

PT Timah withdraws its plan to build tin smelter



Security reasons and failure to find an ideal location for the plant has prompted Indonesian Tin major PT Timah to withdraw from plans to build new tin smelter in Myanmar.

Earlier, the company had plans to build 12,000 tpy tin smelter in Myanmar. It had obtained exploration concession on 10,000 hectares land in Tanihary. The exploration programmes had begun in June this year and the company was hoping to start construction of the smelter in early-2015.

However, the company predicted 15% jump in net income in 2015, mainly on account of higher sales and strong recovery in Tin prices. The company also expects the savings to be benefitted by proposed cut in dividend payment to the government from existing 55% to as low as 30%. This is on the basis of government plans to reduce the dividends of state companies as announced recently by the Indonesian Finance Minister Bambang Brodjonegoro.

According to PT Timah President Director Sukrisno, the company expects to post net income of US\$44 million in 2014. Further, he stated that tin sales this year is estimated around 26,000 tonnes. The sales are expected to jump higher by 15% in 2015. The exports during next year were predicted to range between 60,000 tonnes and 70,000 tonnes.



DUBAL completes \$ 1.8 bn loan



According to banking sources Dubai Aluminium has completed its USD 1.8 billion 7 year loan, the first facility which the company has raised to fund its general business purposes in 2 decades. The sources said that the transaction was signed at the very end of 2014 with 2 of them adding that around 15 local and international lenders contributed to the deal in total.

Reuters reported in December the loan had been underwritten by Citigroup, Emirates NBD and Societe Generale, and a process of inviting other banks to join the deal had begun. The loan paid an interest rate of 145 basis points over the London interbank offered rate. Dubal did not immediately respond to a request for comment.

Many Dubai companies have come to the loan market in recent months to take advantage of low borrowing rates as the emirate's economy has been growing again and cash-rich local banks have been competing for deals. Dubal has not raised a syndicated loan for general business purposes since it completed a USD 250 million facility in 1995, although it has taken on debt for specific projects since then.

It merged in 2013 with Abu Dhabi's Emirates Aluminium to create Emirates Global Aluminium, the world's fifth-largest aluminium company with an enterprise value of about USD 15 billion. Prior to the tie-up, Dubal was owned equally by Emal and Investment Corporation of Dubai, the sovereign fund that holds stakes in some of the emirate's top companies.

Dubal is still an entity within EGA, which is owned by Abu Dhabi state fund Mubadala and ICD, so it can borrow money in its own right. Dubai Aluminium owns and operates one of the world's largest aluminium smelters. Built on a 480-hectare site in Jebel Ali, the complex's major facilities comprise a one million tonne per annum primary aluminium smelter, a 2,350 megawatt power station (at 30°C), a large carbon plant, casting operations with a capability of over 1.2 million tonnes per annum, a 30 million gallon per day seawater desalination plant, laboratories, port and storage facilities.

DUBAL has the capacity to produce more than one million metric tonnes of high quality aluminum products a year, in three main forms: foundry alloy for automotive applications; extrusion billet for construction, industrial, forging and transportation purposes; and high purity aluminium for the electronics and aerospace industries. More than 300 customers are served in at least 57 countries predominantly in the Asia, Europe, the Middle East North Africa ("MENA") region, and the Americas.