

## INDUSTRY NEWS

Joaquin Schoch (right), CEO of Safripol, with two of the key members of the company's management, commercial director Bernhard Mahl and chief operating officer Geoff Gaywood, with Portia Gumbo of ABSA Capital.



# Safripol is back!

**The name Safripol, dating back to 1969, has been dusted off and is back following the purchase of the business by a consortium led by ABSA Capital from Sentrachem, a division of The Dow Chemical Company.**

ABSA has shown huge confidence in the future of the SA plastics industry with its R1,3-billion purchase – one of the biggest ever transactions in the SA plastics industry – of the polyolefins manufacturing business from Dow Chemical Company. The bank led the consortium, which includes the management team headed by Joaquin Schoch.

A number of offers were made prior to the conclusion of the ABSA deal,



Charles van der Walt, polypropylene production director at the Safripol plant at Sasolburg, and Nico van Niekerk, polyethylene production director, were at the launch of the new Safripol in Bryanston on 21 January

which was finalised late last year. The new Safripol was introduced to the market in January.

Safripol (South African Polyolefins) which supplies polypropylene and high-density polyethylene to the converting industry, has its head office in Bryanston, Johannesburg, and manufacturing plant at Sasolburg. The plant now has an estimated polyolefins manufacturing capacity of 280 000 tpa. Ethylene and propylene for the process is sourced chiefly from Sasol at Secunda.

In addition to supplying larger local converters directly, Plastomark is its national ex-stock distributor. Safripol was originally established as a joint venture between Hoechst SA and Sentrachem in 1969. It was purchased by The Dow Chemical Company in 1999 and operated as Dow Plastics SA until last year.

The scale of the purchase meant that ABSA Capital – the investment arm of SA's largest banking group – had to study the project very carefully. Ross McLean, CEO of the Dow business in South Africa, said the sale Dow's plastics manufacturing assets in South Africa "aligns with our strategy of operating world-scale integrated manufacturing plants in locations with access to large growing markets".

"South Africa remains an important

market for Dow. While respecting the non-compete undertakings that are customary for a transaction of this nature, we will continue to supply customers with a number of different plastics product ranges sourced from Dow manufacturing sites outside the region," added McLean.

Safripol employs approximately 250 people at Sasolburg and its head office at Bryanston. Its management team consists of CEO Schoch, chief operating officer Geoff Gaywood, financial director Frans van Dyk, commercial director Bernhard Mahl, PP production director Charles van der Walt, polyethylene production director Nico van Niekerk and site & services director Ian Kennon.

Schoch previously worked for Dow, but has spent the past five years with the Omnia group (owners of Protea Polymers).

The HD plant originally used Hoechst's Hostalen technology. It was later refurbished by Dow. Safripol has a three-year agreement to continue running the Dow technology, and while this agreement is renewable, the local management is committed to the ongoing evaluation of all available technology and will decide then what options are best for the company's long-term future, the Safripol spokesman said; see [www.safripol.co.za](http://www.safripol.co.za).



The polypropylene plant at the Safripol complex in Sasolburg. PP production commenced at Safripol in 1974, but here we see the new plant, commissioned in 1997. Spheripol technology from Basell is used.