

News Release



BASF opens new automotive coatings plant in Shanghai

- **World-scale production facility supports growing Chinese automotive industry**
- **Investment of €140 million to strengthen local production network**
- **Expanded production capabilities complement existing production facilities for resins and electrocoats as well as R&D capabilities**

Ludwigshafen, Germany / Hong Kong / Shanghai, China – December 11, 2017 – BASF's Coatings division today inaugurated a new, world-scale automotive coatings plant at the Shanghai Chemical Industry Park (SCIP) in Caojing, Shanghai, China. The €140 million project is an extension of the existing automotive coatings plant, a joint venture between BASF and Shanghai Huayi Fine Chemical Co., Ltd. This expansion will further enhance the company's local production and better serve the growing automotive market in China and Asia Pacific.

In 2016, 48.6 million light vehicle units were produced in the Asia Pacific region, accounting for 52% of global production. "The global automotive market is expected to continue to grow significantly, with China as the biggest driver," said Dirk Bremm, President of BASF's Coatings division. "The inauguration of this new plant in Shanghai will help us to support the growth of our customers and take an active role in developing the Chinese automotive market".

The state-of-the-art facility will be a production hub for solventborne and waterborne coatings, closely connected to the company's

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existing infrastructure for automotive coatings, resins and electrocoat production as well as R&D laboratories.

“With the addition of this new automotive coatings plant to our production cluster in SCIP, we have further strengthened our local production capacity to support our customer industries. Together with our partners, we contribute to facilitating the innovative and sustainable development of China’s industrial sector,” said Stephan Kothrade, President, Functions Asia Pacific and President & Chairman Greater China, BASF.

The new production site is built to serve the China automotive manufacturing market, and will meet developing industry needs. These include the transition from solventborne to waterborne coatings and from standard primer processes to integrated processes. These reduce overall energy consumption of paint shops thanks to new functionalities of BASF’s coatings solutions. “Our solutions are researched in our labs, simulated and tested in our spray booths and application centers, and finally produced at our new plant. In this way, we combine the scientific research power of our Innovation Campus Asia Pacific in Shanghai with close proximity to our customers,” said Peter Fischer, Senior Vice President, Coatings Solutions Asia Pacific, BASF.

The new plant will produce thinners, primers, clearcoats and waterborne basecoats. It will be supported by a new automotive application center providing automotive manufacturers access to advanced R&D facilities, including a 3-D robot for coatings application at the BASF Innovation Campus Asia Pacific (Shanghai), by end of 2018.

About BASF’s Coatings division

The Coatings division of BASF is a global expert in the development, production and marketing of innovative and sustainable automotive OEM and refinish coatings, as well as decorative paints. We create advanced performance solutions and drive performance, design and new applications to meet our partners’ needs all over the world. BASF shares skills, knowledge and resources of interdisciplinary and global teams for the benefit of customers by operating a

collaborative network of sites in Europe, North America, South America and Asia Pacific. In 2016, the Coatings division achieved global sales of about €3.2 billion.

In 2016, BASF acquired Chemetall, a leading global supplier of applied surface treatments for metal, plastic and glass substrates in a wide range of industries and end markets. With this expansion in portfolio, BASF becomes a more complete solution provider for coatings.

Solutions beyond your imagination – Coatings by BASF. For more information about the Coatings division of BASF and its products, visit www.basf-coatings.com.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The approximately 114,000 employees in the BASF Group work on contributing to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio is organized into five segments: Chemicals, Performance Products, Functional Materials & Solutions, Agricultural Solutions and Oil & Gas. BASF generated sales of about €58 billion in 2016. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (BAS). Further information at www.basf.com.