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## **Borealis Agrolinz Melamine - 70 years of plant nutrients production in Linz**

- **Borealis Agrolinz Melamine further consolidates its leading position in the plant nutrients market**
- **Subsidiary, LINZER AGRO TRADE GmbH, is the largest plant nutrient trader in Central Europe**
- **Further investments are planned in additional warehouses along the Danube to the East**

**Borealis Agrolinz Melamine has produced plant nutrients at its Linz location for the past 70 years and together with its sales subsidiary, LINZER AGRO TRADE GmbH and regional sales companies, is further consolidating its competences and role as the largest plant nutrient wholesaler in Eastern and South-eastern Europe.**

Borealis Agrolinz Melamine has been a reliable partner to the farming industry for the past seven decades. The company manufactures high-quality plant nutrients and employs the world's strictest environmental and safety standards. Borealis Agrolinz Melamine has evolved from a regional into a Central European producer and is fully committed to its location in Linz, which serves as a hub for its international plant nutrient business activities.

### **Dr. Josef Stockinger, Upper Austrian Secretary for Agriculture**

"An agricultural industry that employs clean production methods provides a cradle for healthy food and an unspoiled environment. Austria's farmers voluntarily operate according to the most stringent ecological standards and cultivate the soil in a sustainable way following the natural cycle. The use of plant nutrients requires special techniques and precision and for exactly these reasons Borealis Agrolinz Melamine constitutes a highly competent partner. Indeed, as a result of massive investments in recent years at the

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Linz location, the company has developed into an international player operating in line with the highest safety and environmental standards”.

The farming industry in Upper Austria treats natural resources with the utmost respect and responsibility; regular soil analyses prove that it truly has a healthy basis. Plant nutrients trimmed to individual farms and nutritional additives provide the long-term retention of soil fertility. “On the bottom line, this adds up to a roughly 40 per cent reduction in the use of phosphorus and potash during the past ten years, along with a cut in nitrogen use of around 20 per cent,” Stockinger continues.

Agricultural Secretary Dr. Stockinger also points to the pioneering role played by Upper Austria with regard to soil protection. As early as 1991 and long before the other federal provinces, the Upper Austrian parliament agreed on soil conservation legislation, which in its amended form continues to be a role model for the whole country. The results of the latest soil tests, which were completed in 2009 and involved 17,740 samples, showed that the soil in Upper Austria is in an excellent condition with regard to its humus and nutrient content. “With their quality work, our farmers serve as the caring guardians of our basis for life,” Stockinger comments.

### **Plant nutrient supply chain from the Black Forest to the Black Sea**

Every year, LINZER AGRO TRADE, which is a fully-owned Borealis Agrolinz Melamine subsidiary, sells some 1.5 million tonnes of plant nutrients from its own production in Linz along with roughly 500,000 tonnes of products from third-party companies. This makes LINZER AGRO TRADE one of the market’s largest European wholesalers and ensures supplies from Bavaria to the Black Sea.

“The CEE markets have great development potential and as opposed to Western Europe, the demand for plant nutrients is rising strongly,” says Hubert Puchner, General Manager of Borealis Agrolinz Melamine. “This fact is also indicated clearly by the consumption forecasts for Eastern Europe. The entry of these nations into the European Union and the

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correlated opening of new markets have also had an influence on the positive developments within the agricultural industry”.

Borealis Agrolinz Melamine’s plant nutrients business is closely linked to two global, socio-political challenges, namely population growth and food supply. By 2030, our planet will have a population of around 8 billion, which in comparison to current figures represents an increase of 40 per cent. Accordingly, grain production must rise by 50 per cent in order to limit food shortages. Moreover, by 2050, the world’s population will have grown to 9 billion people and by then agricultural production should be up by 70 per cent.

“According to a report from the UN’s Food and Agriculture Organisation (FAO), at present some one billion people are undernourished, a figure that constitutes one in six of the global population,” says Hubert Puchner. “This hungry percentage would be even higher were it not for the fact that almost half of the world’s population are fed utilising mineral fertilisers”.

An important factor with regard to the expanded use of plant nutrients is the change in eating habits rising economic nations such as China and India. It is also a fact that the available acreage per head of the global population is steadily shrinking and therefore the yield from farmland, which is a limited resource, must be increased markedly.

This situation forms a solid platform for sustained growth in the plant nutrients industry. “This is also the reason why Borealis Agrolinz Melamine will continue to invest in its Linz location,” Hubert Puchner continues. “We intend to further strengthen Linz as a hub for the international plant nutrients market, above all in an easterly direction”. Moreover, as Puchner adds: “Massive investments during recent years in environmental programmes, as exemplified by the largest individual reduction in greenhouse gases in Austria, underline our technical competence as one of Europe’s leading plant nutrient manufacturers.”

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While the emissions of greenhouse gases in general and of carbon dioxide in particular have increased by 11 per cent since 1990 in Austria, Borealis Agrolinz Melamine has cut its emissions by 54 per cent.

“As a result of the investments of recent years, our plants are now state-of-the-art with regard to both efficiency and cost levels and thus secure our competitiveness in the years to come,” states Hubert Puchner.

In addition to optimised production plants and processes, Borealis Agrolinz Melamine also attaches great value to improved, environment-friendly logistics services and is therefore using the Danube waterway to an ever-increasing degree. Today over 500,000 tonnes of plant nutrients leave the company by ship and a network of warehouses and LINZER AGRO TRADE’s sales subsidiaries in Hungary, Romania and Serbia complete the supply chain to the farmers of the region.

## **Background information**

In 1940, two years after voestalpine’s steel plant was built on the site of the former village of St.Peter, work commenced on the construction of nitrogen plants for fertiliser production.

In 1949, these facilities were returned to Austrian ownership and the Danube basin presented itself as a natural, central market. At the beginning of the 1950s, the fertiliser producer began to develop into a broad-based chemicals concern, which in 1973 was renamed Chemie Linz AG. Then, in 1987, the fertiliser and plant nutrients business areas were merged to form Agrolinz and in 1994, melamine and fertiliser production were combined within Agrolinz Melamin GmbH. In August 2007, Borealis AG took over AMI Agrolinz Melamine International GmbH in its entirety.

Borealis AG is owned by the International Petroleum Investment Company (IPIC) with 64 per cent and OMV AG with 36 per cent. The plant nutrients product range is marketed under the brand name “Linzer Ware” by the fully owned subsidiary, Agro Trade, the leading plant nutrient wholesaler in the Danube region. The Linz-based Agro Trade also deals in plant nutrients from other producers and technical nitrogen products such as urea and ammonia.

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Borealis employs a workforce of approximately 1,300 in Linz, which is both its largest European location and home to its Plastics Innovation Headquarters.

**End**

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**Borealis** is a leading provider of chemical and innovative plastics solutions that create value for society. With sales of EUR 4.7 billion in 2009, customers in over 120 countries, and 5,200 employees worldwide, Borealis is owned 64% by the International Petroleum Investment Company (IPIC) of Abu Dhabi and 36% by OMV, the leading energy group in the European growth belt. Borealis is headquartered in Vienna, Austria, and has production locations, innovation centres and customer service centres across Europe and the Americas. Through Borouge, a joint venture between Borealis and the Abu Dhabi National Oil Company (ADNOC), one of the world's major oil companies, the company's footprint reaches out to the Middle East, Asia Pacific, the Indian sub-continent and Africa. Established in 1998, Borouge employs approximately 1,400 people, has customers in more than 50 countries and its headquarters are in Abu Dhabi in the UAE and Singapore.

Building on the unique Borstar® technology and their experience in polyolefins of more than 50 years, Borealis and Borouge provide innovative, value creating plastics solutions for the infrastructure (pipe systems and power and communication cables), automotive and advanced packaging markets. In addition, Borealis offers a wide range of base chemicals from melamine and plant nutrients to phenol and acetone.

Today Borealis and Borouge manufacture over 4 million tonnes of polyolefins (polyethylene and polypropylene) per year. Borouge is currently tripling its polyolefins manufacturing capacity to 2 million tonnes per year (t/y) by mid-2010 and an additional 2.5 million t/y is scheduled for 2013. The companies continue to invest to ensure that their customers throughout the value chain, across the globe, can always rely on product quality, consistency and security of supply.

Borouge and Borealis are committed to the principles of Responsible Care® and proactively contribute to addressing the world's water and sanitation challenges through their Water for the World™ initiative.

For more information visit:

Borealis: [www.borealisgroup.com](http://www.borealisgroup.com)

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Water for the World: [www.waterfortheworld.net](http://www.waterfortheworld.net)

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