

Evonik in India

India has excellent prospects of becoming one of the world's most significant economic areas. It has over 1 billion inhabitants and a rapidly growing middle class of over 200 million people. The country's main industries are textiles, the construction of plant and equipment, the automotive sector and information technology. India's petrochemical industry is very promising and the country's fast-growing pharmaceuticals market is one of the largest in the world. Many global pharmaceutical producers already have strong development networks in India. Although the country has not entirely escaped the effects of the global economic turmoil, so far it has proven relatively resilient and could eventually gain from it.

Evonik's Chemicals and Energy Business Areas are both present in India. In 2008 the Evonik Group had around 500 employees in India and generated consolidated sales of around €115 million there. Evonik Degussa India, the Chemicals Business Area's subsidiary in this country, is based in Mumbai while Evonik Energy Services India has its headquarters in New Delhi.

The main sales drivers in the Chemicals Business Area—alongside chemical intermediates and essential amino acids for animal feeds—are silicas. We are the global market leader in both fumed and precipitated silicas and have eight silica production facilities in five countries in the Asia-Pacific region. Our subsidiary Insilco Ltd., New Delhi, produces precipitated silicas at its site in Gajraula (Uttar Pradesh). Its main customers are the Indian rubber and life science industries, which use precipitated silica in food applications, toothpaste and to give tires low rolling resistance.

The Pharma Polymers Business Line has been supporting the development of new forms of drug delivery in Mumbai since 1998 and has enormous expertise. In view of the dynamic growth of the Indian pharmaceuticals market and high demand for Evonik's development services, in 2007 we doubled laboratory space to 1,200 m² at the technical center for research and development, service and marketing opened five years previously. Products from the Pharma Polymers Business Line ensure that active ingredients are released in the body at the right time and in the right place. For example, Evonik's specialty polymers are used to protect sensitive active ingredients from aggressive stomach acids.

In summer 2008 Evonik and Thermo Fisher Scientific Inc., a US producer of melt extrusion equipment, announced a major cooperation at Evonik's site in Mumbai. The aim is to establish melt extrusion in the pharmaceutical industry. This process, which has long been used in plastics production, is completely new to the pharmaceutical sector and has many advantages. Integrating medication into the polymer substrate while forming the composite improves bioavailability and masks the taste of bitter drugs.

Evonik's Industrial Specialties Business Line opened an application technology laboratory for products for the textile and construction industries in Mumbai in fall 2008 to respond even better to the specific requirements of the Indian market. Industrial Specialties manufactures and markets specialty silicones used in rubber, metal and plastics processing, the paper and textile industries, the construction sector and agriculture.

India is already an attractive market for our feed additives business and there are good prospects for further growth. Evonik produces essential amino acids for animal feeds, especially for poultry, at six production facilities around the world. We are the only supply in the world that markets all four major amino acids for animal feeds. Our activities also include custom-tailored services covering all stages in the value-added chain, from the analysis of amino acids in feed components to quality control. In fall 2008 we therefore opened a new laboratory to analyze the quality of feed ingredients in Mumbai. This provides active support in the evaluation and formulation of feeds for India's growing poultry industry.

In keeping with our strategy of improving our local market insight through engineering services in order to generate new business ideas for power plant projects, our subsidiary Evonik Energy Services India was established in 2001. It has around 170 employees who offer a wide variety of services for power plant operators. These range from conventional engineering for the construction of new plants and modernization through full operation of plants for third parties, together with the development and implementation of process optimization software to raise efficiency. A master agreement signed recently with India's largest energy generation company, National Thermal Power Corporation, to equip fourteen new power plants with online optimization systems developed by Evonik underscores our leading position in this demanding market segment.

India is also driving modernization and efficiency improvements at existing coal-fired power plants. Here, Evonik Energy Services is involved in various projects that highlight its claim to be one of the leading renovation and modernization consultants.

In view of the rising demand for energy the very high growth momentum of the Indian power plant market looks set to continue. Our engineers have already gained an excellent position through their technological expertise, years of experience and excellent network of contacts.

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