



BIZCHINA / Overseas Investment

Dow Chemical invests in Jiangsu

By Jiang Jingjing (China Daily)

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The Dow Chemical Company, a world leader in the chemical industry, has signed a letter of intent with the Zhangjiagang Free Trade Zone to invest an additional US\$200 million in the city.

The agreement covers products in three Dow businesses: DOWANOL PM glycol ethers in specialty chemicals, styrene butadiene latex in Dow latex, and STYROFOAM brand insulation in Dow Building Solutions.

The plants are expected to start production by 2008.

This move underscores Dow's commitment to investing in emerging areas, in particular China, which is a key component of Dow's Global business strategy and a significant contributor to the firm's growth and development, said Jim McIlvenny, president of Dow Asia Pacific.

"As we look into expanding our downstream performance business in China, we will continue to explore upstream and other investment opportunities and collaborate with partners to strengthen our leadership position in the market," McIlvenny said.

Located on the Yangtze River approximately 200 kilometres upstream from Shanghai, Zhangjiagang is uniquely positioned to supply domestic customers as well as export markets.

With its excellent location, efficient infrastructure and forward-looking leadership, Zhangjiagang is an ideal base from which to expand Dow's production capacity in China, added Frankie Ko, vice-president of Business Development of Dow Greater China.

Ko said with China's rapid economic growth, the demand for chemical products has been growing in the past 10 years. He said the trend would continue for at least the next 10 to 15 years.

"We intend to step up our investments in China so as to better meet the growing demands and needs of our customers in the downstream market," Ko stressed.

Dow has already invested US\$300 million in Zhangjiagang, operating three state-of-the-art facilities in the city's free trade zone. They are a converted epoxy resin plant, styrene butadiene latex facilities and a polystyrene resin plant.

The US firm so far has invested over US\$500 million in China. It is also exploring a programme to convert coal to olefins, a kind of chemical raw material, and has signed an agreement with the Shenhua Group, China's largest coal producer, to study the feasibility of using coal gasification in a large-scale olefins plant.

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