

Restructuring on way after investments from plastics firm

General Electric (GE), the industrial firm, has said that it is to sell off its plastics division to Saudi Basic Industries and will use the money to fund restructuring across the whole of the business.

In a deal reported to be worth \$11.6 billion (£5.87 billion), the firm also said that it will increase the planned level of stock buyback programme in 2007.

Chairman and chief executive of GE Jeff Immelt said that innovative and smart use of money over the course of the last five years had helped to transform the business.

He stated that investments in higher growth and higher technology businesses had finally paid off.

The deal was a good one for the firm and came at the right time in terms of continuing forward growth, Mr Immelt added.

“This transaction is another important step in the execution of this strategy, which has created a faster-growing, higher-returning set of businesses capable of delivering sustained performance,” he stated.

An after-tax gain of \$1.5 billion is set to be generated from the deal.

GE says that it has production sites in 60 locations in 20 countries across the world.



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