

SPECIAL REPORT NO.

Sey

Shanghai
(City)

China
(Country)

March 9, 1932.
(Date)

Subject: ACID PLANTS IN SHANGHAI

Submitted by: Paul F. Kops
(Name)

Assistant Trade Commissioner
(Title)

GOVERNMENT PRINTING OFFICE 11-9138

231
X023

At the present time there is only one acid producing plant operating in Shanghai although prior to the outbreak of hostilities between Japanese and Chinese military forces, a second plant was nearing completion and the owners hoped to put it in operation during April of this year. Facts concerning the plant operating are as follows:

Name - Kiangseu Chemical Works, managed by: A. R. Burkill & Son, 2 Canton Road, factory 180 Ferry Road. This company is an old concern whose plant was reconstructed in 1914. It is organized under the Hong Kong Ordinances having a capitalization of \$110,000. Its products consist of sulphuric acid, hydrochloric acid and nitric acid. Its capacity is stated to be: sulphuric acid - 3 tons per day; hydrochloric acid 100 tons per year; nitric acid 100 tons per year. The company uses the lead chamber process of producing sulphuric acid, obtaining its supplies of sulphur from America and Japan. Locally produced salt is used in making hydrochloric acid and chile salt petre for nitric acid. The volume of this company's business is reported to vary in accordance with whether or not its prices compete with the price of similar products from Japan.

available deposits of sulphur, etc. which are available at present

X
4

which practically excludes competition from other sources. Although
The Kaicheng Acid Manufacturing Co., a Chinese concern headed
by Mr. Yu Ho Ching, with offices at No.36 Peking Road, was organized
about a year ago for the purpose of erecting a plant capable of
producing 15 tons of sulphuric acid per day. The company intends
using the lead chamber process and purchased equipment therefor from
Japan prior to the anti-Japanese boycott. The company is capitalized
at \$500,000 local currency. Prior to the hostilities which broke
out in Shanghai between the Japanese and Chinese military forces on
January 28, 1932, the company had completed the erection of its
building and a part of the machinery necessary for production had
been installed. However, the factory is in that section of Chapei
which is now occupied by the Japanese and although the building still
stands unharmed, it is very possible that a shell may hit it at any
time and at any event it is very problematical when work may be
resumed in it. It was hoped to start production in April, 1932.
The company hopes, after it starts producing sulphuric acid, to
install necessary equipment for producing hydrochloric and nitric
acids. It is understood that the company has not yet contracted
for the purchase of the equipment necessary for the production of
the latter two acids.

China's chief source of acids for some years past has been
Japan, which country due to its proximity to China and large
available deposits of sulphur, can supply this market at prices

which practically exclude competition from other sources. Although import figures do not segregate the various types of acid imported according to countries of origin, net imports of sulphuric, hydrochloric and nitric acids in 1929 and 1930 were:

	<u>1 9 2 9</u>		<u>1 9 3 0</u>	
	<u>Pounds</u>	<u>U. S. \$</u>	<u>Pounds</u>	<u>U. S. \$</u>
Sulphuric	8,445,924	207,018	6,796,428	166,787
Hydrochloric	7,731,024	187,443	9,659,869	165,248
Nitric	2,537,374	133,690	2,785,020	140,124

Net imports during these years of all acids including the above were 1929 - 21,316,950 pounds valued at U.S.\$840,785; 1930 - 20,084,470 pounds valued at U.S.\$833,460.100 Of these quantities Japan supplied during 1929 - 17,996,100 pounds and in 1930 - 16,582,850 pounds. The acids of chief importance imported into China other than those listed specifically are acetic, boracic and carbolic.

Net imports of all acids into Shanghai amounted to 12,647,768 pounds in 1929 and 13,579,034 in 1930.

According to estimates of the Kaicheng Acid Manufacturing Company, the present consumption of sulphuric acid in the Yangtze Valley is around 16 tons per day. This being the case, the plant at present operating combined with the output of the Kaicheng plant under construction, should be able to supply the immediate needs of this market. The chief acid consuming industries in this territory are arsenals, dyeing plants, enamelled ware plants, celluloid works, aerated water-works, iron and metal industry, printing plants and soap factories.

It is probable that the sulphur necessary for the plant at present operating, and the proposed plant will continue to be imported, although the latter company state their intention of obtaining their supplies from Chekiang and Hunan. According to mineralogists native sulphur is not found in China except in insignificant amounts and must therefore be derived from pyrites and sulphides which are of frequent occurrence, although the deposits known are usually of meagre reserves. Furthermore, the amount of such materials mined is small and no steady supply is available.

Paul F. Kops
Assistant Trade Commissioner

Approved for Transmission:

H. D. Robison
Trade Commissioner

PFK:RH