

Press Release



Zeller+Gmelin relocates and expands its production site in China

EISLINGEN, February xx, 2021 - Zeller+Gmelin is reorganising its China business. The Eislingen-based company is planning a new manufacturing site with its own production, development and sales team for lubricants and chemical products in 2021. In addition, a production area for printing inks is also to be built, in order to be able to mix and package the inks according to customer specifications on site.

The lubricant manufacturer Zeller+Gmelin has been present in China through partners since the 1980s, since 2006 with its own subsidiary Zeller+Gmelin (Suzhou) Co. Ltd. in the joint venture in Luxu (80 kilometres west of Shanghai).

"Zeller+Gmelin's lubricants are increasingly popular in China and are enjoying a growing demand. In the beginning, business remained at a manageable level for a long time. But quality prevails," states Siegfried Müller, Managing Director at Zeller+Gmelin, with conviction. Since 2010, sales have risen steadily by an average of 15 percent annually. "The demand for high-quality lubricants in China continues to grow. For this reason, we are significantly expanding our presence close to our customers," says Siegfried Müller.

With a view to the future, the capacities at the existing site were no longer sufficient. "In 2018, as a chemical company, we also received new requirements from the local government, making it imperative to relocate production to a new site," adds Siegfried Müller.

At the new production site, the Zeller+Gmelin subsidiary will now stand completely on its own two feet. "Our joint venture partner was reluctant and did not intend to make any major investments at the moment. Therefore, Zeller+Gmelin decided to buy back all shares completely and to relocate, rebuild and expand the production independently", explains Siegfried Müller.

With the new plant in China, Zeller+Gmelin is in a position to offer its entire range of services locally to Chinese as well as global customers.

The plan is for the new plant to be gradually expanded and upgraded with modern manufacturing processes. The goal is to achieve an economical production that stands for high flexibility with short throughput and delivery times.

The Printing Inks Division will also be integrated into the new production site. This is the area where Siegfried Müller sees a lot of potential. "We are completely rebuilding this area and also see a good sales market in China for our high-quality printing inks."

In addition to the production expansion, the company plans to build a development laboratory.

“The aim is to increasingly develop and produce products in China that are tailored to the respective local market needs. Together with our other development laboratories in Germany, UK and the USA, we will then be able to offer our global customers on-site development and support on the three most important continents”, claims Siegfried Müller



Figure: Image of current site in Suzhou (source: Zeller+Gmelin)

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