
CAPEX cuts - Russian miner UMMC delays new projects

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Metals Insider reported that Russia's No.2 copper and zinc producer Urals Mining and Metals Co will freeze new projects due to the global credit crisis, but proceed with ongoing ones.

The UMMC Holding News cited Mr Andrei Kozitsin CEO of UMMC as saying that the global financial crisis has made it difficult for many Russian companies to obtain credit, and producers of copper and other metals have suffered from a decline in world prices. The current problems of the Russian and world banking sector have narrowed the possibilities to borrow money the company could invest in its development."

UMMC said recently that "It is becoming more and more difficult to secure new loans or refinance the old ones. We will have to adjust all our investment and social program. A spokesman for UMMC declined to name the projects which may be delayed. it will invest USD 130 million between 2007 and 2010 to raise the capacity of its Uralelectromed refinery by 37.5 to 500,000 tonnes."

It also said last year that it would invest USD 386 million in building a steel plant with capacity to produce 600,000 tonnes of crude steel and 545,000 tonnes of rolled products a year, in Agidel, a town in the Russian republic of Bashkortostan. Last week the Russian Copper Company, the country's third largest producer of the metal, said it was freezing a joint project with UMMC to build a 300,000 tonne zinc plant.

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