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## CAPEX cuts - PT Inco revises down plans for 2009

Wednesday, 27 May, 2009

PT International Nickel Indonesia has revised down its capital expenditure budget for this year by more than a quarter to adjust projects to reflect a slump in global demand.

PT Inco in which Brazil's Vale Inco Ltd has a 61.2% stake said that it has revised down its spending for this year to USD 166.4 million from USD 228.8 million initially planned in February.

The firm said that "This review reflects a change in the priority and scope of existing projects."

The firm has also asked the government for more time to assess plans for a new plant after a study showed that the USD 1.8 billion project on Sulawesi Island may not be feasible.

The firm said that but it is still on track to complete construction of the Karebbe dam near its current mines in Sorowako, South Sulawesi by the first quarter of 2011.

It said that the Karebbe dam is expected to provide an additional 90 megawatts of power per year, from 275 megawatts currently, and will help boost production.

(Sourced from Reuters)

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