

Sherbrooke

edges U.S. locations

as site of Fried v. Neuman's

new **\$19-million**

manufacturing
facility

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The world's largest manufacturer of aluminum slugs is spending \$19 million to build a manufacturing plant in Sherbrooke, Quebec. The prospects for the new facility look rosy: even before coming on stream, the plant has landed orders that account for a large share of its capacity.

The plant is a joint venture of Fried v. Neuman Gessellschaft, an Austrian-based multinational corporation, and Société générale de financement du Québec (SGF), a public-sector industrial development corporation.

Under the deal, the 90,000-square foot plant will be owned 60 per cent by the parent company's offshoot, Neuman Aluminum International, and 40 per cent by SGF. The federal and provincial governments are contributing a \$2.38-million repayable loan under a Canada-Quebec industrial development agreement.

Before deciding on the Sherbrooke location, Neuman considered other options, including expansion of its existing plant in Virginia, U.S.A. Factors influencing the final decision were Canada's highly competitive costs in energy and labour combined with excellent transportation infrastructure and Quebec's abundant reserves of aluminum.

At a news conference in Sherbrooke, Dr. Cornelius Grupp, President of Fried v. Neuman, said that the company is establishing the new plant to extend its already formidable presence in the worldwide market for aluminum slugs.

"We have already signed a long-term sales contract with the largest consumer of aluminum slugs in North America," said Dr. Grupp. "The contracted volume could account for a significant portion of the new facility's capacity."

The new plant is one of only a handful in North America producing aluminum extrusion disks and will serve markets in the United States, Canada and Asia. It will get its aluminum from Alunor, an SGF subsidiary which operates a smelter in Sept-Îles, Quebec,

Neuman's Sherbrooke facility will have a payroll of 60 permanent workers. Company officials predict that it will produce 5,000 tonnes in its first year, and that output will increase eventually to 12,500 tonnes a year. ♦