

Arkema gets nod for its £1.3bn Bostik deal

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The European Commission has approved France-based chemical company Arkema's acquisition of French oil and gas giant Total's adhesives and sealants business Bostik.

In a statement the Commission said it had concluded that the proposed acquisition would raise no competition concerns "because it leads only to limited vertical links between the parties and the inputs concerned are not crucial for the downstream production of adhesives and sealants".

The Commission went on to highlight that a number of strong players will also remain active in the market after the merger.

Arkema offered to acquire Bostik in September 2014, valuing the business at €1.74bn (£1.3bn).

Arkema chief executive Thierry Le Hénaff said in a statement at the time of the offer: "The complementarities between the two companies, the quality of Bostik's management, the common roots within the Total group, and the brands and technologies are all factors that will sustain value creation for our shareholders and ensure successful execution of the project."

"For Arkema, this new exciting challenge complements the ambitious plan currently in progress to establish acrylics and thiochemicals in Asia through the [joint venture with] Jurong Chemical [in China] and the Kerteh [Malaysia] project, restore the profitability of fluorogases, carry through its €100m (£75m) savings plan announced recently, and realize the strong growth prospects in the attractive oil and gas segment," Le Hénaff added.

Bostik reported sales of around €1.53bn (£1.14bn) in 2013 and employs 4,900.

Arkema, which saw sales of €6.1bn (£4.6bn) in 2013, has operations in more than 40 countries, employing around 14,000 people.