Approximately CHF 60 million investment to significantly expand production capacity of Clariant’s Exolit® OP range of flame retardants

Local production to better serve China’s fast-growing electrical and electronic equipment industries

Investment will further expand Clariant’s footprint in China and transform its existing facility in Daya Bay into a truly strategic site by 2023

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Clariant, a focused, sustainable and innovative specialty chemical company, today announced that it will construct its first Chinese production facility for its successful Exolit OP flame retardants at its existing site in Daya Bay, Huizhou, Guangdong Province. By establishing local production capacity, Clariant greatly enhances the speed at which it can provide solutions to its customers in China. Driven by the fast-growing electrical and electronic equipment industries, in particular e-mobility, 5G communications technology and transportation, there is a rapidly growing demand for Clariant’s innovative and sustainable flame retardants in China and other Asian markets.

“China has been one of the fastest growing regions for Clariant and we expect this development to continue in the future. By investing approximately CHF 60 million to establish a production facility dedicated to providing our local customers with innovative and sustainable Exolit OP flame retardants, we will take another step towards increasing our footprint in China and continue to solidify our position in the local market,” said Conrad Keijzer, CEO of Clariant.

Clariant’s facility in Daya Bay is currently home to the company’s first ethoxylation plant in Asia, which services local pharmaceutical, personal care, home care, and industrial application customers within its Business Area Care Chemicals.

This investment is in line with Clariant’s dedicated growth strategy for China, in which footprint enlargement plays a vital role, alongside customer experience and innovation to support the country’s drive towards sustainability transformation. This is underpinned by other investments, such as the recently completed One Clariant Campus in Shanghai, the newly opened state-of-the-art joint production facility with Tiangang in Cangzhou and the new Catofin® Catalysts facility in Jiaxing, which is expected to come online in 2022. By allocating approximately 35% of growth capital expenditure (capex) to China going forward, the sales share for the Group is expected to grow to around 14% by 2025 versus the 10% contribution from China in the full year 2020.
“We are very proud and excited to establish production capabilities in China. By producing closer to our Chinese customers, we can improve cooperation and design tailored solutions to their developing needs as well as significantly reduce delivery lead times. This new facility will also strengthen our overall production network beyond our existing facilities in Knapsack, Germany, and thus is beneficial to our global customer base as well,” said Francois Bleger, Global Head of Clariant’s Business Unit Additives.

Construction of the new production facility is starting with the groundbreaking ceremony today. Local resources will be used during the building process whenever possible. The project is expected to be completed and inaugurated in 2023. Upon completion, Clariant intends to source the necessary raw materials to enable local production in China.

Clariant’s Exolit OP range of flame retardants is based on aluminum diethyl-phosphinate (DEPAL), which has a well-recognized ecotoxicological profile, as opposed to halogenated flame retardants and also carries Clariant’s sustainability label EcoTain® in recognition of its proven excellent environmental and health profile. The Exolit flame retardants offer unique protection possibilities, providing fire resistance to electronic devices like smartphones and computers as well as slowing fire and smoke spread in infrastructure applications. As e-mobility expands, they are set to play a critical role in enabling protection for everything from battery packs and other e-vehicle parts to charging points. With the new 5G technology expanding, innovative flame retardants are needed for the protection of a new generation of user devices with a denser and more technically sophisticated infrastructure.

Starting in the 1990s, Clariant invented and continuously developed its novel flame retardant technology based on organic phosphinates. Clariant has been protecting this innovative technology with a patent portfolio, which comprises more than 500 active individual patents or global patent applications. They cover phosphinate-based flame retardants as well as related polymer compositions and are relevant for components and end products such as plug connectors, circuit boards, encapsulating compounds, power plugs, LED housings, capacitor housings, charging cables for cell phones, and engine covers. Clariant has never licensed its patent-protected technology to other manufacturers for the production of flame retardant materials, neither in China nor in other countries.
The investment will transform Clariant’s existing facility in Daya Bay into a truly strategic site by 2023.
Clariant is a focused, sustainable and innovative specialty chemical company based in Muttenz, near Basel/Switzerland. On 31 December 2020, the company employed a total workforce of 13,235. In the financial year 2020, Clariant recorded sales of CHF 3.860 billion for its continuing businesses. The company reports in three business areas: Care Chemicals, Catalysis and Natural Resources. Clariant’s corporate strategy is led by the overarching purpose of ‘Greater chemistry – between people and planet’ and reflects the importance of connecting customer focus, innovation, sustainability, and people.