

RusAl Asks LME to Postpone Proposed Warehouse Overhaul

By [The Moscow Times](#)

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MOSCOW / LONDON — Russia's United Company RusAl, the world's biggest aluminum producer, asked the London Metal Exchange to postpone a proposed overhaul of warehouse rules, saying it could further distort the aluminum market.

The LME, the world's largest marketplace for metals trading, has proposed rules under which warehouses would release more stocks than they take in.

RusAl chief executive Oleg Deripaska used strong language Wednesday in criticising the proposal by the new owners of the LME, Hong Kong Exchanges and Clearing.

“The intent of the HKEx to accelerate the transfer into the market of an additional 2 million tons of aluminum, accumulated and stored since the financial crisis, is an unprecedented intervention and one that RusAl strongly objects to,” he said in a statement.

“RusAl is concerned that a set of measures the HKEx, as the owner of LME, has proposed risk creating further aluminum market distortions. The company believes that these measures will lead to a less transparent marketplace.”

The LME’s proposal is a response to complaints by metals consumers that backlogs in deliveries from LME warehouses have driven spot aluminum surcharges, or premiums, to record highs.

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