
Jinchuan to increase nickel output in 2009 despite dull market

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Jinchuan Group Limited has announced that it would expand its production scale so as to lower costs in 2009, in spite of the dull nickel and copper market.

In 2008, Jinchuan Group realized operating revenue of CNY 53.6 billion, slightly more than 2007, with fewer profits on year due to the slump of nickel and copper prices. In 2007, the company reached operating revenue of CNY 52.1 billion, up by 47.18% YoY, with profits of CNY 7.9 billion, up by 97.5% YoY.

In October 2008, the average price of nickel contract for March 2009 delivery at LME had dropped by 63% from the beginning of the year. Jinchuan Group decided to cut its annual nickel production plan from 120,000 tonnes to 100,000 tonnes. Under the consideration of expanding scale to cut costs, Jinchuan Group plans to produce 125,000 tonnes of nickel, 400,000 tonnes of copper, 7,800 tonnes of cobalt and 2.1 million tonnes of chemical products in 2009.

Mr Li Yongjun chairman of Jinchuan Group said that "The primary task is to expand scale and cut costs, and keep growth of the operating revenue."

Jinchuan Group is able to maintain its profits on a certain level at times when product prices decrease, since it owns a number of nickel and copper mines. Jinchuan raised its nickel factory price by CNY 5,000 to CNY 87,000 per tonne for the first time in the past half year, on market rebound.

(Sourced from www.chinamining.org)

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