ECN newsdesk

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Norsk Hydro may soon restart PVC production

NORSK HYDRO may be able to restart PVC production in the very near future following a relatively favourable report by the special commission investigating health risks at its PVC plants.

The commission, consisting of three doctors nominated by the Government health authorities, trade unions, and the Norwegian employers' federation, stated that Hydro will be medically justified in restarting production provided it invested in more secure production methods.

Specific recommendations include the installation of closed production systems, new polymerization vessels to replace some of the older plant on site, and the introduction of more efficient ventilation equipment. Norsk Hydro replies that alterations made before and during the shutdown ought to meet the safety requirements listed in the report. It expects to restart production with the newer one-third of its autoclaves. Long-term, the commission recommended entirely new polymerization plants, a feature of Hydro's plans to double capacity in any case but one which will take at least 2-3 years to achieve.

Although production could be under way again within a few days, the company now has to convince its workers that the medical risks are negligible.

Meetings between the company and its employees are expected to take up the next five days or possibly up to a week. But first reactions from the workers are reported to be unfavourable and the restarting of production could prove expensive in terms of wage rises.

Apart from the genuine concern on health, one of the chief reasons for the shutdown in the first place was the demand for substantially increased wages and generous time off for people employed on what was then seen as a hazardous process.

The restarting of PVC production in the near future will come at an opportune moment for Norsk Hydro. Its PVC stocks are understood to be very nearly depleted after a lengthy period of supplying customers without its own production. It admits the situation would be much worse were it not for the large volumes of material now available on the open market.

● Meanwhile in the UK, a former BP Chemicals employee has died of angiosarcoma of the liver, the rare form of cancer linked with exposure to vinyl chloride. His death, the first in the UK recorded as due to angiosarcoma, brings the number of confirmed VCM-related fatalities to 25 worldwide, although a former ICI worker's death is also suspected of being caused by the disease.

The BP case, however, involves the shortest ever exposure to VCM—the man was employed for only three years eight months in cleaning polymerization vessels. Previous cases related to exposures of eleven years or more.

Government-appointed pathologists are to examine samples of the man's liver to see if there could be any other contributory factors in view of the comparatively brief exposure period.

BP Chemicals meanwhile is increasing spending on new equipment from £1m. to £2m. at the Barry polymerization plants where the man was employed. The other major UK producer, ICI, is also considering the construction of new PVC facilities, partly in order to replace its ageing Hillhouse plant which is rumoured to be incapable of meeting even the 50ppm interim standard.

Italian group in Occidental share deal

UNCONFIRMED REPORTS from New York maintain that Ghaith Pharaon, the Saudi business man who acquired 1 million shares in Occidental Petroleum, was acting for an Italo-Saudi group who now own 4m. Occidental shares—7·5-8 per cent of the equity and the largest single shareholding.

The Italian partner owning 3m. shares was strongly rumoured to be Capitalfin investment group, owned equally by ENI, Banca Nazionale del Lavoro, Montedison, and the two Fiat-Agnelli holding companies, IFI and SAI. But the company has now denied its involvement.

However, a Montedison spokesman said that Fingest Internazionale, Montedison's leading offshore investment group, "could not exclude the possibility that it had bought Occidental shares on the market." Such purchases would merely be of a trading nature and not strategic, he indicated. Fingest is a prominent operator on the world's money, commodity, and stock markets.

Under Securities and Exchange Commission (SEC) regulations, the holding involved in the alleged Italo-Saudi deal would have to be notified. Quoted by the *Wall Street Journal*, Pharaon said he had bought 700-800 000 Oxy shares on behalf of himself and a European group last April.

Dr Armand Hammer's statement to the SEC that "a prominent Arab" had bought 1m. Oxy shares and its apparent conflict with Pharaon's statement will be one of the aspects of the SEC inquiry into Oxy share dealings now under way.

Monsanto confident of strong 1975 first half

MONSANTO's president, John Hanley, is predicting a 'reasonably strong performance' for his company in the first half of 1975. A number of key Monsanto product areas, such as herbicides, phosphate products and Fisher Controls, he pointed out, are not directly related to the industrial economy.

The group's range of products has already meant that the slow-down in demand—shortly after mid-year in Europe and at the end of the third quarter in the USA—did not translate into as significant decline in third quarter earnings as would have been the case in earlier years. The continuing softness in automotive production, housing starts and consumer durable expenditure in the final quarter had, however, begun to affect an increasing number of products such as plastics, rubber chemicals and polybutyral sheet.

Mr. Hanley agreed that a recovery will begin at the mid-year, followed by a period of moderate growth.

Monsanto's capital expenditure in 1975 will be \$500-600 million (m.) against \$300m. in 1974.

Overall, 1974 profits are expected to be in the region of \$323m.-\$328m.

Montedison hints at renewed dividend

SIGNOR CORSI, managing director of Montedison, has hinted in the Italian weekly *Panorama* that the company should be able to pay a dividend this year—its first since 1969.

Chemicals and fibres, however, were not the main causes for Montedison's improvement: Sig. Corsi pointed to large-scale borrowing of low interest rate money in 1971/2 and speculation in foreign exchange and commodity markets as the principal factors.

The Montedison subsidiary, Gemina, had bought silver at \$3·50/ounce, he said, and sold it at \$4.80/ounce, but this speculation was not as successful as the foreign exchange operations. The cost of money to Montedison at present is about 10·41 per cent and this compares with about 7·07 per cent last year.

German pharmaceuticals continue steady progress

GERMANY's pharmaceutical industry consolidated its leading position last year in spite of increasing difficulties.

According to the *Bundesverband der Pharmazeutischen Industrie* exports in the first half of 1974 totalled DM1 800 million (m), a 23 per cent increase on 1973. Germany is the world's largest exporter of pharmaceuticals, selling 36 per cent of production overseas.