

# Hundreds lose jobs as mill closes

More than 350 jobs are to be lost after it was decided Inverurie Paper Mill is to close. International Paper has announced the mill in Aberdeenshire will shut by the end of March as no financially viable alternative has been found.

Mill manager Chris Melia said: "We are saddened to bring papermaking to an end in Inverurie."

First Minister and local MSP Alex Salmond said: "This is a big blow to the workforce and the community."

The history of papermaking in the town goes back more than 150 years.

In 1996, International Paper acquired the historic mill, which produced an estimated 85% of all photocopy and printer paper used in the UK every year.

Its future has been hanging in the balance since news of problems emerged in October. There were some expressions of interest, but none progressed.

It is unlikely to be sold to another paper manufacturer as it is thought International Paper would not want to sell to a competitor, but Scottish Enterprise said negotiations were under way with at least two potential buyers for what is a top class industrial site.

Mr Melia said: "We have acted to match machine capacity worldwide to the paper volumes demanded by our customers.

"Our focus now is on helping our people make the transition into new employment and to continue our efforts, working with government agencies and other, to market the site for future reindustrialisation."

## **'Economic recession'**

Mr Salmond said the losses were "an enormous number in a community of this size".

He said: "When the decision was first announced last October that there was to be a 90-day consultation period starting in November we were hopeful that another paper maker could be identified to take over production.

"However, despite the best efforts of Scottish Enterprise, that has not proved possible in the prevailing economic recession. "There has been substantial interest but no company has the capital to develop in current market conditions. Although talks continue with a number of companies about developments on this tremendous site there is little hope now that there can be continuity of employment."

Mr Salmond added: "The workforce have been terrific in sticking with the plant over the 90-day period".

## **'Drastic blow'**

Gordon MP Malcolm Bruce said: "Potentially the closure could double unemployment across Gordon and more than double it in the Inverurie area but these are highly skilled people and they must be given all the help possible to find new jobs."

North East MSP Nanette Milne said: "This is a drastic blow to Inverurie and the north east economy.

"It is now vital that support is given to those employees who have lost their job. Such job loses will have a huge impact on Inverurie and other local communities.

"I believe that the site and its strategic position just off the A96 and close to Aberdeen Airport can be developed and is a significant going concern."

Tony Burke, assistant general secretary of the Unite union, said: "This is a very bitter blow to the Scottish economy and to manufacturing in the UK.

Papermaking was once one of the north east of Scotland's major industries; however the announcement leaves the area with just one functioning mill, in Aberdeen.

**Source:** BBC Web Site – 18<sup>th</sup> February 2008