

BIG news- inventory of China glass is booming due to increasing demand and shortage of supply in 2023



**PRICES
ARE GOIN'**



What's the problem of current China glass market?

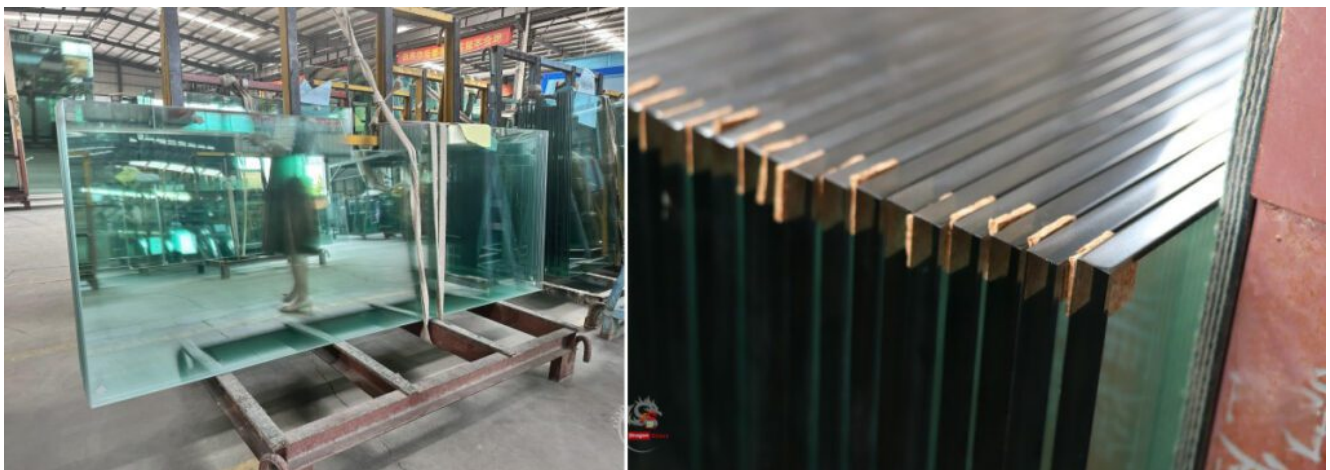
Since March, **China glass** market has witnessed a continuous increase in [glass prices](#) and a decrease in inventory. Shenzhen Dragon Glass have learned that [float glass prices](#) started to rebound slightly in mid-March. As inventory continued to decline, glass manufacturer have been raising prices at an accelerating rate. The price of China glass spot market has risen from an initial tentative increase of 5 USD/ton to the current range of 8-10 USD/ton. Recently, the price of glass panel shows a trend of “rapidly rising and fast-paced,” with an industry average increase of 18% from the beginning of 2023.



During this round of glass price increases, there have been significant increases across various regions. In particular,

after mid-April, prices in the north region of **China glass supplier** have been increasing by more than 3.5 USD/ton per day. Prices in the north region have risen from over 250 USD/ton in early March to over 300 USD/ton at present, an increase of nearly 50 USD/ton. In central China, prices have gone up from 246 USD/ton to 318 USD/ton, an increase of 72 USD/ton. The eastern region of **China glass price** has seen an increase of 57 USD/ton, while the southern region has seen an increase of 77 USD/ton.

Recently, the rapid rise in the China glass market has led industry experts to believe that the performance of the glass market this “spring” far exceeds expectations.



In the past 7 weeks, inventories of [China glass manufacturer](#) have continued to decrease. These manufacturer have timely adjusted their selling prices based on inventory and sales conditions. However, the continuous increase in prices has not diminished the purchasing enthusiasm of **glass processors**. After the short-term rapid glass price increase, the sales price exceeded the “psychological threshold” of some processors. In addition to trying to “persuade” buyers by continuously raising prices, some glass processors have had to stop accepting new orders to fulfill existing orders.

Glass manufacturers were evidently unprepared for the increasing purchasing enthusiasm from glass processors after experiencing three consecutive quarters of big losses. This “spring” glass market exceeded the expectations of most people in the industry.

[Shenzhen Dragon Glass](#) also notice that the current increase in glass prices is due to the support of demand from the completion of projects, increase in processing orders, with strong demand. On the supply side, after last year’s reduction, production capacity has also decreased year-on-year. Short-term supply and demand are difficult to match, and raw material glass inventories in the middle and lower reaches are at a low level. They have the ability to replenish inventories, which together have promoted the ongoing trend of decreasing inventory through price increases.



After 7 consecutive weeks of reducing China glass inventory, the inventory pressure on glass manufacturers has been significantly eased. The phenomenon of [clear glass](#) inventory reduction is particularly evident in northern and central China, with a decrease of more than 60%. The decrease in

eastern and southern China also exceeded 20%. This round of inventory reduction has not seen a large amount of inventory transferred to traders, belonging to non-speculative hoarding. Since March, the social inventory in northern China has fluctuated little. [Customized glass](#) processors have increased raw material glass inventory based on cost demands locked in by orders. Overall, what's behind the industry chain is the actual consumption of inventory.



As spot prices continue to rise, pure alkali raw materials are also secretly falling, and the **China float glass** industry's profits have significantly improved, with losses turning into gains. According to relevant information agencies, the current profit of production lines using natural gas as fuel is 8.6 USD/ton, production lines using coal gasification as fuel have a profit of 15.5 USD/ton, and production lines using petroleum coke as fuel have a profit of 56 USD/ton.

We have received news that the float glass industry has basically entered a state of overall losses for the entire industry after the second half of 2022. This phenomenon continued until the beginning of this year, except for the

[glass production lines](#) using petroleum as energy, which had a slight profit, the production lines using natural gas and coal gasification have been consistently losing money. Subjectively, glass manufacturers have a strong willingness to turn losses into profits.

And objective conditions also support the recent glass price increase. We also know that the big losses in the industry for 9 consecutive months in the previous period led to the deep destocking of production capacity.



According to data from the National Bureau of Statistics of China, the production of [flat glass](#) in China in March was 80.14 million weight cases, a year-on-year decrease of 7.9%; the cumulative production from January to March was 232.6 million weight cases, a year-on-year decrease of 8%. While the supply has decreased, the demand has shown a rapid and unexpected improvement. From January to March, the cumulative completed area of [glass houses](#) was 194 million square meters, a year-on-year increase of 14.7%, with completed area increasing significantly year-on-year. Among them, the completed area of houses in March was 62.44 million square meters, a year-on-year increase of 32.04%.

Since the beginning of 2023, the completed area of [glass projects](#) has significantly increased compared to the same period in 2022, fully reflecting the significant effect of policy measures in finance and other aspects supporting the

completion of glass real estate. While the demand for glass in new residential buildings is accelerating, the demand for [home decoration glass](#) is also significantly beyond expectations, and high-end system [glass doors and windows](#), [interior glass partitions](#), [glass shower rooms](#), [glass furniture](#) and [mirrors](#), etc. have rapidly increased production in 2023 and have shown strong demand resilience. The prices of glass manufacturers remain strong, and the extent of subsequent price adjustments will depend on demand.

[Shenzhen Dragon Glass glass appearance quality control](#)

Quality control by Shenzhen Dragon Glass

In our view, the recent sharp and fast rise in China glass prices has not taken into account the feedback on processing companies' costs, which is bound to cause caution and resistance from processors and end customers. However, this round of price increases is based on low profits or even losses, and glass manufacturers have a strong willingness to turn losses into profits. Even if there are temporary emotions of caution and resistance, the possibility of a short-term decline in glass prices is not high.

It is worth mentioning that, after the current spot glass price has continued to rise, the orders from China glass processing plants have increased instead of decreased, and the continuous increase in raw material prices has shown a certain effect on promoting orders.

Currently, the price of glass is running near the average of recent years, and the acceptance level of processors, traders, and end-users is still acceptable. In the short term, the price increase of raw materials has squeezed the profits of

China glass processing companies to a certain extent, but in the medium and long term, it will be conducive to improving the pricing of processing finished products. The sustainability of demand is the key point for the development of the glass market in the future. When demand is no longer feverishly chasing raw materials, the risk of price decline should also be taken seriously.



Shenzhen Dragon Glass as reliable China glass company, we have **flat tempered glass, curved tempered glass, laminated glass, decorative glass supplier in China**, always focus on high quality products, reasonable pricing and excellent services to all our clients, no matter how pricing change, we will not forgive the most important factor of our company- After all, only quality can determine how far our enterprise can go.

So if you have any inquiries, send us anytime, our team will surely provide excellent services very soon.