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Barbara Khol

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Chile: New Zealand Firm Purchases To Purchase Majority Stake In Cape Horn Methanol

by Barbara Khol

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On July 16 in Wellington, the New Zealand-based conglomerate Fletcher Challenge Ltd. (FCL) released a statement saying that the company will purchase a 90% stake in Cape Horn Methanol of Chile for $90 million. The payment is to consist of $45 million cash, and 20.87 million new shares in FCL valued at the same amount. The seller was US-based Henley Group Inc. The remaining 10% of Cape Horn Methanol is held by the International Finance Corporation, a World Bank subsidiary. Cape Horn Methanol’s plant and deep-water port was constructed in 1988, and is located near Punta Arenas (southern Chile). At present, plant output is 854,000 metric tons per year. Most is exported to Japan, Europe, and North and South America. According to the FCL statement, Cape Horn Methanol output, combined with that of the FCL-owned Petralgas and Synfuel plants in New Zealand, makes the company the biggest producer of chemical grade methanol in the world. The plants will have a combined output potential of over 1.8 million MT per annum. FCL has been active in Chile since 1983, with investments in forestry and newsprint. (Basic data from AFP, 07/16/91)

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