

music

CHINA

International Exhibition for Musical
Instruments and Services
中国(上海)国际乐器展览会



INTEX



Market Information:

The Musical Instruments Market Development in China

International Exhibition for Musical Instruments and Services

Shanghai New International Expo Centre (SNIEC), Shanghai, China

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Economic Highlight¹

- China's GDP grew by 6.9% in 2017.
- Fixed assets investment grew by 7.2% in Jan-Dec 2017.
- Retail sales increased by 9.4% in December 2017 (real growth rate 7.8%).
- In December 2017, exports (in terms of US\$) grew by 10.9%, while imports (in terms of US\$) increased by 4.5%, resulting in a trade surplus of US\$54.7 billion.

Key Market Indicators¹

Major Economic Indicators	2016		2017	
	Value	Growth	Value	Growth
Gross Domestic Product (in RMB bn)	74,358.5	6.7%	82,712.2 ¹	6.9% ¹
Fixed Assets Investment ² (in RMB bn)	59,650.1	8.1%	63,168.4	7.2%
Consumer Goods Retail Sales (in RMB bn)	33,231.6	10.4%	36,626.2	10.2%
Exports (in US\$ bn)	2,097.4	-7.7%	2,263.5	7.9%
Imports (in US\$ bn)	1,587.5	-5.5%	1,841.0	15.9%
Foreign Currency Reserves (in US\$ bn)	3,010.5	-9.6%	3,139.9	4.3%

Notes: ¹ Real growth

² Urban investments in fixed assets

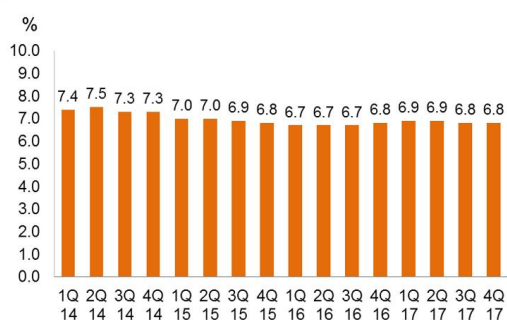
Sources: The National Bureau of Statistics, Ministry of Commerce, and General Administration of Customs.

Current Economic Development

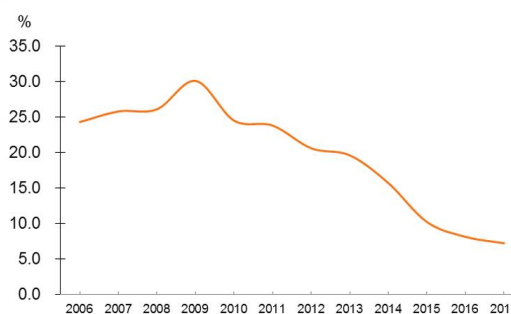
The Chinese economy grew by 9.3% in 2011 and slowed to 7.7% in both 2012 and 2013. In 2014, 2015 and 2016, GDP grew by 7.3%, 6.9% and 6.7% respectively. Per capita GDP reached RMB53,980 in 2016. In the four quarters of 2017, GDP grew by 6.9% in the first two quarters and 6.8% in the last two quarters, resulting in an average growth of 6.9% for 2017.

Fixed assets investment is one of the major driving forces of the economy. In 2016, it grew by 8.1%. In Jan-Dec 2017, fixed assets investment grew by 7.2%. In Jan-Dec 2017, retail sales increased by 10.2%

Quarterly GDP Growth



Fixed Assets Investment Growth



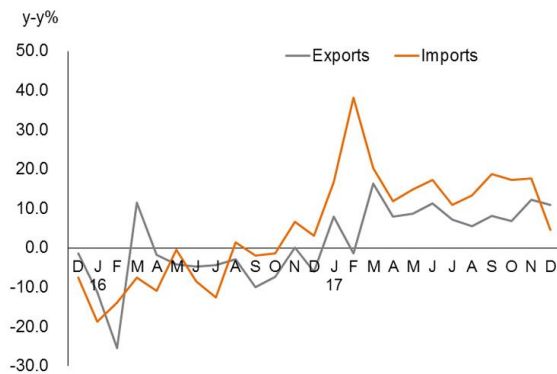
Reform of the RMB Exchange Rate

Beginning 21 July 2005, China reformed the Renminbi (RMB) exchange rate regime by moving into a managed floating exchange rate system with reference to a basket of currencies, and the exchange rate of RMB was re-valued to 8.11 per US dollar on 21 July 2005. Effective on 17 March 2014, the floating band is further expanded to 2%. As PBOC modified the RMB exchange rate fixing mechanism, on 13 August 2015, the exchange rate of RMB depreciated to 6.3982 per US dollar from 6.2083 on 10 August 2015. On 16 January 2018, the exchange rate per US dollar stood at 6.4447.

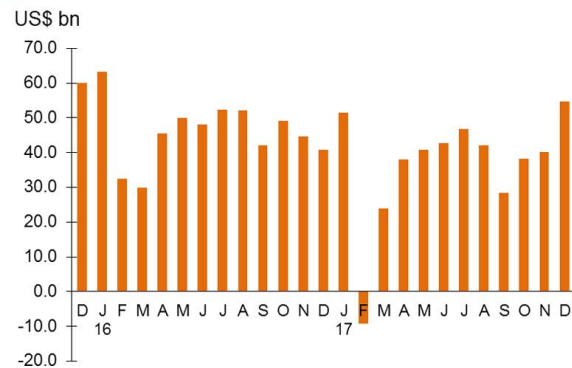
Foreign Trade and Investment

In 2016, China's total external trade reached US\$3,685 billion, China's exports and imports dropped by 7.7% and 5.5% (in terms of US\$) respectively, resulting in a trade surplus of US\$509.9 billion.

Growth of Trade



Trade Balance



The share of export-processing trade is declining in recent years. Export-processing trade accounted for 51% of China's total exports in 2007, but dropped to 34% in 2017. In 2017, exports of processing trade increased by 6.2%.

In 2017, China's top ten export markets were the US, Hong Kong, Japan, South Korea, Germany, Vietnam, India, the Netherlands, UK and Singapore. China's total exports with these ten economies together accounted for about 58.7% of China's total exports in 2017.

By the end of 2016, China approved a cumulative of 864,304 foreign investment projects, with actual utilised overseas FDI amounting to US\$1,765.5 billion. The leading sources of investment included Hong Kong, Taiwan, Japan, Singapore, the US, South Korea, UK and Germany.

In 2015, FDI made by Chinese enterprises in overseas markets stood at US\$145.7 billion (+18.3%). In 2016, China's outward FDI grew by 34.7% to US\$196.2 billion, ranked as the second largest source after the US. As at end-2016, China's stock of outward FDI reached US\$1,357.4 billion, ranked the sixth in the world. Business services (mainly investment holdings), financial services, wholesale and retail, mining and manufacturing are the leading sectors of China's outward FDI.

Below tables highlight the categories of Musical Instruments in import and export:

China Import Statistics from World¹ (all values are expressed in USD million)

Description	Unit	2016		2017		Change in % (2016 & 2017 year-on-year)	
		Quantity	Value	Quantity	Value	Quantity	Value
Upright Piano	Set / pc	143,427	126.514	165,432	135.761	15.34	7.31
Grand Piano	Set / pc	5,776	54.992	7,246	63.693	25.45	15.82
Stringed instruments bowed	Set / pc	1,336	1.703	1,611	2.009	20.58	17.99
Stringed instruments non-bowed	Set / pc	191,463	14.984	149,206	13.843	-22.07	-7.62
Brass-wind instruments	Set / pc	5,934	4.528	6,302	4.477	6.20	-1.11
Wood-wind instruments	Set / pc	293,211	12.736	249,169	10.666	-15.02	-16.25
Percussion musical instruments	Set / pc	1,469,081	18.390	1,807,408	20.602	23.03	12.03
Musical instruments with sound electric product	Set / pc	113,559	38.668	122,561	48.138	7.93	24.61
Parts and accessories	Kg	10,753,720	101.333	10,330,254	104.002	-3.94	2.63
Sheet music	Kg	6,467	0.246	12,736	0.397	96.94	61.46

China Export Statistics from World¹ (all values are expressed in USD million)

Description	Unit	2016		2017		Change in % (2016 & 2017 year-on-year)	
		Quantity	Value	Quantity	Value	Quantity	Value
Upright Piano	Set / pc	20,663	31.623	19,172	28.974	-7.22	-8.37
Grand Piano	Set / pc	4,326	25.453	5,946	20.656	37.45	-18.85
Stringed instruments bowed	Set / pc	1,461,964	82.826	1,696,557	78.919	16.05	-4.72
Stringed instruments non-bowed	Set / pc	9,478,059	317.663	10,209,143	299.926	7.71	-5.58
Brass-wind instruments	Set / pc	816,262	83.427	637,058	83.802	-21.95	0.45
Wood-wind instruments	Set / pc	17,152,568	92.182	16,321,331	101.485	-4.85	10.09
Percussion musical instruments	Set / pc	9,799,513	128.013	8,268,317	122.555	-15.63	-4.26
Musical instruments with sound electric product	Set / pc	7,103,086	531.026	7,793,339	520.090	9.72	-2.06
Parts and accessories	Kg	29,980,295	247.328	28,388,944	239.874	-5.31	-3.01
Sheet music	Kg	59,110	0.119	90,535	0.229	53.16	92.95

¹ HKTDC (data from China Customs)