

# Arkema monte en puissance en Chine

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French chemicals group Arkema has signed a major contract with Sunvic Chemical's subsidiary Jurong Chemical (the world's fifth largest acrylic acid producer and the market leader in China). Arkema and Jurong are to turn Jurong's acrylic acid operations in Taixing, China into a joint venture called Sunke). The Taixing factory employs 400 people and has 2 production lines each with 160,000 tonnes/y capacity (making it the largest of its type in China). A third production line will be added at start 2015 taking the factory's capacity to 480,000 tonnes/y. Arkema will invest \$240 M in the joint venture in return for an initial stake of 55% after the deal is finalized in summer 2014. This will give it 160,000 tonnes/y acrylic acid capacity. When the new line enters service in 2015, Arkema will make a further payment of \$235 M giving it a 67% stake in Sunke and 320,000 capacity. At this stage, Arkema expects turnover from the first 2 lines to reach \$600 M.

Arkema will also have a 5-year option on acquiring the final 33% of acrylic acid capacities for \$165 M (which would make it the Taixing factory's sole owner). The deal with Jurong Chemical gives Arkema immediate access to modern, operational acrylic acid capacities in China ensuring reliable feedstock supply for its own coating resins production. It will also provide reliable feedstock supply for Arkema's subsidiary Coatex' vast platform in Changshu and for its subsidiary Sartomer's operations in Guangzhou. The group will also be able to supply its Chinese and Asian customers with acrylic monomers (targeting the dynamic superabsorbents, paints, adhesives and water treatments market). The choice of Taixing is also of strategic important because Asia accounts for 53% of worldwide acrylic acid consumptions (estimated at 4.8 M tonnes in 2013). China alone accounts for 25% of the market and is enjoying growth of 7-8%/y. Asia is a priority region for Arkema's acrylic acid business and the group is considering building a new factory on the continent. Meanwhile Arkema recently increased its acrylic acid capacity in Clear Lake, TX to 270,000 tonnes/y. It also has 65,000 tonnes/y capacity thanks to its 50% stake in a joint venture with Nippon Shokubai in Bayport, TX. In Europe, its site in Carling, France has 275,000 tonnes/y capacity. At start 2015 (thanks to its increased stake in Sunke), Arkema will become the world's third largest producer of acrylic acid. The deal with Jurong Chemical is also in line with Arkema's strategy of achieving a better geographical balance between its operations by increasing the proportion of its 2016 turnover it makes in emerging nations to 30%.

*SOURCE Pharma Chimie Hebdo*