

BASF TARGETS PROFITABLE GROWTH

The company has set itself ambitious goals. BASF forecasts that global chemical production will grow faster than global gross domestic product (GDP) through 2020. In this period, the company expects the global economy to grow by an average of 3 percent per year, and thus slightly faster than in the past 10 years, while chemical production is forecast to grow on average by 4 percent per year.

BASF continues to aim to grow 2 percentage points above chemical production and thus increase sales by an average of 6 percent per year until 2020. Overall, BASF targets sales of approximately €115 billion and seeks to further increase profitability to achieve an EBITDA of €23 billion in 2020.

BASF ADDS VALUE AS ONE COMPANY

BASF supplies products and solutions to almost all industries. Its portfolio ranges from oil and gas, classical chemical businesses and customized products to functionalized materials and solutions.

“The scope of skills and know-how that we combine under one roof is what sets us apart from our competitors. These factors include our innovative strength, our broad technology basis, our operational excellence and our global access to relevant customer industries,” said Bock. “We add value as one company by combining these strengths.”

BASF’s unique Verbund system offers enormous competitive advantages. The company will further develop this sophisticated and profitable system, which extends from production and technology to customers. In addition, BASF will sharpen its focus on customer industries. Committed, well-trained employees ensure that the entire Verbund functions efficiently worldwide.

INNOVATIONS FOR A SUSTAINABLE FUTURE

Innovations from the chemical industry nowadays rarely rely on the development of new chemicals. Instead, new

materials and system solutions are created by combining know-how from a variety of disciplines.

“Innovations of this kind require a broad portfolio, interdisciplinary cooperation and a deep understanding of our customers’ value chains. We therefore will continue to develop our portfolio in the direction of customer-focused businesses,” explained Bruder Müller. In 2020, sales of €30 billion and an EBITDA of €7 billion are to be generated with products that have been on the market for less than 10 years.

Furthermore, sustainability is becoming one of the main drivers of growth and value creation. BASF’s customers want sustainable products and system solutions, and the company’s employees expect BASF to closely integrate sustainability into its day-to-day activities. “More sustainability can only be achieved through innovation – and that is where chemistry plays an essential role,” said Bruder Müller. In the future, sustainability will therefore be more strongly integrated into business decisions.

BUSINESS EXPANSION IN EMERGING MARKETS

BASF’s sales to customers in emerging markets have almost tripled in the past 10 years and accounted for approximately one-third of total sales (excluding Oil & Gas) in 2010. In 2020, the company expects current emerging markets to contribute 45 percent to sales. Investments will boost the company’s future growth. Between 2011 and 2020, BASF plans capital expenditures of €30 billion to €35 billion. More than one-third of this amount will be invested in emerging markets. “We already have leading positions and fast growing businesses in emerging markets, and this is something we will build on,” said Bock.

SOLID AND SHAREHOLDER-ORIENTED FINANCIAL STRATEGY

BASF’s financial strategy will continue to take account of the criteria needed to maintain its solid A rating. “This also includes our ambitious dividend policy and the possibility, in principle, of buying back shares,” said Engel. A new strategic excellence program, STEP, will also increase competitiveness and profitability. STEP is expected to contribute around €1 billion to earnings by the end of 2015.

Octa will be marketed from April 2012 for innerwear, fashion apparel and many other uses.

The voids between the eight projections result in a highly functional fiber for sweat absorption, rapid drying and bulkiness. The voids also improve heat shielding and insulation properties, as well as create the lightweight feel of hollow yarn at roughly half the weight of yarn of similar thickness. Octa can also be used in combination with other fibers through false twisting, combined filament processing and two-strand yarn spinning.

Modified cross-section fibers enable new functions to be added and the appearance and texture of original fibers to be altered. Teijin Fibers' lineup includes a polyester fiber with a triangular cross-section offering a glossy appearance, a hollow, thin-walled polyester fiber that traps large quantities of non-flowing air for thermal insulation, a polyester fiber with a cross-section of four flat peaks for superior sweat absorption and quick drying, and a false-twisted polyester fiber with an irregular cross-section.

Increased modification and thinness can decrease fiber strength, but Teijin Fibers overcame these limitations by leveraging its proprietary fiber-making technologies to develop Octa fiber with its unique, highly modified cross-section.

Based in Tokyo and Osaka, Japan, Teijin is a global technology-driven group operating in eight main fields: aramid fibers, carbon fibers & composites, polyester fibers, plastics, films, medical & pharmaceuticals, fiber products marketing and IT businesses.

INDIA LIKELY TO EXPORT 8MN COTTON BALES THIS SEASON

India is likely to export 8 million bales (1 bale = 170 kg) of cotton during the current season which began on October 1, 2011, the country's Parliament has been informed.

In a written reply to the Lower House of Parliament, the Minister of State for Textiles, Ms. Panabaka Lakshmi, said the Cotton Advisory Board (CAB) has estimated the country's cotton exports during 2011-12 cotton season to be 8 million bales, after reviewing the cotton availability in the country on November 15.

Last year, India's cotton exports stood at 7 million bales. Initially, the Government had put a cap on the export of cotton at 5.5 million bales in view of the rising prices of

the natural fibre. Subsequently, the Government allowed export of another 1 million bales and thereafter it completely removed restrictions on the export of the raw material in September this year and permitted cotton exports under the Open General Licence (OGL).

CAB has estimated India's cotton production this season at 35.6 million bales compared to 32.5 million bales produced last season.

The Minister said the CAB has assessed domestic textile mill consumption of cotton to reduce this year to 21 million bales from last year's 24 million bales, showing a slump in the domestic textile industry.

Citing the estimates made by Cotton Yarn Advisory Board (CYAB), the Minister said the production of cotton yarn in the country is projected to be 3.2 billion kg this fiscal compared to 3.9 billion kg during fiscal 2010-11.

Restrictions on export of cotton yarn for fiscal 2011-12 were lifted on March 31 this year. Last fiscal, cotton yarn exports were capped at 720 million.

BASF STRATEGIES TO BECOME LEADING CHEMICAL COMPANY

BASF plans to strengthen its position as the world's leading chemical company. In its further developed strategy "We create chemistry," the company outlines how it wants to achieve this. The Chairman of BASF's Board of Executive Directors Dr. Kurt Bock, Vice Chairman Dr. Martin Brudermüller and CFO Dr. Hans-Ulrich Engel presented the details at a press conference in Ludwigshafen.

Bock pointed out that the company had achieved its leading position thanks to its successful strategy in the past years: "We will build on this and make a significant contribution to meeting the needs of a growing world population." BASF sees population growth as a crucial trend that brings on the one hand enormous global challenges, but on the other hand offers many additional opportunities, in particular for the chemical industry. In accordance with sustainable development, BASF will play a role with regard to conserving resources, ensuring healthy food and nutrition and improving people's quality of life. "We have summarized what we do as a company in our corporate purpose: We create chemistry for a sustainable future," said Bock.

(CIEC). It is organised by Beijing Textile Machinery International Exhibition Co Ltd and co-organised by MP International Pte Ltd.

Those interested in exhibiting or visiting ITMA ASIA + CITME can obtain more information from www.itmaasia.com or www.citme.com.cn.

CHINA'S TEXTILE OUTPUT REACHES RMB3.95 TRILLION IN FIRST NINE MONTHS

According to the statistics of the China National Textile and Apparel Council (CNTAC) Statistics Center, during January to September this year, the total production output of Chinese above-scale enterprises (firms with an annual sales volume of RMB20 million) amounted to RMB3.96 trillion (about US\$621 billion), up by 28.98% year on year. Excluding the dyeing and finishing sector, other sectors of the textile and apparel industry saw over 20% of growth in production output.

During the same period, the entire industry gained operational revenue of RMB3.84 trillion (about US\$603 billion), up by 29.43% year on year, with double-digit growth rate in every sector of the industry. Particularly, the linen spinning sector witnessed the fastest growth rate in operational revenue, reaching 38.41%.

During January to September, Chinese above-scale firms' rate of products sold was 97.76%, up by 0.18 percentage points year on year. Of the different sectors in the industry, cotton spinning saw the highest rate (98.39%), while linen spinning witnessed the highest year-on-year growth in the rate of products sold, up by 0.96 percentage points year on year.

Besides, during January to September, China's above-scale firms reached a cumulative profit of RMB190.03 billion (about US\$30 billion), up by 32.54%, showing a better capacity to make profit compared with the same period of last year.

In the first nine months of this year, the profitability rate of Chinese above-scale firms in the entire textile industry was 5.63%, up by 0.13 percentage points year on year. Among its sectors, the profitability rates of textile machinery, garment and finished items were 7.53%, 6.40% and 5.68% respectively, while those of chemical fiber, knitting, and dyeing and printing did not exceed 0.3%. In

terms of profitability rate, linen spinning registered the highest growth (+1.36 percentage points).

AZERBAIJAN INCREASES COTTON EXPORT 7.6 FOLD

This October Azerbaijan's cotton export reduced 7.6 fold compared to September.

The Azerbaijan State Customs Committee (SCC) informs that the country exported cotton for \$1.325 million this October versus \$174,390 in September, \$747,080 in August, \$1.125 million in July, \$1.17 million in June, \$2.416 million in May, \$2.2 million in April and \$3.7 million in March (this year's best index a month) and \$18.1 million for Jan-Oct 2011 that is 1.7 fold more than country's export for the 2010 same term.

At that, the purified cotton fiber for Jan-Oct totaled \$4.668 million that was by 2.63 fold more against its exports for the 2010 same term (\$2.498 million). This October export that lacked in July and August totaled \$161,750 against \$161,900 in September, \$3,000 in June, \$571,550 in May, \$206,370 in April and \$1.717 million in March of the year.

In 2010, Azerbaijan exported 3,738.2 tons of cotton that made up 0.02% (\$5.249 million) of country's overall export (\$21.32 bn).

In 2010 average export price totaled \$703.33 per ton.

In 2009, the country exported 17,371.6 tons of cotton for \$17.358 million that made up 119.27% of production export indices over 2008. In 2009 cotton export from the country made up 0.12% of total export of Azerbaijan.

In 2009, Azerbaijan exported cotton on average at price \$999.25 a ton.

OCTA FIBRE FROM TEIJIN OFFERS UNIQUE PROPERTIES

Teijin Fibers Limited, the core company of the Teijin Group's polyester fibers business, has developed an unprecedented polyester fiber with a unique, highly modified cross-section with eight projections aligned in a radial pattern around a hollow fiber.

The new fiber, named Octa after its octopus-like appearance, offers rapid sweat absorption and drying, low weight, heat shielding/insulation and useful bulkiness.



World Textile News

LEADING TEXTILE MACHINERY MANUFACTURERS SNAP UP ITMA ASIA + CITME 2012 EXHIBITION SPACE

130,000 square metres taken up at the close of application period

1 December 2011 – Despite the current global economic slowdown, leading textile machinery manufacturers around the world are still attracted to prospects offered by the world's largest textile producer - China. This can be seen from the overwhelming response received by the combined textile machinery show, ITMA ASIA + CITME 2012, which will be held at the Shanghai New International Expo Centre from 12 to 16 June 2012.

At the close of space application, some 130,000 square metres gross of exhibition space in 11 halls has been booked by leading industry names from some 30 economies. Although the space application deadline has passed, the show owners are still being besieged with late applications, including several applications for very large booths.

The exhibition is expected to feature some 1,300 local and international textile machinery makers who will showcase cutting-edge solutions, as well as sustainability and energy efficient machinery and processes.

Chinese exhibitors make up the biggest country group, booking around 50 per cent of the total exhibition space. Besides China, the top participating countries in terms of

space applications are Germany, Italy, Japan and Switzerland.

Sector-wise, spinning machinery forms the largest sector. This is followed by knitting, dyeing and finishing, weaving and winding.

Miss Maria Avery, Secretary General of CEMATEX, The European Committee of Textile Machinery Manufacturers, said: "The combined show is now well entrenched in the textile machinery exhibition calendar. It draws leading textile machinery manufacturers and is a must-attend showcase for the Asian market, offering plenty of business and networking opportunities."

Hassle-free visitor registration services

To ensure that ITMA ASIA + CITME is an industry-leading market place and to attract quality attendance, visitors must purchase badges to visit the exhibition.

Visitors can purchase their badges online at www.itmaasia.com and www.citme.com.cn to enjoy an attractive 40 per cent discount. For added convenience, visitors may print their badges after successful registration. This time-saving feature further helps visitors avoid possible long onsite queues during the show. This service is also extended to exhibitors who wish to purchase badges for their guests. Visitor online registration will open in December 2011.

ITMA ASIA + CITME 2012 is owned by CEMATEX and its Chinese partners - the Sub-Council of Textile Industry, CCPIT (CCPIT-Tex), China Textile Machinery Association (CTMA) and China Exhibition Centre Group Corporation

Iran Textile News

AMIRKABIR UNIVERSITY TO HOST 11TH NANOTECHNOLOGY SEMINAR FOR STUDENTS IN FEBRUARY

The eleventh round of nanotechnology seminars for university students is due to be held in Tehran in February 2012.

The seminar is sponsored by Iran Nanotechnology Initiative Council and it will be held at Amirkabir University of Technology.

Nanotechnology seminars for university students are held annually in one of the country's universities in order to create synergy and interaction among the researchers active in the field of nanotechnology, and to prepare the researchers to enter the market and present their models, patterns, and approaches for being successful in nanotechnology market.

10 rounds of such seminars have so far been held in University of Tarbiat Modarres, Kashan University, Shiraz University, Razi University of Kermanshah, Tehran University of Medical Sciences, Martyr Beheshti University of Medical Sciences, Mashhad University of Medical Sciences, and Gilan Branch of Technical College of University of Tehran. The eleventh seminar will be held in February 2012 in Amirkabir University of Technology.

Scientific researches enjoy the financial backup of the Iran Nanotechnology Initiative Council affiliated to the Presidential office. One of the facilities is to pay a part of the cost for the presentation of an achievement to the domestic nanotechnology

seminars. Therefore, all students whose theses have been approved by the scientific jury of Iran Nanotechnology Initiative Council are required to register and present their articles in this seminar in order to receive the second payment of the financial support.

IRAN EXPORTS \$9.6BLN OF PETROCHEMICALS IN 8 MONTHS

Iran exported petrochemical products worth \$9.639bln during the first eight months of the current Iranian calendar year, (started on March 21, 2011).

The oil ministry's website reported that the country has exported more petrochemical products to the foreign countries this year. The share of petrochemicals in Iran's non-oil exports has risen this year.

Last year Iran exported 16.2mln tons of various petrochemical products to 60 countries around the world, it said.

While last year's revenue from petrochemical exports hit \$10.4bln, the figure is estimated to stand at around \$14bln this year.

During the first eight months of this year, liquefied propane ranked first in petrochemical products exports with 1.405 billion dollars revenue followed by methanol and polyethylene.

China and Western Europe are the main destinations of Iran's petrochemical exports followed by South East Asia, Far East, the Middle East, Indian Subcontinent, Latin America and other countries.