

PM: UC RUSAL-OWNED BAUXITE PLANTS MAY NEVER REOPEN

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PRIME Minister Bruce Golding yesterday painted a bleak future for the local bauxite industry, saying that alumina processing plants owned by Russian company, UC Rusal, would not reopen if cheaper energy sources were not identified.

Golding added that the international alumina company, which owns 55 per cent of the island's bauxite holdings, was also facing financial constraints.

"Alpart, Kirkvine and Ewarton are not going to be able to reopen on the basis of the current available energy costs," Golding told journalists at yesterday's post-Cabinet press briefing at Jamaica House in Kingston.

Of the island's four alumina plants, Golding said only Jamalco - majority owned by Aluminium Company of America (Alcoa) - was in a position to remain viable.

"Jamalco will not only survive, it is going to do well," Golding said, adding that Alcoa's president would be visiting the island in two weeks to open a new conveyor system.

Golding's statements came a mere two days before the scheduled May 15 closure of the Alpart alumina plant in Nain, St Elizabeth.

Alpart, which is owned jointly by UC Rusal and Norwegian-based Hydro, announced earlier this year that the company would remain closed for at least a year in response to declining world demand for alumina.

And in March, the Windalco Kirkvine and Ewarton bauxite plants, also owned by UC Rusal, cut production and sent home staff as the worldwide market shrunk.

More than 2,000 bauxite workers have been displaced in the shake-up of the industry that in 2008 earned some US\$1.7 billion for the country.

Golding yesterday argued that a reopening of the UC Rusal plants was unlikely unless they were retooled to become energy efficient.