

LANXESS expands new plant for inorganic pigments in Ningbo

- **Addition of mixing and milling plant**
- **Strengthening the global production network**

Cologne/Shanghai - Specialty chemicals group LANXESS is strengthening its production network in China to meet the high level of demand for iron oxide pigments and is adding a mixing and milling plant to the pigment plant already under construction in Ningbo. LANXESS is creating a total of roughly 200 new jobs with these two plants. Potential customers for the iron oxide pigments are the coatings, plastics, construction and paper industries. This brings the total investment at the Ningbo site from around EUR 55 million to around EUR 60 million.

The new plant for iron oxide red pigments in Ningbo, which has been built to the latest environmental standards, is being designed for an initial annual synthesis capacity of 25,000 metric tons. On the same site, LANXESS is building the mixing and milling plant for pigments with an annual capacity of 70,000 metric tons. This plant will also process raw pigments from other LANXESS sites for the Asian market. The plants are scheduled to be completed in the fourth quarter of 2015 and to start production in the first quarter of 2016.

At the same time, LANXESS will also close its existing mixing and milling operations in Taopu, Shanghai, with an annual capacity of 35,000 metric tons by the end of 2016. Shanghai City Council will be integrating the vacated plant grounds into a high-tech park in Shanghai's Putuo District.

"The trend towards urbanization is continuing unabated. Our decision to significantly expand our plant in Ningbo is based on the fact that the global demand for iron oxide pigments is growing at an annual rate of around three percent," says Jörg Hellwig, head of the

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Inorganic Pigments business unit (IPG) at LANXESS. “In addition to our Jinshan/Shanghai site in China, we will then have another very strong base for our global production network. By doubling our milling capacities in China, we are strengthening our position as a world-leading manufacturer of iron oxide pigments with a wide-ranging product portfolio for customers.”

The new LANXESS plants in Ningbo on the East coast of China are located in the Ningbo Petrochemical Economic & Technological Development Zone (NPEDZ). This industrial area features an outstanding infrastructure and good logistical links and is one of the three largest and most modern in China.

LANXESS will be manufacturing high-quality, yellowish iron oxide red pigments there using an improved and highly sustainable Penniman process. Enhanced water and waste gas treatment will ensure good environmental compatibility. Thanks to a particularly energy-efficient process, the plant will meet the highest international environmental standards.

“LANXESS will be the first manufacturer of iron oxide pigments to ensure eco-friendly production of these yellowish red pigments while also ensuring consistently high quality,” says Rafael Suchan, who heads the LANXESS pigment business in the Asia/Pacific region. “Thanks to the new mixing and milling plant, we will be offering an expanded portfolio of pigments that features the new red pigments alongside our proven iron oxide color pigments,” he adds.

LANXESS already operates a synthesis plant in Jinshan, Shanghai, considered to be one of the largest, most modern facilities for iron oxide pigments in China. The plant has an annual production capacity of 38,000 metric tons of high-quality iron oxide yellow and iron oxide black pigments.

With an annual capacity of over 350,000 metric tons, LANXESS’ Inorganic Pigments business unit (IPG) is one of the world’s leading

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manufacturers of inorganic iron oxide and chrome oxide pigments. The center of global production operations is Krefeld-Uerdingen in Germany. This business unit has some 1,250 employees and is part of the Performance Chemicals segment.

China plays a key role in LANXESS' global growth strategy. All LANXESS business units are represented, with a total of around 1,000 employees at twelve sites in Greater China. In 2013, LANXESS generated sales of some EUR 1 billion in this region.

LANXESS is a leading specialty chemicals company with sales of EUR 8.3 billion in 2013 and about 16,900 employees in 31 countries. The company is currently represented at 52 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of plastics, rubber, intermediates and specialty chemicals. LANXESS is a member of the leading sustainability indices Dow Jones Sustainability Index (DJSI World and DJSI Europe) and FTSE4Good as well as CDP's Climate Disclosure Leadership Index (CDLI).

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