

HEAT STABILISERS

Indian PVC stabiliser markets ready for replacements for lead: Baerlocher

Baerlocher India P. Ltd., the wholly-owned subsidiary of the Germany-headquartered Baerlocher group, sees strong growth possibilities in the Indian market for environmentally friendly stabiliser systems for processing of polyvinyl chloride (PVC). Although there are currently no legislations mandating a phase-out of lead-based heat stabilisers in India, progressive companies in the country and those catering to global markets are opting for replacements that do not face regulatory restrictions or outright bans elsewhere in the developed world. To meet the requirements of these customers, Baerlocher has been offering alternate systems, including those based on calcium-zinc (Ca/Zn), and has invested in manufacturing capacity at its plant in Dewas (Madhya Pradesh).

New capacity

According to Mr. Rainer Grasmuck, Global Head of PVC Additives, at Baerlocher, the Indian subsidiary, which has only recently completed investments in lead-based 'one-pack' systems, is planning to expand its capacity for Ca/Zn stabilisers to meet the growing demand.

"Our existing capacity is sold out and we plan to bring the additional capacity online in end-2011 or early 2012," he told *Chemical Weekly* in a telephonic interview from Germany. "The plan is to put additional capacity in the service of our customers, even before the markets have evolved." The switchover to Ca/Zn systems have been aided by economic considerations. Prices of lead metal have increased significantly in the last year or so, along with that of tin (which are used to make stabilisers that find favour in the North American market). Baerlocher India is also investing in educating customers in the Indian PVC processing industry on the regulatory trends shaping their counterparts in Europe. In that region, nearly 60% of lead-based stabilisers have been replaced by alternate systems, especially those based on Ca/Zn.

The substitution, after a slow start, is now proceeding smoothly, which is only to be expected as considerable learning has come about since the process was initiated at the turn of the century. "The processing window for Ca/Zn stabilisers is small and some fine tuning of

the processing conditions is required," Mr. Grasmuck added. Not surprisingly, even in Europe, the level of replacement of lead varies from application to application and this will most likely be the trend in India, as well. "In window profiles and cable & wires, there is no use of lead in Europe, while there is still some usage of lead in pipes." The phase-out of lead based systems has also been driven by the comprehensive chemicals regulation, REACH, now being implemented in Europe. Fortunately for the vinyl industry, by chance or by design, its voluntary initiative, Vinyl 2010, has been in sync with some of the provisions of REACH and the industry has not been caught napping.

No acquisitions for now

Baerlocher India is also considering plans for backward integration to key raw materials. Mr. Grasmuck is however reluctant to consolidate market position by acquisitions. "We have looked at acquisitions in the past, but it is now clear to us that we do not need one more site. The management of multiple sites is difficult, especially when we have to bring them up to Baerlocher's standards of safety and operational excellence," he added. Mr. Grasmuck expects the Indian PVC markets to grow at a steady rate, providing enough opportunity for speciality chemical suppliers like Baerlocher. As markets expand and consolidate, he believes the role and opportunity for multinational companies that can serve customers in different geographies with similar products will only grow. "While we are global, we see the importance of being local to serve the market better through improved service and logistics and by saving on taxes," he added.

Consumption of heat stabilisers in India [2009-10]

Category	Production	Imports	Exports	Consumption
Commodities [lead-based]	11,500	200	3,000	8,700
One-packs [lead-based]	23,770	1,000	1,000	23,770
Liquid mixed metals	5,000	—	—	5,000
Tins	530	3,500	—	4,030
Calcium-zinc	1,200	300	—	1,500
Total	42,000	5,000	4,000	43,000