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## **Solvay set to expand Thai operations**

Solvay, the Brussels-based chemical giant, has inaugurated Southeast Asia's largest sodium bicarbonate plant in Thailand as the first step in its plan to aggressively expand in Asia.

The 20-million-euro unit follows more than Bt20 billion in investment that the company has poured into Thailand over the last five years, Siriporn Wutthilaohaphan, general manager of the Thai operation, said yesterday.

These recent investments include a hydrogen peroxide plant, which is the largest in the world, and an epichlorohydrin plant. Both are located in Rayong.

Including the hydrogen-peroxide mega-plant, a joint venture, which is being consolidated with Solvay Group's books, Solvay is expected to log sales of about 700 million euros or about Bt30 billion from its Thai operations this year, she said.

Last year, the group reported Thai sales of about Bt20 billion, mostly from its polyvinyl chloride producer Vinythai Plc.

Christophe Clemente, president of Solvay's soda ash and derivatives global business unit, said the 100,000 tonne-per-year sodium bicarbonate plant in Map Ta Phut, also in Rayong, is Solvay's ninth worldwide and its first in Asia.

Slightly more than half of the output will be shipped to other Asian markets.

Olivier Champault, executive vice president and global head of bicarbonate and derivatives, said the plant reflected Solvay's ambitious plan to become a leader for sodium bicarbonate in Asia, where demand is growing especially in the higher-end segments.

Solvay expects to fully utilise the Thai sodium bicarbonate plant by the end of next year.

### **Growing demand**

Worldwide demand for sodium bicarbonate is about 3.8 million tonnes-3.9 million tonnes. In Asia alone, demand runs 1.6 million tonnes and is growing 4.6 per cent annually. While supply and demand for sodium bicarbonate is in balance in Europe and the United States, demand in the market for high-quality sodium bicarbonate is tight in Asia.

"We don't want to keep exporting from Europe. There are surplus supplies in the general market but they do not meet what customers want," he said.

The Thai sodium bicarbonate plant will be Solvay's first standalone plant that is not integrated with a soda ash factory. The plant will initially import soda ash raw materials from Solvay's plants in Europe and will later consider if it will procure soda ash from local sources.

The plant also uses carbon dioxide as the other major raw material, from an adjacent factory in the Map Ta Phut Industrial Estate.

Solvay already has four of its 14 global business units located in Thailand. Earlier this year, it set up a multi-business unit to study investment opportunities for automobile-related businesses here, where it has been supplying imported nylon-6 and other polymers to the car plants.

Despite the political situation, Solvay is here for the long haul.

"We have been in Thailand for many years, where we have grown successfully.

"It is a country where we like to be. Thailand has high-level education and we have good support from the BoI [Board of Investment] and local authorities," he said.

Solvay Group has annual sales of about 10 billion euros and employs about 26,000 people worldwide. It has been in Thailand for 27 years since the birth of the country's first petrochemical complex in Map Ta Phut.

