

Novelis Opens Aluminium Recycling Plant



In order to process aluminium scrap obtained throughout Europe, Novelis, a U.S.-based manufacturer of rolled aluminium products, said it had opened a \$258 million recycling plant in Germany.

The plant, in Nachterstedt in East Germany, will produce 400,000 tonnes of aluminium annually using scrap including drinks cans, cables, wires and industrial waste, Novelis President and Chief Executive Phil Martens told Reuters recently. He stated further that good availability of scrap in Europe is a major reason for locating the plant in Germany. Full production should be reached in January 2015.

"We will be sourcing scrap from just

about everywhere in Europe," he said, including Germany, Scandinavia, Spain, France, Italy and Eastern Europe.

"The Nachterstedt Recycling Center is a significant step toward our goal to be the world's low- aluminum sheet producer, shifting our business model from a traditional linear approach to an increasingly closed-loop model," said Phil Martens. "This new facility further strengthens Novelis' leadership in Europe, and together with our major recycling operations in Asia, North America and South America, solidifies Novelis' position as the global aluminum recycling leader."

About 300,000 tonnes of the metal

produced will go to the giant Alunorf rolling mill in Germany, which produces about 1.5 million tonnes of rolled aluminium annually and is jointly owned by Novelis and Norwegian group Norsk Hydro. A further 100,000 tonnes will go to a Novelis plant in Switzerland.

The output will replace imports of aluminium metal and purchases from traders and other third parties after closures of European aluminium smelters have made the metal increasingly difficult to source, Martens said.

He said the Nachterstedt plant would contribute Novelis' strategy of increasing the percentage of recycled aluminium used in making its products to 50 per cent of output by the middle of the decade and 80 per cent by 2020, from the current level of about 46 per cent. Recycling aluminium saves 95 percent of the energy and emissions associated with the production of primary metal. He described European aluminium demand as "stable" but said the outlook would depend on whether the German economy continues to grow.

Novelis is a unit of India's Hindalco Industries.

Global Outlook Encourages **Vedanta** for Al Capacity Expansion

Seeing the increase in global prices, Vedanta Resources Chairman Anil Agrawal, recently, announced that his Lanjigarh alumina refinery would raise its production capacity from one million tonne per annum to two million tonne within a year and then gradually ramp it up to six million tonne. Agrawal also pitched for revving up the idle aluminium capacity of the 0.5 million tonne smelter at Jharsuguda in Western Odisha. Apart from that, he has a 1.25 million tonne smelter with SEZ (special economic zone) status, which is lying idle for the last three years pending resolution of certain issues with the state government over sourcing of power to run the unit. He expects to get this aluminium capacity going too.

As per reports, the announcement baffled many because Agrawal has maintained that it's a struggle to keep the Lanjigarh refinery afloat amidst acute raw material shortage. The refinery, located in the backward Kalahandi district, was built in August 2007 on the assurance of bauxite from the nearby Niyamgiri mines of Odisha Mining Corporation. But due to protracted protests by local tribes and green activists, the Union ministry of environment and forest withdrew the mining clearances, dealing a severe blow to the Lanjigarh unit which now runs on bauxite sourced outside the state. The Lanjigarh alumina refinery, as well as the aluminium smelter at Jharsuguda, is currently running at 25 per cent of their installed capacity, Agrawal said at Bhubaneswar.

