

PRESS RELEASE

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UK ALUMINIUM INDUSTRY WILL BE BADLY HIT BY CLIMATE CHANGE LEVY U-TURN

The Trade Association which represents the UK Aluminium Industry says the Chancellor of the Exchequer's U-turn in the Pre-Budget statement on the Climate Change Levy (CCL) will cost money and jobs and will critically damage the industry's competitiveness.

The Aluminium Federation (ALFED) calculates that the Chancellor's decision to cut the CCL allowance for those companies in the UK's Climate Change Agreement from the current 80% to 65% could cost its members an additional £4 million a year.

The UK Government had previously offered tax relief of 80% on the levy imposed upon industry if companies invested in energy-saving equipment and processes.

"I heard with dismay that the Chancellor intends to reduce the Climate Change Levy allowance for those companies in the UK's Climate Change Agreement, from the current 80% to 65%. This is another blow to an already beleaguered UK Aluminium Industry.", says ALFED's Chief Executive, Will Savage

"It is a nonsense from an environmental or economic point of view for Mr Darling to come out with a u-turn on an energy-saving scheme", he added. "It is especially ironic for this statement to be made at the same time as the Copenhagen Conference on Global Warming."

"Our industry has suffered major setbacks in the last 18 months with the closure of Anglesey Aluminium's Primary Smelter, plus closures of a major rolling mill and a large secondary refiner, with job losses totalling over 1800."

"Our member companies who are still in existence simply cannot afford these extra costs when they are struggling to compete with major competition from countries such as China and India, where they don't have Climate Change Agreements."

Note to Editors:

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