



Emirates Extrusion to Commission Third Production Line

Emirates Extrusion Factory (EEF), a leading aluminium extrusion company in UAE, plans to commission its third extrusion line at its plant in Techno Park, Dubai, which will increase its production capacity by 7,000 metric tonnes (MT) per annum.

The company, a subsidiary of Masharie LLC - the private equity arm of Dubai Investments, has also announced plans to start a new powder coating plant with a capacity of 8,400 MT per annum, as demand for aluminium products surges amidst rampant construction projects in the UAE and region.

EEF, which reported a total turnover of over 13,800 MT in 2014, is targeting growth of over 10 per cent in 2015 and bracing for increased demand in line with its expansion plans into Africa; including Algeria, Angola,



Morocco, Tunisia and Kenya; and Europe, besides increasing growth in volumes from the UAE, Oman and Saudi Arabia.

Khalfan Al Suwaidi, managing director of EEF, said "The ongoing building and construction activity across the Mena region is leading to huge demand for aluminium profiles. The company is planning to grow 10 per cent year-on-year for the next two to three years in the backdrop of this strong demand and growth potential. Emirates Extrusion is also creating the required additional capacity by augmenting its

production line and powder coating facilities." EEF, which exports around 60-70 per cent of its finished goods across the Mena region, also expects an increase in demand from downstream projects in UAE and across the GCC.

"There have been significant investments in transportation, electrical and industrial sectors across the UAE and GCC states, and demand for aluminium extrusion profiles for these sectors is expected to surge in the near future. Aluminium exports are expected to be robust in the future and becoming one of the key non-oil industry sector in the UAE," said Al Suwaidi.

Aluminium production in the GCC is expected to grow significantly in the short to medium term and the region is expected to contribute around 15 per cent of the total global production of aluminium by 2015.

Bell Bay Smelter Marks Highs and Lows after Six Decades of Operation



One of Tasmania's largest manufacturing employers says it has adapted to tough economic conditions to celebrate 60 years of operation. Bell Bay Aluminium smelter is the oldest in the Southern Hemisphere and was built in 1955, when importing aluminium became difficult. It was bought by Rio Tinto Aluminium in 1960 and now directly and indirectly employs about 1,500 people.

Managing director Ray Mostogl said the company had to adjust to changing economic conditions to remain viable.

"We've certainly learned how to take

more risks with our operation in terms of the raw materials that we buy and the products that we try," he said. "We've chased different markets to sell metal, we send metal now to China," he added.

But the global market has changed significantly. In 2011 the aluminium price plummeted to almost record lows seen during the global financial crisis. A year later, Bell Bay began a significant restructure.

Independent economist Saul Eslake said the company had come through the slump particularly well, but the global market place was still a challenging environment.

"The biggest challenge will be operating in a highly competitive global market in which excess supply is an increasing risk," he said. "And there's probably not an aluminium smelter that's further away from the major customers than Bell Bay, which means it incurs relatively high transport costs.

"It's relatively small in comparison to the newer smelters which had opened up in Asia and the Middle East over the last decades, so historically it's had a relatively high cost structure."

But Mr Eslake said Bell Bay had managed to lower its operating costs to remain competitive. Earlier this year the State Government negotiated a secret deal for subsidized power for Bell Bay, and the company announced \$30 million for further upgrades. The Australian Workers Union's Robert Flanagan said workers had made a significant contribution to the plant's viability. Tasmanian Premier Will Hodgman said, "It was committed to supporting the manufacturer."

"We're confident that this business has not only taken steps to itself to ensure it's more productive and competitive," he said.

"But it's working closely with Tasmania's government business enterprisers to make sure we're doing everything we can to keep Tasmania as an attractive place to do business."