



Press Release

Baerlocher Views Petrochemical Capacity Increases, Sustainability and Recycling as Keys to Driving Polyolefin Additive Growth

Orlando, Fla. – May 7, 2018 – Baerlocher USA, part of Baerlocher Group, a leading global supplier of plastics additives, is featuring here at NPE 2018, May 7-11 (booth S14189), a range of strategic solutions that target major trends challenging polymer manufactures and resin converters in the polyolefin industry. These trends include potential shortages of additives for resins such as polyethylene (PE) and polypropylene (PP). Baerlocher® RST technology is one additive solution that addresses polyolefin recycling, allowing polymer industry players to, in turn, address society's sustainability concerns.

“Strong demand for polyolefins, together with increasing use of recycled content, is potentially creating shortages of stabilization additives required to optimize properties in virgin resin and maintain performance and processability in closed-loop usage,” said Edward Hall, president and chief executive officer of Baerlocher USA. “At the same time, some traditional additive chemistries are being restricted in Europe and other regions, exacerbating potential supply limitations. At Baerlocher, we anticipated these issues and have proactively invested in greater production capacity of metal stearate based additives and other environmentally progressive technologies. We’ve also strengthened our additive customization capabilities to help converters modify the properties of resins. Our strategic initiatives are designed to help the industry thrive in the face of fast-moving, significant change.”

Potential Additive Supply Tightness

The global polyolefin industry is undergoing an unprecedented capacity expansion. One factor is the U.S. oil and gas industry's growing use of hydraulic fracturing (fracking) operations, which are lowering the cost of raw materials used in polyolefins, and encouraging plastics companies to invest in new production infrastructure. Total global manufacturing capacity for polyolefins is expected to increase by 45 million tons by 2022, which breaks down as 25 million tons of PE and 20 million tons of PP according to the 2018 World Petrochemical Conference. In monetary terms, the market is estimated to reach \$297 billion by 2021, spurred by a compound annual growth rate of nearly 8 percent since 2016.¹ This expansion places extra pressure on polyolefin additive suppliers, which face an estimated 20 percent higher demand.



Adding to the challenge, petrochemical companies and converters want to address consumer demand for packaging that leverages significant percentages of recycled resin content, resulting in a lower carbon footprint. Polyolefins are well suited to meet this demand. However, increased PP and PE recycling will require extra stabilizers to enhance resin performance and melt flow. Baerlocher already participates in the recycling market, offering RST-based solutions to provide improved melt stability, consistent resin processing, color improvement, and long-term part stability for multi-use polymers. Recent successes include recycling of polypropylene battery cases and a wide variety of consumer and industrial products.

To further address these issues, Baerlocher is boosting additive availability including additional production capacity for calcium, zinc, sodium and other metal soaps at its Cincinnati, Ohio facility in the United States. These materials are used as acid scavengers, stabilizers, internal and external lubricants, water repellents and mold release agents.

Reduced Resin Choice

Many large polyolefin producers have reduced the number of resin grades they offer to limit SKUs and streamline their supply chain. They are focusing on standard, high-volume products to optimize their costs and remain competitive in the global markets. This trend is forcing compounders and converters to incorporate more additives to modify polymer properties and differentiate their products. Baerlocher technologies offer proven solutions to the challenges of this new polymer market environment.

¹ <https://www.marketsandmarkets.com/PressReleases/polyolefins.asp>

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About Baerlocher:

The Baerlocher Group is a leading manufacturer of additives for the plastics industry. Its portfolio includes a broad range of stabilizers and other additives suitable for a variety of polymer and non-polymer applications.

Baerlocher has a strong focus on customer and employee needs and is highly committed to innovation and sustainability. Its pioneering and proactive role is underlined by the support provided to the PVC industry during the transition from lead- to calcium-based stabilizers and by its innovative lubricant systems for wood plastic composites.

Baerlocher embraces the principles of responsible care. It operates an ISO 9001certified quality management system and an environmental management system compliant with ISO 14001. Baerlocher plays a positive role in both the business community and society as a whole. This includes work within industry associations, and the provision of training opportunities in a variety of disciplines.

The Baerlocher Group has production plants around the globe and operates a sales network serving all major countries.

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For more information, please visit www.baerlocher-usa.com.

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PHOTO: Baerlocher Additives in Recycled Polymer for Deck Boards