

Honeywell To Build New Production Facility In China

Honeywell

SHANGHAI, Oct. 29, 2013 /PRNewswire/ -- Honeywell announced today it will establish a new manufacturing campus in Zhangjiagang, China, to support growing demand in Asia for energy technology and advanced materials produced by its Performance Materials and Technologies (PMT) business.

The initial phase of the investment will include catalyst and adsorbents production capacity for Honeywell UOP, a PMT business that is a leading international supplier of catalysts, adsorbents, equipment and process technology for the petroleum refining, gas processing, petrochemicals and renewable energy industries. "PMT continues to experience strong growth in Asia, driven by new process technologies and materials in demand in China and other parts of this key region," said Andreas Kramvis, president and CEO of Honeywell Performance Materials and Technologies. "This investment is an additional milestone in expanding PMT's global footprint and demonstrates our commitment to supporting our rapid business growth in China and the rest of Asia."

The initial phase of the project will include a production facility for advanced catalysts for Honeywell UOP's Oleflex™ process technology, which is used to produce propylene, a plastics building block. UOP has licensed Oleflex technology to 19 Chinese producers over the past three years as those producers work to meet strong demand for propylene and isobutylene at a time when global propylene supplies have tightened.

Compared with alternative technologies, Oleflex technology offers higher yields, lower production costs and higher investment returns, with the smallest environmental footprint. Honeywell UOP has licensed a total of 23 Oleflex units globally since 2011. The initial phase of the Zhangjiagang project will also include production of adsorbents, expanding capacity for Shanghai UOP, a joint venture of UOP and Shanghai Huayi Group founded in 1988. Adsorbents are materials used in applications ranging from refining and petrochemical production to natural gas processing.

"UOP has a long history of supporting China with advanced process technologies, materials and services for refining and petrochemical production," said Rajeev Gautam, president and CEO of Honeywell's UOP, noting that UOP was one of only 10

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businesses that U.S. President Richard Nixon recommended to China in 1972 to drive bilateral exchange to accelerate China's modernization development. "This new site will enable us to meet current demand for a key catalyst and adsorbent products and allow for future expansion to meet growing demand."

The more than 120-acre site is PMT's first wholly owned manufacturing campus in China and is located in established, world-class industrial park in Zhangjiagang, which is located 85 miles northwest of Shanghai. Honeywell is a member of Responsible Care, the chemical industry's global voluntary initiative to continuously improve health, safety and environmental performance and the Zhangjiagang park is recognized as best-in-class for environment, safety and logistics. The manufacturing operations are expected to source raw materials locally, supporting the area economy. The new manufacturing campus will also support sustainable economic development of Jiangsu Province through development of the local supplier base and labor pool.

PMT's Asia Pacific headquarters is located in Shanghai, along with its Asia-Pacific research and development facility, a refrigerant blending plant and the Shanghai UOP joint venture. PMT also has a joint venture with Sinochem to produce blowing agents for insulation. Honeywell has a long history in China, dating back to 1935 when it established the first franchise in Shanghai and Honeywell was also among the first multinationals to set up a representative office in Beijing, when China adopted its "open-door" policy in the 1980s.

Today, all four of its business units have their Asia Pacific headquarters in China and Honeywell has established subsidiaries and joint ventures in more than 20 cities across the country. Honeywell Performance Materials and Technologies is a global leader in developing and manufacturing advanced materials and process technologies. These materials and technologies are used by people every day in a wide range of industries and applications, from petroleum refining to environmentally friendlier refrigerants to bullet-resistant vests. Our advanced materials are critical in the manufacture of products ranging from nylon to computer chips to pharmaceutical packaging. Process technologies developed by our UOP business form the foundation for most of the world's refiners, efficiently producing gasoline, diesel, jet fuel and petrochemicals. UOP is now pioneering technology to produce real fuels from renewable energy sources.

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