
CAPEX cuts - ArcelorMittal SA drops Mozambique plan

Monday, 05 Oct, 2009

Bloomberg reported that ArcelorMittal has dropped plans to build a 400,000 tonne capacity plant in Mozambique as it reviews African expansion after the global slump.

The report cited Ms Nonkululeko Nyembezi-Heita CEO of ArcelorMittal South Africa as saying that “The project is shelved and really there is no specific time frame in which it will be rekindled. It will all depend on how the economies of the region develop.”

She added that “ArcelorMittal South Africa already closed a smaller plant in Mozambique with an annual capacity of 35,000 tonnes, on concern about slower economic growth due to the global slump.”

Ms Nyembezi-Heita said that “It is not clear whether African countries such as Mozambique, which was posting annual growth rates of about 8% before the crisis, can again achieve that kind of pace, since the international aid that was financing their expansion has dried up.”

She also said that “ArcelorMittal South Africa’s plants are currently working at about 75% of capacity. That is up from about 60% at the end of June. It’s not clear when it will return to maximum output.”

(Sourced from Bloomberg)

For more news visit at www.steelguru.com