

Back On The Map

ECSPPP Wants to Bring More Chemical Investment to Europe

European Chemical Site Promotion Platform (ECSPPP), which was formed in September 2005, is an organisation that is active in the promotion of Europe as an attractive region for new chemical investment. Now officially a registered European association, ECSPPP is looking to increase its membership and raise awareness of what Europe has to offer as an investment location. The organisation is also strengthening its links with other well-established European institutions, including the European Chemical Regions Network (ECRN), the European Petrochemical Association (EPCA) and the European Chemical Industry Council (Cefic). Brandt Hertig Schuster spoke with Peter Anderton, President of ECSPPP and former business development manager for the Port of Rotterdam, about his organisation's plans for Europe.

CHEManager Europe: Mr. Anderton, what are ECSPPP's short- and long-term goals?

P. Anderton: For the short term, we want to raise our visibility within the chemical industry and towards our three main

target groups. The first would be potential members. However, we are also naturally targeting the investment community, because we want to see more investment coming to Europe. We are also looking at other potential strategic partners.

Our long-term goal is expressed in our slogan, "Putting Europe back on the chemical investment map." A lot of our efforts will be aimed at changing perceptions about Europe as a place for chemical investment. We believe that particularly in the chemical industry outside Europe, there are still some misconceptions about Europe as an investment location. This is an issue we want to redress by going out and explaining what Europe has to offer.

What are these misconceptions and what has happened over the years that Europe needs to be put "back on the chemical investment map"?

P. Anderton: When I was with the Port of Rotterdam, I heard things during conversations with potential investors that did not reflect the real situation in Europe. Some people still seem to have the impression that it's very bureaucratic and complex to invest here and bogged down by things like regulations, problems with trade unions and so on. These views are relics of the past. Today's Europe provides a welcoming business cli-



mate which offers the chemical investor many positive things.

We've noticed a clear shift of investment towards other areas of the world over the past few years, such as Asia and the Middle East. We are concerned that Europe is being overlooked to some extent, and we want to make sure that investors are correctly informed about the opportunities in Europe when they look at potential locations for their next chemical plant.

What are the advantages for chemical sites in Europe?

P. Anderton: Things like co-siting, outsourcing of non-core operations and sharing site services are widely practised here in Europe, and this creates a

number of excellent opportunities for investors. Europe is also very strong in other areas such as logistics, infrastructure and operational safety. The European market is not growing at the same rate as Asia in relative terms, but in volume terms, the growth is stronger. This is something that tends to be forgotten sometimes. Markets in other parts of the world can also be accessed easily and economically from European locations.

What other areas in the world would you consider to be competition to Europe?

P. Anderton: The main investment drive is focussed on China, the rest of Asia and the Middle

East. Europe is obviously in competition with those areas for new investments.

How can Europe compete with other areas of the world in terms of cost?

P. Anderton: Europe has always been able to compete with the rest of the world in terms of overall cost. Today, the only area where Europe has a relative competitive disadvantage is in raw materials, particularly when one makes a comparison to the Middle East. However, Europe compensates for that by being able to offer competitive features in other areas such as clustering. The concept of chemical clusters or industrial parks is very widely practised here; Europe leads the world in the number of chemical clusters. By operating within a cluster, chemical producers are offered great opportunities to achieve significant savings in terms of investment and operating costs. This more than compensates for any disadvantage Europe may have on the raw material side.

How do you intend to achieve membership expansion within Europe?

P. Anderton: We are launching a pro-active recruitment drive. We have a database of organisations that we feel could be potential members of ECSPPP. In addition, we are also going to

introduce a new class of members into ECSPPP, namely associate members. These will be supply organisations and service providers who would also benefit from new investment coming to Europe, but who, unlike full members, are not primarily managers of chemical sites. This would include companies like logistical service providers, industrial gas suppliers, engineering contractors and so on.

What criteria are there for recruiting chemical sites for membership?

P. Anderton: It's very simple: To become a full member of ECSPPP, they have to be an organisation located in Europe which manages a chemical site or cluster, which has land available for expansion and which is keen to attract new investors to their locations.

ECSPPP has recently strengthened its ties to the EPCA. What will this mean for your organisation and its members?

P. Anderton: In the long run, we both have the same underlying objective, and that is to ensure that the European chemical industry flourishes. Because the organisations come from different angles, we can work together to complement each other's perspectives and knowledge. This will, in turn, strengthen both organisations.

We are currently participating in two EPCA Think-Tank projects on supply chain practices in chemical clusters. By participating in such projects, we can also ensure that our members' interests are taken into account.

What can you tell us about other partners?

P. Anderton: We have recently set up a strategic partnership with ECRN. We're cooperating in a number of areas and we're looking at topics we would like to explore together. We are sending representatives to each other's meetings to develop an understanding about where each organisation is coming from. We also feel that we can assist ECRN in its activities for the EC's 2007 High-Level Group on Chemicals project.

What projects are you currently working on with Cefic?

P. Anderton: We have started a dialogue with Cefic. They are setting up a high-level advisory group on chemicals this year, which will provide input for the EC's project. We are also discussing how we can assist them in their sectoral projects, particularly in those areas where our members have special expertise such as infrastructure, logistics, energy and feedstocks.

► www.ecspp.org

UPDA Acquisition of Oil and Gas Leases in Kansas

The Universal Property Development and Acquisition Corporation (UPDA) has executed a letter of intent to acquire oil and gas leases covering approximately one million acres in Kansas (U.S.). While these natural gas leases are not limited in depth, the acquisition will establish UPDA as one of the largest coalbed methane developers in the state of Kansas.

Approximately 113,000 of the acres to be acquired are located on the Bourbon Arch, a northern extension of the Cherokee Basin. Included are four active production batteries spanning across the Bourbon Arch and defining a 12 mile long project area. Completed intervals range from 400 to 1000 feet deep, with production gathered and handled at facilities common to each area. UPDA intends to establish an aggressive drilling program in this area, completing a minimum of 100 wells

within the year. In addition, UPDA will extend the gathering system and pipeline in order to efficiently bring the production market.

"Coalbed methane is the natural gas that lies trapped in coal seams at shallow depths. It is different from other resources because it is both generated and stored within the coalbeds themselves. It also is an attractive resource because it occurs within coal, which is the most abundant fuel in the United States," said Patrick Leahy, associate director of geology for the U.S. Geological Survey, at the congressional briefing. "Coal acts like a sponge, storing six times the volume of natural gas found in

conventional reservoirs," Leahy explained.

"Coal underlies the eastern quarter of Kansas, in both the Cherokee and Forest City basins," said Larry Brady, geologist, Kansas Geological Survey. The region is blessed with as many as 17 separate coal seams, ranging in depth from the surface to 2,000 feet. However, they do not attain the tremendous thicknesses that are common in the Rocky Mountain basins.

The typical Cherokee Basin well is drilled on 80-acre spacing. Sustained initial production rates vary from 10,000 to 150,000 ft^3/d , and water production will kick off at 10 to 70 barrels per day per well. As the

wells are dewatered, gas production increases. The water is pumped into disposal wells, usually in the Arbuckle Formation. According to the Kansas Geologic Survey, the average coalbed-methane well in south eastern Kansas can produce 60 million ft^3 of gas during a two-year period.

In addition to the 113,000 acres in the Cherokee basin, UPDA intends to acquire rights in the Forest City Basin, including leases totalling 766,000 acres, dozens of well bores, surface equipment, gathering and surface facilities, as well as all geological, engineering, land and accounting data and records relating to this property. These leases are generally long term in nature, allowing UPDA to schedule a secondary drilling program upon completion of the program in the Cherokee Basin.

► www.universalpropertydevelopment.com
► www.kansas.gov



Eisai: Manufacturing Subsidiary

Eisai has established its pharmaceutical manufacturing subsidiary Eisai Manufacturing Ltd. (EML) in Hatfield, UK. EML is owned by the company's European regional headquarters, Eisai Europe Limited.

EML, which is the company's first manufacturing facility in Europe, shall function as the core base of quality assurance and supply chain management for the Eisai's European operations. Establishment of a manufacturing base in Europe aims to enhance Eisai's global supply chain, ensuring the Company's commitment to a stable supply of safe and high-quality prod-

ucts across Europe. In addition, EML will be recruiting manufacturing/quality assurance experts by the targeted operation launch in fiscal year 2008.

According to the company, Eisai has been rapidly expanding its European operations with the planned construction of the European Knowledge Centre. Located in the pharmaceutical cluster to the north of London Hatfield, the Centre shall consolidate Eisai's all key value chain components in the entire region, including headquarters, discovery & clinical research, production, and marketing.

► www.eisai.com

Mitsui Chemicals Opens in India

Mitsui Chemicals opened a liaison office in New Delhi, India. This office is the first local stronghold for MCI, which will support the market development of its Elastomers business, as well as conduct market research, market development support and on-site study of In-

dia. The office belongs to Mitsui Chemicals Singapore, Ltd., a 100% MCI subsidiary based in Singapore. Mitsui Chemicals Singapore, Ltd. will be renamed as Mitsui Chemicals Asia Pacific, Ltd. in April.

► www.mitsui-chem.co.jp/e

ExxonMobil: Polymers Centre

ExxonMobil Chemical has opened of its new Polymers Automotive Applications Centre in Kawasaki, Japan. The applications centre will support its polymers portfolio, including specialty elastomers such as Santoprene thermoplastic vulcanizate (TPV), polypropylene compounds, and other specialty polymers. The new applications centre is located at the site of Tonen Kagaku K.K., an affiliate of ExxonMobil Chemical.

Consisting of several testing laboratories and processing equipment, the centre provides specialized assistance to customers in all aspects of applications development, including material selection, mold design, processing, and testing, to innovate and deliver new products to the marketplace.

► www.exxonmobilchemical.com

Movianto Boosts Capacity

Movianto, a Europe-wide logistics service provider for the pharmaceutical and healthcare industry, has extended its warehouse capacity in Ireland and the Czech Republic by constructing two new warehouses. This has increased pallet capacity in Ireland from 5,000 to 12,000 spaces and in the Czech Republic from 3,000 to 10,500 spaces.

Construction of the new warehouses at Greenogue, close

► www.movianto.com

Albemarle: Chinese Technical Centre

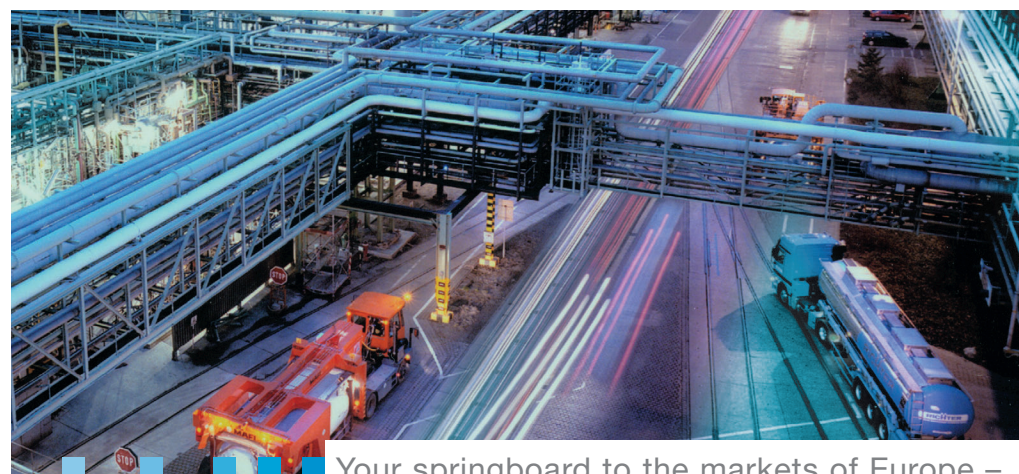
Specialty chemicals maker Albemarle has opened a new Technical Centre and broke ground on a phosphorus flame retardant manufacturing plant at the company's first wholly owned site in China.

The technical centre houses polymer and flammability testing laboratories and administrative offices for Albemarle's

Asia Pacific customer technical service team, which currently assists users of Albemarle's flame retardants for polyurethane foams and thermoplastic polymers, and users of Albemarle's antioxidants for polyolefins. The site also may serve as a new product development center for polyurethane foam flame retardants.

Albemarle began construction on its 67,000 m² site at the Nanjing Chemical Industry Park in December 2005 and opened a polyolefin catalyst repackaging facility in May 2006. The flame retardant plant is scheduled for mechanical completion in the fourth quarter of 2007.

► www.albemarle.com



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Contact:

Dr. Joerg-Michael Soeder
Tel.: +49-214-30-3 19 30
Fax: +49-214-30-3 19 18
E-mail: joerg-michael.soeder.js@bayerindustry.de

Bayer Industry Services
GmbH & Co. OHG
51368 Leverkusen
Deutschland
www.bayerindustry.de

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