

Mitsui Chem To Form Electrolyte Joint Venture In China

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Mitsui Chemicals Inc. (4183) and Taiwan's Formosa Plastics Corp. announced plans Thursday to form a Chinese joint venture to make and sell electrolyte solution, a key component of lithium ion batteries.

The 50-50 joint venture, to be established in March, will build a plant with an annual capacity of 5,000 tons at the Taiwanese firm's petrochemical complex in Ningbo, Zhejiang Province. The roughly 1.7 billion yen facility is expected to come onstream in May 2014.

The firms expect demand for lithium ion batteries used in electric vehicles to expand in China.

Three companies -- Ube Industries Ltd. (4208), Mitsubishi Chemical Holdings Corp. (4188) and South Korea's Panax E-Tec Co. -- supply 70% of the world's electrolyte solution for lithium ion batteries. Mitsui Chemicals hopes to eat into the leaders' market share.

Source *Nikkei*