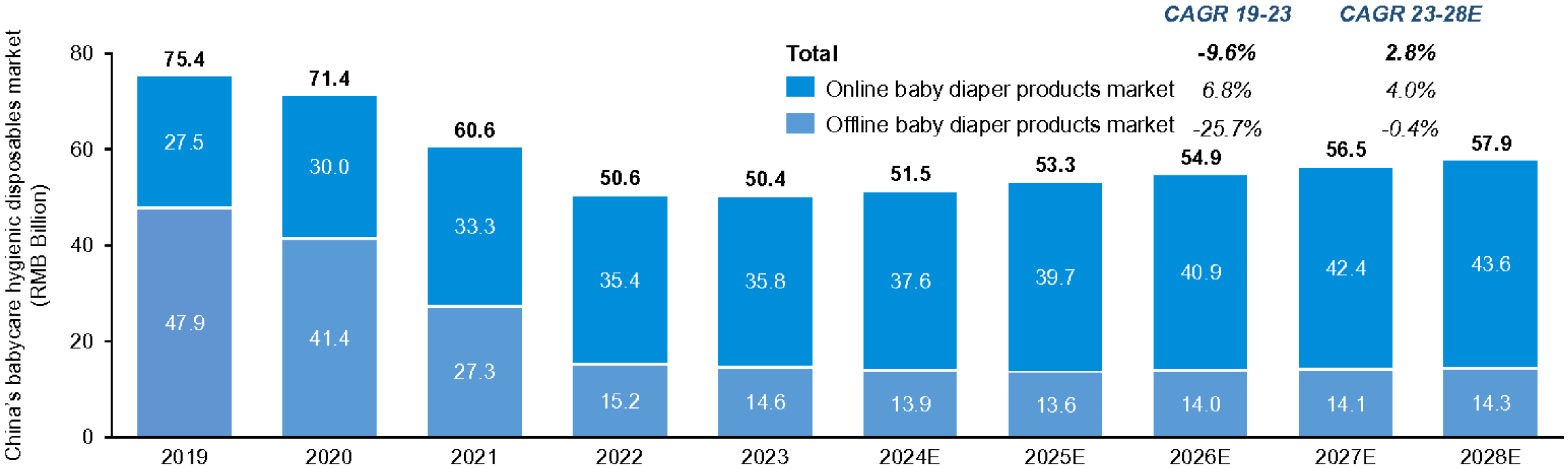


Note: Babycare hygienic disposables can be classified into two categories based on the average retail price per piece. Generally, those priced below RMB2.0 per piece are considered affordable premium babycare hygienic disposables, luxury premium babycare hygienic disposables are typically priced above RMB2.0 per piece.

- Affordable premium babycare hygienic disposables are known for their cost-effectiveness and provide essential features for everyday use. It offers a budget-friendly solution for price-conscious consumers, are of high quality, competitively priced, and are the choice of the majority of consumers. It experienced a decline in 2020 due to the impact of COVID-19 pandemic, ultimately reaching RMB37.0 billion in 2023, with a CAGR of -5.1% from 2019, and accounted for 73.4% of the total sales value of the babycare hygienic disposables market in 2023. In the future, the sales value of affordable premium babycare hygienic disposables will increase to RMB44.6 billion in 2028, with a CAGR of 3.8% from 2023.
- Luxury premium babycare hygienic disposables are positioned as premium options, characterized by superior quality, advanced technology, and additional features. These babycare hygienic disposables are designed to offer top-tier performance and comfort, making them a preferred choice for consumers seeking a premium diapering experience, generally with an average retail price of above RMB2.0 per piece. The sales value of the luxury premium babycare hygienic disposables market decreased from RMB29.8 billion in 2019 to RMB13.4 billion in 2023, with a CAGR of -18.1%, and accounted for 26.6% of the total sales value of the babycare hygienic disposables market in 2023. In the future, the retail sales value of luxury premium babycare hygienic disposables will remain stable and reach RMB13.4 billion in 2028.
- As the quality of affordable premium babycare hygienic disposables continues to increase and consumer preferences shift towards cost-effective solutions, the market is witnessing a gradual expansion in the market share of affordable premium babycare hygienic disposables. This shift is further propelled by a myriad of brands leveraging online channels to offer more competitively priced options. As a result, these affordable premium products are poised to compete for a greater share of the luxury premium segments within the market landscape.

Source: National Bureau of Statistics, China Paper Association (CPA), Frost & Sullivan

Market Size of Babycare Hygienic Disposables Market by Sales Channels (China), 2019-2028E



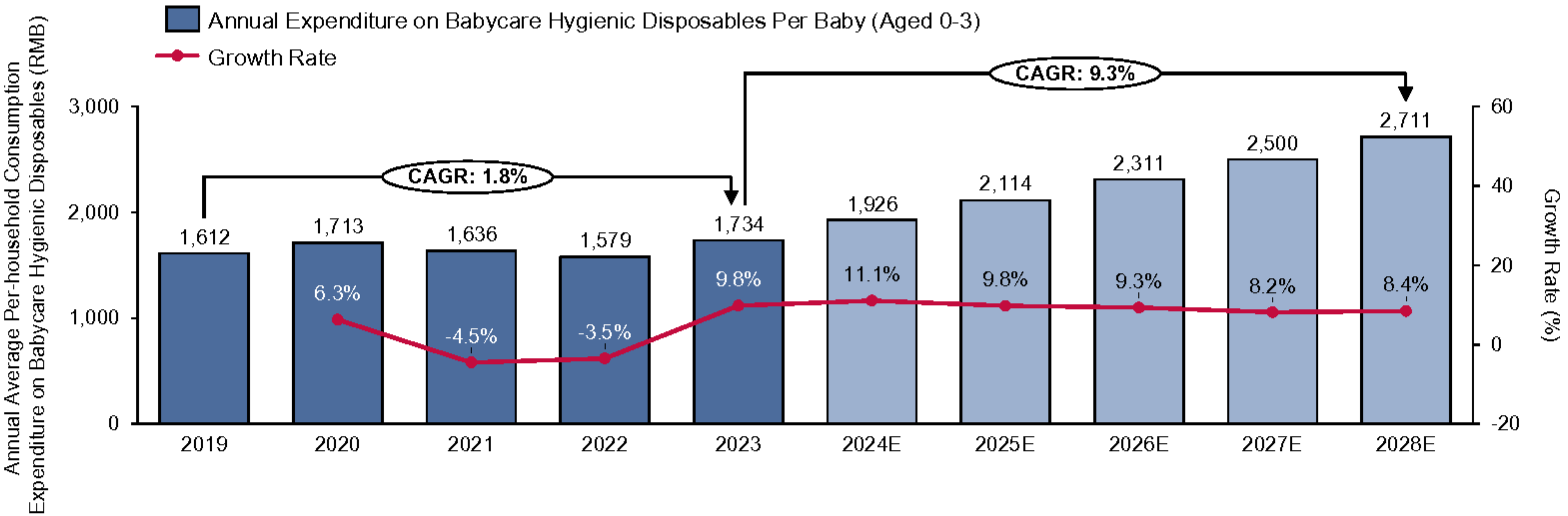
- The babycare hygienic disposables market can be classified into online and offline markets based on channel segmentation.
- From 2019 to 2023, online and offline sales channels for babycare hygienic disposables witnessed significant changes. The online market increased from RMB27.5 billion in 2019 to RMB35.8 billion in 2023, representing a CAGR of 6.8%, and accounted for 70.9% of the total retail sales value of the babycare hygienic disposables market in 2023. Meanwhile, offline market for babycare hygienic disposables declined from RMB47.9 billion in 2019 to RMB14.6 billion in 2023, with a CAGR of -25.7%. The slower decline in online sales compared to offline sales can be attributed to several factors. On the one hand, the rapid development of network technology and logistics systems has made the online channel increasingly attractive to buyers and sellers. On the other hand, the offline channel has been more adversely affected by the outbreak of the COVID-19 pandemic.
- Over the past decade, there has been a gradual shift in the way consumers identify, purchase and consume products through the convenience of e-commerce, the prevalence of Internet access, and the proliferation of mobile Internet-enabled devices among the general public. Consumers today have a higher tendency to opt for online shopping rather than visiting physical stores to complete their purchases, especially for daily necessities, including baby diapers and baby absorbent hygiene pants. Parents are increasingly relying on the Internet for information on childcare and early education, etc. Tech-savvy young parents in the PRC browse the information on the Internet not only for parenting advice, but also as a primary source for buying baby products.
- In the forecast period (being 2024 to 2028), the online retail sales value of products for babycare hygienic disposables is expected to reach RMB43.6 billion in 2028, with a CAGR of 4.0% from 2023 to 2028. The offline retail sales value of products for babycare hygienic disposables is expected to decline further to RMB14.3 billion in 2028, with a CAGR of -0.4%. The online market and the offline market are expected to account for 75.0% and 25.0%, respectively, of the total market in 2028.

Source: National Bureau of Statistics, China Paper Association (CPA), Frost & Sullivan

China's Babycare Hygienic Disposables Market Analysis

Annual Expenditure on Babycare Hygienic Disposables Per Baby

Annual Expenditure on Babycare Hygienic Disposables Per Baby (Aged 0-3) in China, 2019-2028E



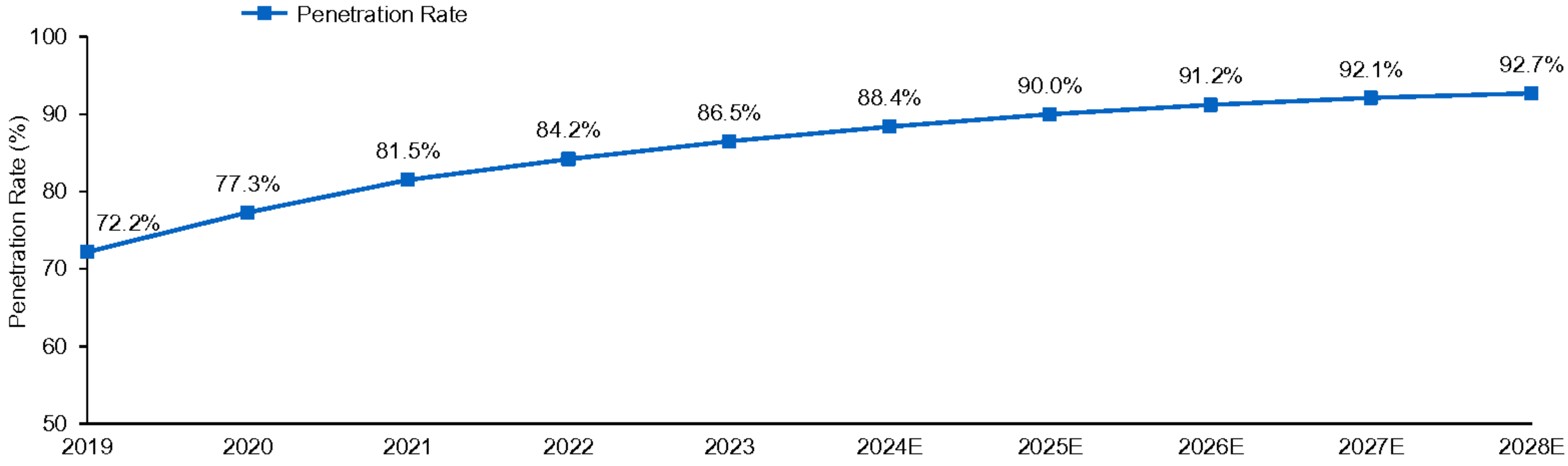
- Calculating the annual consumption expenditure on babycare hygienic disposables per baby (aged 0-3) in China involves dividing the retail sales value generated by baby absorbent hygiene companies by the total number of babies aged 0-3 that year.
- The annual consumption expenditure on babycare hygienic disposables per baby raised from RMB1,612 in 2019 to RMB1,734in 2023, representing a CAGR of 1.8% from 2019 to 2023. The annual expenditure on babycare hygienic disposables per baby (aged 0-3) has experienced steady growth in recent years due to increasing household incomes and evolving parenting attitudes among the younger generation. With a growing awareness of personal hygiene and quality of life, parents, particularly young parents in China, are willing to invest time and resources in the next generation's well-being. Annual expenditure on babycare hygienic disposables per baby (aged 0-3) in China is expected to rise to RMB2,711 in 2028, representing a CAGR of 9.3% from 2023.

Source: National Bureau of Statistics, IMF (April 2023), Frost & Sullivan

China's Babycare Hygienic Disposables Market Analysis

Penetration Rate of China's Babycare Hygienic Disposables Market

Penetration Rate of Babycare Hygienic Disposables Market (China), 2019-2028E



- The penetration rate for babycare hygienic disposables market refers to the percentage of babycare hygienic disposables users in the total baby population in a given year.
- The penetration rate of the babycare hygienic disposables market in China increased rapidly from 2019 to 2023, growing from 72.2% to 86.5%. Factors such as increasing urbanization, rising disposable income, and evolving parenting preferences have increased awareness and demand for convenient baby products, thus driving the frequency of baby absorbent hygiene use. In addition, babycare hygienic disposables with specialized functions, enhanced comfort, and strong absorbency are becoming more popular among the new generation of parents, indicating an accelerated rise in the use of baby pants in the future.
- As a result, the penetration rate of the babycare hygienic disposables market in China is expected to further increase from 86.5% in 2023 to 92.7% in 2028.

Source: China Paper Association (CPA), National Bureau of Statistics, Frost & Sullivan

China’s Babycare Hygienic Disposables Market Analysis

Policies and Regulations of China’s Babycare Hygienic Disposables Market

- The government has introduced a range of regulations and policies regarding products imports and quality standards to stimulate growth in the babycare hygienic disposables market. In pursuit of balanced and sustained population growth, they have also initiated several incentives, including birth subsidies, the implementation of the three-child policy, and tax reductions.

Name	Issued Year	Issued Department	Key Messages
Notice on establishing special additional deductions for personal income tax for care of infants and toddlers under 3 years old 《關於設立3歲以下嬰幼兒照護個人所得稅專項附加扣除的通知》	2022	State Council 国務院	• Taxpayers with infants and toddlers under 3 can benefit from a new special additional deduction starting from January 1, 2022. The related expenses incurred by taxpayers for the care of infants and toddlers under three years old are eligible for a fixed deduction of 1,000 yuan per child per month.
Diaper Part 1: Baby Diapers’ Standard (GB/T28004.1-2021) 《紙尿褲 第1部分：嬰兒紙尿褲(GB/T28004.1-2021)》	2021	State Administration for Market Regulation, National Standardization Management Committee 國家市場監督管理總局、國家標準化管理委員會	• Primarily specifies the products classification, technical requirements, testing methods, inspection rules and marks, packaging, transportation, and storage for infant diapers, baby diapers , and diaper pads. • The standard has been revised to include changes in content and additional requirements, such as the classification of wearing methods.
Decision on improving birth policies to promote long-term and balanced population development 《關於優化生育政策促進人口長期均衡發展的決定》	2021	State Council 国務院	• Implementing the three-child policy and supporting measures to further adapt to the new changes in the population structure and the requirements for high-quality development. • By 2025, the country will basically establish a policy system that actively supports births with better services and lower costs in child bearing, care and education. The gender ratio of newborns will be more balanced and the population structure will be improved, according to the decision. • By 2035, the country will further improve its policies and regulations securing the stable long-term population development, as well as its population structure, says the decision.
Notice of the 2020 import tentative tariff adjustment plan and other adjustments 《關於2020年進口暫定稅率等調整方案的通知》	2019	State Council Customs Tariff Commission 國務院關稅稅則委員會	• Starting January 1, 2020, import provisional tax rates were implemented on 859 items of goods (excluding tariff quota goods). Notably, baby diapers and diaper pants (baby pants) were subjected to a zero tariff rate.
Super-absorbent polymer for hygiene towel and diapers 《紙尿褲和衛生巾用高吸收性樹脂》	2018	State Administration for Market Regulation 國家市場監管總局	• Standard specifies the products classification, requirements, testing methods, inspection rules and marks, packaging, transportation, and storage for polyacrylic acid-based high-absorbency resins used in diapers and hygiene napkins.

Source: Frost & Sullivan

China's Babycare Hygienic Disposables Market Analysis

Market Drivers of China's Babycare Hygienic Disposables Market

Market Drivers

Market Drivers	Impact (1-2 years)	Impact (3-5 years)
1 Increasing urbanization rate, disposable income and consumption level	High	High
2 Growing penetration rate and stable population base	High	High
3 Demand for diversification and high-quality products	High	High
4 Favorable government policy	High	High

1

Increasing urbanization rate, disposable income and consumption level

The continuous increase in urbanization and the rising disposable income of urban residents have significantly enhanced their purchasing power. This, in turn, allows consumers to afford a wider range of babycare hygienic disposables. The expanding middle class, characterized by substantial purchasing power, is also pivotal in propelling further growth in China's babycare hygienic disposables market. According to Frost & Sullivan, the consumption expenditure per household on hygienic disposables is expected to grow from RMB254.9 to RMB298.4 from 2023 to 2028, with a CAGR of approximately 3.2%. This growth trend is expected to drive the expansion of product variety and price ranges within the babycare hygienic disposables market, meeting evolving consumer needs and preferences.

2

Growing penetration rate and stable population base

China's babycare hygienic disposables market has witnessed a continuous increase in its penetration rate, reaching 86.5% in 2023 and expected to rise further to 92.7% by 2028. This growth can be attributed to a more educated and financially capable consumer base and refined consumer values. As parents' awareness of various babycare hygienic disposables expands, market demand surges, thus driving the penetration rate of the babycare hygienic disposables market upwards. Moreover, China's substantial infant and toddler population, especially in specific regions or provinces with higher fertility rates, contributes to the sustained growth of the market. These combined factors contribute to the ongoing expansion of the babycare hygienic disposables market development.

3

Demand for diversification and high-quality products

Nowadays, Generation Z ("95s") has entered the pivotal years of parenthood, while Generation Y ("80s") is contemplating expanding their families with second or even third children. These consumers, equipped with considerable purchasing power, have diverse demands on brand reputation, product variety, and detailed product features. They are also concerned about product quality, performance, comfort, etc., which has led to a significant surge in demand for high-quality babycare hygienic disposables. As consumer preferences change, the focus on diverse, high-quality baby absorbent hygiene is transforming and boosting China's babycare hygienic disposables market growth.

4

Favorable government policy

In recent years, the Chinese government has actively supported couples of childbearing age and extended substantial support and incentives to promote childbearing. Various subsidies have been provided to families with a focus on encouraging the expansion of their households. For example, since 2021, certain provinces and cities in the southwestern region have implemented policies that grant multiple subsidies to families meeting the birth criteria. Moreover, in Chongqing and other cities, medical insurance now covers expenses related to the birth of a third child. Couples with children also receive additional parental leave, ranging from 30 to 80 days, in addition to their regular maternity leave. These measures aim to raise birth rates and provide comprehensive assistance to families that embrace parenthood. The different approaches reflect the government's strategy to foster population growth. As a result, these favorable policies are poised to positively impact the future development of the babycare hygienic disposables industry.

Source: Frost & Sullivan

China's Babycare Hygienic Disposables Market Analysis

Future Trends of China's Babycare Hygienic Disposables Market

Brand domestication

- The babycare hygienic disposables market has been dominated by foreign brands over the past decades, with domestic brands holding a small market share. However, in recent years, domestic companies have been striving to improve their production technology and product quality, increasing their competitiveness. In addition, the emergence of various new retail sales channels has contributed to the growing recognition of domestic baby absorbent hygiene product brands among consumers' preferences. It is expected that the market share of domestic brands will gradually expand in the future. The trend of brand domestication in the babycare hygienic disposables market is expected to continue, reflecting the growing confidence of domestic consumers in the ability of local brands and companies to effectively meet their needs.

Technological innovation and enhanced functionality

- As the production technology for babycare hygienic disposables continues to advance, the market will continue to explore innovative technologies and enhanced functionalities. For example, intelligent sensing technology can provide real-time moisture indicators to better manage a baby's comfort; attributes such as hypoallergenic and antimicrobial properties will also receive increased attention, meeting consumers' demands for baby health care. In the future, top babycare hygienic disposables brands with contract manufacturers and OEM partners will further engage in independent product R&D, technological upgrades, and downstream market insights, thus leading the future progress of both technology and functionality in the entire babycare hygienic disposables market.

Upgrading of products and diversified growth

- Increasing consumer expectations for product quality and functionality have led to increased demand for high-quality, multifunctional products such as baby pants. In the future, baby absorbent hygiene brands will adopt a market segmentation strategy, such as price differentiation, while offering products across different tiers. They will provide both cost-effective options and high-end, feature-rich products to meet the diverse market demands of consumers, thereby enhancing their brand's market competitiveness. Moreover, the rapid popularity of innovations such as baby pants, expected to increase to RMB16.6 billion in 2027, with a CAGR of 4.4%, indicates a growing demand for diverse baby absorbent hygiene categories. China's babycare hygienic disposables market is moving towards product upgrades and diversified growth.

Integration of online and offline channels

- Fueled by the advancement of e-commerce platforms and other online channels, such as live streaming and influencer recommendations, the babycare hygienic disposables market will experience rapid growth in online sales channels.
- Consumers are increasingly looking for product details, comparing prices, and reading reviews online and have more options to buy, whether in offline physical stores or placing orders online. Brands and retailers are building online platforms, leveraging social media for promotional activities, and strengthening connections with offline physical stores. Integration of online and offline channels enhances the shopping experience and provides consumers with more convenient shopping options.

Future Trends of China's Baby Hygienic Disposables Market

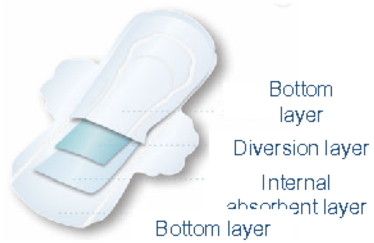
Source: Frost & Sullivan

Content

China’s Feminine Care Hygienic Disposables Market Analysis

Definition and Classification of China’s Feminine Care Hygienic Disposables Market

- Feminine Care Hygienic Disposables are hygiene products used by women during menstruation, categorized by product types, the feminine absorbent hygiene market comprises (i) Hygiene absorbent pads (衛生巾), (ii) panty liner (衛生護墊), (iii) sanitary (經期褲) and (iv) tampons (衛生棉條); and Hygiene absorbent pads (卫生巾) occupy the largest market share.
- Categorized by the method of use, the feminine care hygienic disposables can be divided into external use type (外用型) and built-in type (內置型), the main materials are cotton pulp and polymer absorbent to absorb women's menstrual blood. External absorbent products in direct contact with skin, taking hygiene napkins as an example, according to the description of the national standard GB/T8399-2018 "Hygiene napkins (pads)", hygiene napkins are composed of a surface and a bottom layer, an internal absorbent layer. The built-in tampon is a cylindrical absorbent material that is inserted into the vagina to absorb menstrual blood.

Classification		Function	Characteristic	Type	Market Share
Hygiene Absorbent Pads		Bottom layer is used to permeate liquid and prevent reinfiltrating, keeping the surface dry Diversion layer is used to prevent liquid leakage Internal absorbent layer is used to absorb liquid Bottom layer is used to wrap hygiene napkins	**Soft texture good absorption**	Regular Ultra thin Barely there Overnight Extra long/large Extra absorbency Breathable Sport/Active	Highest
Panty Liner		Transitional products for the coming and ending of a woman's period and absorbs daily secretions	**Smaller in size and thin**	Regular Pads/Ultra-Thin Pads Scented Pads Antibacterial Pads	High
Period Pants		Integrated the functions of hygiene napkins and diapers, reduces the problem of lateral leakage during sleep	**Much larger Stronger absorbency**	Extra long/large Extra absorbency	Low
Tampons		A cylindrical absorbent material that can be inserted into the vagina to absorb menstrual blood	**Internal absorption less odors and side leaks**	Finger type Ducted type	Lowest

Source: Frost & Sullivan

China's Feminine Care Hygienic Disposables Market Analysis

Key Milestones of China's Feminine Care Hygienic Disposables Market

Feminine Care Hygienic Disposables First Entered China

1982

Market introduction period

The introduction of production lines for feminine hygiene products from abroad, and the rapid penetration of hygiene napkins into the market after a few years of adaptation, with foreign brands entering the Chinese market in droves

Rise of Local Brands, Domestic Market Diversification

1998

Stable development period

The Hygiene absorbent pads market is expanding further, with high penetration: Foreign brands dominate the mid-to-high-end market: Numerous domestic brands have emerged, focusing on the low-end market: Consumer groups are being subdivided

Emerging Foreign Brands, Function Segmentation

2006

Integrated growth stage

Foreign brands penetrate downward, local brands upgrade upward: hygiene absorbent pads products homogeneity is serious, consumers pay more attention to products quality

New Brands Emerge, Competition Intensifies

2013

Stable development period

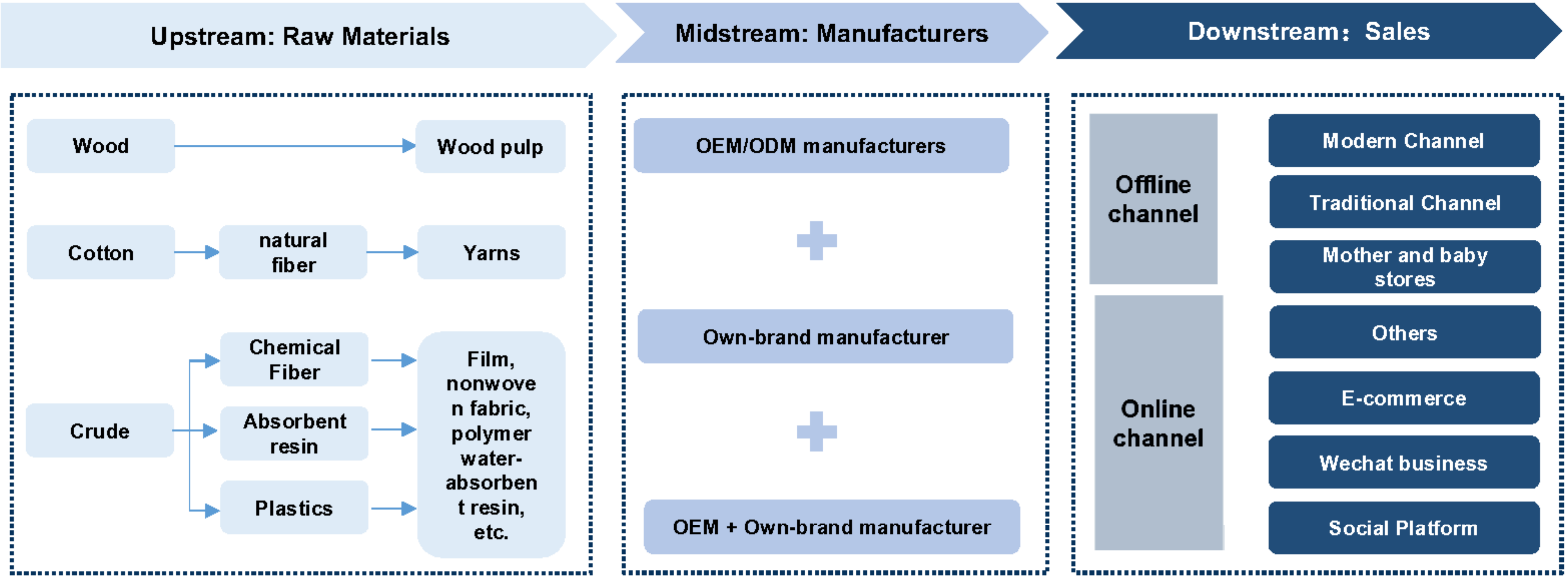
today

E-commerce channels have gradually become one of the mainstream: a number of new brands have emerged in China relying on the growth of the Internet, brand concept strengthening and product added value increased

Source: Frost & Sullivan

China’s Feminine Care Hygienic Disposables Market Analysis
Value Chain of China’s Feminine Care Hygienic Disposables Market

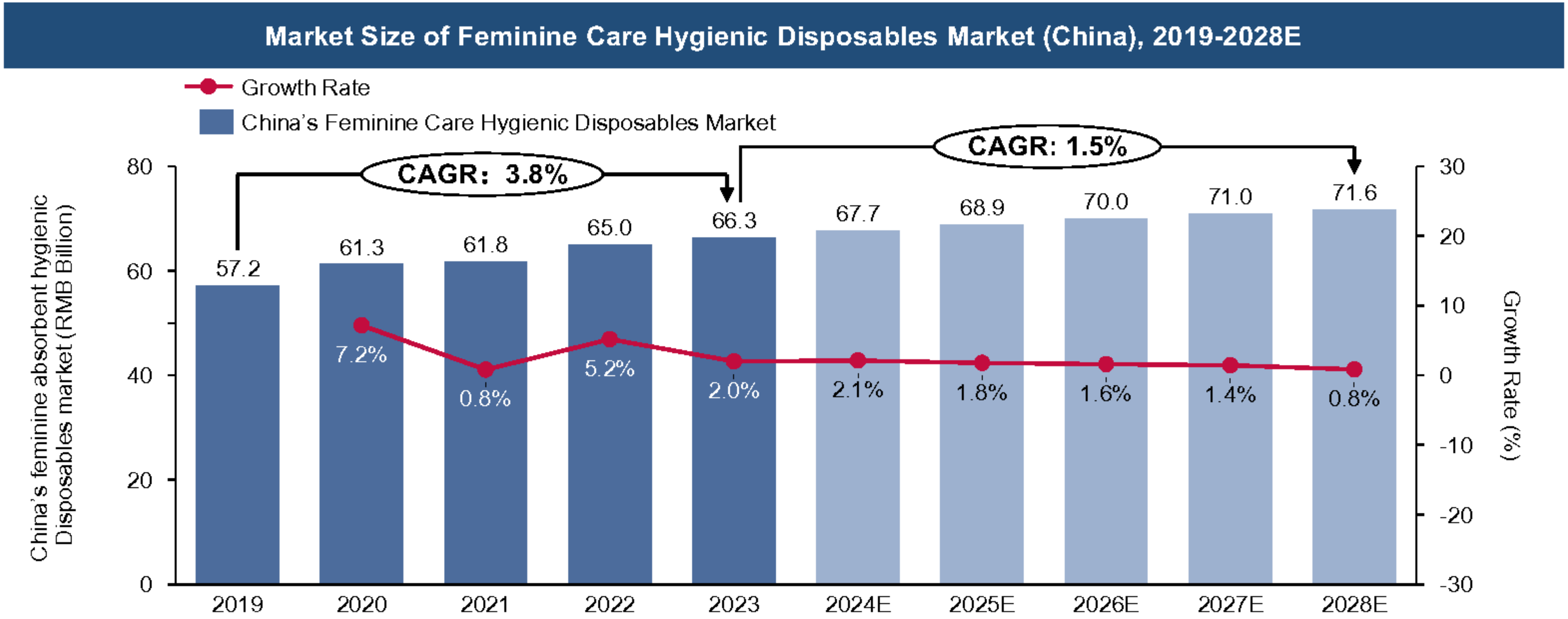
- The upstream of the feminine care hygienic disposables industry chain mainly consists of raw material suppliers of wood pulp, nonwoven fabric, polymer absorbent resin, etc., which are affected by fluctuations in the prices of wood pulp, cotton and petroleum, and the competition pattern is relatively fragmented.
- There are many midstream manufacturing companies in China, and competition is relatively fierce. The company generally operates under the OEM and private brand model.
- The downstream of feminine care hygienic disposables is an online and offline retail channel. The competition in the industry is fierce and the pattern is constantly adjusting.



Source: Frost & Sullivan

China’s Feminine Care Hygienic Disposables Market Analysis

Market Size of China’s Feminine Care Hygienic Disposables Market

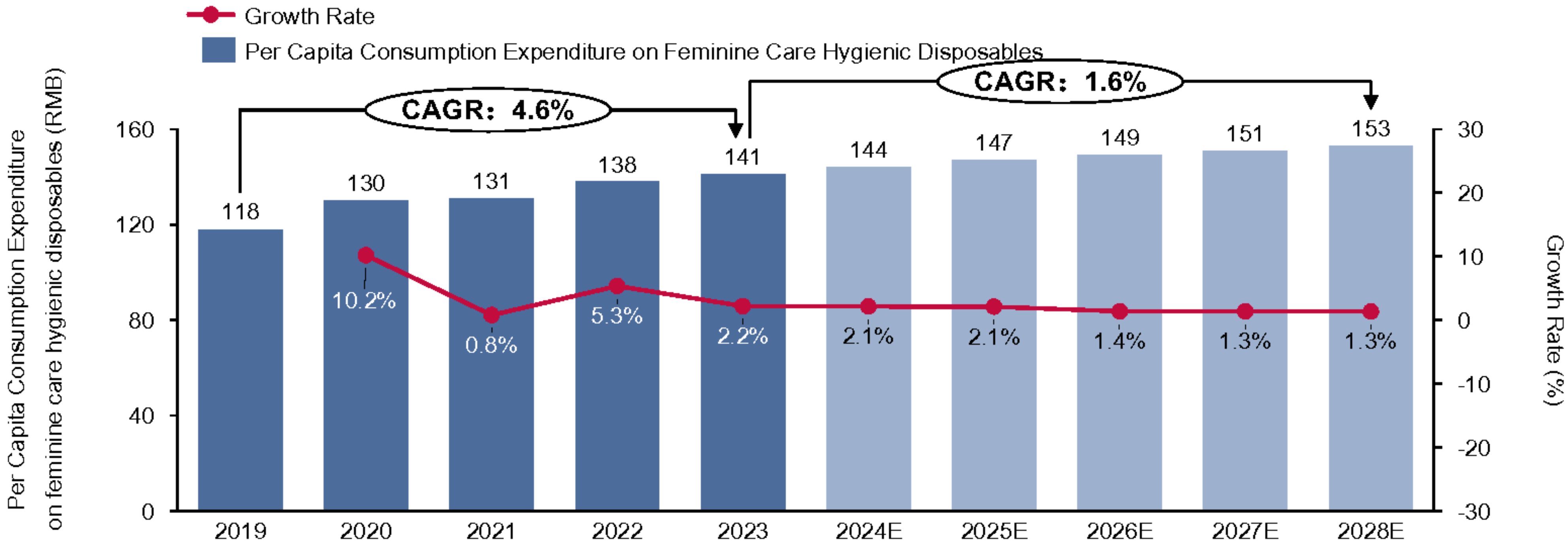


- Due to rigid consumer demand for fast-moving consumer goods, the overall growth rate of feminine care hygienic disposables is stable. The market size of China's feminine care hygienic disposables increased from RMB57.2 billion to RMB66.3 billion from 2019 to 2023, with a CAGR of 3.8%.
- During the forecast period, driven by rising penetration rate, products upgrade, and average selling price, it is expected to reach RMB71.6billion by 2028, representing a CAGR of 1.5% from 2023.

Source: China Paper Association (CPA), Frost & Sullivan

Per Capita Consumption Expenditure on Feminine Hygienic Disposables

Per Capita Consumption Expenditure on Feminine Care Hygienic Disposables (China), 2019-2028E



- With the improvement of residents' disposable income per capita and the strengthening of women's health care awareness, per capita consumption expenditure on feminine care hygienic disposables increased from RMB118 in 2019 to RMB141 in 2023, with a CAGR of 4.6%.
- In the future, the demands of female consumers for intimate, comfortable, functional and other aspects of the consumer experience of feminine care hygienic disposables have gradually increased. Per capita consumption expenditure on feminine care hygienic disposables is expected to increase to RMB153 in 2028, representing a CAGR of 1.6%.

Source: China Paper Association (CPA), Frost & Sullivan

China's Feminine Care Hygienic Disposables Market Analysis
Market Drivers

	Major Drivers	Impact (1-2 years)	Impact (3-5 years)
1	Rising purchasing power and consumption upgrade of woman	High	High
2	Emerging awareness of feminine care and diversified demands for frequency of use and types on feminine care hygienic disposables	High	High
3	Growth of multidimensional e-commerce platform and decentralised marketing channels	High	High

Major Driver	Description
Rising purchasing power and consumption upgrade of woman	China's female population is huge, with large differences in subdivisions and diverse consumer demands. With the rise of the consumer economy and the increase in disposable income per capita, women have more demands on product quality and brand power, and women's hygiene products. The overall market is expected to continue to expand. From a macroeconomic and urban development perspective, the development of urban consumption and retail trade must be dominated by female consumption.
Emerging awareness of personal hygiene and diversified demands on disposable hygiene products	As a result of women's progressive attention to their own hygiene and care, the frequency and types of hygiene products used by female consumers have continued to increase, and the performance requirements of hygiene products such as comfort, breathability and anti-bacterial effects have also been improved, and the frequency of replacing hygiene napkins in a day has increased, which has led to an increase in the demand for female hygiene products.
Growth of multidimensional e-commerce platform and decentralised marketing channels	Sales and marketing channels in China are decentralized. The development and expansion of different sales channels has made it easier for Chinese consumers to access more types of feminine hygiene products and increased the frequency of product consumption. "Her power" leads to the growth of online consumption. Online consumption based on information exchange is enhancing its social attributes. Women's advantages in information interaction have made female consumers the main force in online consumption.

Source: Frost & Sullivan

China's Feminine Care Hygienic Disposables Market Analysis

Policies and Regulations of China's Feminine Care Hygienic Disposables Market

Name	Issued Year	Issued Department	Key Messages
Promoting high-quality development of light industry 《推动轻工业高质量发展》	2022	Ministry of Industry and Information Technology Ministry of Human Resources and Social Security Ministry of Ecology and Environment Ministry of Commerce The State Administration for Market Supervision 工業和信息化部, 人力資源社會保障部,生態環境部,商務部,市場監管總局	• By 2025, the comprehensive strength of light industry will be significantly improved, its proportion in industry will be basically stable, its role in promoting consumption will be obvious • New technologies and materials such as high-grade insulating paper, high-purity dissolving pulp, and paper-based materials for medical and hygienic use are being used.
China's 14th Five-Year Plan 《"十四五"市場監管現代化規劃》	2021	State Council 国務院	• Focus on improving the quality of health service supply, actively promote the application of international standards and advanced foreign standards. • Formulate and revise a number of national standards in the fields of medical appliances, disinfection supplies, student supplies, baby products, elderly products, etc.
Notice of the 2020 import tentative tariff adjustment plan and other adjustments 《關於2020年進口暫定稅率等調整方案的通知》	2019	State Council Customs Tariff Commission 國務院關稅稅則委員會	• Starting January 1, 2020, import provisional tax rates were implemented on 859 items of goods (excluding tariff quota goods). Notably, baby diapers and diaper pants (pull-up diapers) were subjected to a zero tariff rate.
Hygiene absorbent pads (panty liner《卫生巾(护垫) GB/T 8939-2018》	2018	State Administration for Market Regulation, China National Standardization Administration Committee 國家市場監管總局,中國國家標準化管理委員會	• The standard specifies the required test methods, inspection rules and marking, packaging, transportation and storage of hygiene napkins (pantyliners)
Super-absorbent polymer for hygiene towel and diapers 《紙尿褲和衛生巾用高吸收性樹脂》	2018	State Administration for Market Regulation 國家市場監管總局	• Standard specifies the product classification, requirements, testing methods, inspection rules and marks, packaging, transportation, and storage for polyacrylic acid-based high-absorbency resins used in diapers and hygiene napkins.

Source: Frost & Sullivan

China's Feminine Care Hygienic Disposables Market Analysis

Future Trends of China's Feminine Care Hygienic Disposables Market

Trend of product segmentation and upgrading

- Industry standards are strengthened, based on the national standard ("Hygiene Standard for Hygiene Products"), and hygiene napkin products such medical-grade, and disinfection-grade are emerging
- SKU refinement, development of multi-scene positioning of multiple customer groups, responding to the diversity of women's demands:
  - Positioning of different skin types or groups with skin-friendly efficacy needs such as sensitive skin
  - positioning on the absorption function, breathable function has a higher demand for groups such as office groups
  - Positioning for groups/scenarios with higher demand for leakage prevention and fit, such as sports and nighttime turning over

Trend of high-end and personalization

- Consumption upgrading promotes the product upgrading in the high-end, with the rise of "her economy"
- Packaging iterative upgrading, value, personality, and professionalism have become the three key words.
  - For feminine care hygienic disposables, the shopping group is mainly female, and high value has become the trend of packaging upgrade.
  - Highlighting product differences through IP co-branding and secondary yuan is more popular among young consumers
  - Simplicity and privacy packaging, women have more demand for product quality and brand power

Growth opportunities for national brands

- Local brands' product technology is mature, China's brand degree is steadily increasing, and segmentation and decentralized channels bring opportunities for landscape reshaping
- Local enterprises can through the regional and sinking market coverage advantage, online multi-dimensional e-commerce platform breakthrough market competition
  - On the one hand, new entrants enter the circuit by virtue of product innovation
  - On the other hand, early local enterprises have improved and upgraded their product matrices by introducing new brands

Diversification trends in marketing

- Feminine Absorbent Hygiene advertising to the development of online platforms, further subdivided into e-commerce advertising, short video advertising, etc.
- Marketing segmentation, consumer transformation pathway complexity, best selling product, social media dissemination effect amplification, help regional brands national promotion
- Through multiple marketing channels on the Internet, emerging of new brands of the Internet gene are accepted by the public

Source: Frost & Sullivan

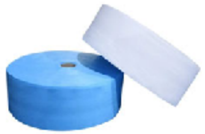
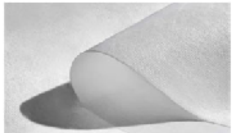
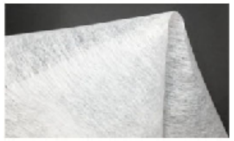
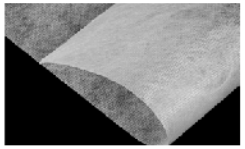
Content

China's Nonwoven Fabric Market Analysis

Definition and Classification of China's Nonwoven Fabric Market

- Nonwoven fabric is a fabric-like material made by bonding fibres together through chemical adhesion, mechanical or heat treatment, and is commonly used in disposable hygiene products due to its versatility, absorbency and breathability.
- The nonwoven fabric industry is characterized by a short manufacturing process, high production yield, low cost, rapid changes in product varieties, and a wide range of raw material sources. Based on their production processes, nonwoven fabric can be classified into various types, including spunlace (水刺), thermal bonded (热合), air laid (浆粕气流成网), wet laid (湿法), spunbond (纺粘), melt blown (熔喷) ,needle punched (针刺) and stitch bond (缝编), widely used in industrial, medical and health, personal care and other field.

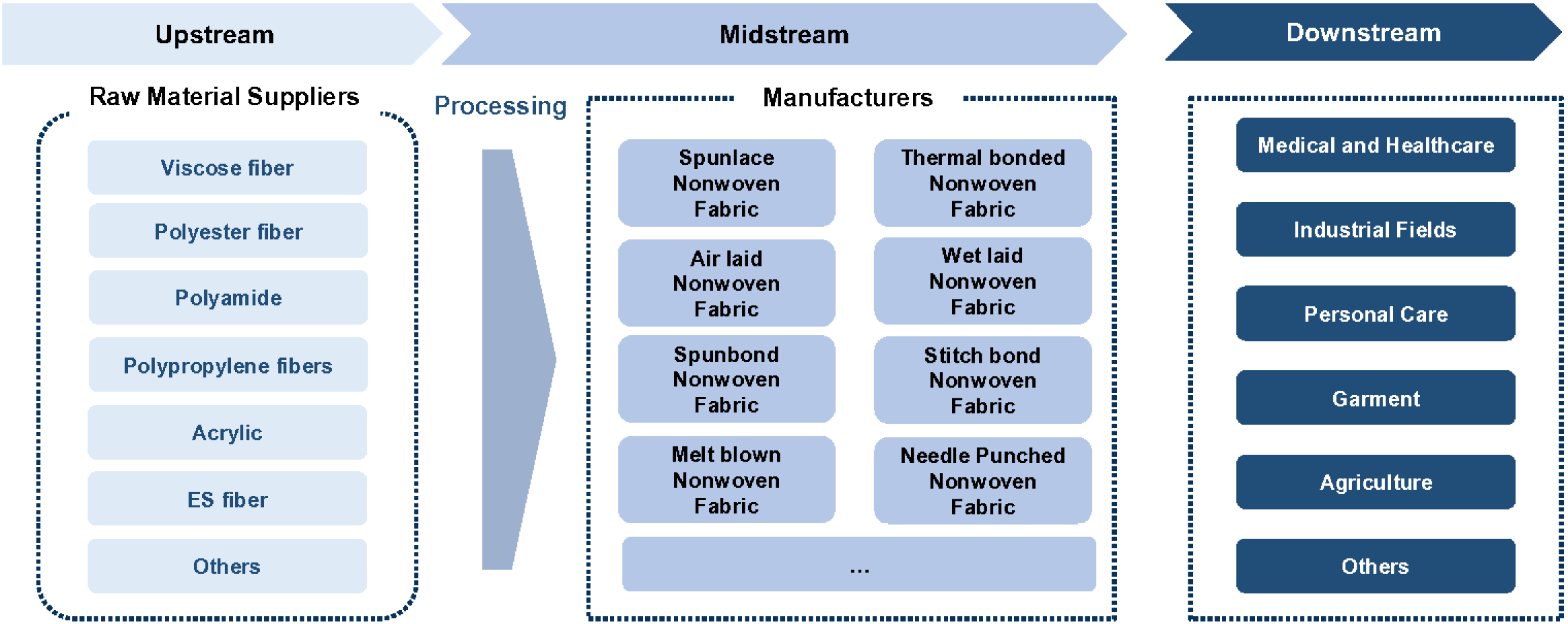
Nonwoven Fabric Classification by Production Processes

Production Process	Spunlace	Thermal bonded	Air laid	Wet laid	Spunbond	Melt blown	Needle punched	Stitch bond
								
Technique	The method of bonding a web by interlocking and entangling the fibers about each other with high velocity streams of water	A method for bonding fibers by applying heat or ultrasonic treatment, with or without pressure, to activate a heat-sensitive material.	A bonding web of disperses fibers into a fast moving air stream.	Filtering an aqueous suspension of fibers onto a screen conveyor belt or perforated drum to form a bonded web.	A spunlaid technology in which the filaments have been extruded, drawn and laid on a moving screen to form a web.	Extrudes and draws molten polymer resins, high velocity air to form fine filaments that are deposited onto a moving screen.	Mechanically binding a web to form a fabric by penetrating the web with an array of barbed needles that carry tufts of the web's own fibers in a vertical direction through the web.	A technique in which fibers in a web are bonded together by stitches sewn or knitted through the web to form a fabric.
Advantage	• High strength • High moisture absorption • Soft • High fluffiness	• Smooth surface • Relatively fluffy	• High fluffiness • Soft • High moisture absorption • Abrasion resistance	• High manufacturing efficiency	• High strength • High-temperature resistance • Aging resistance • Good stability • Air permeability	• Excellent filtration capability • Relatively fluffy • Good wrinkle resistance	• High density • Chemical stability • High-temperature resistance	• High strength • Good elasticity • Abrasion resistance • Corrosion resistance

Source: INDA Association of the Nonwoven Fabric Industry, Frost & Sullivan

Value Chain of China’s Nonwoven Fabric Market

- As the largest producer of nonwoven fabric, China has a complete nonwoven fabric industry chain. The upstream of the nonwoven fabric industry is the non-woven raw material such as viscose fiber, polyester fiber, polypropylene fiber, ES fiber and others;
- The mid-stream is nonwoven fabric manufacturing, produce and process raw materials into different types of nonwoven fabric through different technologies including spunlace (水刺), thermal bonded (热合), air laid (浆粕气流成网), wet laid (湿法), spunbond (纺粘), melt blown (熔喷) , needle punched (针刺) and stitch bond (缝编), etc.;
- Since the technologies used to produce nonwoven fabric are different, there are also many downstream application areas. The downstream applications of nonwoven fabric are mainly medical and healthcare, industrial fields, personal care and other fields. In recent years, with the increasing awareness of downstream consumption upgrades, the penetration rate of disposable nonwovens (such as baby absorbent hygienes, adult incontinence products, feminine hygiene products, etc.) has increased, which will become the main driver of the development of the nonwoven fabric industry.

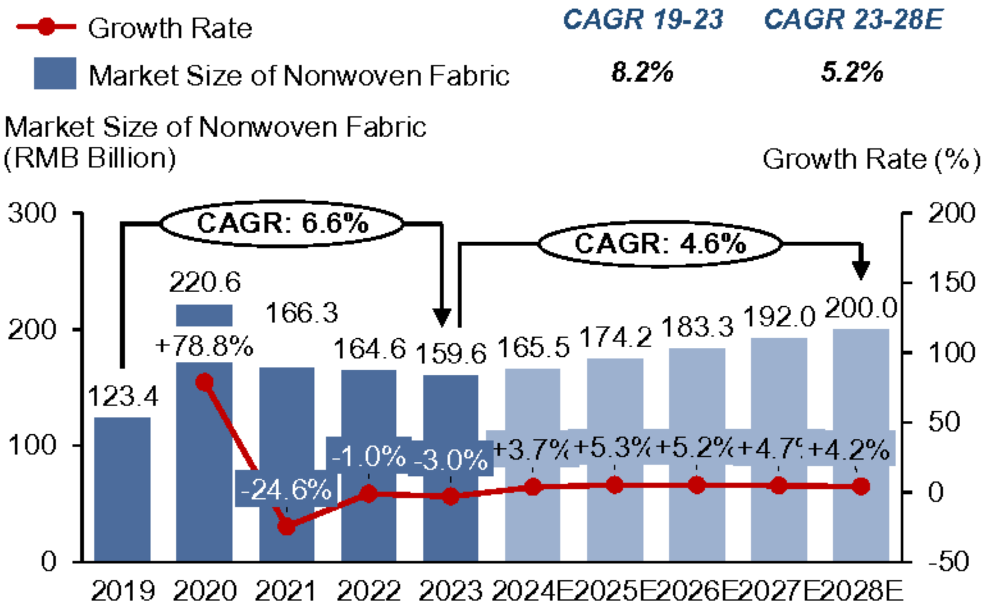


Source: Frost & Sullivan

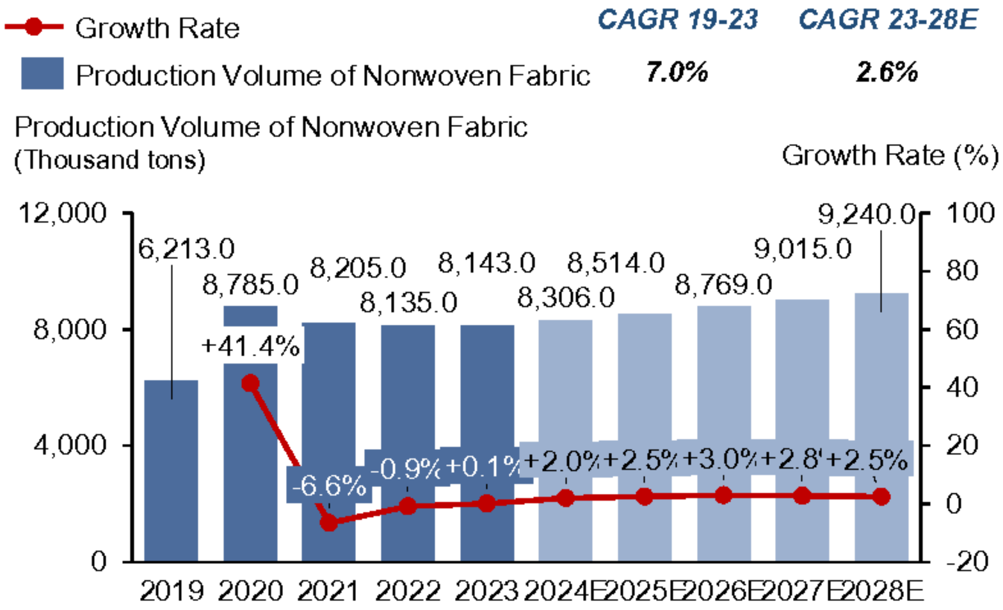
China's Nonwoven Fabric Market Analysis

Market Size of Nonwoven Fabric Market

Market Size of Nonwoven Fabric Market (China), 2019-2028E



Production Volume of Nonwoven Fabric (China), 2019-2028E



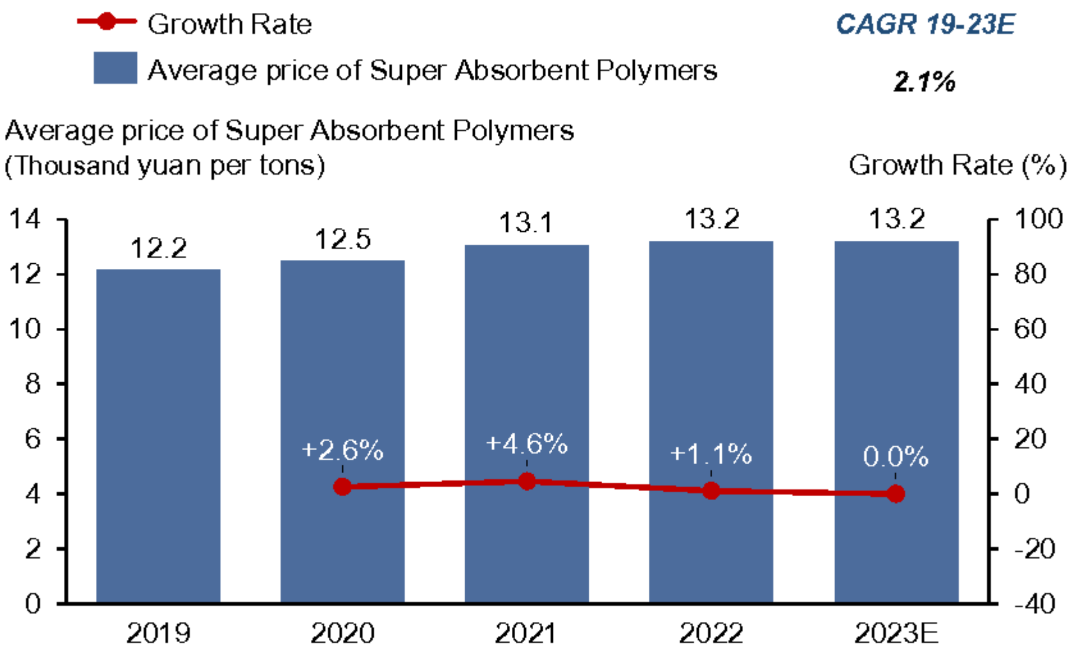
- The market size of nonwoven fabric in terms of revenue surged from approximatelyRMB123.4 billion in 2019 to RMB220.6 billion in 2020, with a year-on-year growth of approximately 78.8%. In 2023, the market size of nonwoven fabric was approximately RMB159.6 billion, representing a CAGR of approximately 6.6% from 2019. It is expected to reach approximately RMB200.0 billion in 2028, representing a CAGR of approximately 4.6%from 2023.
- The COVID-19 pandemic has had a profound impact on the production of nonwoven fabrics. During the pandemic, demand for nonwoven fabrics surged as consumer behavior shifted, with heightened awareness of personal hygiene and health protection. This has led to a marked increase in the utilization and stockpiling of hygienic disposable products. As a result, the pandemic has had a substantial and lasting impact on manufacturing activity in the nonwoven fabric sector.
- In 2020, driven by the increased demand for epidemic prevention materials amid theCOVID-19 pandemic, China's nonwoven fabric market experienced a significant upswing. The production of nonwoven fabric surged from 6,213.0 thousand tons in 2019 to 8,785.0thousand tons in 2020, with a year-on-year growth of approximately 41.4%. In 2023, the production volume of nonwoven fabric was 8,143.0 thousand tons, representing a CAGR of approximately 7.0% from 2019. Due to the gradual reduction in the impact of the COVID-19 pandemic, the overall production of nonwoven fabric is expected to progressively slow down in 2022 and 2023, maintaining stability thereafter. By 2028, production is projected to reach 9,240.0 thousand tons, representing a CAGR of approximately 2.6% from 2023.

Source: China Nonwovens & Industrial Textiles Association (CNITA), Frost & Sullivan

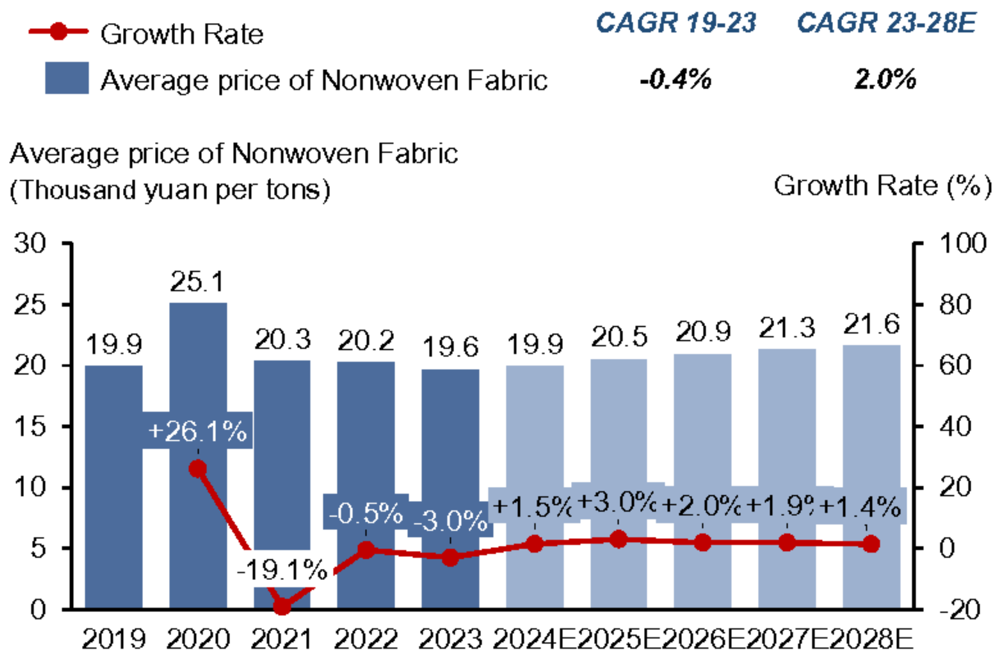
China’s Nonwoven Fabric Market Analysis

Raw Materials Price Trend

Average Price of Super Absorbent Polymers(China), 2019-2023E



Average Price of Nonwoven Fabric (China), 2019-2028E

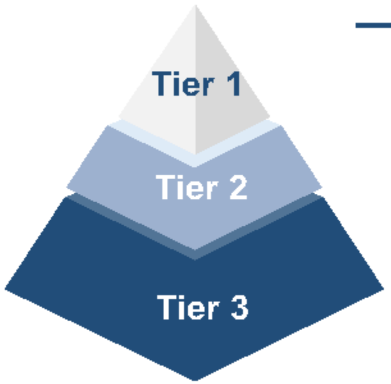


- The average price of super absorbent polymers is expected to increase from approximately RMB12,200 per ton in 2019 to RMB13,200 per ton in 2023, representing a CAGR of approximately 2.1% from 2019 to 2023. In the future, the market demand for super absorbent polymers is expected to continue to grow, thereby supporting a stable increase in the price of super absorbent polymers.
- The average price of nonwoven fabrics surged from approximately RMB19,900 per ton in 2019 to RMB25,100 per ton in 2020, with a year-on-year growth of approximately 26.1%. In 2023, the average price of nonwoven fabrics is approximately RMB19,600 per ton, representing a CAGR of approximately -0.4% from 2019. The price of nonwoven fabrics tends to be stable, and the price of nonwoven fabrics is expected to be approximately RMB21,600 per ton in 2028, representing a CAGR of approximately 2.0% from 2023.

Source: China Nonwovens & Industrial Textiles Association (CNITA), Frost & Sullivan

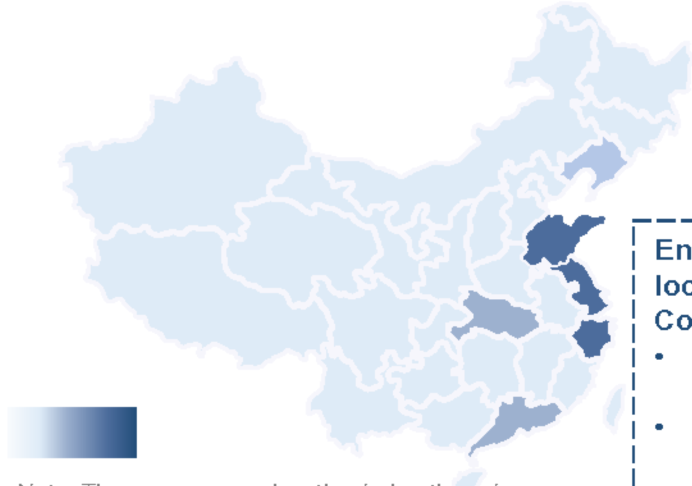
China’s Nonwoven Fabric Market Analysis
Industry Competition Pattern

China's Nonwoven Fabric Industry Competition Tiers



Degree of Scale	Capacity
Large	> 100,000 tons
Medium	50,000-100,000 tons
Small	< 50,000 tons

China's Non-woven Industry Competitor Distribution



Note: The more companies, the darker the color

Enterprises are located in Eastern Coastal Areas
- Yangtze River Delta
- Pearl River Delta

- In the context of the competitive tier structure within China's nonwoven fabric industry, Tier 1 companies have a production capacity exceeding 100,000 tons. Tier 2 companies operate in the range of 50,000 to 100,000 tons, while Tier 3 consists of smaller companies with a production capacity of less than 50,000 tons.
- Considering the regional distribution of China's nonwoven fabric enterprises, the industry chain exhibits concentrated development, mainly centered in the eastern coastal areas of the country, especially in the Yangtze River Delta and Pearl River Delta regions.
- By 2023, there were approximately 10,000 nonwoven fabric manufacturers in China. The country's non-woven industry is characterized by a large number of small and medium-sized enterprises, resulting in a highly fragmented competitive landscape. The industry's primary focus has been on expanding production capacity and quantity, exposing a significant gap in technology research and development. Price continues to be the dominant factor driving competition.
- With societal preferences increasingly emphasizing a higher quality of life and the rapid growth of downstream applications in the nonwoven fabric sector, traditional low-end nonwoven fabric products may face challenges in meeting evolving market demands. This shift is expected to accelerate industry consolidation, gradually phasing out technologically inferior and financially fragile small and medium-sized enterprises. As a result, there is an expectation of an increase in industry concentration, optimizing the overall structure of the sector.

Source: Frost & Sullivan

Content

Appendix
Identities of Competitors

Company	English	Chinese
Company A	Quanzhou Tianjiao LADY & Baby's Hygiene Supply Co., Ltd.	泉州天嬌婦幼衛生用品股份有限公司
Company B	Megasoft (China) Co., Ltd.	美佳爽（中國）有限公司
Company C	Procter & Gamble (China) Ltd.	寶潔（中國）有限公司
Company D	Kimberly-Clark (China) Co., Ltd.	金佰利（中國）有限公司
Company E	Hengan International Group CO.,Ltd.	恒安國際集團有限公司
Company F	Hangzhou Beika Industrial Co., Ltd.	杭州白貝殼實業股份有限公司
Company G	Unicharm Consumer Products (China) Co., Ltd.	尤妮佳生活用品（中國）有限公司

Source: Frost & Sullivan

Appendix
Industry Norm

- According to the Frost & Sullivan Report, the export value of babycare hygienic disposables to Russia from China were approximately RMB1,346.1 million in 2023 and is forecasted to continue to increase to approximately RMB2,364.0 million in 2028, representing a CAGR of approximately 14.4% from 2023 to 2028.
- According to the Frost & Sullivan report, the baby hygienic disposable market in China has polarised into luxury premium segment dominated by international and established brands on one hand; and on the other hand affordable premium segment with around 500 players in 2023.
- The Group’s core babycare product category is the largest segment of the hygienic disposable industry in China export and domestic markets, where it accounted for over approximately 58.8% and 38.5% of the aggregate export value and retail sales value respectively in 2023 according to the Frost & Sullivan Report.
- The Company was ranked as the second largest exporter of babycare disposable hygienic products in China to Russia in terms of export value in 2023, with a market share of approximately 3.7% of the export value of babycare hygienic disposables in China in 2023 according to the Frost & Sullivan Report.
- The Directors advised that the significant increase in the Group’s sales to Russia between FY2022 and FY2023 was due to (i) the growth of the export value of hygienic disposables from China to Russia of approximately 23.8%; and (ii) the increase in the Group’s market share of the export value from China to Russia by approximately 48.1% from approximately 18.9% in 2022 to approximately 28.0% in 2023. The Directors also advised that the increase in the Group’s sales to Russia of approximately RMB172.0 million or 83.7% from FY2022 to 2023 is comparable to those of the peers as follows:-
- Company A, being the largest exporter of hygienic disposables to Russia, have experienced an export sale growth from approximately RMB265.5 million in 2022 to approximately RMB400.0 million in 2023, representing an increase of approximately RMB134.5 million or 50.7%; and
- Company B, being the third largest exporter of hygienic disposables to Russia, have experienced an export sale growth by approximately RMB118.0 million or 83.1% from approximately RMB142.0 million in 2022 to approximately RMB260.0 million in 2023.
- According to the Frost & Sullivan Report, the size of the hygienic disposables market in Southeast Asia was approximately RMB8.4 billion in 2023 and is forecasted to grow to approximately RMB11.7 billion in 2028, representing a CAGR of approximately 6.9% from 2023 to 2028.

Source: Frost & Sullivan

Appendix
Abbreviations and Terms

- **CAGR**: compound annual growth rate
- **China**: if not specified refers to mainland China, excluding Hong Kong, Taiwan and Macau
- **PRC**: People's Republic of China 中华人民共和国
- **GDP:** gross domestic product
- **RMB:** Renminbi, the lawful currency of the PRC
- **IMF** (International Monetary Fund): 国际货币基金组织
- **COVID-19:** A viral respiratory disease caused by the severe acute, respiratory syndrome coronavirus 2, which has been declared by World Health Organization as a pandemic on March 11, 2020

Source: Frost & Sullivan

Abbreviations and Terms

Limitations in Source of Information

- Interviews with end-users, venders and distributors are conducted to collect information for this report, based on a best-efforts basis.
- Frost & Sullivan will not be responsible for any information gaps where interviewees have refused to divulge confidential data or figures.
- In instances where information is not available, figures based on similar indicators combined with Frost & Sullivan in-house analysis will be deployed to arrive at an estimate.
- Frost & Sullivan will state the information sources at the bottom right-hand corner of each slide for easy reference.

Note to Numeric Calculations

- Value and percentage figures in this report are all rounded. Figures may not add up to the respective totals owing to rounding.
- The base year is 2022. The historic period is from 2018 to 2021. The forecast period is from 2023 to 2027.

Source: Frost & Sullivan

Methodologies

- Frost & Sullivan is an independent global consulting firm, which was founded in 1961 in New York. It offers industry research and market strategies and provides growth consulting and corporate training. Its industry coverage in the PRC includes automotive and transportation, chemicals, materials and food, commercial aviation, consumer products, energy and power systems, environment and building technologies, healthcare, industrial automation and electronics, industrial and machinery, and technology, media and telecom.
- The Frost & Sullivan Report is prepared through extrapolating publicly available data such as information provided by governments, industry associations, annual reports of public companies, industry reports and other available information gathered by non-profit organizations.
- The Frost & Sullivan's report includes information on the China's macro economy overview, disposable absorbent hygiene product market analysis, babycare hygienic disposables market analysis, feminine absorbent hygiene product market analysis, adult incontinence product market analysis, Pet hygiene product market analysis, and competitive landscape, etc.
- The market research process for this study has been undertaken through detailed primary research which involves discussing the status of the industry with leading industry participants and industry experts. Secondary research involved reviewing company reports, independent research reports and data based on Frost & Sullivan's own research database.
- Projected total market size was obtained from historical data analysis plotted against macroeconomic data as well as specific related industry drivers.
- Frost & Sullivan's report was compiled based on the below assumptions:

  (i) PRC's economy is expected to maintain steady growth in the forecast period;

  (ii) PRC's social, economic, and political environment is expected to remain stable in the forecast period;

  (iii) There is no external shocks such as financial crisis, natural disasters or epidemics will affect the demand and supply in dining market in the PRC in the forecast period; and

  (iv) The key market drivers, such as increase in per capita disposable income, upgrading consumption and increasing expenditure on food, gradual convergence of catering service and retail services, development of cold chain logistics, consumers' pursuit of higher cooking efficiency, favorable government policies are expected to boost the development of the China's dining, home dining, and Home Meal Products markets.
- All the data and information regarding the Group is provided by the Group.

Source: Frost & Sullivan

Appendix

Methodologies

- Frost & Sullivan is an independent global consulting firm, which was founded in 1961 in New York. It offers industry research and market strategies and provides growth consulting and corporate training. Its industry coverage in the PRC includes automotive and transportation, chemicals, materials and food, commercial aviation, consumer products, energy and power systems, environment and building technologies, healthcare, industrial automation and electronics, industrial and machinery, and technology, media and telecom.
- The Frost & Sullivan Report is prepared through extrapolating publicly available data such as information provided by governments, industry associations, annual reports of public companies, industry reports and other available information gathered by non-profit organizations.
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Thanks!


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