

Lanxess makes first acquisition in Argentina

Lanxess is expanding its activities in Latin America. The company's subsidiary Rhein Chemie has acquired Argentina-based Darmex S.A., a manufacturer of release agents and curing bladders for the tyre industry.



Lanxess in Munro, province of Buenos Aires, Argentina

As a result of the acquisition, Rhein Chemie will become a leading provider of release agents for rubber products. It will also acquire Darmex's bladder technology in Latin America, which is a key production hub for leading tyre manufacturers. In the coming years, Rhein Chemie plans to expand its bladder production. The release agents and bladders belonging to Darmex will be branded under Rhein Chemie product names. The purchase price was not disclosed.

Darmex was founded in 1971 and is privately owned. It expects to achieve sales of USD 30 million in 2010. Brazil represents about 40 % of Darmex sales, while nearly 60 % of sales are generated in North and South America. The Buenos Aires-based company has about 200 employees worldwide, located at production sites in Argentina (Burzaco and Merlo) and Uruguay (Colonia). Darmex has customers in more than 50 countries.

The demand for release agents and bladders is expected to expand in parallel to global tyre production, which is expected to grow on average by approximately 5 % per year in the next ten years. In addition, an increasing number of tyre companies are outsourcing their bladder production in order to optimise productivity and take advantage of the higher quality offered by bladder specialists. The size of the global bladder market is estimated at more than EUR 300 million.

According to Rhein Chemie, the acquisition of Darmex will act as a springboard for further investments by the company to strengthen its position in the expanding BRIC nations. For example, the company is currently considering new facilities to manufacture bladders and polymerbound chemicals in Brazil and mainland China, as well as a new plant for lubricant oil additives in India.

Rhein Chemie achieved sales of EUR 226 million in 2009 and employs about 800 people worldwide. Founded in 1889, Rhein Chemie is based in Mannheim, Germany, and has production sites in Antwerp, Belgium; Chardon, OH, USA; São Paulo, Brazil; Madurai, India; Qingdao, China; and Toyohashi, Japan. It produces additives and chemicals for the rubber, lubricants and plastics industries.

Lanxess currently employs about 290 people in Argentina at its local headquarters in Munro and at its leather chemicals production site in Zárate, both in the province of Buenos Aires.

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