For almost 150 years, the German chemical company BASF has upheld a business philosophy of verbund, a German word that means “linked” or “integrated.” You see it in how BASF’s plants generate their own energy by linking those that produce heat with those that need heat. You see it in how the company’s investments worldwide create interlocking and expanding value chains.

This year, the philosophy of verbund has been nowhere more apparent for BASF than in Korea, where it established the Asia-Pacific headquarters of its Electronic Materials business unit in April and where it has decided to build a new regional research and development (R&D) center for electronic materials early next year.

“Korea is the most important market in the electronics industry,” said Jason WooSung Shin, managing director of BASF Korea. “That’s why we see the importance of Korea in that special field.”

The world’s largest chemical company, BASF produces everything from chemicals, plastics, performance products and crop protection products to oil and gas in more than 80 countries. It posted 78 billion euros (USD 103.9 billion) in sales in 2012, 19 percent of which came from the Asia-Pacific region.

BASF’s investment in Korea dates back to 1954 — next year marks BASF Korea’s 60th anniversary — to when the company started as a trading company here during Korea’s industrial development stage. Today BASF has one wholly owned subsidiary — BASF Korea, established in 1998 — and three joint ventures in Korea, including Heesung Catalysts Corporation.

BASF has long demonstrated confidence in the development and growth of the Korean economy, investing heavily and steadily in the country and taking over shares of joint ventures even throughout the Asian financial crisis in the late 90s.

“Korea is an important driver for our growth in Asia Pacific, [and] eventually, globally,” said Shin. “BASF has grown together with the Korean economy even in the difficult times for almost 60 years.”

With six production sites and four technical service labs, BASF Korea posted domestic sales of KRW 1.3 trillion (USD 1.2 billion) and exports reached KRW 1.2 trillion in 2012. The company focuses on producing high-tech specialty products, including raw materials for polyurethanes products, engineering plastics, vitamin B2 and pigments.

Next year it will start producing Ultrason®, an amorphous thermoplastic with a wide spectrum of properties, with a manufacturing plant now under construction at BASF Korea’s Yeosu site that will be the first plant of its kind outside Germany.

Total BASF sales to customers in Korea in 2012, including those from joint ventures in Korea, reached 1.6 billion euros, or 2 percent of BASF’s worldwide sales.

The new regional headquarters, previously located in Hong Kong, is responsible for all of BASF’s electronic materials business in the Asia-Pacific. Setting up regional headquarters in Korea allows BASF to be closer to customers and better identify market opportunities.

The electronic materials R&D center, BASF’s first such center in Korea, will focus on innovative technologies and solutions for customers in the region. Korea is an ideal country in which to strengthen BASF’s R&D, said Shin, because it is where such leading

Korean customers as Samsung and LG make their R&D decisions.

“So we need to work closely with them,” he added.

With 1,200 employees, BASF in Korea aims to grow its staff by half in the next decade. About 50 of BASF Korea employees currently provide technical expertise overseas, strengthening Korea’s position as a technical hub. In the short-term, and located in a target area of the fast-growing Asian market, BASF Korea intends to grow 2 percent higher than the market average annually following BASF’s global strategy.

“Korea is the right place to service all the business in the Asia-Pacific,” said Shin.

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