
CAPEX cuts - POSCO to delay facility expansion

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Yonhap reported that South Korea's leading steelmaker POSCO said that it plans to delay completion dates for some plants in the country as it is unclear whether steel demand will be strong enough to support facility expansion.

According to the steelmaker, it plans to complete the KRW 1.93 trillion plant in Gwangyang by September, 2012, nine months later than the previous target of the end of 2011.

POSCO also plans to put off completion of two other production facilities worth KRW 568 billion that can produce galvanized steel sheets. The construction of these plants will be put off by one year to March 2012.

It said that "Global steel demand may not recover as previously expected. We need to be flexible to cope with changing business conditions. But investment projects will be conducted as planned."

(Sourced from Yonap)

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