

united states/americas

ANTITRUST

DEAD SEA PLEADS GUILTY TO PRICE FIXING

Dead Sea Bromine (Beer Sheva, Israel) has pleaded guilty to fixing prices of bromine products in the U.S. and will pay a \$7 million fine, says the Department of Justice (DOJ). U.S. antitrust officials charged Dead Sea with fixing prices and allocating customers for tetrabromobisphenol-A and decabromodiphenyloxide flame retardants with an "unnamed coconspirator" between July 1995 and August 1998.

Great Lakes was granted amnesty in a DOJ price-fixing probe concerning bromine and bromine products in exchange for its cooperation. The company would not comment on the Dead Sea settlement. Great Lakes CEO Mark Bulriss said last year that he became aware of the antitrust violations soon after he took over as CEO in April 1998 (CW, June 23, 1999, p. 9). Albemarle, the other major maker of brominated flame retardants, says it was never contacted by DOJ. Dead Sea Bromine, Great Lakes, and Albemarle hold more than 80% of the \$800-million worldwide bromine market.

A parallel European Commission price-fixing investigation is pending.

—KS

WRAP-UP

SOVEREIGN SPECIALTY CHEMICALS (Chicago) says its Pierce & Stevens subsidiary has purchased an overprint coatings line from Aurachem (Harrison, NH). The product line generates sales of about \$3.5 million/year in graphic arts and specialty plastic applications.

GE SILICONES has completed its previously announced purchase of American Silicones. Terms were not disclosed. The business will become a wholly owned GE Silicones subsidiary and integrated with GE's custom compounding operations at Chino, CA.

LYONDELL CHEMICAL has named David J. Lesar to its board of directors. Lesar is currently president and COO at Halliburton and is slated to replace Republican vice presidential nominee Dick Cheney as Halliburton chairman and CEO later this month.

M&A

Akzo Reaches Deal to Buy the Last Piece of Dexter

AKZO NOBEL HAS REACHED A DEAL TO purchase the aircraft coatings business of Dexter for an undisclosed amount. The deal doubles Akzo's sales in aircraft coatings to about approximately \$100 million, ranking it second behind PPG Industries' PRC-Desoto unit.

"The acquisition considerably strengthens our position in aerospace coatings worldwide," says Rudy van der Meer, Akzo Nobel's board member responsible for coatings. The deal also gives Akzo a key supply relationship with Boeing.

"This will substantially improve our representation in the U.S. and provide us with a lasting global position qualified by the world's leading aircraft producers," says Göran Jönsson, business unit manager/industrial coatings at Akzo. The company says the deal gives it critical mass in aircraft OEM coatings. It previously focused on aircraft refinish and maintenance coatings. Akzo obtains Dexter

production and R&D facilities at Waukegan, IL; Brownsville, TX; and Bassano, Italy. The business has 200 employees worldwide and had sales last year of \$47 million. Akzo purchased Dexter's 40% stake in their European aircraft coatings joint venture last year. (CW, Feb. 17, 1999, p. 20).

Akzo was subsequently forced by the European Commission to sell PRC-DeSoto—acquired as part of its purchase of Courtaulds—to PPG to reduce Akzo's 80% share in aircraft coatings in Europe.

Aircraft coatings is the last remaining part of Dexter to be sold in the breakup prompted by International Specialty Products' attempt at a hostile takeover. Dexter previously announced deals to sell its electronic materials, adhesives, and polymers businesses to Henkel's Loctite subsidiary for \$400 million and its nonwovens business to Ahlstrom Paper Group for \$275 million. The rest of Dexter, comprising a 75% stake in Life

Technologies, will be sold to Invitrogen for roughly \$1.9 billion (CW, July 19, p. 10).

"Our focus now is on closing all of these transactions as quickly as possible and ensuring a smooth transfer of our business operations to their new owners," says K. Grahame Walker, Dexter chairman and CEO.

—ROBERT WESTERVELT



Van der Meer: Key position with Boeing.

Biomaterials

DuPont, Tate & Lyle Link to Develop Renewable Polymers

DUPONT AND TATE & LYLE CITRIC ACID have formed a joint venture to build a 1-3 propanediol (PDO) pilot plant at Tate & Lyle's Decatur, IL site. DuPont has not announced the size of the plant, scheduled to come onstream by year-end.

PDO is used to produce DuPont's Sonora polymer—polytrimethylene terephthalate, or 3GT—used in textiles and resins. DuPont says a deal with Tate & Lyle Citric Acid, a subsidiary of Tate & Lyle Plc. (London), will bring expertise in fermentation, which DuPont says is crucial to successful commercial development of PDO, as well as a source of glucose feedstock.

"DuPont brings the microorganism, market knowledge, and process technology to the alliance, while Tate & Lyle brings biochemical and fermentations expertise,

site infrastructure, and access to raw materials," says DuPont group v.p. and general manager Ellen Kullman. The pilot plant will help fine tune the PDO process before a manufacturing facility is built by 2003, says Kullman.

DuPont and research partner Genencor (Rochester, NY) last year said they had improved the PDO process 500-fold, allowing the pilot to go forward this year. The improvement comes from the ability to combine enzymes from two microbes into a single strain. DuPont has said the pilot plant would likely need 10,000-50,000 liters of fermentation capacity (CW, Dec. 1, 1999, p. 17). The process of making PDO from glucose fits in with DuPont's plan to generate 25% of its revenues from renewable resources by 2010.

—KARA SISSELL