
CAPEX cuts - PT Inco reduces CAPEX budget for 2009

Monday, 08 Jun, 2009

PT Inco announced on May 26th 2009 that it has revised its capital expenditure budget for 2009 to USD 166.4 million from the USD 228.8 million as initially planned that was announced on the February 22nd 2009.

This revision of the budget for 2009 comes to a reduction of 27.3%. This review reflects a change in the priority and scope of existing projects.

For a reference, PT Inco released on the May 7th 2009 their settlement of accounts for the first quarter of 2009 and at that time, explained about cash capital expenditures in the first quarter of 2009 as follows:

1. USD 40.3 million were invested in construction of Karebbe hydroelectric power generation station as increased from that USD 28 million invested in the same quarter of 2008
2. This construction is an important project and a scale of the investment has to be maintained
3. But, its coal conversion and coal transportation projects see less emergency and defer to complete in 2010 and so on

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