
Rusal Armenal Foil Mill Reaches Design Capacity

RIA Oreanda, Russia - 11/3/2009

Moscow. OREANDA-NEWS . On 11 March 2009 UC RUSAL, the worlds largest aluminium and alumina producer, is pleased to announce that ARMENAL, the groups foil mill located in Armenia, reached its design capacity of 25,000 tonnes.

From December 2008, the daily output of aluminium foil at the mill increased by half. It became possible due to a comprehensive modernisation of the principal parts of equipment and implementation of advanced foil production technologies. Since the beginning of 2007 when the modernisation was completed, ARMENAL has produced and sold a total of approximately 30,000 tonnes of finished goods.

The production facility has developed and implemented a new process policy, significantly enhanced labour discipline, created conditions for further usage of the modernised equipment design capacity and made every effort to improve its organisational structure and means to motivate and deploy the personnel in brief, it has laid a foundation for success over a long-term period, said Sergey Borovik, ARMENALs General Director.

The fact that the metal working cash cost reduced by 42% in December 2008 vs. July 2008 indicates the increased efficiency of ARMENAL. The KPIs increased together with salaries by almost 13% in Q2 2008 compared to Q1 2008. The changes in the salary fund and headcount optimisation allowed demonstrating such results.

In late 2008, representatives of the largest European traders visited ARMENAL as they wanted to learn more about the upgraded foil production and check the quality of foil products. After the meeting the experts noted that the products of the mill were in line with the highest international standards.

Currently, ARMENALs foil is undergoing several tests to see whether it complies with the specifications of European customers. So far, positive preliminary results have been obtained.

In the near future the foil mill will expand its sales geography from the EU countries and the USA to the Middle East and Africa.

Despite the fact that the global demand for primary aluminium is falling, foil products still remain in demand in virtually every area of their application. Reaching the design capacity of ARMENAL will allow RUSALs Packaging Division to satisfy demand for rolled foil products which is growing among other reasons because of the reduction of foil production in North America. At the same time this year ARMENAL plans to increase production of extra thin foil with a width of 7-9 micron by 25% which is in a strong demand in the market.
