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CHINESE EXPANSION

Byk officially opened its second manufacturing facility in China, expanding existing premises with laboratories and administration in Shanghai. By Beltina Hoffmann.

With an initial output of 4,750 tonnes, the integrated site is part of a larger project at Shanghai Chemical Industry Park (SCIP) and the investment was totalling a low double-digit million EUR amount. It covers an area of 1.16 hectares and can increase its output to over 20,000 tonnes over time with a focus on the production of silicone additives.

The specialty chemicals company expands capacities in China significantly and adds to its first plant in Tongling which is also located in the Greater Shanghai region. According to Dr Tammo Boinowitz, Division President of Byk, China is the decisive growth market in the medium and long term. "The opening of SCIP II represents a milestone in our global growth strategy. Many global value chains have a broad base in China." The completion of the project underlines the ambitions of the global supplier of additives, which is part of the Altana group, to grow in China but also the wider pan-Asian market.

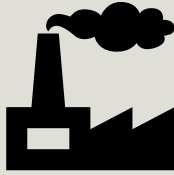
Whilst the plants are integrated into Byk's global manufacturing network, they primarily produce defoamers, surface additives and other substances that are in high demand in Asia and as such, they will often be used and processed further locally.

Apart from the location, the obvious advantage of building an entirely new facility is the addition of dedicated sustainability features. The new site is equipped with solar panels covering around 2,000 square meters including parking spaces. Whilst supplying solar power, the parking lots are shaded at the same time.

ANTICIPATING DEMAND, CHALLENGES AND OPPORTUNITIES

The additives now being produced in Shanghai are used for automotive, industrial, furniture and architectural coatings amongst others. Gerd Judith, Managing Director Marketing & Sales Byk-Chemie and responsible for Asia business of Byk Additives, explains his expectations for the automotive and industrial coatings segments: "These are

FACTS ABOUT BYK-CHEMIE



Production sites: 17 (two in China)



Annual sales: ~1,300 million EUR



Number of employees: ~2,500

some of many application areas where we can create added value. They are an important part of our long-term growth strategy." According to Judith, China is also becoming more important as an independent automobile manufacturer with high expectations in terms of innovation and sustainability. This also includes battery technology where considerable progress is being made to keep up with demand from OEMs.

Global supply chains were somewhat disrupted over the last few years and raw material availability and the pandemic have been challenging for the entire industry. Whilst this is a substantial expansion in China, the Germany-based enterprise refers to the move as crucial milestone in their growth strategy. But Gerd Judith points out that Byk does not see the second plant as a one-sided concentration. "With our production sites in the US, China and Europe, we are broadly and efficiently positioned and can therefore easily compensate for possible fluctuations." This move underlines the attractiveness and importance of the Chinese market for many European companies. 🗎



“Good infrastructure, competent workforce and rapid access to the global supply chain.”

Gerd Judith
Managing Director Marketing & Sales at Byk-Chemie

3 questions to Gerd Judith

Why did you choose Shanghai as a location? Shanghai is our second production site in China, following Tongling. Byk has had laboratories and administration in Shanghai for a long time. As a rule, our locations are orientated to customer proximity. In Shanghai, in addition to customer proximity, we find a very good infrastructure, an outstandingly competent workforce, and a rapid access to the global supply chain.

To what extent will customers in Europe benefit from the new capacities in Shanghai? Each Byk manufacturing site is embedded in the global production planning process and therefore additional capacities for customers are an important step to ensure our ability to deliver globally and decentralised.

Are there any plans for a third location in China? Likewise, any plans for expansion in other APAC locations? We constantly review market developments and industry trends and can act with foresight as a development partner to our customers. Throughout the Asian region, we therefore have many application technology laboratories close to our customers. However, there are currently no plans for a further facility in China. 🗎