

PRESS RELEASE

Marseille-Fos to host largest 100% Chinese greenfield factory in France.



On the occasion of French President Emmanuel Macron's visit to China, an agreement has been signed to begin the final stages of negotiations for the port of Marseille-Fos to host the European production centre of China's Quechen Silicon Chemical Co., the world's third-largest silica manufacturer for "green" tyres.

On January 9, 2018, Jean-Yves Le Drian, French Minister for Foreign Affairs, Bruno Le Maire, French Minister of Economy and Finance, Zhong Shan, Chinese Minister for Commerce and Wang Chao Chinese Vice Minister for Foreign Affairs, jointly witnessed in Beijing China the signature of the LOI of Quechen Silicon Chemical Co., Ltd investing in France between Quechen Silicon Chemical International Development Company Limited and Grand Port Maritime De Marseille, the chemical company Kem One and the economic development agency Provence Promotion.

After nearly two years of studying several potential sites, Quechen Silicon Chemical have selected For-sur-Mer as the ideal investment place for its Project to build a combined platform to produce 90 000 t/a High Dispersion Silica (HDS), its associated raw material and develop an R&D Center. Marseilles Fos Port, as No. 1 industry port in France, combines the complete and efficient logistics system and industrial facilities to match Quechen Silicon's own strategic plan of establishing production plants nearby international customer to optimize its service under the national guidance of the Belt and Road initiative.

The signature of the LOI is a milestone for Quechen Silicon Chemical in its globalization and international operation. Quechen Silicon Chemical, Grand Port Maritime De Marseille, and Kem One have confidence in clarifying all necessary details leading to the acceleration of the Project implementation.

The estimated 100M€ investment will result in the creation of 130 direct jobs and is proof of France's attractiveness to international investors, Chinese in particular, and highlights the advantages offered in terms of location, set-up costs and R&D potential.

Quechen Silicon Chemical Co., Ltd, located in Wuxi, Jiangsu, is the first Chinese enterprise manufacturing silica with full industrial chain and also a major global supplier of HDS. HDS is used in the manufacturing of the green tires and contributes to reduction of tires rolling resistance, car oil consumption and to increase vehicle's safety performance. In response to the growing needs of European-based low consumption tire manufacturers, the HDS plant to be built in France by Quechen Silicon Chemical will be one of largest HDS plants in the world.

After the signature of LOI, Mr. Que Weidong, the founder and CEO of Quechen Silicon Chemical expressed his gratitude to the Chinese Government for its high attention on overseas investment of new material private enterprises. He is also very thankful to Provence Promotion, Aix Marseille Provence Metropolis, the Provence-Alpes-Côte d'Azur Region, Business France and the French Government for their great supports to a Foreign Investor like Quechen Silicon during all those past months.

For Mr Pierre DARTOUT, the Prefect of the Provence-Alpes-Côte d'Azur region and of the Bouches-du-Rhône département, "The launching of this greenfield project by Chinese investors, in addition to the jobs and wealth it will bring to the region, represents a far-reaching decision, one that is perfectly in line with the desire to restore a balance in trade between the two countries, as expressed by the President. It also highlights the many advantages our metropolitan area can offer and is a consecration of the efficient partnership put in place with the Port, local authorities and the government to showcase them. The government, in partnership with the local authorities, will continue to support this project, in particular by providing advice on environmental, fiscal and customs regulations as well as assisting with recruitment."

For Jean-Claude GAUDIN, President of the Aix-Marseille Provence Metropolitan Authority, "Our newly-formed metropolitan authority now brings together within one area economic forces that were previously scattered and thus not utilized to their best effect. Together, these assets form an extremely competitive region. Working hand in hand with the Provence-Alpes-Côte d'Azur Regional Council, we will undoubtedly become one of the most attractive metropolitan areas. Our Provence Promotion agency, in partnership with the Marseille-Provence Chamber of Commerce and Industry, has allowed us to hold our own in the face of competition from almost thirty other European sites, for which I have to congratulate their teams. A special word also for one of its administrators, Didier Parakian, Chairman of the Metropolitan Authority's Economy and Innovation Commission, who, in 2015, was the first elected official in France to enter into contact with Quechen."

For Renaud MUSELIER, Chairman of the Provence-Alpes-Côte d'Azur Regional Council, "Among the 28 sites earmarked around Europe, QUECHEN has today decided to enter into exclusive negotiations with us for locating its factory here at Fos-sur-Mer. It's a strategic decision for which I would like to

thank them, one that rewards

many months of negotiations. Christian Estrosi went to the Group's Wuxi plant in China to meet Mr QUE. I also met Mr QUE on 3rd July last in my office at the Regional Council and discussed with him at some length the advantages our region offers. This is an unequivocal decision that attests to our region's potential and attractiveness and to the quality of its infrastructure. For me, therefore, it is a victory for growth and for employment in Provence-Alpes-Côte d'Azur!

The Provence-Alpes-Côte d'Azur Regional Council will be providing support to QUECHEN for its project in partnership with the Aix-Marseille Provence Metropolitan Authority, Provence Promotion and the state. Business and institutional bodies playing together as a team has been the key to convincing QUECHEN."

For Frédéric CHALMIN, Managing Director of KEM ONE, "QUECHEN SILICON CHEMICAL's European project is exactly in line with our own group's strategy. Fos-sur-Mer is one of our largest industrial units and it will create a number of synergies with the future silica plant. We are also looking at collaborating in the field of R&D. The entrepreneurial make-up of both companies are very similar. We are delighted at the prospect of a very close collaboration."

For Christine CABAU WOEHREL, Chairwoman of the Board of the Grand Port Maritime de Marseille-Fos, "The scale of the QUECHEN SILICON CHEMICAL investment will mobilize extensive land, energy and industrial water resources and require a worldwide connectivity. Our port, France's largest, offers huge advantages on a European scale for industrial investors wishing to serve the continent and Africa and the Middle East beyond."

For Christophe LECOURTIER, Managing Director of Business France, "Business France is delighted by QUECHEN's decision, since this greenfield investment sets it apart from the acquisitions and shareholdings generally preferred by Chinese investors. In the long term, the project will serve as a showcase for other Chinese manufacturers. Chinese businesses in France already employ 45,000 people in 600 companies."

For Jean-Luc Chauvin, President of Provence Promotion and of the Marseille-Provence Chamber of Commerce and Industry, "We have passed a very important milestone and I congratulate Mr QUE and his teams for recognizing our too-often-overlooked attractiveness. Quechen Silicon Chemical's project is emblematic and will no doubt be the first of a series of Chinese investments. The way the Quechen project was managed locally represents a new approach for us in reinforcing the region's attractiveness, and in particular that of its PIICTO platform, a breeding ground for industries of the future. A private-public sector movement has been put in place over the past two years, with around twenty French and Chinese entrepreneurs standing up for the region, including the likes of Tanya Saadé (CMA-CGM), Gérard Deman (UIC) and companies such as Total, Petroineos, to ensure its victory."

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PRESS CONTACTS						
Provence Promotion	Business France	KEM ONE	GPMM	A-MP Metro. Auth.	Southern Regional Council	MPCCI
Valérie VERNAZ	Cynthia ODSI	Magalie DUBOIS	Marianne BERBON	Stéphane GIREAU	Marie-Claude PAOLI	Eugénie RICOTTE
+33 (0)685 906004	+33 (0)140 747415	+33 (0)618 931537	+33 (0)491 394320	+33 (0)632 871986	+33 (0)7 84 29 35 84	+33 (0)630 383742

The **GRAND PORT MARITIME DE MARSEILLE** (Marseille-Fos Port Authority). The port of Marseille-Fos is a global port offering a comprehensive range of port services for containers, petrochemicals, liquid and solid bulk, passengers (cruise and ferry) megaship repair and offshore dry-docking. The 10,000-ha industrial zone at Fos hosts a large number of logistics and industrial activities while also including 3000 hectares of environmentally protected areas.

- Largest port in France and second-largest in the Mediterranean (by cargo volume)
- Largest French cruise port and fifth-largest in the Mediterranean in 2015
- A 400-ha port zone within the Marseille city boundaries
- A 10,000-ha port zone in Fos dedicated to logistics and manufacturing (equivalent to the size of Paris)
- 43,500 jobs directly or indirectly linked to the port's activities.

KEM ONE, with a turnover of €800M, is Europe's second-largest PVC manufacturer. The company employs 1300 people at its eight manufacturing sites (Balan (Ain), Saint -Fons (Rhône), Saint-Auban (Alpes de Haute-Provence), Berre, Fos-sur-Mer and Lavéra (Bouches-du-Rhône), Vauvert (Gard) in France and Hernani (Spain)) and at its Lyon headquarters. KEM ONE has a fully-integrated manufacturing process from salt electrolysis to production of PVC.

PIICTO. The Caban Tonkin Industrial and Innovation Platform is a joint venture involving 13 industrial partners in the Fos-sur-Mer port and industrial zone and the GPMM (Marseille Port Authority). Its role is to perpetuate the existing industrial activities and to foster the creation of new activities through the circular economy as well as to promote innovation in energy transition.

BUSINESS FRANCE is the national agency for the development of the French economy internationally, responsible for fostering export growth by French businesses as well as promoting and facilitating international investment in France. It promotes France's companies, business image and nationwide attractiveness as an investment location and also runs the VIE international internship programme. Created on 1st January 2015, from a merger between UBIFRANCE and the Invest in France Agency, Business France has 1500 staff based in France and in 70 countries worldwide working with a network of public- and private-sector partners.

PROVENCE PROMOTION, the economic development agency that brings together the Marseille-Provence Chamber of Commerce and Industry and the Aix-Marseille Provence Metropolitan Area, is one of leading agencies of its kind in France in terms of results. It works in close collaboration with local stakeholders, in particular the Provence-Alpes-Côte d'Azur Regional Council. The agency identifies and provides support to French or foreign companies and project carriers investing in the Bouches-du-Rhône *département*, whether locating, creating or taking over a business. Each year, it meets 600 companies in France and worldwide and provides support to 120 projects, with some 60 of those projects seen through to completion, resulting in more than 1200 job creations.

With its expertise, Provence Promotion aims to attract talent and entrepreneurs from all over the world to create sustainable jobs in Provence. For the new arrivals, it opens doors to the different ecosystems and key projects that provide investment opportunities.