

Norilsk Plans to Invest \$35Bln By 2025 on Expansion, Output

By [The Moscow Times](#)

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The board of Norilsk Nickel has approved a strategy that envisages investing \$35 billion in 2011-25 to expand its resource base and raise output, Norilsk said.

"It is expected that by improving efficiency of production operations at the current deposit and initiating new projects in Russia, nickel production will grow by at least 19 percent, copper production by 49 percent and platinum-group metals production by 42 percent by 2025," a Norilsk statement said late last week.

Norilsk, the world's biggest nickel and palladium producer, plans to raise nickel output this year to 300,000 to 315,000 tons from 297,329 tons in 2010 and keep copper output at 380,000 to 390,000 tons versus 388,872 tons.

It expects its palladium output to be 2.85 million to 2.87 million ounces, compared with 2.86 million in 2010, and its platinum output at 705,000 to 720,000 ounces, up from 693,000

ounces last year.

Norilsk aims to maintain its position as the nickel producer with the lowest cost of production, it said.

It will expand its resource base considerably through further geological exploration in the regions where it operates and through participation in new projects, including starting production of coal and iron ore, molybdenum, chrome and other metals, Norilsk said.

It said it expected the strategy to lead to significant growth in revenue and profits.

"In accordance with the approved document, by this time [2025] Norilsk Nickel should be among the top five mining and metallurgy companies in the world in terms of market capitalization," the statement said.

RusAl, the aluminum producer that owns a quarter of Norilsk, said Thursday that its representatives on the board did not participate in the meeting as they were not provided with the documents it examined.

"Our representatives were not present at the meeting, but they voted against the strategy in written form," a RusAl spokeswoman said.

RusAl has two representatives on the 13-strong Norilsk board.

Norilsk has a long-standing dispute over its management between rival oligarchs Vladimir Potanin, whose Interros investment company holds about 30 percent of Norilsk, and Oleg Deripaska, who controls RusAl.

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