

Media Release

Clariant supports China's E&E market with high-performance and reliable compound solutions

- **Local capabilities satisfy a growing demand for Engineering Plastics (EP) and High Temperature Resins (HTR) in China**
- **New investment in Shanghai sites bring about new capabilities in manufacturing EP and HTR in small-lot compounds especially for the electronics and electrical market**
- **Clariant's rich experience and knowledge in plastics yields outstanding performance and product safety**

Muttenz, May 16, 2017 – Clariant, a world-leader in specialty chemicals, is investing in further enhancements to its local capabilities in manufacturing EP and HTR in China to satisfy a growing demand in the electronics and electrical markets. In addition to expanding its existing Shanghai facility, vast manufacturing knowledge and experience will be leveraged from Clariant's global sites in the U.S., Singapore and Germany to ensure the output of Chinese locations is consistent with high global standards for product safety and performance.

Around the world, Clariant's customers will soon have a local source of supply for these advanced materials, which means product-development and delivery lead times as well as back-up supplies that are critical to Business Continuity Planning will be substantially reduced.

Fueled by an increasing number of new products in the automotive, small consumer electronics and electrical markets, the use of engineering materials is growing at an annual rate of 7-8%, well above the growth rate of the plastics industry as a whole. Coupled with the Chinese Government's 13th Five Year plan, in which the importance of value-adding industries such as advanced materials is highlighted, the demand for EP and HTR is expected to surge in China.

In anticipation of the rising demand for small-lot compounds of EP and HTR supplied under a tight product pipeline, Clariant has leveraged its existing international expertise in engineering and high-temperature materials to upgrade its facilities in China. Since 2016, more than CHF7.5 m has been invested in equipment upgrade and facilities expansion to boost capacities and capabilities of the Clariant plants in Shanghai, Singapore and the U.S.

In regards to the Singapore site, Clariant has added new physical, chemical and weathering test capabilities there in the first half of 2017. In addition, Clariant will add additional resources during the remainder of 2017 in line with its plan to create a Global Competence Center in Singapore. Such additions will facilitate the site's primary responsibility of developing the global standards for formulation, manufacturing and quality control for both EP and HTR polymer families. Thanks to the local availability of these advance materials, Clariant's customers enjoy better Business Continuity Planning with reduced product-development and delivery times as well as back-up supplies.

"By transferring knowledge and technologies from our three U.S. sites in Maine, Massachusetts and Michigan, as well as the Singapore site and Germany site in Ahrensburg, we are bringing our Chinese plants quickly up to speed in supplying local customers with EP and HTR in small-lot compounds," said Peter Dufour, Senior Business Development Director, EP-HTR, Clariant Masterbatches Business Unit. "Extensive training is being conducted to our local personnel in order to help them meet the high expectations of customers in our target industries."

Following the new investment last year, the Shanghai manufacturing site is planning to further increase additional production lines especially for EP and HTR compound, in order to enhance capacity for satisfying the growing local market's needs from the automotive, electrical, electronics and consumer goods industries, which are increasingly demanding new product types in lower quantities within shorter production intervals. Our two other manufacturing locations in Taoyuan and Guangzhou have simultaneously also received large investments to boost its advanced manufacturing capabilities.

Outstanding performance and safety standards

As the main masterbatches player in China and well-established in the automotive, consumer goods and packaging sectors, Clariant's products are manufactured under stringent global standards to ensure full compliance with consistent quality and safety levels. Clariant's Shanghai manufacturing plant, for instance, is among its 20 Underwriters Laboratories (UL)-approved manufacturing sites globally. This is a strong advantage for customers in the electrical appliances sector, in particular, to consider, as many of these devices and components in them contain engineering plastics that need to meet flammability-resistance standards promulgated by UL.

In addition to the Shanghai site's accreditation, Clariant maintains an outstanding portfolio of more than 170 product file listings that are in full compliance with UL's standard on flammability in plastic components.

"Our complete portfolio of masterbatches and compounds that are tailor-made to a wide range of engineering resins and high-temperature materials are available to our customers in China locally, saving them valuable lead time and logistics costs for importing from overseas," said Peter Dufour. "Our customers also enjoy our solution-oriented project support and advice that help them introduce our products in the most cost-effective manner."



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Clariant is a globally leading specialty chemicals company, based in Muttenz near Basel/Switzerland. On 31 December 2016 the company employed a total workforce of 17 442. In the financial year 2016, Clariant recorded sales of CHF 5.847 billion for its continuing businesses. The company reports in four business areas: Care Chemicals, Catalysis, Natural Resources, and Plastics & Coatings. Clariant's corporate strategy is based on five pillars: focus on innovation through R&D, add value with sustainability, reposition portfolio, intensify growth, and increase profitability.