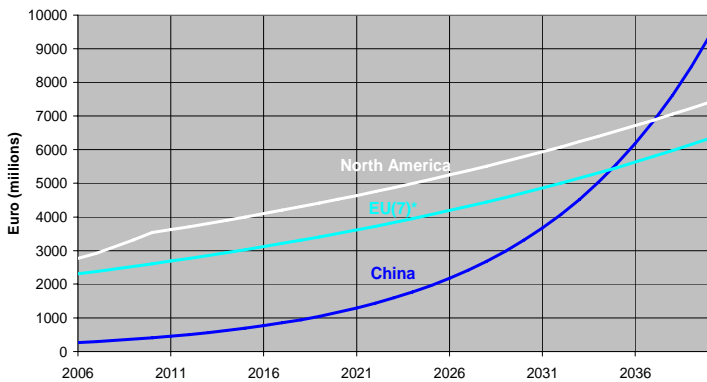


## EVALUATING THE MARKETS IN CHINA & HONG KONG

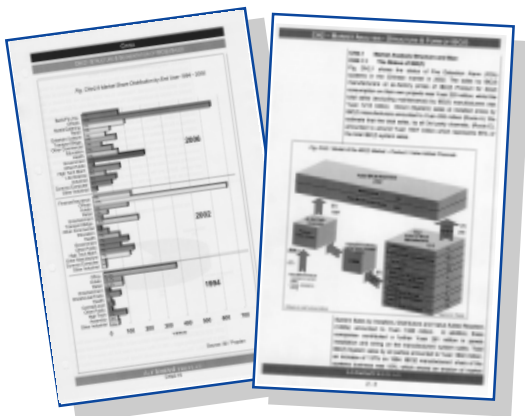
China / North America / EU(7) IBC(e) System Sales



\*EU(7) comprises Belgium, France, Germany, Italy, Netherlands, Spain, United Kingdom. Source: i&i limited / Proplan

### INTRODUCTION

This study is part of a series of multi-client reports on the world's market for intelligent controls in non-domestic buildings. Support from all the major manufacturers and suppliers over the last 25 years has enabled us to develop a series of robust models that when populated with validated data can determine the performance and value of both the supply and demand side. It has allowed us to size, compare and trend numerous market segmentations, establish supplier performance in both product and systems business and determine the importance and effect of all the demand drivers. "Environmental Control Systems (IBC(e)<sup>1</sup>) - The China Market 2006 to 2011" is the most detailed and accurate report published on this subject for this region. This 290 page report benefits from comparisons with similar studies carried out in different regions of the world and related technical infrastructures in buildings. It is split into two volumes, where volume I comprises the executive summary, comparing findings such as supplier shares and market segmentations, and volume II provides the detailed analyses using the same format for both China, Hong Kong / Macau. Data on the past, present and future market for IBC(e) is clearly presented in both quantitative and qualitative terms, so that strategies can be developed to fully exploit opportunities on a pan-regional basis.



### APPRECIATION

This study shows that no other market in the world offers better opportunities to develop the IBC(e) business, but that it will require political stability to be maintained and the government to implement its plans to reduce energy consumption in buildings if China is to become the largest single market in the world by 2038. The total IBC(e)<sup>1</sup> systems market in 2006 was worth CNY2,658 million and of this IBC(e) manufacturers contributed CNY1,067 million. The main demand drivers have been increased output of new building construction in the Commercial and Industrial sectors and further penetration of DDC controls and their convergence on conventional systems. IBC(e) manufacturers have increased their product sales by 46% in the last four years but have had to concede share of the total value added systems business.

This study shows that Controls Contractors / Installers have now established a firm base and their influence is growing, but they still lack software and network communication skills. This should not restrict growth now that foreign owned manufacturers can now install total systems, provided they have a license, for they are exercising this option on major projects where integration with other technical infrastructures is required.

In 2002, virtually all DDC product was imported into China from approximately 10 international IBC(e) manufacturers. Since then, local manufacturers have taken a larger share of the market but the majority of product manufactured locally relates to valves, actuators and sensors which are very competitively priced. Strong demand has not reduced competitive pressures, but the emphasis today is still to keep the control system simple and apart from prestige installations, not to be too concerned about controlling energy consumption, indoor air quality and integration.

The geographic distribution of IBC(e) systems is still concentrated on the Eastern Seaboard around the regions of Beijing, Shanghai and Guangdong, but demand is rapidly moving North and West and developing new opportunities. Communication standards have not made an impact on the IBC(e) business during the last eight years but DDC controllers that comply with one or more standards are available. BACnet and LonWorks are the two most often used standards and they are penetrating the market, albeit very slowly. Very few projects in China specify a common communication standard and we believe that "interconnectivity" will for the main part, be provided by overlaying manufacturers' proprietary protocols on IT networks using TCP/IP and that this will provide the momentum to eventually fully embrace IT-Convergence.

This study is now available online through our  
OBIS SERVICE. For more details see  
[www.iandi.ltd.uk](http://www.iandi.ltd.uk)  
or contact [allan.mchale@iandi.ltd.uk](mailto:allan.mchale@iandi.ltd.uk)  
and [jeremy.towler@iandi.ltd.uk](mailto:jeremy.towler@iandi.ltd.uk)

<sup>1</sup> IBC(e): Intelligent Building Controls - Environmental Controls: - Computerised / microprocessor products and systems that control/monitor environmental plant such as heating, ventilation, air conditioning in non-domestic buildings, comprising a central user interface, communications network and data acquisition/direct digital controllers (DDC)



### REVIEW

Comprising some 290 pages and over 100 charts and tables this report identifies and analyses separately for P.R. China and Hong Kong / Macau:-

- The sales by Product (factory gate prices) and Systems (installed) for direct and indirect channels, to 2006, with forecast to 2011
- The level of penetration of system sales in each country and how this compares with other developing and developed markets
- The market size by type of project, new construction, refurbishment and retrofit
- The market size by contract value (4 segments).
- The market size by single, multiple & multi-site projects
- The market size by type of hardware (8 products)
- The market size by type/end use of building (16 categories)
- The distribution channels and the volume of business that they handle, comparing "product" and "total solution sales"
- Market share bands for all established suppliers by IBC(e) product and by total system sales
- Profiles of established suppliers provided in a standard format allowing comparisons to be made
- Establishes the part played by all third party suppliers and the impact that they will have in the future
- A detailed analysis of the channels of distribution and emerging trends
- Assesses the IBC(e) suppliers' influence on Total Building Solutions and measures the incidence of integrated services by both functionality and the vertical building markets in which they are installed
- Reviews the impact of Technology and IT-Convergence on the IBC(e) business

For prices and to purchase this study please see the order form that accompanies this synopsis

### CONTENTS

#### VOLUME I - EXECUTIVE SUMMARY

1	CHINA OVERVIEW	1
2	WORLD PERSPECTIVE	5
3	MARKET ANALYSIS	7
4	MARKET STRUCTURE - SUPPLY SIDE	18
5	THE DEVELOPMENT OF INTEGRATED IBC(e) SYSTEMS	20
6	INTEGR. OF TECH. SERVICES & BUSINESS ENTERPRISE	22
7	MARKET DYNAMICS & STRATEGIC OPPORTUNITIES	25
8	TECHNOLOGY - COMMUNICATIONS	27

#### VOLUME II - REPORT & ANALYSIS

1	INTRODUCTION	
	PART 1 - MARKET ANALYSIS - SUPPLY SIDE (IDENTICAL STRUCTURE FOR BOTH CHINA AND HONG KONG)	
2	INTRODUCTION - STRUCTURE & SEGMENTATION OF IBC(e) SALES	2.3
2.1	Market Structure and Form	2.5
2.1.1	The Status of IBC(e)	2.5
2.1.2	A Twelve Year Performance Review	2.7
2.1.3	Market Size by Sector by Type of Hardware	2.9
2.2	Market Size by Sector	2.13
2.2.1	New Construction - Refurbishment - Retrofit	2.13
2.2.2	Public - Commercial - Industrial	2.14
2.2.3	Single, Multiple and Multi-Site Projects	2.15
2.2.4	Contract Size	2.16
2.2.5	Market Size By End User Sector	2.17
2.3	Geographic Distribution of IBC(e) Sales	2.20
3	INTRODUCTION - SUPPLIER ANALYSIS	3.1
3.1	Supplier Shares	3.3
3.2	Supplier Profiles	3.7
3.3	Third Party Suppliers	3.15
3.3.1	EMSCO's	3.15
3.3.2	Controls Contractors and System Integrators	3.16
3.3.3	OEM's	3.17
4	TRADING PRACTICES AND PROCEDURES	4.1
4.1	Contractual Relationships in the Construction Industry	4.2
4.2	Purchasing Routes for IBC(e)	4.5
4.2.1	New Construction/Refurbishment	4.7
4.2.2	Retrofit	4.7
4.2.3	Future Trends	4.8

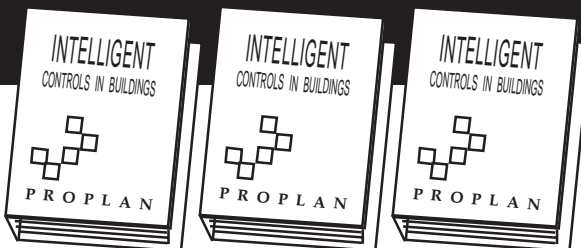


5	BUILDING CONSTRUCTION - STOCK - FUTURE POTENTIAL	5.1
5.1	The Construction Industry - Growth Prospects	5.1
5.2	The Public Sector	5.13
5.3	Commercial Sector	5.17
5.4	Industrial Sector	5.29
6	INDUSTRY DYNAMICS AND GROWTH PROSPECTS	6.1
6.1	The Dynamics of the Market Place	6.1
6.2	The Present Status of IBC(e) Penetration	6.3
6.3	Factors For and Against Growth	6.7
7	MARKET SIZE AND FORECAST TO 2011	7.1
7.1	Future Demand for IBC(e) Systems in China / Hong Kong	7.2
	PART II - DEMAND SIDE ANALYSIS (CHINA AND HONG KONG)	
8	THE INTEGRATION OF TECHNICAL SERVICES AND THE BUSINESS ENTERPRISE	8.1
8.1	Integration by Vertical Markets	8.9
8.2	Integration by Building Service	8.11
9	FORCES THAT DETERMINE DEMAND	
9.1	Introduction	9.1
9.2	Demand Side Drivers	9.3
9.2.1	Energy Conservation & Deregulation	9.6
9.2.2	Indoor Air Quality (IAQ) & Green Issues	9.7
9.3	Supply Side Drivers	9.9
9.3.1	Supply Capacity/Capability	9.9
9.4	The Future	9.11
10	CONVERGENCE OF IT & INTELLIGENT INFRASTR. IN BUILDINGS	
10.1	Introduction	10.2
10.2	What is IT-Convergence & Why is it Important?	10.5
10.3	Has IT-Convergence Crossed the Chasm?	10.7
10.4	IT-Convergence & Tech. Infrastructures Phases of Adoption	10.11
10.5	Roadblocks that have to be Overcome	10.13
10.6	Organising for IT-Converg. - Changing the Business Model	10.17
10.7	Getting the Message Across	10.21
11	TECHNOLOGY	
11.1	Overview of Technology	11.3
11.2	Product Development	11.5
11.3	Web Services & XML	11.7
11.4	Emerging Technologies	11.9
11.5	Product Standards	11.13

#### GENERAL APPENDIX



# INTELLIGENT CONTROLS IN BUILDINGS THE CHINA MARKET 2006-2011

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## THE CHINA MARKET 2006-2011

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