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Ural Mining Is Largest Copper Producer

By The Moscow Times

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Ural Mining & Metallurgical, billionaire Iskandar Makhmudov's metals company, produced more copper in Russia last year than Norilsk Nickel, according to its annual results.

Ural Mining, also known as UMMC, increased production by 12 percent to 369,043 tons of refined copper, the company said. Norilsk, Russia's largest mining company, reported a 4 percent drop in domestic refined-copper output to 365,698 tons as ore grades declined, according to a Jan. 31 statement.

UMMC, based in Verkhnyaya Pyshma, Sverdlovsk region, increased copper production to take advantage of surging prices for the metal used in cables and pipes. Copper rose more than 30 percent last year and peaked at $10,160 a ton on Feb. 14 as Chinese demand climbed. Prices will average $11,500 in 2012, Deutsche Bank said in a report last week.

UMMC is seeking to boost output by 3 percent this year to 380,000 tons and may increase sales by as much as 20 percent should current prices hold until year-end, the company said. Net income advanced almost ninefold to 21.1 billion rubles ($751 million) last year, while sales

rose 45 percent to 156.4 billion rubles.

The scheduled opening of a new plant in December will increase UMMC's refining capacity by a quarter to 500,000 tons a year, according to the company. UMMC has earmarked 34.9 billion rubles of capital spending this year, mainly for copper.

Norilsk's total copper production, including from units in Finland and Africa, totaled 388,872 tons last year, according to the company's January statement.

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