

BASF Announces \$42.6 Million Investment In New Polyurethanes Blending Facility

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Project is fourth major BASF expansion in Louisiana since 2009, will result in 167 new direct and indirect jobs

GEISMAR, La. – Today, Gov. Bobby Jindal and BASF Geismar Senior Vice President Tom Yura announced the company's plans for a fourth major expansion in Louisiana – a new \$42.6 million polyurethanes blending facility in Geismar. The new

project brings the company's total capital investment in Louisiana to more than \$350 million since 2009. The newest project will create 22 new direct jobs, with an average salary of more than \$72,300 per year, plus benefits. LED estimates the expansion will result in another 145 new indirect jobs, for a total of 167 new jobs. In addition, the project will create an estimated 175 construction jobs. Since 2009, BASF expansions have resulted in more than 600 new direct and indirect jobs in Louisiana.

The new employees will join more than 2,000 existing BASF direct employees and contract workers who work in Geismar. BASF operations in Geismar directly support a combined payroll of approximately \$200 million per year. The new polyurethanes blending facility follows a surfactants plant scheduled to begin production next year, a formic acid plant announced in 2012, and a methylamines plant completed in 2011.

Gov. Jindal said, "Today's announcement is great news for Ascension Parish and our entire state. BASF continues to be one of the largest economic drivers in Louisiana, investing more than \$350 million in projects since 2009. The continued success of this Geismar chemical complex led to today's latest expansion, which will allow BASF's polyurethane blending to take place right here in Louisiana rather than being shipped out-of-state. Once again, our strong business climate, world-class infrastructure and incomparable workforce are bringing new business investment to Louisiana."

BASF's blending facility will create greater efficiency and shorten its supply chain to customers. Polyurethanes produced by BASF are supplied to other manufacturers who fashion them into leading automotive, furniture and construction industry goods.

"This project demonstrates our commitment to the future growth in this region and market," said Yura, who is also general manager of the Geismar site. "The project also further

strengthens our position as a leading supplier of chemistry for sustainable solutions.”

To secure the project, LED’s Business Expansion and Retention Group, or BERG, provided a custom incentives package that includes a \$1.2 million Modernization Tax Credit, to be claimed over five years. In addition, the company is expected to utilize the state’s Quality Jobs and Industrial Tax Exemption programs.

Construction of the blending facility will begin this month and be completed in the second quarter of 2015, with hiring of the new positions also taking place in 2015.

“I believe that today’s announcement is the fourth expansion at BASF Geismar in as many years,” Ascension Parish President Tommy Martinez said. “We appreciate their continued investment in our community and their confidence in our ability to supply a quality workforce for these added assets.”

“BRAC congratulates BASF on their continued growth in the Capital Region. Through their work with the regional economic development partners, their investments have created critical jobs in the Baton Rouge area,” said Adam Knapp, president and CEO of the Baton Rouge Area Chamber. “BASF sets a great example by strengthening and building their company utilizing the assets of our region.”

About BASF Corporation

BASF Corporation, headquartered in Florham Park, N.J., is the North American affiliate of BASF SE, Ludwigshafen, Germany. BASF has more than 16,600 employees in North America and had sales of \$18.5 billion in 2012. For more information about BASF’s North American operations, visit www.basf.us.

About BASF SE

BASF is the world’s leading chemical company. Its portfolio ranges from chemicals, plastics, performance products and crop protection products to oil and gas. BASF combines economic

success with environmental protection and social responsibility. Through science and innovation, the company enables customers in nearly every industry to meet the current and future needs of society. BASF products and solutions contribute to conserving resources, ensuring nutrition and improving quality of life. The company sums up this contribution in its corporate purpose: BASF creates chemistry for a sustainable future. BASF had sales of approximately \$95 billion in 2012 and more than 110,000 employees as of the end of 2012. For more information on BASF, visit www.basf.com.