

Safety, Sustainability and Asia Pacific: Driving Global F&F Innovation

Christian Seufert, vice president, BASF global aroma ingredients, discusses his new role, the company's expansion into Asia Pacific and the expanding role of sustainability in an amorphous marketplace.

P&F: Mr. Seufert, a couple of months ago you assumed responsibility for BASF's aroma ingredients business segment. From your perspective, which trends are driving the global aroma ingredients market from your perspective?

Christian Seufert: The taste or scent profile of consumer products will remain the key driver of repeat purchases. Therefore, consumer product companies continue to leverage flavor and fragrance compositions as a key factor for differentiation. At the same time, we expect a growing trend toward a consolidation of the number of ingredients on a perfumer's palette.

Furthermore, fundamental changes are to be expected in the regulatory landscape, which will most likely lead to further restrictions on the perfumers' palettes of tomorrow. I see this development as an opportunity for the chemical industry to jointly work on innovative solutions, with chemistry as the enabler.

We will only be successful if we build stronger bonds with our customers to understand what creates value for them.

P&F: Which strategic goals does BASF's aroma ingredients business pursue this year?

Seufert: Most importantly, we strive to achieve sustainable growth for our customers. Therefore, we will strengthen our position as a leading supplier of large-volume aroma ingredients. With our joint venture partner PETRONAS, we are starting up our new aroma ingredients complex in Kuantan, Malaysia. By the end of 2016, we expect first quantities of product to be shipped to our customers.

P&F: BASF is building an aroma ingredients complex in Kuantan, Malaysia. Can you tell us more about growth in Asia and the progress of the investment project in Malaysia?

Seufert: In the last 15 years, capital investments in emerging markets, particularly in Asia Pacific, have become a strategic priority at BASF. Especially the growing middle class in emerging economies and their increasing purchasing



Christian Seufert

power will drive future demand growth. The demand for aroma ingredients in Asia Pacific, for example, still grows well above 5% per year.

I am very pleased with the team's progress regarding the construction of the new integrated aroma ingredients complex in Kuantan, which is very well on track and running according to schedule. The complex will include facilities to produce citral, and associated downstream plants, for example citronellol and l-menthol. While the primary focus of the investment project is Kuantan, Malaysia, BASF also expands certain aroma ingredients production assets in Ludwigshafen, Germany.

P&F: In the global market, how will the Kuantan facility impact the fragrance industry?

Seufert: As citral is used in the most cost competitive production route of numerous aroma ingredients, vitamins and carotenoids, it plays an important role. With a second world-scale production facility closer to the emerging markets in Asia Pacific, we will be able to serve our customers with improved lead times. With our investments in Kuantan and Ludwigshafen, we strive to meet the growing demand of our customers for rose scents and mint flavors at the highest level of supply reliability.

P&F: Sustainability continues to be a priority for the fragrance industry, how will BASF participate in these initiatives?

Seufert: At BASF, we firmly embedded sustainability into our company purpose, "We create chemistry for a sustainable future," as well as our corporate and business strategies. Our activities are very much driven by the market dynamics from our customers and their sustainability needs. Let me give you one example.

We offer our customers menthol in liquid form, supplied in special containers with a mobile heating element. This saves our customers several processing steps in their facilities and ensures safer handling. A sustainable business model with economic, social and environmental benefits.

I am deeply convinced that technology excellence plays a decisive role in a world that requires us to "create more from less."

