

Plans for \$3Bln Metal Production Plant Announced

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A landscape in the Chelyabinsk region's Nyazepetrovsky district, home to 6.5 billion tons of titanium magnetite used in iron, titanium and vanadium production.

Russia could team up with foreign investors to build a new steel complex worth 104 billion rubles (\$3.15 billion) in the rust-belt region of Chelyabinsk, the local government said in a statement.

The iron ore mining and smelting facility could be built in the Nyazepetrovsky district, home to 6.5 billion tons of titanium magnetite, which is used in the production of iron, titanium and vanadium, the local government's www.gubernator74.ru website said late Wednesday.

The complex would aim to produce rolled steel by 2020, the site said.

The government intends to attract a group of three foreign investors: Fleming Family & Partners, Kobe Steel and Sun Investment Partners.

A final agreement should be signed in the coming months, Deputy Governor Sergei Komyakov was quoted as saying in the statement.

A spokeswoman for Fleming Family & Partners declined comment.

Kobe Steel, contacted by the Vedomosti business daily, could not provide a comment, and an executive at Sun Investment told the newspaper his company is not participating in the project.

The mill, if built, would become one of the largest investments in Russia's mining and steel sector in recent years, as the global steel industry has been hit by softening demand and falling prices.

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