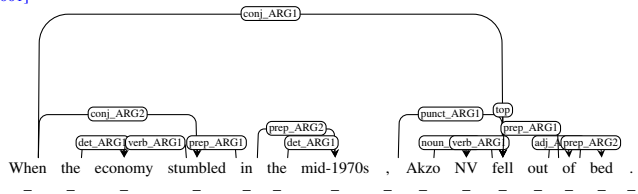
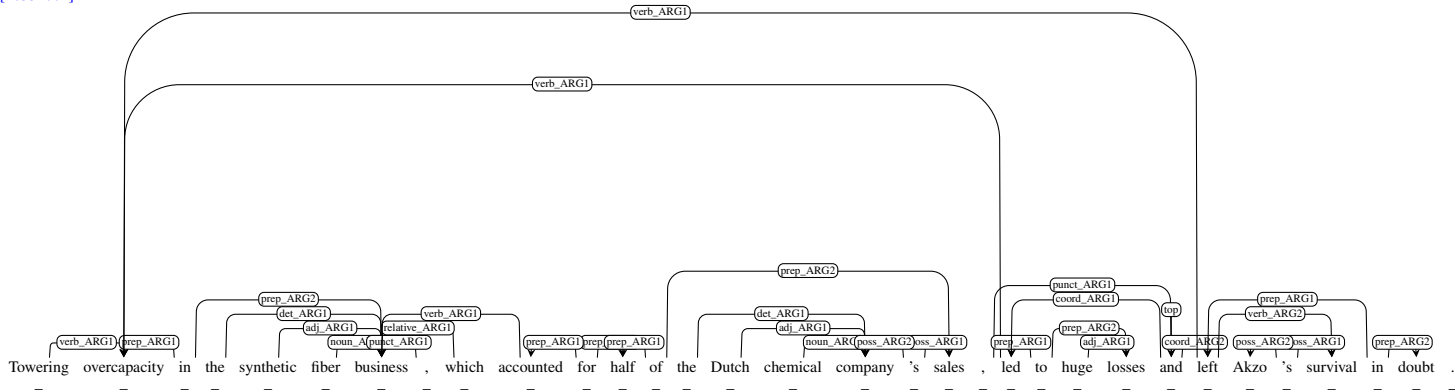


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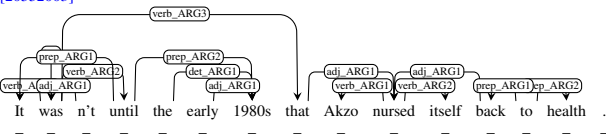
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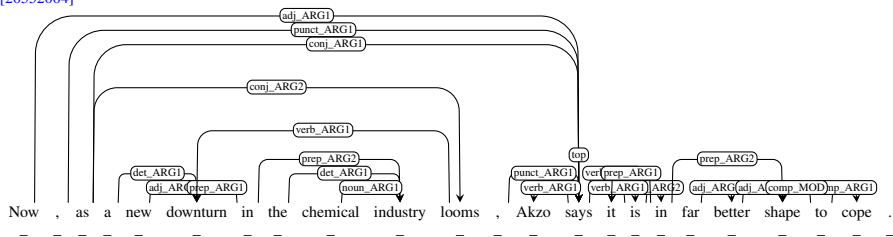
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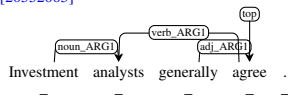
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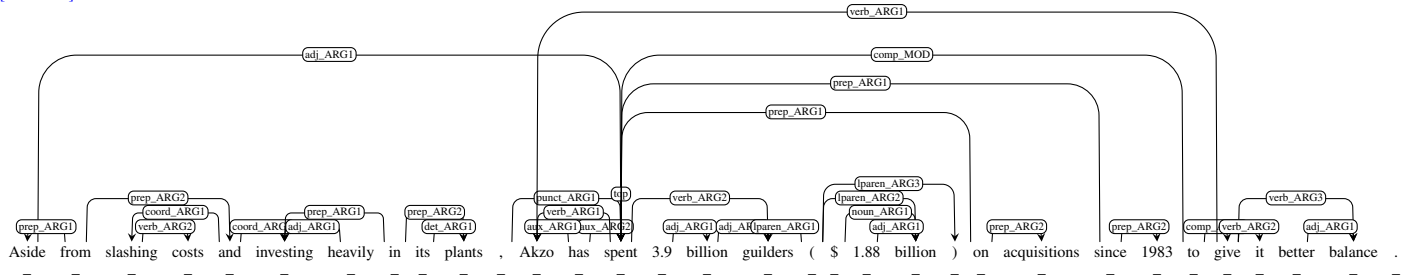
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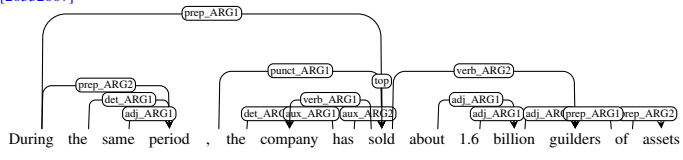
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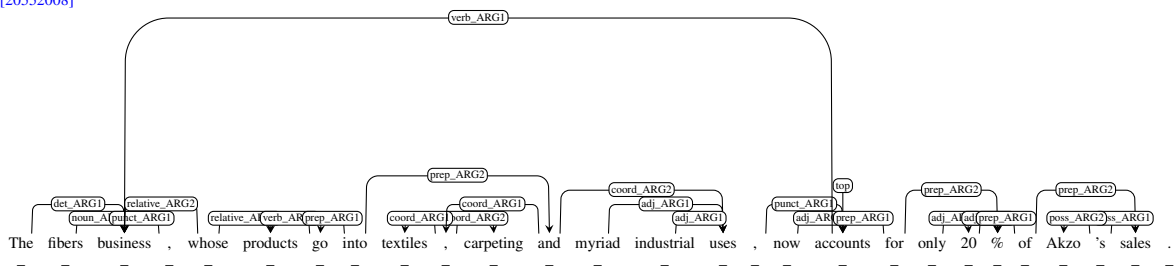
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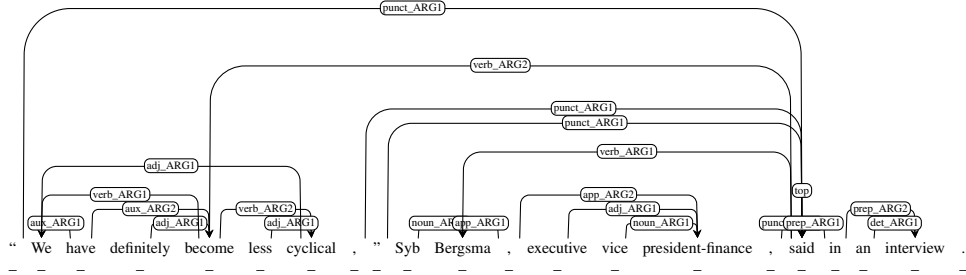
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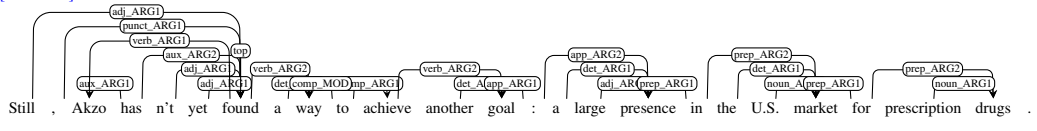
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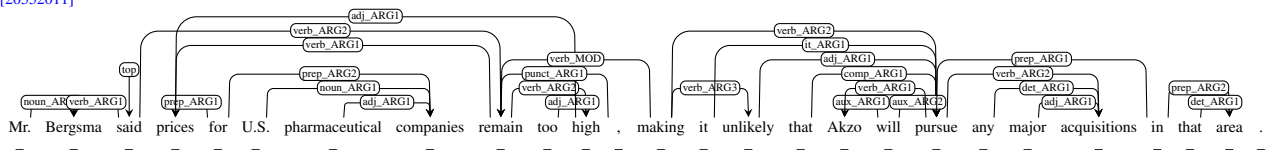
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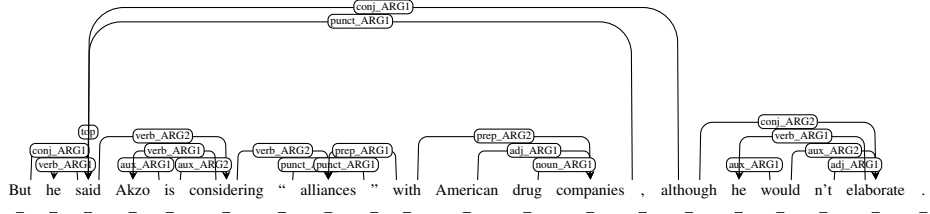
[20552010]



[20552011]



[20552012]





To reduce the danger of such pricing cycles , Akzo has invested heavily in specialty chemicals , which have highly specific industrial uses and tend to produce much higher profit margins than do bulk chemicals .

[20552026]

Akzo 's biggest move in this area was the 1987 acquisition of Stauffer Chemical Co. 's specialty chemical business for \$ 625 million .

[20552027]

In a less glamorous field , Akzo is the world 's biggest producer of industrial salt , used as a raw material for the chemical industry as well as for such tasks as melting ice .

[20552028]

Akzo also makes products derived from salt , such as chlorine and caustic soda .

[20552029]

In the fibers division , profit remains weak , largely because of persistent overcapacity .

[20552030]

But Akzo is still slimming down : It recently announced plans to eliminate about 1,700 fiber-related jobs in the Netherlands and West Germany .

[20552031]

Although the polyester and rayon markets remain mostly bleak , Akzo has high hopes for some emerging fiber businesses , such carbon fibers and aramid , extremely strong fibers used to reinforce tires and metals and to make such products as bullet-proof vests .

[20552032]

Akzo 's Twaron aramid fiber is a distant second to Du Pont Co. 's Kevlar , which dominates the market .

[20552033]

Mr. Bergsma said world-wide industry sales of aramid fibers are expected to total about \$ 500 million this year .

[20552034]

Sales growth of 10 % a year seems possible , he said , and Akzo expects its Twaron business to become profitable in 1990 .

[20552035]

Akzo also has spent heavily on acquisitions in paints , auto finishes and industrial coatings .

[20552036]

In August , for example , it completed the \$ 110 million acquisition of Reliance Universal Inc. , a U.S. maker of industrial coatings for wood , metals and plastics , from Tyler Corp .

[20552037]

Mr. Bergsma said Akzo is likely to see strong profit growth from coatings as it realizes cost savings and other benefits from its greater scale .

[20552038]

