ICI, Schering named in new Philips-Duphar bid reports

AFTER nearly two years of silence following the failed merger attempt with Akzo Pharma, the Dutch pharmaceutical and agrochemicals firm Philips-Duphar is reportedly headed for new owners.

Reports in the Dutch press named the new suitors as ICI and Schering. Both ICI and Schering declined to comment but parent company Philips Industries significantly has not denied their involvement.

Since 1969, there have been at least three attempts by the Eindhoven-based parent electronics group to sell off its loss-making chemicals subsidiary. Bidders included Koninklijke Zout Organon, later to become part of Akzo and Dow Chemical, which broke off talks in 1973. Finally in 1975, the Akzo Pharma deal fell through.

Rumours since then have linked the company with a major US group. And even now Philips maintains that the two European firms are not the only ones interested. Akzo Pharma itself has never completely given up its aspirations towards Duphar, but the group's financial problems have effectively ruled out any revival of the merger plan.

Main stumbling block up to now has been Philips' unwillingness to break up Duphar and sell off its component parts. In this case, it is said for instance that Schering is interested only in the drugs side, whereas ICI wants the agrochemicals and fine chemicals business, representing around 40 per cent of turnover.

Last year's reorganisation of Duphar into two seperate divisions, however, has been interpreted as a change in parent company policy. Certainly there have been approaches from other firms to buy Duphar's consistently profitable US operations as a seperate unit.

Headquartered in Amsterdam, Philips-Duphar is organized in two divisions: pharmaceuticals, which is said to be profitable and crop protection, which isn't. The company is a leading producer of vitamins A and D, and various insecticides, fungicides and herbicides. A quarter of its 4 000-strong workforce are in the Netherlands.

Sales, though not disclosed, are over f1 billion a year. Also not disclosed is the extent of its losses.

Italian fertilizer price rises granted

THE ITALIAN government last week finally announced its long-awaited sanction for a general rise in fertilizer prices. The increases average 15 per cent and range from 11 per cent at the bottom end to 23 per cent at the top. Phosphate prices will remain unchanged.

Granted only after long, tortuous, and frequently delayed meetings of the price commission CIP, the increases are well under the 32 per cent rise sought by the producers.

They also only take into account the increase in methane prices; Montedison, which operates a naphtha-based ammonia plant at Priolo, estimates it would need price rises of over 30 per cent to cover higher feedstock costs.

Meanwhile, after long and difficult negotiations Montedison and the labour unions have finally agreed a plan to reorganize the obsolescent Porto Empedocle fertilizer plant in Sicily. The agreement guarantees work for all 428 employees presently laid off.

Workers displaced by the rundown in fertilizer production will be found jobs in new line chemical and plastic processing operations Montedison has promised to build. In the meantime, the phosphate fertilizer side will be kept in operation while Montedison continues its efforts to sell it off.

To replace the lost jobs, Montedison will build a L5 billion plant to produce specialities for the veterinary market. This is expected to employ 100 workers and be in operation in two years' time.

Another 100 workers will be found jobs on a new 30 000 ton/year PVC compounding operation costing around L15 billion and due in production within two and a half years. Also in the plastics processing sector, the company will start making water tanks, but with other companies managing the business.

On the chemicals side, Montedison hopes to take a minority interest in a joint venture with an undisclosed company to build a 5-8 000 ton/year polymer stabilizers plant. This would cost L4 billion and start production within the next two years.

Burmah sues Bank for return of BP shares

BURMAH Oil, which earlier this week announced pre-tax losses of £15m. for first half 1976, is suing the Bank of England over the £179m. deal in January 1975 giving the Bank Burmah's 20 per cent shareholding in BP. Burmah hopes for the return of the 77·8m. BP shares, now worth £451m., plus damages and costs.

Monsanto sets date for exit from PCB market

MONSANTO, the sole US producer of polychlorinated biphenyls, has fixed October 31 next year as the deadline for its final exit from the market. A similar announcement from Monsanto Europe is expected very shortly.

By no later than that date, the company will close its US plant, complete distribution of inventories, and cease selling the product. And, says Earle H. Harbison, general manager of Monsanto's specialty chemicals division, it would have got out earlier had the electrical industry been faster to convert its equipment to use subsitutes.

The move follows more than five years of growing criticism of PCBs for their toxicity, non-biodegradability and accumulation in the food chain. Several years ago, Monsanto voluntarily restricted their use to closed system electrical applications (transformers, capacitors).

In a related move, McGraw-Edison Co. announced that on November 1 this year, it will begin replacing PCBs in its power capacitors with a more environmentally acceptable product, butylated monochlorodiphenyl oxide, developed jointly with Dow Chemical.

The product, called XFS-4169L by by Dow and *Edisol* by McGraw-Edison, is made at Midland where a $2·5m. expansion will double capacity to 2-3m. pound/year by mid-1977. The capacitors will cost about 25 per cent more than earlier models, but tests have shown the new insulating fluid is less toxic and more biodegradable than PCB, and has the same or better performance.

Italian workers strike over Priolo pollution

ITALIAN workers in the Priolo area staged a one-day strike earlier this week (Wednesday, October 13), in an attempt to urge the government to take decisive action to arrest the level of environmental pollution in the area.

In the wake of the Seveso incident the Sicilian regional authority decided to suspend all licences for new industrial development in the region and promised to introduce environmental control measures after further investigations. Two months have elapsed but little appears to have been done.

No decisions have been announced even with regard to the proposed Montedison/ICI joint aniline complex due to be built at Priolo. The Sicilian regional authority IRFIS has already granted Montedison a L10 billion loan to aid construction costs but the company is still waiting for an operating permit from the regional authority.