

RusAl Seeking Investors in Idle Factories

By [The Moscow Times](#)

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Striving to cut costs in the face of plunging aluminum prices, RusAl, the world's largest aluminum producer, is in negotiations with several foreign car parts producers over the possible use of five of its idle facilities, Vedomosti reported Tuesday.

Several modes of cooperation are on the table: an investor could rent the factory, buy it or enter into a joint venture with RusAl, a company spokesman said.

If necessary, state-owned VEB bank will consider loan applications from companies looking to invest, the spokesman added.

A VEB spokesman confirmed that the bank "would consider the possibility of participating in projects for the production of products from aluminum and its alloys, including automobile production," but declined to comment in more detail.

The foreign companies involved were not identified.

RusAl decided in early September to halt production at its Bogoslovsky, Uralsky, Nadvoitsky, Kandalakshsky, and Volgogradsky factories.

"It is no secret that the unprofitable ventures in the Urals and north-east, which we inherited from the Siberian-Urals Aluminum Company, are fully subsidized by the profit of factories in Siberia," RusAl CEO Oleg Deripaska told Interfax in August.

The Russian aluminum market was "in a long-term crisis" and offered a grim forecast for RusAl in particular, Deripaska said in the interview.

"In the near future, if we do not take decisive action to limit the growth of tariffs on natural monopolies, to stimulate internal demand, and to reform the financial sector, if we do not annul the discriminatory measures in regard to Siberian aluminum factories, then the Siberian aluminum factories will also come under threat of closure," Deripaska said.

In March, RusAl's board of directors ruled to reduce production by 300,000 tons, or 7 percent of its total planned output. The board then decreased the quota by a further 57,000 tons at the end of the summer.

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