

Evonik is significantly increasing its commitment to China and Asia

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- Investment of over €350 million in China has already been approved in 2011
- Research and development to be strengthened further
- Dr. Klaus Engel: "The continued dynamic development of the Chinese market requires a decisive investment strategy."

Since the start of this year Evonik Industries, Essen (Germany) has taken decisions to invest more than €350 million in the construction of new production capacities for specialty chemicals in China. While in Shanghai to attend this year's IBLAC Conference, Klaus Engel, Chairman of the Executive Board, said: "Stepping up investment in Asia, and especially in China, is a key element in our global growth strategy. The continued dynamic development of the market on the basis of sustained megatrends requires a decisive investment strategy."

Evonik is investing over €100 million each in the construction of an integrated production complex for isophorone and isophorone diamine in Shanghai and in a hydrogen peroxide plant in Jilin Province. The company is also investing in an integrated facility for organic specialty surfactants in Shanghai. The plants are scheduled to come on stream in about two years.

As well as stepping up investment in China, Evonik is planning to build a new production complex for the amino acid DL-methionine for animal nutrition in Singapore. By locating this planned complex in Asia, an important future market, Evonik aims to underpin its market leadership. The group will then have a foothold in this market in all major regions – Europe, the USA, Latin America and Asia – enabling it to supply customers in the food industry directly from local production plants.

In parallel with the expansion of local production capacities, Evonik is significantly increasing its innovation activities in Asia. €18 million is being invested in further expansion of the Group's R&D Center in Shanghai. In April 2011 Evonik's first project house outside Germany was established in Taiwan. This project house focuses on new products and technologies for the photovoltaic, displays, LED and lighting industries. In its project houses Evonik undertakes interdisciplinary research with cooperation partners and universities.

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“Our investment decisions in Asia and expansion of our R&D activities in this region go hand in hand with our long-term strategy for Asia,” commented Klaus Engel, Chairman of Evonik's Executive Board. Between 2006 and 2010 Evonik invested €700 million in Asia. The main products were the integrated methacrylate chemistry complex in Shanghai (China), an H₂O₂ plant in Ulsan (Korea), and production facilities for monosilane and precipitated silicas in Yokkaichi (Japan).

In 2010 Evonik generated sales of around €2.7 billion in Asia, which was 20 percent of Group sales. Sales in Asia were 35 percent higher than in 2009. At year-end 2010 Evonik had just over 4,800 employees in Asia.

Company information

Evonik, the creative industrial group from Germany, is one of the world leaders in specialty chemicals. Its activities focus on the key megatrends health, nutrition, resource efficiency and globalization. In 2010 about 80 percent of the Group's chemicals sales came from activities where it ranks among the market leaders. Evonik benefits specifically from its innovative prowess and integrated technology platforms. Evonik is active in over 100 countries around the world. In fiscal 2010 more than 34,000 employees generated sales of around €13.3 billion and an operating profit (EBITDA) of about €2.4 billion.

Evonik Industries has been producing specialty chemical products in the Greater China region (Mainland China, Hong Kong and Taiwan) since the late 1970's; with wide-ranging trading relations already in place prior to this in the region. The Group now has a total of 18 companies and 15 production sites in the Greater China region. Evonik regards Greater China as one of the driving forces of the global economy and we consequently endeavour to grow our business in the region.

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