

WACKER Further Expands its Production and R&D Capacities in China

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Wacker Chemie AG will expand its production capacities for silicone and polymer products in China and continue to reinforce its research and development capability



For further strengthen its market position in the region, the Munich-based chemical company Wacker announced expansion about its solid silicone rubber manufacturing facility in Zhangjiagang as well as its production capacity for vinyl acetate-ethylene (VAE) copolymer dispersions at its plant in Nanjing.

WACKER's technical center in Shanghai will also be expanded. This includes new R&D labs for silicone fluids and resins, pyrogenic silica and room-temperature-curing silicone elastomers. A food application lab for products from the WACKER BIOSOLUTIONS division is also scheduled. A total investment of €20 million has been earmarked for these expansion projects.

Most of the funds will be used for technical measures to eliminate production bottlenecks and to expand capacity. One investment focus is on the Zhangjiagang site, where WACKER manufactures pyrogenic silica and several silicone products, including solid silicone rubber.

By building a new production line, the company will be able to add several thousand metric tons of solid silicone rubber capacity in the future. At the Nanjing polymer site, process-engineering improvements for the manufacture of VAE dispersions will boost the annual production capacity by up to 30,000 metric tons. The announced expansion and debottlenecking measures are expected to be completed in the second half of 2018.

“Greater China is one of our most important business regions. With annual sales of well over one billion Euro, it is WACKER’s largest single market and stands for one fourth of Group sales”, said CEO Rudolf Staudigl; speaking to the customers in Shanghai.

The demand for silicones and polymer products in China has been growing steadily for years. However, due to high plant capacity utilization, additional volumes are almost impossible. “That is why we are now expanding capacities at our Chinese sites in Zhangjiagang and Nanjing. This will help us support our customers’ growth and strengthen our market position in the region long term”, said Staudigl.

Paul Lindblad, President of WACKER Greater China, also announced an expansion of the company’s R&D facilities in Shanghai. WACKER already operates a technical center there. By year end 2018, Shanghai will have additional silicone labs for the development of new products and applications in areas such as coatings, construction, and consumer care.

The expansion project also includes the R&D lab for room-temperature-curing silicone elastomers which develops adhesives and sealants for construction and industrial applications. A new application lab catering to the growing needs of the local food industry will also be built.

“In recent years, WACKER has further strengthened its R&D cooperation with Chinese customers to develop sustainable products and solutions suitable for the Chinese market,” said Lindblad.

Earlier this year, WACKER had already doubled its local synthesis capacity for polymer dispersions needed for research and development. “The expansion of our R&D facilities will boost our innovation capability in the region”. “Accordingly, our R&D staff will continue to grow by a double-digit percentage in the next few years.” Lindblad emphasized.