

ALCOA CHIEF FEARS US HARD LANDING

BY PHILIP BURGERT

■ CHICAGO — The future of the US economy is a greater cause for concern to Alcoa than the outlook for the Chinese economy, chairman and ceo Alain Belda told a conference in Chicago.

"We are more concerned about a US hard landing than we are about a China hard landing at the moment," he said in a keynote speech to a combined Aluminum Assn spring meeting and National Manufacturing Week trade show.

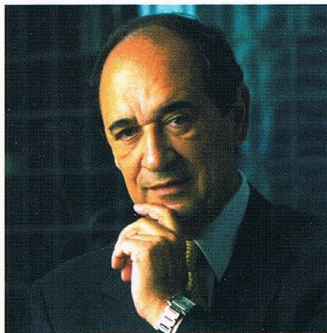
The concern about the danger of a hard landing in the USA rather than China, he said, comes from the size of the deficits the USA is carrying in both its current account and budgets.

"There is more of a chance of a recession here than there is in China," Belda said.

China has \$400 billion in reserve and is saving 25 percent of its gross domestic product, he noted. "Furthermore, they've got a \$1.3 trillion or \$1.4 trillion economy there and we've got \$11 trillion over here. The effect here is a lot bigger than over there."

Belda talked about moves Pittsburgh-based Alcoa is making to take advantage of rapid growth he sees ahead in the world economy and in such countries as Brazil, China, India, Russia and South Korea.

"We're in the midst of a market transformation and growth similar to the one experienced in the 1950s, when the world was reconstructing Europe and there was a great amount of urbanisation in the USA, Europe and some parts of Latin American," he said.



Belda: concerned about US economy