



Post-buyout, Plastibec revamps extrusion

By Matt Griswold

September 14, 2007

PLASTICS NEWS STAFF

BOISBRIAND, QUEBEC (Sept. 14, 5:55 p.m. EDT) -- By next month, Plastibec Inc. will have more than doubled its extrusion capacity since a management buyout separated the firm from its former parent, Woodbridge, Ontario-based Royal Group Inc.

Seven former Royal officials bought the custom extrusion division, Royal Window Coverings, in March from Atlanta-based resin maker Georgia Gulf Corp.

Under Royal, RWC was about a US\$40 million operation. Plastibec officials are targeting that same figure, they said in a Sept. 12 telephone interview.

Plastibec, based in the Montreal suburb of Boisbriand, employs more than 100. The company extrudes rigid, semi-rigid and cellular PVC into decorative window coverings, like vertical and horizontal blinds.

Angelo Sudano, Plastibec's vice president of marketing and product development, said the company is "by far the leader in this category in North America."

The company's Montreal plant had a dozen extrusion lines in March. There will be 24 lines there beginning in October, according to Plastibec President Collin Hamilton.

The company's business model has changed as competition from China has lessened throughout 2007, he said.

"The labor rate [in China] has increased. Resin has become the same price as North American resin," Hamilton said.

China's value-added tax also has been decreased for certain products, including some extruded plastic profiles, he said.

"They used to get 17 percent for every dollar shipped," he said. "That was dropped to 11 percent earlier this year, and now 5 percent. And it's going to zero in January."

"We've picked up 11 percent competitiveness in Chinese exports this last year. It's good news for people in the extrusion business in North America."

Plastibec extrudes profiles at a 132,000-square-foot plant in Boisbriand. The company has distribution centers in California and Florida.

The company is exploring new product lines, and expects to market those next year, Hamilton said.

"We're not just staying in window covering extrusions," Hamilton said. "Within a year, we'll have a new product line within custom profiles in a new market segment."

Entire contents copyright 2007 by Crain Communications Inc. All rights reserved.