

Mexichem completes acquisition of German PVC plant

argusmedia.com, 3rd December 2014

Mexico-based specialty chemicals producer Mexichem this week completed its acquisition of German PVC manufacturer Vestolit, furthering its stake in the European market.

Mexichem finalized the purchase from US-based investment firm SVP Global after all relevant regulatory approvals were received. The deal, valued at €219mn (\$269.5mn) in cash and assumed liabilities, will see Mexichem increase its 1.3mn t/yr vinyl chloride resin production capacity by a further 415,000 t/yr.

Vestolit is one of the top two producers of paste PVC in Europe. Paste PVCs are specialty grades commonly used in the manufacture of flooring, as well as in the automotive industry as underbody protection for cars.

Mexichem already has a presence in the European downstream PVC industry, having acquired Europe's largest pipe manufacturer Wavin in 2012. That acquisition made Mexichem, which was already the market leader in Latin America, the world leader in plastic pipe supply. The company reported recently that 33pc of total sales in the first half of 2014 were in the European market.