
Downsizing deals - Ormet may cut aluminum production and jobs

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Reuters reported that Ormet Corporation is deciding whether to cut aluminum production at its Hannibal, Ohio, smelter and the extent to which its employees would be affected.

The statement confirmed that it sent a Worker Adjustment and Retraining Notification to the 833 hourly and 149 salaried employees at its smelter earlier this week letting them know that there may be production cuts and layoffs but that it has not yet decided the extent of either.

It said that "At this time no definitive decisions have been made as to the extent of the layoffs. The number of employees that will be affected is as of yet, undetermined."

Its 266,000 tonnes per year smelter has 6 potlines, only 5 of which have been running since May 20th. It said that it was forced to shut some output because of a shortage of alumina.

A spokesman at the United Steelworkers union that represents Ormet's hourly workers said that the WARN notice does not require Ormet to lay people off but they are required by law to issue the notice in case they do need to shut operations.

He said that "In all probability there will be a layoff. I just don't know how much. I don't think they know either. He added that I don't know if it will be permanent, either. Their letter says 'for an indefinite period.' But they said if the market comes back they plan to run things full out."

A court dispute with Glencore International AG GLEN.UL over a contract for the Swiss based commodities house to supply Ormet with alumina was resolved last week but aluminum prices remain in steep decline and aluminum demand depressed.

(Sourced from Reuters)

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