
Societe Le Nickel cuts down production at New Caledonia

Wednesday, 26 Nov, 2008

Société Le Nickel has announced measures to slow down production, in the face of the global financial crisis that is impacting on the activity of its major clients.

Mr Patrick Buffet chairman of Eramet confirmed the move saying that since the beginning of the global financial crisis, nickel ore sales have slumped by a staggering 20%. This, in turn, was bound to entail a slump in prices, due to the lower demand. He also said that the current situation was therefore extremely worrying and it was still difficult to make firm predictions for 2009.

As part of a development plan announced some years ago, Société Le Nickel was initially set to build a new energy plant in the coming months. But the plan for a total investment cost of USD 740 million was now postponed to 2009.

Mr Buffet however reassured that despite the current precautions, Société Le Nickel and Eramet remains in New Caledonia for the long term and that in the past 5 years, it had invested a total bordering USD 900 million.

It may also be mentioned that Société Le Nickel has officially commissioned a new nickel processing plant in Tiébaghi with an investment of some USD 157 million.

For more news visit at www.steelguru.com