

## **Lanxess eyes Asian rubber demand**

With two factories under development in Singapore with a combined investment of 600 million (24 billion baht), specialty chemical producer Lanxess AG is ready to tap the benefits of the upcoming Asean Economic Community and growing demand across Asia.

The German firm earlier this month broke ground on its 200-million butadiene rubber plant in Singapore, the largest of its kind globally, to serve demand from Asian tyre makers.

With nameplate capacity of 140,000 tonnes a year, the facility is scheduled to finish construction in the first half of 2015 and generate annual sales of 300-350 million by 2017.

The 2015 schedule also fits the global supply and demand curve of high-performance rubber.

Until then, the gap between demand and global nameplate capacity of 10.6 million tonnes will be substantial, said Dr Grub.

Demand growth in Asia Pacific is now higher than the global rate of 5%, expanding by 7% annually, with demand driven by the growing mobility needs of the Asian middle class. The butadiene rubber unit total sales of 500 million last year.

The Singaporean plant is the company's first factory in Asia.

Lanxess, which was spun off from Bayer in 2004, has also built a 400-million butyl rubber plant in Singapore with annual capacity of 100,000 tonnes.

Expected to begin commercial production in mid-2013, this facility will generate sales of 300 million.

Lanxess is the world's second-largest maker of butyl rubber after Exxon Mobil.

China dominates demand for butyl rubber, an input in the manufacture of tyres, pharmaceuticals, clothing and chewing gum. Tyre demand in the country is growing at 15% a year.

The personal vehicle fleet in China and India is expected to triple to 450 million units within the next 15 years.

The high-performance materials serve industries such as automotive, appliances and electronics.

On Monday, Lanxess opened its first plant in the US after buying Bond-Laminates, a German maker of plastic composite sheets, last week.