



VALENCIAN REGION

INVESTING IN THE CHEMICAL INDUSTRY



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The Chemical Industry in Spain and the Valencian Region

	COMPANIES	PEOPLE EMPLOYED	TURNOVER (BILLION €)
Total Industry VR	16,434	220,295	53,7
Chemical Ind. VR	555	15,500	6,6
Chemical Ind./Total VR	3%	6%	8%
Chemical Ind. Spain	3,113	190,000	58,5
Chem. Ind. VR/Spain	14%	11%	8%

Valencian Statistics Institute (IVE)

The chemical industry accounts for 14% of Spain's industrial business. It is the fourth-largest industry in the country and provides 12,5% of GDP. Its €58.5 billion turnover in 2015.

More than half of turnover comes from exports, which totalled 33 billion euros, 5.5% higher than the figure for 2014. That makes it the second-largest exporting industry in Spain.

The chemical industry creates direct and indirect employment, providing quality, stable jobs for more than 500,000 people (direct and indirect jobs).

► The industry invested €811 million in RDI in 2014 (25% of total RDI investment in Spain), employing 8,000 researchers (21% of the national total).

In the Valencian Region the chemical industry produced more than €6,600 million in turnover in 2015, 9,1% of the national total, which ranks it as the second-largest industry in the region.

The industry is made up of 555 companies and produces approximately 12,5% of the region's GDP. The chemical industry is forecast to see the highest growth of any industry by 2030 with 4% annual growth in production.



Valencian Region Key Figures

Economic data

The subsectors with the highest turnovers are:

- Manufacture of fertilisers
- Fibres and glazes
- Cosmetics

Compared with other industries, it is the fifth-largest employer, invests the fourth-highest amount in tangible assets and has the third-highest operating income.

Exports

The chemical industry was the industry with the second-highest exports from the Valencian Region with a total of €2,200 million in 2015.

“Manufacture of paints and varnishes” and “manufacture of basic chemicals, fertilisers and nitrogen compounds” are the highest exporting subsectors.

The main export destinations are:

- Africa: insecticides and hygiene, chlorinated and plant protection products.
- The Americas: explosives, paints and varnishes.

ECONOMIC DATA 2015	Chemical and pharmaceutical products	Pharm./Chem. Ind./ Total Ind. VR
Number of companies	555	2.75%
Operating Income (thousands of €)	4,405,377	5.84%
Operating Expenses (thousands of €)	3,997,942	1.29%
Investment in tangible assets (thousands of €)	107,988	5.86%
Investment in tangible assets (thousands of €)	398,612	5.95%
People employed	15,000	5.75%

A leader in innovation

According to IVE data on manufacturing industry RDI in 2015, the chemical industry has the highest number of companies that engage in RDI as part of their production, accounting for 24% of the total for the Valencian Region.

1 in 4 euros invested in RDI in the region is spent by a chemical industry company.

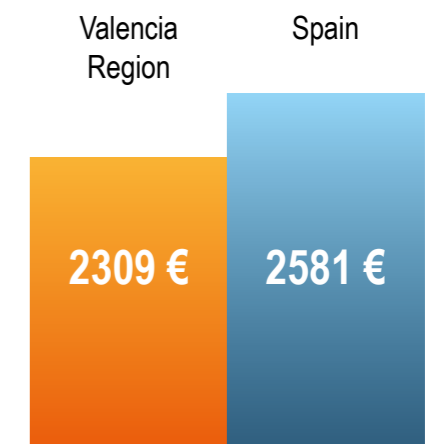
Labour costs

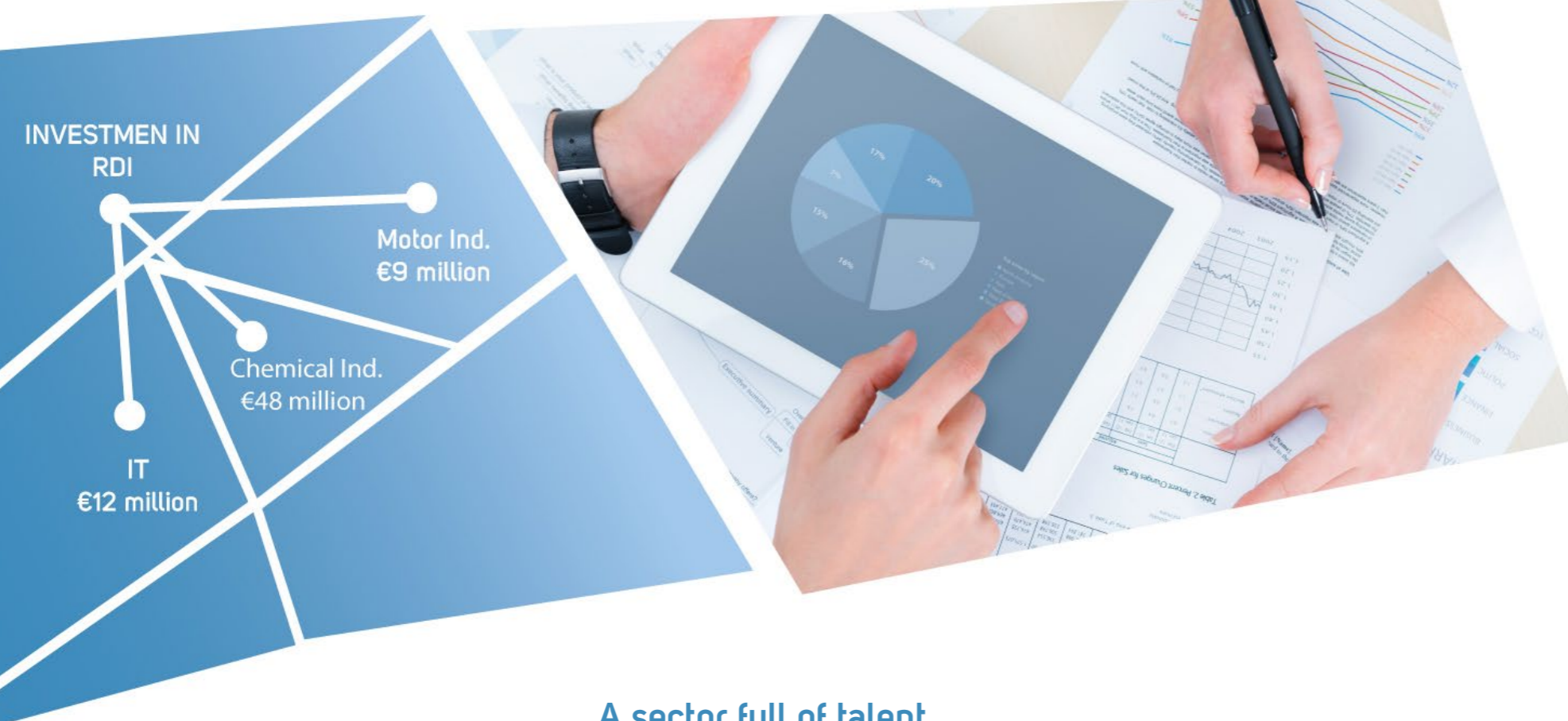
The chemical industry employs more than 12,000 people in the region. It provides quality, sustainable and highly-specialised employment. Educational levels are high and that is reflected in high productivity.

► **It is the 5th-largest industry in the region in terms of the number of people it employs, which is almost 6% of all industrial workers in the Valencian Region.**

Generally speaking, unit labour costs/month in the region are notably lower than the Spanish average. The General Collective Bargaining Agreement for the Chemical Industry 2013-2014 stipulates a Guaranteed Minimum Wage (GMW) of €14,255.57 gross per annum for normal full-time working hours. As far as Professional Groups (GP) are concerned, the GMW ranges from €14,255.57/year for GP1 to €37,777.25/year for GP8.

COST PER WORKER/MONTH





A sector full of talent

There are five qualifications specifically related to the chemical industry that are taught at universities in the Valencian Region:

- Chemical engineering
- Bachelor's degree in chemistry
- Industrial engineering
- Bachelor's degree in pharmacy
- Agronomic engineering

Universidad Politécnica de Valencia is the leading university in Chemical and Industrial Engineering in Spain and is ranked third in Plant and Animal Biology and Chemistry.

Universidad de Valencia is the second-ranked Spanish university in citations of its scientific production and raises the third-highest amount of research funds. Its research specialities include chemical and biochemical research.

In addition, through QUIMACOVA, the region's main business association, the industry has signed agreements with Universidad de Valencia, Politécnica de Valencia, Universidad Jaume I in Castellon and Universidad de Alicante. This is part of a strategy to forge closer links between businesses and universities to transfer chemistry-related knowledge and technology.

The Chemical Industry in the Valencian Region

The industry's products and concentration

The main chemical industry products produced in the Valencian Region are:

- Agrochemicals
 - Plant protection products
 - Pesticides
 - Fertilisers
- Food additives
- Cosmetics
- Frits and glazes
- Cleaning products

The subsectors with the highest share of the industry's turnover are:

- Manufacture of fertilizers
- Agrochemicals
- Frits and glazes

The subsectors that employ the most people are:

- Manufacture of cosmetics
- Agrochemicals
- Frits and glazes

Concentration of the chemical industry in the Valencian Region

The industry is concentrated in different provinces in the Valencian Region as follows:

- **Castellón:** manufacture of other organic and inorganic basic chemicals.
- **Valencia:** manufacture of fertilisers, manufacture of pesticides and agrochemical products, manufacture of soap and detergents and other cleaning and polishing preparations; manufacture of perfumes and toilet cosmetics; manufacture of paints, varnishes and similar coatings, printing ink and mastics.
- **Alicante:** manufacture of dyes and pigments; manufacture of perfumes and cosmetics, manufacture of man-made fibres, manufacture of adhesives and resins.

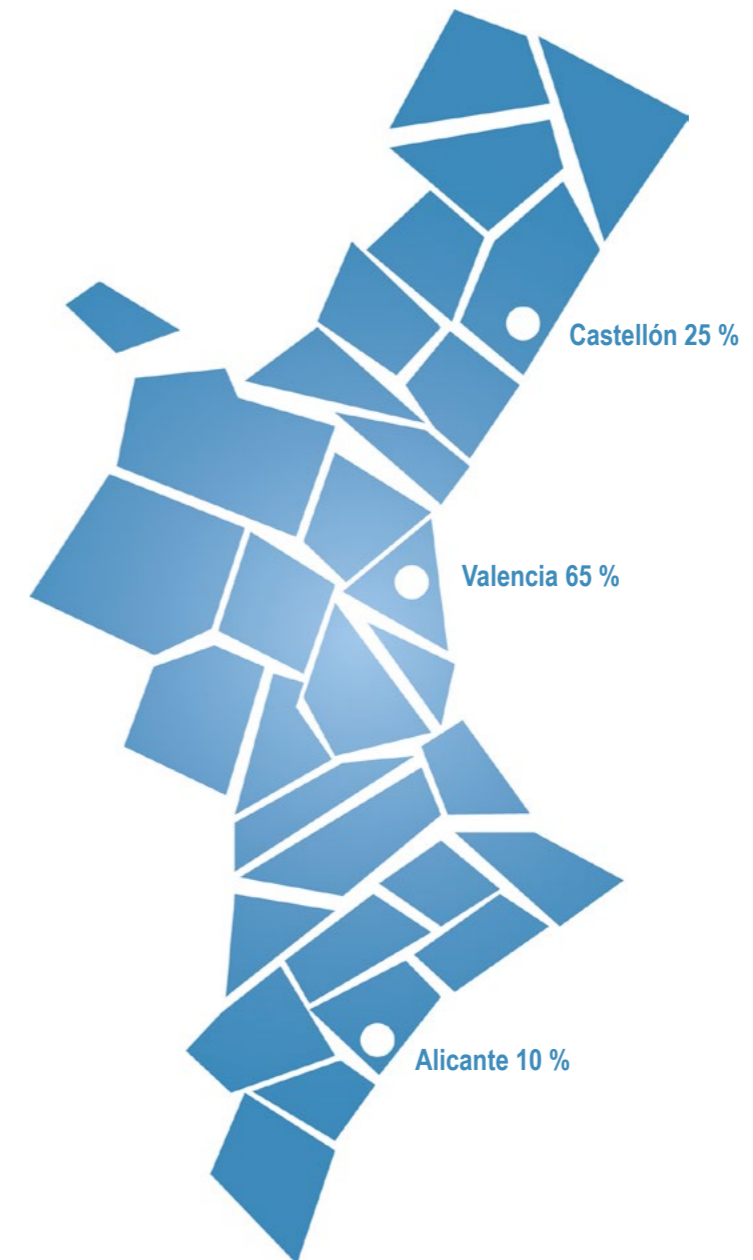
Main subsectors: cosmetics and household products, technical plastics and biopolymers and the agrochemical sector

The cosmetics and household product subsector, known as Consumer Products Chemicals, is one of the main subgroupings or microclusters in the chemical industry in the Valencian Region.

The estimated figures for these products in 2014 are revealing:

- Overall operating income: >€750 million
- Cosmetic exports: >€270 million
- Direct industrial employment: >3,150 jobs

It is made up of more than 143 chemical companies with significant demand from companies such as Mercadona (see the distribution section). They manufacture white-label and store-brand products. There is currently a boom in cosmetic-product start-ups. These companies are mainly in the provinces of Valencia and Alicante.



▶ **Sagunto Business Park has more than 1,000,000 m² available plus a further 7,000,000 m² set aside for industrial land.**

Another noteworthy subsector is technical plastics and biopolymers, based in Castellon.

The Serrallo complex is the leading petrochemical industrial park and is the base for outstanding companies such as BP, which specialises in refining, and UBE INDUSTRIES in plastics and chemicals, as well as chemical industry plants, and IBERDROLA with 3x400MW combined cycle power plants.

The technical plastics and biopolymers cluster benefits from being located next to Castellon Port, which is strategically located in the Mediterranean and specialises in bulk transport.

Castellon Port has an area of around 1,000,000 m² available for new facilities, which will benefit from the planned intermodal transport hub.

Another subsector that has formed a notable industrial cluster is agrochemicals, located around Sagunto Port Complex.



The Sagunto Port Complex has an intermodal transport hub.

Companies such as ARCELOR (iron and steel), FERTIBERIA (agrochemicals), ZUVAMESA (agroindustry), LAFARGE (cement chemicals) and PILKINGTON (motor industry glass) operate in the complex.

The industrial plants include a 4x 150,000 m³ LNG regasification plant and 3x400 MW combined cycle power plants (GAS NATURAL FENOSA).

The agrochemical cluster benefits from its proximity to Sagunto Port, which belongs to Valencia Port Authority. There is outstanding export/import business due to the port's high capacity for bulk and container traffic. It has space available for new facilities and an intermodal transport hub is planned.



Main companies in the Valencian Region by Subsector

ESSENCES	COSMETICS	HOUSEHOLD
IFF	RNB	SPB
ESSENTIAL COMPOSITIONS	BERIOSKA	QUÍMICAS ORO
J. GÓMEZ	GERMAINE DE CAPUCCINI	QUIMXEL
LAB. BABÉ	SESDERMA	BETELGEUX
WILD	LAB. BELLOCH	PONS QUÍMICAS

FOREING
COMPANIES

BAYER

IFF

ZSCHIMMER
& SCHWARZ

UNIVAR

SIPCAM

BRENNTAG

Why the Valencian Region?

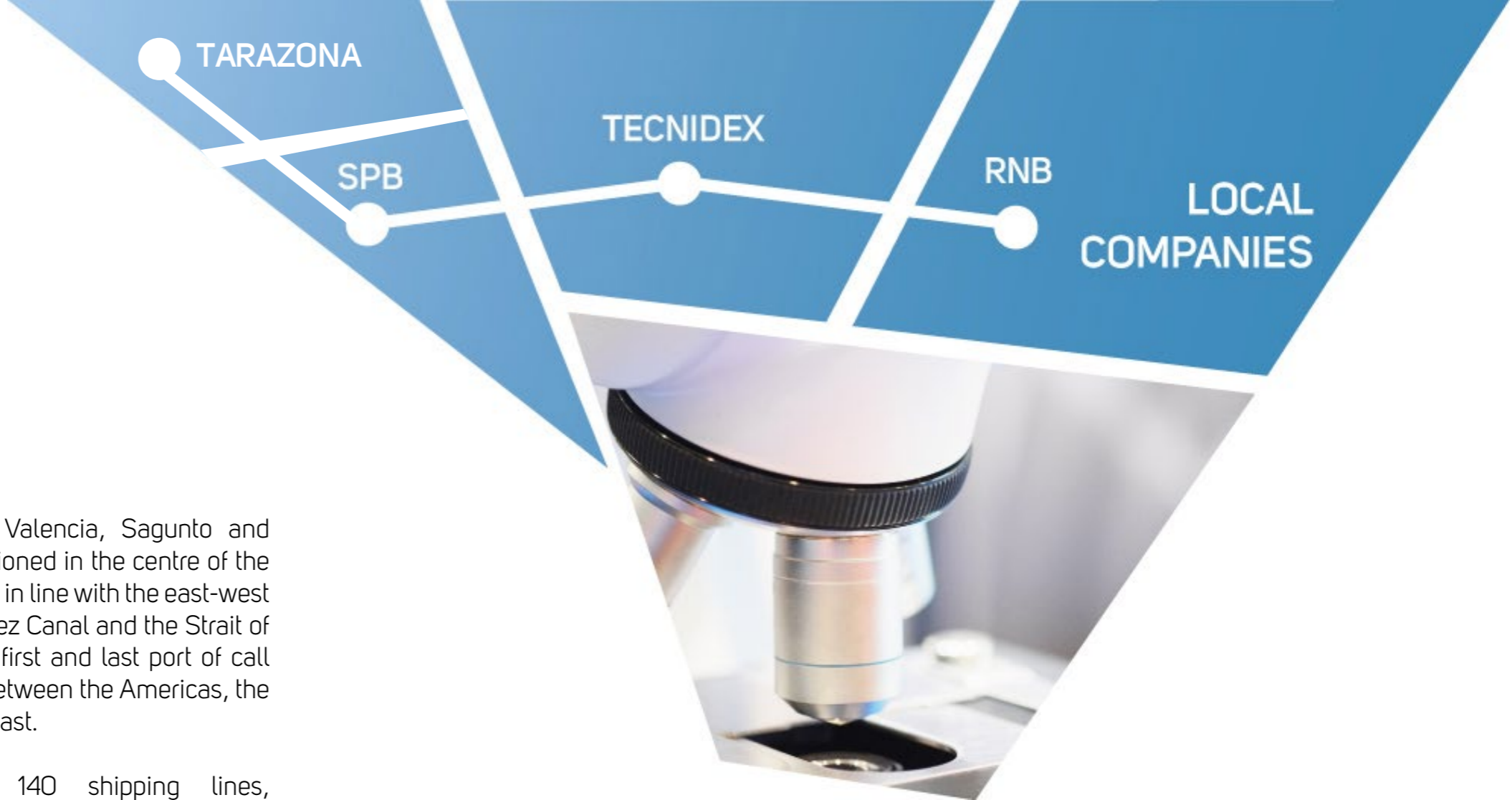
Key Factors

The Valencian Region is the second region in Spain with the higher industrial production in 2015, which gives you an idea of the robustness of its industrial base.

Both consumer chemicals and intermediate or industrial chemicals are produced in the region. The entire range of possibilities is covered, so all options for investment in any of the subsectors are offered.

The chemical industry has well-developed port infrastructure which will be boosted in the near future by the Mediterranean Corridor. There is a terminal specifically for chemical and oil products.

▶ **The chemical industry has a well-developed port structure, which will shortly be supplemented by the Mediterranean Corridor.**



Valenciaport (the ports of Valencia, Sagunto and Gandia) is strategically positioned in the centre of the Western Mediterranean Arch in line with the east-west sea corridor between the Suez Canal and the Strait of Gibraltar. That makes it the first and last port of call for the main shipping lines between the Americas, the Mediterranean and the Far East.

There are more than 140 shipping lines, including the main international shipping companies, connecting it to more than 850 ports on 5 continents.

Valencia Port handled more than 1,8 million tonnes of bulk solids.

▶ **6,5 million tonnes of chemical products were shipped through the Valencian Port in 2014.**

Who's who

QUIMACOVA is the Chemical and Environmental Association for the Chemical Industry in the Valencian Region. Its mission is to bring together and represent the chemical industry in the region and demonstrate that it is a competitive, highly productive and specialised industry. It looks out for the interests of its 123 members and so works with the authorities and other private organisations to try to standardise the terms used in the industry so they are effective and clear. They are members of FEIQUE, the Federation of Spanish Chemical Industry Companies.

The business areas represented are:

- Wholesale of chemical products
- Manufacture of fertilizers and fertilising compounds
- Manufacture of adhesives, glues and resins
- Manufacture of food additives
- Manufacture of essences, perfumes and cosmetic and hygiene products
- Manufacture of plant protection and agrochemical products
- Manufacture of frits, glazes and ceramic dyes
- Manufacture of soap, detergents and other cleaning products
- Manufacture of other chemical products
- Manufacture of paints and varnishes
- Manufacture of polymers
- Logistics operators that carry chemical products (ADR)
- Environmental (authorised waste managers, packaging take-back, water purification, etc.)



They have signed collaboration agreements with:

Valencian Government Ministry of Infrastructure, Territory and the Environment, AENOR (Spanish Association for Standardisation and Certification), Banco Santander, Caixa Popular, Cuatrecasas-Gonçalves Pereira, AIMPLAS, the Official Association of Chemists in the Valencian Region.

www.quimacova.org

FEIQUE is the Federation of Spanish Chemical Industry Companies. It represents an industry in which more than 3,000 companies operate with a combined turnover of €58,000 million. They produce 12,6% of GDP and create more than 500,000 direct and indirect jobs.

www.feique.org

The **ITQ**, the Institute of Chemical Technology, is a public-private research centre set up in 1990 by the UPV and the CSIC (Spanish National Research Council) on the UPV campus. It employs more than 200 professionals from around the world.

Its lines of work are performed through projects organised under the National Plan as well as through European and regional projects. It is funded with its own resources and is partly funded by R&D agreements with multinationals all around the world.

Avelino Corma, the founder and former manager of the ITQ has been awarded the Prince of Asturias Award for Scientific and Technical Research 2014, together with the American chemists Davis and Stucky, and the Royal Society of Chemistry Spiers Memorial award in 2016.

Mr Corma is the author of 150 invention patents, a dozen of which have been commercially used. He is the 13th-most-cited chemist in the world and the most cited Spanish chemist in the materials area.

www.itq.upv-csic.es



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