



BASF PETRONAS Chemicals increases production capacity for 2-Ethylhexanoic Acid in Kuantan, Malaysia

Kuantan, Malaysia – October 13, 2021 – BASF PETRONAS Chemicals Sdn Bhd (“BPC”), a joint venture between BASF and PETRONAS Chemicals Group Berhad (“PCG”), intends to expand the annual production capacity of 2-Ethylhexanoic Acid (2-EHA) from 30,000 to 60,000 metric tons by 2024.

“We are committed to supporting our customers’ growing demand in various 2-EHA downstream applications, such as synthetic lubricants for the white goods industry, and PVB plasticizers for safety glass production in the construction and automotive segments. With the increased capacity, we continue to ensure persistent supply capability in Asia Pacific with the highest standard of product quality,” said Vasilios Galanos, Senior Vice President, Intermediates Asia Pacific, BASF.

“2-EHA has been an integral part of BPC’s growth and it is timely that the expansion is planned to capture the growing market. The expansion is also in line with PCG’s sustainable growth strategy to expand our portfolio with higher value products. By leveraging the existing integration between BPC and other PCG plants in the Kuantan Verbund site, we are able to maximise our value chain by improving the quality and cost competitiveness of our products and continue delivering innovative solutions to our customers,” said Datuk Sazali Hamzah, Managing Director/Chief Executive Officer, PCG.

“This expansion marks another milestone of the well-established partnership between BASF and PCG. It reinforces our commitment to expand local production to meet our growing customer demand competitively. Additionally, it caters to a rising trend on high quality products combined with production efficiency that is well integrated into the sustainability targets of our parent companies,” adds Marko Murtonen, Managing Director, BPC.

2-EHA is a chemical intermediate used as a compound in the production of synthetic lubricants as well as oil additives. It is also used in functional fluids like automotive coolants, metal salts for paint dryers, plasticizers, stabilizers, catalysts and other applications in various industries. Apart from the production site in Kuantan, Malaysia, BASF produces 2-EHA at its Verbund site in Ludwigshafen, Germany.



About BASF PETRONAS Chemicals Sdn. Bhd.

BASF PETRONAS Chemicals Sdn. Bhd. is a Malaysia-based joint venture between BASF and Petroliam Nasional Berhad (PETRONAS), Malaysia's fully integrated oil and gas multinational, under its subsidiary PETRONAS Chemicals Group Berhad (PCG). Incorporated in 1997, the company operates an integrated 'Verbund' site situated in the Gebeng Industrial Zone, Pahang. The company's share capital is 60% held by BASF and 40% held by PCG. Key products include acrylic monomers, oxo products, 2-ethylhexanoic acid, highly reactive polyisobutene and aroma ingredients.

For more information, visit our website www.basf-petronas.com.my.

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