
CAPEX cuts - Semirara Mining Corp halts nickel project on weak prices

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Philippines' Semirara Mining Corporation said that its 50% held unit has suspended operations at a nickel project north of the capital due to low prices of the metal.

The nickel mine in Sta Cruz town in Zambales province began commercial operations last year and is expected to produce 1 million tonnes of direct shipping ore annually.

DMCI Mining Corporation said in a letter to its partner which parent Semirara submitted to the stock exchange that "The depressed nickel market situation still persists and our hope of resurgence, even if only slightly, seems far from occurring. After close consultation with our board of directors, it was unanimously decided that the best course of action under the circumstances is a complete suspension of operations at the mine sites, until further notice."

Prices of nickel have fallen around 70% to over USD 16,000 a tonne on the London Metal Exchange from a record USD 51,800 hit on May 2007 as demand from stainless steel producers had slumped due to the global downturn.

The International Nickel Study Group expects the global nickel market to post a surplus of 80,000 tonnes this year as falling demand continues to outpace cutbacks by producers.

(Sourced from www.reuters.com)

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