

Dow looks to drive sustainable earnings growth

At its 2012 Investor Forum, the Dow Chemical Company reinforced the commitment to its long-term strategy and shared with investors strategic interventions and key catalysts that will enable the company to achieve near-term targets and drive sustainable earnings growth. This includes a USD 1 billion reduction in capital expenditure and growth spending programmes and a USD 750 million in efficiency savings between now and the end of 2014.

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In his keynote address to investors, **Dow's** Chairman and Chief Executive Officer, **Andrew N. Liveris**, outlined specific actions the company is taking to drive down costs, improve cash flow and extract maximum value from its assets. "We are taking swift and decisive actions to protect our growth path and drive near-term value," said Liveris. "And we have built a more simplified organisation – concentrating only on those things that increase cash flow, improve return on capital and drive earnings growth."

Liveris explained that the company's European assets had been "right sized" for the environment, following the closure of several sites and that its joint ventures in low cost areas would continue to generate strong returns. Even at a time of slow to normal growth Dow expects rising demand for its products.[image_1_right]

Reports on the Sadara investment stated that the front end engineering design had been completed. Product licencing agreements are now in place to allow product marketing and the engineering and construction programme is on schedule to deliver the first product during H2 2015. Next year, the site in Jubail, Saudi Arabia, will reach its peak workforce number of 60,000 as the site is developed.

The Performance Chemicals division which includes Polyurethanes is expected to see at or above GDP growth in construction, insulation, appliance, and furniture although production of light vehicles is expected to slow globally from 2013 onwards. The division is expecting to benefit from a raft of new products and technology launches including systems for the next generation viscoelastic foam, **Neptune** flow assurance insulation for the oil and gas sector, a new generation of **Betamate** adhesives for the automotive industry, and continued uptake of **Pascal** technology by the appliance industry.

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