
Informex: Mixed Outlook but Optimism Prevails

By Alex Scott

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Senior executives of specialty and fine chemical manufacturers have a mixed outlook when it comes to business opportunities for the year ahead, according to executives attending the Informex expo held recently in San Francisco. Wolfgang Schmitz, CEO of Saltigo, and Steven Klosk, president and CEO of Cambrex, are among those that say they are cautiously optimistic about any improvements to the fine chemicals market in 2010. Andy Harris, CEO for Syrgis (Cincinnati, OH), a specialty chemicals firm, says he is optimistic that the company will achieve sales growth of about 20% in 2010.

Steven Munk, president and CEO of privately owned **Ash Stevens** (Detroit, MI), a fine chemicals contract manufacturer for pharmaceutical firms, is “bullish” about the year ahead. Munk says 2009 was a good year with sales of about \$20.5 million, up from sales in 2008 of about \$13.5 million. The company is currently seeking to expand and is evaluating options including the purchase of an existing site, or construction of a new facility that would provide the company with large scale manufacturing of pharma ingredients. Munk says part of the company’s recent success is owed to the return of some U.S. pharma customers who had previously been purchasing products in Asia.

BioVectra (Charlottetown, PE), a pharma fine chemicals and biologic drugs manufacturer, says it is experiencing particularly strong demand, especially for the manufacture of biologic materials. The company plans to install two 30-liter fermentation reactors, one 100- liter reactor and one 1,000-liter reactor, says Desiree Quizon-Colquitt, manager/business development and sourcing for BioVectra. Sales in the fermentation field are growing more than 20%/year, she says.

Meanwhile, Dottikon (Aargau, Switzerland), a fine chemicals manufacturer focused on the niche area handling hazardous chemicals, says it has been struggling to fill its plants and that it intends to reduce operating shifts at some of its facilities beginning this month. “This is to absorb short term fluctuations in capacity utilization,” Dottikon says. The company says it expects sales to fall for the business year ending April 1, 2010 when compared with the year-ago period.

“Perhaps, by operating in a niche within a niche, Dottikon has become too specialized and doesn’t have enough market opportunity,” says an executive from a non-GMP chemical intermediates manufacturer.

A slew of companies announced technology developments at Informex’s Technology

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Showcases: BASF has stepped up its spray drying service offering for processing active pharma ingredients (API) via a cooperation agreement with GEA Nitro (Soborg, Denmark), a manufacturer of spray dryers. "With this cooperation we add to our portfolio the ability to offer a cGMP facility," says Folker Ruchatz, director/global business management custom synthesis for BASF.

Technology showcases also highlighted DSM's growing ability to undertake biocatalytic processing, including one application where the company has been able to replace a seven-step synthetic chemistry process with a two-step process involving an enzyme stage followed by one featuring copper catalysis. "It only took us a few weeks to go from the laboratory to full scale," says David Ager, a senior chemist with DSM Research.

Biotech start-up Myriant Technologies (Quincy, MA), which is developing bioprocesses for building block chemicals including succinic acid, also expressed optimism about its prospects for the year ahead. The firm is on track with plans to set up a demonstration facility for its biosuccinic acid process following a \$50 million funding deal from the U.S. Department of Energy.

Jennifer Jessup, brand director/United Business Media, Informex's organizers, says exhibitor and attendee levels are "on track to match" those of the past year, despite last year's tough economic conditions. However, companies have been later in deciding to participate, Jessup says.