
CAPEX cuts - Voestalpine may delay Black Sea plant

Saturday, 11 Oct, 2008

Reuters reported that Austrian steelmaker Voestalpine may have to delay a decision on building a new steel plant on the Black Sea due in part to the financial crisis.

It may be noted that Voestalpine is hoping to build a plant with a 5.5 million tonne capacity in either Bulgaria, Romania, Turkey or Ukraine, which investment analyst's estimate will cost around EUR 5 billion to EUR 6 billion. But it said the financial crisis could now delay the decision on the plant.

Mr Peter Schiefer spokesman of Voestalpine, confirming remarks made by Mr Wolfgang Eder CEO in Washington, said that "We must look carefully at the financing. If the decision is delayed, it will be dealt with in one or two quarters' time. I think you can already see signs of an exit strategy."

Voestalpine said earlier that it has no liquidity or financial problems and is sticking to its full-year targets, denying a report it was forced to go to a government province to help finance a deal.

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