

TLM has acquired a new Consortium owner

TLM After the Government has agreed to the final text of the Sales Contract

the stumbled giant is back on its feet

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There is hardly any privatization in Croatia that has been finalized with such a doze of positive energy that accompanied the sales of the majority package of shares (80.2 percent) of TLM to the Croatian Consortium made up of companies Dalekovod, Zagreb-montaža, Konstruktor-Inženjering, Alu Flex Pack and Feal.

After the Government had agreed to the final text of the Sales Contract, all felt relieved, especially 1,510 employees, trade unions, citizen of Šibenik and the surroundings, that have been for over a half century connected with this onetime aluminium giant, formerly even called "provider of Šibenik".

107 million invested in rehabilitation for a three year period

1,400 workers shall be kept employed for a three year period, as required by a Trade Union, instead of a two year period, as mentioned in the former Contract. The remaining workers who are declared technological surplus, shall leave TLM with a severance pay valued at 5.000 kunas for each year of service. The new collective agreement that shall be signed may not be of less quality than the present one, reads one of the clauses of the Sales Contract, that has been signed with the Croatian Privatization Fund at the very moment.

The other clauses of the Contract commit the new owners to maintain the core activity of the company - processing and finalization of aluminum, and to invest 107 million euros in the next three year period for rehabilitation purposes, and not to encumber the factory assets that are extending over an area of 630,000 square meters of factory ground.

Neither frequent debt write-offs by the state, nor government guarantees on "heavy" loans and other benefits had managed to get TLM back on its feet. Instead of recovery, TLM had remained "a chronic patient". Neither the therapy called "Rolling mill" in which 60 million euros had been invested did help the patient.

There is no doubt that the new Consortium owner of TLM is very well acquainted with the present state of the company, a longtime loss maker, as well as the position of aluminium as metal with great prospects on the world market.

Aluminium – Croatian strategy product

The present Government declared aluminium to be a strategy product in Croatia, aware of its great significance to the export-orientation of the company.

The Šibenik company has been purchasing high quality raw materials for over two decades from the company “Aluminij” from Mostar. The above company shall continue to provide TLM with the required raw materials. Besides, long-term contracts with Mostar were one of the prerequisites for purchase of TLM. On the other hand, the Croatian state holds a 12 percent share in the Mostar company “Aluminij”, and one of the members of the Croatian Consortium shall probably become a part of the new ownership structure of “Aluminij”.

Finally, these entwined business-ownership ties can bring only prosperity to the Šibenik company.