
Jinchuan to raise 2009 copper output by 33% YoY

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Platts reported that major Chinese copper producer Jinchuan Group plans to produce at its maximum annual capacity of 400,000 tonnes in 2009.

A Jinchuan official said the 400,000 tonnes output target this year, which is 33% more than the output in 2008 is in line with our Group overall nonferrous metals' output expansion this year in a bid to lower production costs.

Jinchuan said several positive factors will support the company's production expansion this year. The Jinchuan source said "The global economy is gradually recovering. This, together with the Chinese government's CNY 4 trillion stimulus plan will encourage us to produce more copper this year. He said that Jinchuan produced a total 28,600 tonnes of refined copper in March this year, up 37% compared with the same period in 2008. He added that "The rise is mainly due to increased Chinese domestic orders in March, following the Chinese Lunar New Year."

Jinchuan reported total net profits of CNY 4.2 billion in 2008, down 47% from CNY 7.9 billion in 2007. The fall was mainly attributed to lower metal prices owing to the financial crisis. Chinese domestic refined copper prices declined to CNY 35,139 per tonne in late 2008 from CNY 66,385 per tonne in March last year.

As Jinchuan owns copper mines, it has high self-sufficiency in copper concentrate, and could still make profits despite poor prices.

(Sourced from Platts)

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