

SPECIAL REPORT NO.

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Subject: ENAMELLED WARE INDUSTRY IN SHANGHAI

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(Title)

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Shanghai now has more than 11 enamelled ware factories producing a total of more than M\$4,000,000 of enamelled utensils per annum. Imports from abroad total approximately M\$1,600,000 of which Japanese and European make up almost the entire total. These figures compare favorably with those of 1926 when practically 90% of the enamelled ware was imported and the total consumption was only approximately M\$2,000,000. Except for a small percentage of low priced goods imported from Japan, China now produces practically all of its requirements of the more elementary type including wash basins, cups, trays, cuspidors, hospital equipment, ash trays, etc. Imports from Europe comprise of the more complicated manufactures such as coffee, tea and water kettles and water buckets. Some of the Chinese plants are now also manufacturing tea kettles and coffee pots with spouts and are planning on manufacturing other articles of a more difficult nature such as cast iron bath tubs and wash basins, enamelled parts for gas and electric stoves and other items of intricate manufacture. Enamelled ware goods are now being shipped over practically all of the provinces of China and are rapidly replacing the wooden, tin and bronze utensils now in use.

American steel sheets of 20 to 30 gauge enjoy the bulk of the market for the higher class goods. Manufacturers state that the steel sheets make up more than 50% of the total cost of the finished product

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in China. They are therefore very keen about finding cheaper sources of supply of sheets suitable for their manufacture. American sheets have qualifications which are recognized as superior to any other on the market. Uniformity of product and high ductibility are well recognized. European manufacturers especially British and Belgian have been endeavoring to get into this market and are offering prices which are attractive. The recent prices reported from Belgium are stated to be approximately 40% below the American, but due to inferior quality, losses in manufacture are greater and therefore the American product has won out, but the price margin is so great that there is a real danger of more of this business being taken by European manufacturers. Japanese sheets of much lower price are used by the smaller plants.

Most of the chemicals are obtainable in China, the principal ones of local production are quartz, feldspar, antimony, fluorspar, manganese-dioxide, lead oxide, lime. Red oxide of iron is manufactured locally but certain grades are also imported from the United States and England. America gets the business in borax and liquid gold paint. Cryolite has been imported from Germany while many of the color chemicals and metallic oxides are obtained in Germany and England. In Shanghai there is also one firm which specializes in the preparation of chemicals for the enamelled ware industry. Several of the smaller companies depend on this supply for their manufactures. For the manufacture of cast iron utensils and parts of electric and gas stoves, new chemicals will be required and furthermore for the manufacture of higher grade enamelled ware with new colors, other chemicals will also be required. British

Some development of this market is possible that American products may be introduced.

and German suppliers of chemicals on the spot are in position to instruct the local manufacturers in their uses and therefore aside from price considerations are getting a big share of the business. Undoubtedly American chemicals of other kinds could also be introduced into this business providing the Chinese were made acquainted with their uses. Engineers and chemists employed in this industry have received their main education in Japan and are therefore unacquainted with American methods of manufacturing. In one case of a Manchurian plant where the Chinese engineer was educated in the United States, numerous American chemicals were required and since the taking over of this plant by Japanese in Manchuria and the removal of the Chinese engineer formerly in charge, these chemicals have become useless due to the fact that the new engineers do not understand their methods of use. Undoubtedly some education along these lines would be of considerable assistance in introducing the American chemicals.

Machinery used in the enamelled ware factories in Shanghai is now practically all of Chinese manufacture. In some of the earlier installations German and Japanese equipment was installed but it is now possible to manufacture the heavy presses and spinning lathes locally at a very much lower figure. As a matter of interest we obtained figures on the cost of heavy presses for shaping the wash basins. These prices range as follows for German, Japanese and Chinese manufacturers: Taels 13,000; 10,000 and 3,000 respectively. Machinery for the manufacture of more intricate designs of utensils such as teapots, coffee pots, buckets and bath tubs has still to be purchased and in the future development of this market it is possible that American machines may be introduced.

DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE

We are attaching hereto the names and addresses of the 11 factories in Shanghai. In addition there are located at Mukden, Manchuria and one at Hong Kong. It is impossible to communicate direct with these native factories as they are not acquainted with import or export business in the English language and do all their purchasing locally.

Sin - Fung	1924	4,000	Shanghai
Chao - Fung	1926	10,000	Near South Station
Wei - Sei	1926		
Hua - Fung	1929	200,000	Postoffice
Approved for Transmission:	1930	13,000	Postoffice
Li - Fung	1931	25,000	10 1/2 mi. S.W.
Miss A. Bland Gelder Assistant Commercial Attache	1931	5,000	Shanghai
/enclosures JJE:EH	1931	- -	Personal Goods
Chao - Fung*	1932	170,000	Shanghai

John J. Ehrhardt
Trade Commissioner

* This factory was destroyed in January and the capital is reduced to \$30,000

ENAMEL WARE FACTORIES

Shanghai

<u>Name</u>	<u>Date of Establishment</u>	<u>Capital</u>	<u>Address</u>
Mi - Feng	1920	350,000	Nantao
Chung - Hwa	1920	60,000	Yin-Shun Rd., Nantao
Sin - Feng	1924	6,000	Chapei
Chao - Feng	1925	30,000	Near South Station
Wei - Wei	1926	3,000	Nantao
Hwa - Fung	1929	300,000	Footung
Chiu - Hsin	1930	15,000	Nantao
Li - Fung	1931	20,000	Lu Kia Wan
Lien - Yin (enamel plates only)	1931	5,000	Chapei
Geo - Hsin	1931	- -	Arsenal Road
Chon - Feng*	1919	170,000	Chapei

* This factory was destroyed in January and the capital is reduced to M\$30,000