

Romania, Alro Slatina did not taken a decision to suspend operation despite the exceptional situation on high energy prices

Romanian aluminium producer Alro Slatina, the country's largest single electricity consumer, said that it did not taken a decision to suspend operation despite the exceptional situation on electricity and natural gas markets.

The statement from the management comes after the trade unions reported earlier this week that the company is planning to cut production due to high energy costs. The management said that it is concerned about recent developments in energy prices, considering the levels reached in recent days as unfounded and economically unsustainable, adding that when it will make impact decisions for the company and investors, it will announce this according to the regulations in force.

Following the trade unions' announcement, Alro shares dropped by 12.6 % in the Bucharest Stock Exchange.

Alro Slatina has posted losses in the first half of 2021. The company's management pointed to high electricity costs and electricity supply uncertainties as the main challenges it encountered during the period. The company's revenues amounted to 314 million euros in the first half of 2021, up by 13 % compared with the same period of last year. Namely, the company produced and sold more primary and processed aluminum and at higher prices. However, it couldn't fully benefit from the higher prices as it faced challenges in the local electricity market. Alro is the biggest industrial consumer of electricity in Romania and energy has a significant share in the company's production costs. Alro posted a net loss of 9.7 million euros in H1 2021, compared to a net profit of 51.5 million euros in the same period of 2020.