Chinese government approves expansion of Nanjing joint venture chemical site by BASF and Sinopec
Expansion to be operational from 2011 onwards

08.07.2009 - The Chinese central government has approved the Joint Feasibility Study Report submitted by BASF and Sinopec for the expansion of their joint venture, BASF-YPC Co., Ltd. (BYC), in Nanjing, China, as of July 1, 2009.

BASF and Sinopec will jointly invest approximately $1.4 billion in state-of-the-art technologies to produce downstream specialty chemicals for the Chinese market, serving multiple industries such as construction, electronics, pharmaceutical, automotive and chemical manufacturing.

The investment, which includes the expansion of the existing steam cracker, the construction of 10 new chemical plants, and the expansion of three existing plants, will strengthen the market competitiveness of the joint venture by broadening the product scope and further leveraging the advantages of the integration.

Dr. Martin Brudermüller, member of the Board of Executive Directors of BASF SE responsible for Asia Pacific, said, “The expansion of BYC underscores our strong belief in the growth opportunities of the Chinese market and is another milestone in cooperative development.”

The final approved project scope includes the following:

- The expansion of the existing steam cracker to a total of 740,000 metric tons per year of ethylene
- The development of an integrated ethylene oxide (EO) derivatives value chain, including: The expansion of the existing EO plant and the construction of a new EO purification unit; The construction of EO derivatives plants, including a new butyl glycol ether plant, a new non-ionic surfactants plant, and a new amines complex for the production of ethanolamines, ethylenamines and dimethylethanolamine, and the construction of a new DMA3 plant
- The extension of the acrylics value chain with the construction of a new super-absorbent polymer (SAP) plant
- The expansion of the existing propionic acid and aldehyde plants
- The expansion of the existing oxo-C4 plant
- The development of an integrated C4 complex, including a butadiene extraction plant, a 2-propyl-heptanol plant, an isobutene extraction plant, and a plant for highly reactive polyisobutene.

The routine cracker turnaround scheduled for 2010 will be used to tie in the expansion modules and integrate the production processes. The startup will take place in a staggered approach and the expansion will be operational from 2011 onwards.

Simultaneously, Yangzi-BASF Styrenics Co., Ltd. (YBS), another joint venture in Nanjing between the two partners, is being merged into BYC to further increase synergies in Nanjing operations. YBS produces styrene monomer, polystyrene and expandable polystyrene.