
CAPEX cuts - ArcelorMittal suspends Senegal iron ore project

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It is reported that ArcelorMittal is suspending development of its Faleme iron ore project in Senegal as a result of the global economic downturn.

A company source in the West African country said that the USD 2.2 billion project in the south-east of the country was due to begin producing steelmaking raw material iron ore in 2011, and full production capacity was estimated at 25 million tonnes per year.

The source said that "We are suspending the project for the time being because of the economic situation worldwide, but we hope to carry out the project as soon as the situation gets better."

The source added that "The government is saying, either you do it or we look for another company to do it." The source further added that "We are open to the option of doing it with a partner but for the time being we cannot do it alone."

The project, which included building a new port and railway line, would have created 10,000 jobs for Senegalese workers, the company said when announcing the inception of the plan in 2007.

ArcelorMittal officials in London and Luxembourg were not immediately available for comment on Friday.

(Sourced from Thomson Reuters)

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