

Evonik plans to build a new production plant for precipitated silica in the United States

- Largest investment in North America in the past five years
- Completion of the plant is scheduled for the end of 2017
- Energy-saving tire trend drives demand for precipitated silica in North America

Evonik Industries has started basic engineering for a new production plant for precipitated silica with focus on the rubber and especially the growing tire industry. The world-scale facility is planned to be built in the South East of the United States, in close proximity to major American tire production sites. The investment volume for the facility will be in the upper double-digit million € range. Completion is scheduled for late 2017 to provide the North American market with products from local production. The overall project still needs the approval of the relevant bodies.

Klaus Engel, Chairman of the Executive Board of Evonik Industries, says: "Evonik is on a growth path. In planning this new silica plant, we are preparing our largest North American investment of the past five years. By doing so, we will continue to strengthen our leading market position as a silica supplier."

Johannes Ohmer, management member of the Resource Efficiency Segment, says: "We are going to continue expanding our precipitated silica capacities—a global program that we started five years ago. The resource efficiency megatrend fuels the demand for our products. Interest in energy-saving tires is continuously growing in North America. That's why we are planning to build the plant close to our customers—the large tire manufacturers."

Between 2010 and 2014, Evonik increased its global capacity for precipitated silica by around 30 percent. In September 2014, Evonik already put into operation a plant expansion at our US facility in Chester, Pennsylvania for an additional annual production capacity of around 20,000 metric tons.

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Catering to a rising demand, Evonik wants to continue offering its customers high-quality silica combined with customized service and high supply reliability. The demand for highly dispersible silica is growing, specifically influenced by the North American economic dynamics and an above-average sales growth for tires with reduced rolling resistance.

By using a silica-silane combination, manufacturers are able to produce tires that allow for fuel savings of up to eight percent thanks to a significantly reduced rolling resistance (compared to conventional passenger car tires). Low rolling resistance tires thus make a contribution to climate protection. Evonik is the only producer to offer both components and a highly competent partner for high-performance tire manufacturers.

Apart from precipitated silica, Evonik also produces AEROSIL® fumed silica and matting agents based on silica under the ACEMATT® brand name. Overall, the company has a global annual capacity for precipitated and fumed silica as well as matting agents of around 550,000 metric tons.

Company information

Evonik, the creative industrial group from Germany, is one of the world leaders in specialty chemicals. Profitable growth and a sustained increase in the value of the company form the heart of Evonik's corporate strategy. Its activities focus on the key megatrends health, nutrition, resource efficiency and globalization. Evonik benefits specifically from its innovative prowess and integrated technology platforms.

Evonik is active in over 100 countries around the world. In fiscal 2014 more than 33,000 employees generated sales of around €12.9 billion and an operating profit (adjusted EBITDA) of about €1.9 billion.

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