TN Company Buys Gramercy Alumina Plant, Hikes Production

GRAMERCY, La. (AP) — At a time when aluminum producers are struggling with low prices and excess capacity, the new owners of the Gramercy Alumina plant in St. James Parish are ramping up production to gain market share, company officials said Thursday.

"By increasing our production, we're really trying to take advantage of well-positioned assets," said Kyle Lorentzen, chief operating officer of Noranda Aluminum, which acquired full ownership of the 50-year-old alumina plant in Gramercy this week and told some of its 470 employees "if we're not growing, we're dying.

Officials of the Franklin, Tenn., company handed out blue Noranda T-shirts to employees on Thursday, who seemed happy with the news that the company reached a deal to acquire the 50 percent of the company owned by Century Aluminum Ltd. of Monterey, Calif. The companies had acquired the plant and a 49 percent stake in the St. Ann Bauxite mine in Jamaica in 2004. Noranda also acquired Century's stake in the mine in the deal announced Tuesday. Terms of the deal were not disclosed.

"It's good news for the employees. We've worked very hard to keep this place going," said David DeLaneauville, president of United Steelworkers of America Chapter 5702, which represents some workers at the plant.

Gramercy Alumina President Larry Holley told employees the company wants to ramp the plant up to its full 1.2 million metric ton per year capacity as quickly as possible in light of aggressive sales offers by Noranda.

"If we could do it all tomorrow, that's what we'd like to have," he said.

Noranda had been partners with Century Aluminum in the Gramercy plant as well as the St. Ann mine, which supplies virtually all of the bauxite that is the plant's feedstock.

The Jamaican government owns 51 percent of the mine, which also will ramp up to its full capacity of 4.5 million tons per year by the end of 2009.

James Robertson, Jamaica's minister of energy and mining, accompanied company officials to the site and called the deal "the silver lining" in the economic clouds over the Jamaican economy. Three of the island's five bauxite mines are shut down at the moment, he said.

"I can't think of any success story or any positive messages in the last 12 months

that are equal to this one," he said.

Noranda is trying to build market share at a time of low prices and high inventories of aluminum.

The price of aluminum dropped from $1.40 per pound in July 2008 to a low of 60 cents per pound earlier this year and is currently about 80 cents a pound.

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