

Evonik builds plant to produce ingredients for cosmetics and household products in China

- Investment in the upper double-digit million euro range
- Asian cosmetics market with strong growth

Evonik is building an integrated production plant for organic specialty surfactants at its site in Shanghai, China. With an investment volume in the upper double-digit million range, the production network is scheduled to begin operation in mid 2013. The various specialty surfactants based on renewable raw materials will be used primarily for cosmetics and laundry care products, as well as for industrial applications. Evonik is a leading supplier in these areas.

"Construction of the integrated production plant based on renewable raw materials in Shanghai represents a key step in the further consolidation of Evonik's global presence. With the new plant, Evonik is supporting the growth of its key customers in Asia with local production," says Patrik Wohlhauser, Chairman of the Board of Management of Evonik Degussa GmbH and, from April 1, 2011, member of the Executive Board of Evonik Industries responsible for the Consumer, Health and Nutrition segment.

By building the plant at the Shanghai site, Evonik benefits from the infrastructure of the large Shanghai Chemical Industry Park (SCIP) and close proximity to its customers' production facilities. The integrated production network will feature state-of-the-art technology and meet correspondingly high environmental standards. Last fall, in its most recent project at SCIP, Evonik commissioned a plant for the production of plastics and plastics ingredients—a 250-million-euro investment for the Group.

The new integrated production plant will produce ingredients for cosmetics and laundry care products, as well as specialty surfactants for industrial applications. The Chinese cosmetics industry accounts for the lion's share of production.

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“We are already well-positioned in the market for cosmetic ingredients in Europe and the United States,” says Dr. Claus Rettig, head of the Consumer Specialties Business Unit. “Now we are following our customers to Asia, with state-of-the-art technology and correspondingly high-quality ingredients. This allows us to supply our customers at the accustomed high level of quality.”

China, the largest single market for cosmetics products in Asia, is expected to generate 25 percent of the absolute market growth in the intermediate term. The Chinese market for cosmetic ingredients, which is mainly driven by multi-national corporations, is growing by 10 percent annually. The main reason for this growth is the developing middle class in China, whose consumption patterns have changed in favor of higher quality products.

In Asia, the market for laundry care products is driven by a growing environmental consciousness. Evonik’s products are particularly eco-friendly. For industrial specialty surfactants, the market is growing based on improved technology standards and increasing regulatory requirements. With the construction of the new integrated production plant, Evonik is also increasing its local capacities in technical service, marketing and sales.

Company information

Evonik is the creative industrial group from Germany. In our core business of specialty chemicals, we are a global leader. In addition, it has energy and residential real estate operations. Our performance is shaped by creativity, specialization, reliability and continuous self-renewal.

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.

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