

BASF Development in China: beefing up R&D and Chemicals output

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SHANGHAI -- German chemical producer BASF is reinforcing its development and production setup in China in anticipation of growth in consumer spending.

In early November, the company added a new wing to its research and development site in Shanghai at a cost of 90 million euros (\$95.5 million). The addition will be used for development of materials related to automobiles and construction. BASF is positioning the site as its R&D hub for the Asia-Pacific region and intends to develop products suited for Asian markets, especially China.

In Nanjing, the company increased annual production capacity for materials necessary in tire production by 60% to 16,000 tons in September. Although there is currently a serious oversupply of such materials due to the slowing of the Chinese economy, BASF aims to boost cost-competitiveness by ramping up local development and production.

The company will also build a new plant in Shanghai to produce materials used in cosmetics, such as wax and oil-based agents. The new plant is slated to go into operation in the first quarter of 2017. BASF expects cosmetics markets to grow in China and other parts of Asia as the middle class expands.

BASF and its subsidiaries had some 5.5 billion euros in Chinese sales in 2014.

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