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Alba turning global crisis into an opportunity



Aluminium Bahrain (Alba) has turned the global economic crisis into an opportunity to emerge stronger than ever.

The repercussions of the worst world

economic crisis in more than 70 years are still being felt and the jury is still out on the scope and scale of the expected recovery that experts believe will occur in a year or two.

The aluminium industry was not immune to these developments and has had to formulate bold strategies to face the challenges head on in order to remain both viable and competitive.

The industry does not exist in a vacuum and so it remains – directly or indirectly – affected by whatever happens in the wider economic sphere.

For instance, construction and transport together comprise 48 percent of aluminium consumption in the world today.

These sectors, having fuelled the phenomenal growth of the real estate and automotive sectors in recent years, were among the main customers for primary aluminium.

But with the slowdown in these sectors, there has been a subsequent lowering of demand for aluminium that resulted in surplus stock in warehouse reaching nearly 1.257 million tonnes last year.

In such a volatile and uncertain economic environment, Alba has remained extremely agile in responding to the crisis, developing a clear strategy for sustained recovery and ensuring continued and unhindered growth.

The reasons are self evident. The challenges that the industry is facing today are 'one-of-a-kind' and the company can no longer sit on its past laurels, but has to adopt a proactive approach for emerging out of the turbulence and turn the crisis into an opportunity.

Chairman Mahmood Al Kooheji says Alba has been decisive in confronting the issues currently facing the company and has already set out a very clear plan towards revitalising its operations and to ensure it maintains its leadership role in the aluminium industry.

"In the past one year, the economic landscape has undergone major shifts and many high-cost producers have been affected to the point where questions have been raised about their continued viability," he said.

"Alba was quick to respond to the crisis by launching a detailed performance review, the goal of which was to reduce costs, ensure operational efficiency and continued profitability.

"This will make Alba better able to meet the challenges presented by the crisis.

"We also have the advantage of a highly skilled workforce who remain our primary asset in meeting any challenges. They are

innovative, solutions-oriented and hard-working and are chiefly responsible for enabling our company to achieve the successes it has gained over the years and to be regarded as one of the safest, environmentally friendly and efficient companies in the world."

This success traces its origin to Alba's early days, when it enjoyed the distinction of being the first aluminium smelter in the region.

It was officially commissioned in 1971 and the event marked a decisive move on Bahrain's part to shift dependence on oil and develop alternate revenue sources in the industrial sector.

"It was also the first major industrial diversification project in the entire Gulf and, in that sense, you could say that Alba played a pioneering role in shaping the industrial contours of the region," said Mr Al Kooheji.

Today, there has been increased competition in the region as many more countries in the Gulf are either opening new smelters or expanding their current facilities.

Qatalum, a joint venture between Qatar Petroleum and Norsk Hydro, is due to open later this year.

Emal, backed by Abu Dhabi's Mubadala Development Company and Dubai Aluminium (Dubal), is investing \$5.7 billion (BD2.15bn) to build a smelter, which is expected to be ready next year.

Dubal has also expanded its facilities and will be increasing its capacity.

Obviously, such an altered industrial landscape presents its own challenges, and Alba is well-prepared to thrive in the new business environment.

For any other company, the current economic crisis and the increased regional competition would translate into a cause for worry.

However, for Alba, the crisis has been turned into an opportunity and enabled the company to chalk out plans for expansion and all-round efficiency.

Alba's expansion plans involve increasing production to levels that take into consideration the maximum size for the Alba smelter, both logistically and environmentally and to ensure optimum productivity and economies of scale.

Currently, Alba's production has crossed



Congratulations and best wishes to

His Majesty

King Hamad bin Isa Al Khalifa

His Royal Highness

Prince Khalifa bin Salman Al Khalifa, The Prime Minister

His Royal Highness

Crown Prince Salman bin Hamad Al Khalifa

Deputy Supreme Commander

and the people of the Kingdom of Bahrain
on the occasion of the

National Day
of Bahrain

شركة ورشة البحرين ذ.م.م.
Bahain Workshop Company (W.L.L)
P.O. BOX 404, MANAMA, KINGDOM OF BAHRAIN

ENGINEERING DIVISION :
TEL : 17 700798
FAX: 17 701535
E-MAIL :
bwceng@batelco.com.bh

TRADING DIVISION:
TEL : 17 777800
FAX: 17 770994
E-MAIL : bwctd@batelco.com.bh

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