Kansai Paint buys Astra Industries

Kansai Paint has partnered with the management and staff of Zimbabwe group Astra Industries to buy a 63.25% interest in the group from the Finance Trust of Zimbabwe, an investment vehicle of the Reserve Bank of Zimbabwe.

The bank has been offloading stakes in several companies, according to Zimbabwe media. Reports say it sold its majority interest in the listed Astra Holdings group earlier this month to a consortium called Hemister.

This is the second big acquisition the Tokyo-listed industrial coatings company has made in Africa since it bought Johannesburg-listed Freeworld Coatings in 2011 for R12 per share.

Freeworld, spun off by diversified South African industrial group Barloworld in 2007, made the iconic Plascon paint brand. It was delisted after a protracted hostile takeover, dubbed the 2011 Deal of the Year on Wall Street, in transactions valued between US$100m and US$500m. It now trades as Kansai Plascon Africa.

"The acquisition will allow (the company) to focus on its expansion plans and continue leading the industry," Kansai Plascon Africa's chief executive Nauman Malik said last week.

"The deal, worth about US$5.5m, will place Kansai Plascon Africa at the top of Zimbabwe's coatings market," the company said. The deal includes Astra Paints, Astra Industries' major subsidiary, which is Zimbabwe's leading paint company. Another operating subsidiary, Astra Chemicals, markets and distributes a diversified range of chemical products to industries in the country.

The remaining shareholding included Barloworld, which held 11% and the rest of the shares are held by various Zimbabwean companies.

Hiroshi Ishino, president of Kansai Paint in Japan, said last week it was the group's intention to invest in the rest of Africa through its holding in Kansai Plascon Africa.

Kansai Plascon Africa already has factories and brand presence in Botswana, Namibia, Zambia and Malawi.

Source: Business Day via I-Net Bridge