
CHALCO to shut 330000 tonnes of aluminum capacity - Mr Xiong

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Bloomberg cited Aluminum Corporation of China Limited plans to shut 330,000 tonnes of obsolete smelting capacity by 2011.

Mr Xiong Weiping chairman of CHALCO said that the Chinese government wants to close down 1 million tonnes of obsolete capacity for the industry by 2011.

The 330,000 tonnes target set by Mr Xiong represents about 8% of Aluminum Corporation's current capacity. China has ordered more than 2,000 companies including steel and aluminum producers to shut obsolete plants by the end September.

Mr Xiong said that in the past 5 years, China's aluminum production has developed too fast. In the next 3 years, aluminum demand will increase as the economy grows and aluminum replaces other metals. I expect the 20% to 30% overcapacity will disappear.

He said that the company plans to build new low cost facilities at Liancheng Aluminum Plant in Gansu.

(Sourced from Bloomberg)

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