
Antam plans IDR 3 trillion CAPEX in 2009

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Mining Journal reported that Indonesia's PT Aneka Tambang plans IDR 3 trillion in 2009 in capital expenditures, up 3 fold on 2008, to position itself for an eventual recovery in commodity prices.

Mr Alwin Syah Loebis, CEO of PT Aneka Tambang said that "We think that it is the best time to start our profitable investment, which may be sold when prices of commodities recover hopefully within the next 2 to 3 years."

Aneka Tambang said more than 80% of the spending, which will be funded from internal cash, will be used to further develop its plants, including improvements to its ferronickel smelter III in Pomala in south east Sulawesi. The firm's unaudited financial report showed actual capital expenditures last year were IDR 758 billion.

Mr Loebis also said that Antam expected ferronickel output, its biggest contributors of revenue, to fall by 30% to 12,000 tonnes in 2009 as prices for commodities and demand ease in the face of the global economic downturn. He noted that "We assume the average nickel price this year will range from USD 11,000 to USD 12,00 per tonne, from an average of USD 18,000 per tonne in 2007."

(Sourced from www.miningjournal.com)

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