Salt producer Nedmag to invest millions for the future

The shareholders of Nedmag Industries in Veendam, the Netherlands, have approved a €122 million investment program for the period 2016 – 2025. Of this, €57 million is reserved for (sustainable) innovation and €65 million for investment in new magnesium salt sources. This investment enables the company to safeguard its continuity for the coming decades.

Permit Procedure
Aside from the existing salt extraction sites Well Head Centres 1 and 2, Nedmag will start investigating the possibilities of exploiting Well Head Centre 3 this year, a newly to be developed salt extraction site. This requires an elaborate permit procedure. The various target groups in the surrounding area will be closely involved in this process. The expectation is that this process will take until 2018/2019. Start-up of production at the new salt extraction site is expected for 2020.

Innovation
Nedmag is an innovative company that is continuously involved in improving its processes and developing new applications and high-quality products. For example, the company continuously focuses on energy efficiency as well as on new applications, such as the development of calcium salt for the dairy industry and beer breweries, and the development of magnesium hydroxide for environmental applications. Over the coming years, Nedmag wants to continue to invest in process improvements and innovative applications. Nedmag’s products are sold worldwide.

Unique Salt Layer
Nedmag’s success is for a large part based on the unique magnesium salt layer at a depth of 1,500-1,800 metres that was formed over millions of years in the northern part of the Netherlands. This layer contains magnesium salt of an unparalleled purity that consequently is extremely well suited for Health & Wellness applications. As a result, Zechstein Minerals (in which Nedmag holds an interest) has successfully entered this market and supplies worldwide various magnesium salt-based Health & Wellness products. In addition, the adjacent Kisuma Chemicals produces highly pure synthetic magnesium compounds based on Nedmag’s salts and as such is the largest producer of synthetic hydrotalcite in the world.

Production
Nedmag is an independent company with two production sites in the northern Netherlands. One site just outside Veendam where magnesium salt is extracted and one production site in Veendam where this salt is converted into magnesium hydroxide, magnesium oxide and calcium chloride. Magnesium hydroxide is used in various ways, including as an environmentally friendly auxiliary material in the pulp and paper industry, in waste water treatment where, among other things, it is used to recover phosphates, and in flue gas treatment where it is used to extract sulphur from waste gases. Magnesium oxide is used in the manufacture of fire-proof oven bricks, Calcium chloride is used in the food (cheese and beer production) and in the road maintenance (de-icing and dust control).

Shareholders
50% of Nedmag’s shares are held by the Lhoist Group and 50% are held by the Noordelijke Ontwikkelings-maatschappij (NOM). The Lhoist Group is a family business that has existed for more than 125 years and is a global leader in the production and distribution of lime and dolomite, as well as derivative products. NOM is a development company for the Northern Netherlands.