
CAPEX cuts - Investment in Peru steel industry to drop by 47%

Thursday, 18 Jun, 2009

According to Instituto de Estudios Económicos de la Sociedad Nacional de Industrias, the global financial crisis is expected to cause investments in the manufacturing industry to drop from USD 7.2 billion in 2008 to USD 4.6 billion in 2009 or 36.1% due to a decreased confidence shown by firms.

Mr Javier Davila director of SNI said that firms in the industrial sector decided to stop or cancel their investment programs amid the dim economic forecasts. He added that despite a moderate projected economic growth in 2009 of 3.5%, Peru's GDP will be severely down from last year's 9.8% expansion.

SNI forecasts that the metallurgy sector will experience drop of 34.7% in investments compared to figures for 2008, cement firms will see a 30.5% decline and the most affected will be the steel industry, which is expected to see a fall of 47.3%.

(Sourced from Steel Orbis)

For more news visit at www.steelguru.com