Dow Chemical Closes $500 Million Deal

MIDLAND, Mich. (AP) — Dow Chemical Co. is selling its global polypropylene licensing and catalysts business to W.R. Grace & Co. for $500 million. The sale includes Dow Chemical's polypropylene catalysts manufacturing plant in Norco, Louisiana, and customer contracts, licenses, intellectual property and inventory. About 90 workers worldwide are expected to move over to W.R. Grace, which will honor customer, licensing and supplier contracts and related agreements. Grace said the purchase will enhance its existing catalysts business.

Dow Chemical said in March that it planned to sell the business, which makes plastic polymers used in products from carpets to auto parts, as part of its ongoing strategy to sell nearly $1.5 billion in non-core assets by mid to late 2014. It also said at that time that it was actively looking to sell its plastics additives unit.

Dow Chemical sold the stabilizers component of its plastics additives division in January. In the same month it signed a deal to sell its 50 percent ownership stake in Nippon Unicar Co., a joint venture in the Dow electrical and telecommunications unit. The chemical company has been looking for ways to reduce costs, improve cash flow and get as much as it can from asset sales. In October 2012, it said it would close 20 manufacturing facilities and cut about 2,400 jobs to cope with the sluggish global economy.

Dow Chemical said Friday that it expects to report a gain on the sale of the global polypropylene licensing and catalysts business and that it will use net proceeds partly to help lower debt, fund growth and to pay shareholders. The deal is expected to close by year's end, pending regulatory approvals.

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