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LANXESS increases capacities for iron oxide pigments

Capacities for iron oxide pigments to be increased by around 25,000 metric tons by 2019

Expansion in Krefeld-Uerdingen and Porto Feliz

Exhibiting at ECS 2017, Nuremberg, April 4 to 6, Hall 7, Stand 7-145

Specialty chemicals company LANXESS is expanding the capacity of its global production network to safeguard customer supply in the long term. In Krefeld-Uerdingen, site of the world's largest synthetic iron oxide pigment plant, production capacities for red and black pigments will be gradually increased by around 23,000 metric tons, from the

current 280,000 tons, by 2019. Furthermore, by means of modernization, LANXESS is also expanding capacities for yellow pigments by another 2,000 tons per year at its site in Porto Feliz, Brazil. LANXESS already expanded its global production network recently by starting up operation of its site in Ningbo, China. The synthesis production facility there, which commenced operation in the first quarter of 2016, is designed for an annual capacity of 25,000 tons of red pigment. By taking these measures, LANXESS will be increasing its global production capacities from 375,000 to 400,000 tons of iron oxide pigments by 2019.

Well positioned to meet rising demand

“The purpose of these investments is to support the growth of our customers,” says Jörg Hellwig, head of the Inorganic Pigments business unit (IPG). As the world market leader in iron oxide pigments and a leading supplier of chrome oxide pigments, LANXESS continuously evaluates the development of the global pigment market. The company expects global demand for iron oxide pigments to grow by an average of three percent per year beyond 2018. Demand for iron oxide pigments will rise significantly due to strong growth in countries like India and the continued recovery of the building industry in North America and parts of Europe. China will also contribute to this development with growth rates remaining at a high level.

Paints and coatings are the second-largest field of application for synthetic iron oxide pigments, making up one quarter of total global consumption – and the trend is on the rise. “By 2025, we expect global annual growth in the demand for iron oxide to reach an average of 4 percent. We believe in particular that the demand for high-quality pigments with uniform global standards will increase,” adds Hellwig.

Continued consolidation of the Chinese pigment industry

Although China is by far the largest producer of synthetic iron oxides, with over 50 percent of total global supply, the number of production locations for synthetic iron oxide pigments has been decreasing steadily for several years. This is a result of the consistent implementation of environmental regulations by both pigment manufacturers and the pigment processing industry. The number of production locations has dropped by half since 2008, resulting in a reduction in supply, particularly in the segment for red pigments. According to LANXESS, this consolidation process is likely to continue.

Uniform global production standards are an integral part of LANXESS's image. Its production processes have always been designed to be safe, to conserve resources and to preserve the environment, and they are subject to ongoing improvement. The company's consistent focus on sustainable production processes is paying off in China.

To ensure a reliable and sustainable supply of iron oxide red pigments to customers, LANXESS recently invested in the construction of a new production site in Ningbo, China. It uses the Ningbo Process, which is based on patented technology. The development and start-up of this technology, which for the first time enables the eco-friendly production of yellow-cast red pigments and fulfills the very high Chinese environmental standards, went through a very intense development phase. "In light of our high quality expectations and in accordance with our own high demands on sustainable production, we have conducted extensive test runs since 2016. This trial phase has now largely been concluded," says Hellwig.

Interested customers will have an opportunity to discuss both these new products and LANXESS's entire portfolio with a team of global experts at ECS. The company will be showcasing its extensive product portfolio there for the production of paints and coatings, including colorants, biocides and benzyl products.

Detailed information on products and services can be obtained online at www.bayferrox.com.

LANXESS is a leading specialty chemicals company with sales of EUR 7.7 billion in 2016 and about 16,700 employees in 25 countries. The company is currently represented at 54 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of chemical intermediates, specialty chemicals and plastics. Through ARLANXEO, the joint venture with Saudi Aramco, LANXESS is also a leading supplier of synthetic rubber. LANXESS is listed in the leading sustainability indices Dow Jones Sustainability Index (DJSI World) and FTSE4Good.

Cologne, March 30, 2017
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Forward-Looking Statements

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You can find further information concerning LANXESS chemistry in our WebMagazine at <http://webmagazine.lanxess.com>.

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