

Germany's Degussa picks Quebec City for its latest North American expansion

Responding to a surge in demand from its worldwide customers, Degussa Canada Ltd. is investing \$140 million to establish a new hydrogen peroxide production plant in Quebec City. Designed to serve North American and global markets, the facility will come on-stream in mid-1998. It will employ 150 people and will be one of the world's largest hydrogen peroxide production plants, with an annual production capacity of 65,000 metric tonnes.

Announcement of the new facility came two months after Degussa opened its new tank farm and shipping terminal at Quebec City to receive and store hydrogen peroxide shipped in from the company's plants in Europe. The tank farm recently received its first ocean tanker shipment of hydrogen peroxide.

Degussa will also use the terminal to ship product from the new plant, once it comes on-line.

Degussa Canada Ltd., with headquarters in Burlington, Ontario, is a wholly-owned subsidiary of U.S.-based Degussa Corporation, and the corporate grandchild of Germany's Degussa A.G. A world leader in the development and production of chemicals, pharmaceutical specialities and precious metals, the Frankfurt-based company operates in 40 countries and had worldwide sales of US\$9 billion in 1995.

Hydrogen peroxide is a cost-effective and environmentally friendly chemical and bleaching agent. Its environmental uses include the decontamination of soil, groundwater and industrial effluents and of exhaust gases. Degussa Canada Ltd., founded in 1978, is one of the country's largest

manufacturers of exhaust gas-purifying automotive catalysts for domestic and export markets.

Location plus

Degussa chose Quebec City on the St. Lawrence River, after considering other sites in North America, including the company's plant in Alabama where it already operates two hydrogen peroxide plants. Richard Owins, Vice-President and General Manager of Degussa's Peroxygen Chemicals Division, told *Canada Investment News*: "This site offers us several important advantages. One is environmental: clean air and proximity to uncontaminated water — important factors in hydrogen peroxide production. Another is a year-round deepwater port. A third is excellent access to the United States and other markets."

In addition to an excellent location, Degussa's new plant will benefit from good timing. Mr. Owins says that the company originally planned the plant to produce 40,000 metric tonnes of product a year, but raised the target to 65,000 metric tonnes because of strong market demand from the pulp and paper, mining and chemical industries. ♦



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