

Ube Industries Forms Butadiene-rubber Joint Venture in Malaysia

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Ube Industries, two Lotte group companies and Mitsubishi Corp. formed a joint venture in Johor, Malaysia, to manufacture and sell butadiene rubber in response to growing Asian demand for the synthetic rubber for use in automotive tires, high-impact polystyrene and shoe soles.

Production is to start in 2014 with 50,000 t/y of capacity initially. A 22,000-t/y expansion is planned, as demand is forecast to grow by 6-7% annually in the region.

Ube Industries and South Korea's Lotte Chemical hold shares of 40% each, and Mitsubishi Corp. and Lotte's Malaysian subsidiary Lotte Chemical Titan Holding have stakes of 10% each, in the new company, named Malaysian Synthetic Rubber, which is capitalized at 184 mn ringgit (\$59.1 mn). The initial investment is expected to total to about 10 bn yen (\$104 mn), and production technology will be licensed from Ube Industries. Lotte Chemical Titan Holding will provide local supply of butadiene as raw material, the joint venture will handle domestic sales, and Ube Industries will take charge of exports.

Ube Industries currently has 110,000 t/y of output capacity for butadiene rubber in Chiba Prefecture in Japan, which will be increased by 16,000 t/y this year, and 72,000 t/y each in Thailand and China.

SOURCE Japan Chemical Web