

# Alcoa To Close Smelter To Stay Competitive

The Associated Press

NEW YORK (AP) — Aluminum giant Alcoa said Friday that it will close a smelting facility in Italy, its latest move to trim costs as it [grapples with lower aluminum price](#) [1]s.

Alcoa was already tamping down production at the Fusina smelter in Venice, Italy, three years ago, citing weak aluminum prices and the need to stay competitive.

"The underlying conditions that led Alcoa to curtail the Fusina smelter in 2010 have not fundamentally changed," Alcoa's global primary products president, Bob Wilt, said in a statement Friday. "Global aluminum prices remain weak and we must take action to maintain Alcoa's competitiveness."

The immediate impact isn't big. The facility employs just 14 people. Closing it will trim Alcoa's global smelting capacity by only about 1 percent.

The move is in addition to a bigger restructuring plan Alcoa announced in May, when it said it would start reviewing all its facilities and possibly trim those with high costs or other risk factors, such as regulatory uncertainty. It said at the time that aluminum prices had fallen more than 33 percent from a peak in 2011. Last month it said it will close two production lines at a plant in Canada.

Friday, Alcoa said it will work with the local community to "explore ways" to redevelop the Fusina smelter. It also promised to consult with local unions on how to help laid-off employees.

Alcoa said it will take a charge of \$30 million to \$35 million, or 3 cents per share, in its second-quarter results because of the closing. Alcoa reports second-quarter earnings on July 8.

Alcoa shares fell 5 cents to \$7.82.

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