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## Stimulus plans - Quebec to support Alcoa

*Monday, 27 Apr, 2009*

Business Journal reported that the Quebec government has joined workers, suppliers and the city of Baie Comeau in helping American aluminum producer Alcoa to withstand the economic slowdown by agreeing to a USD 50 million loan to preserve jobs.

The five year, low interest loan comes more than a year after the province provided USD 228 million in loan guarantees toward Alcoa's USD 1.2 billion modernization project.

Mr Raymond Bachand Quebec Finance and Economic Development Minister applauded Alcoa for preserving its plans for Quebec and said that the provincial government loan will help the company to withstand the economic slowdown.

He said that "It ensures the prosperity of Alcoa's different plants and gives it the means to overcome the storm with strength and courage."

The government hasn't attached any additional conditions to the loan beyond minimum employment levels required as part of the March 2008 loan guarantee.

Mr Pierre Despres spokesman of Alcoa said that the Pittsburgh based mining giant may have been forced to take extreme measures such as the closure of a series of giant aluminum potlines at the North Shore smelter if the government hadn't provided it help.

He said that "We want to protect the level of employment. That's in our mind key for the future of the plant to keep our employees working."

The government assistance comes a couple of weeks after unionized employees at Baie Comeau and two other facilities agreed to reduce weekly work hours by up to 15%.

The aluminum business has taken a big hit since Alcoa committed to one of the largest private investments in Quebec in years. Aluminum prices have plunged as demand, particularly in the automobile and construction sectors has plunged amid the global economic slowdown.

(Sourced from Business Journal)

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