

8. INCOME TAXES (CONTINUED)

Year ended 31 December 2017

<i>US\$ million</i>	2017	Change recognised in statement of operations	Change recognised in other comprehensive income	Change due to disposal of subsidiaries	Translation difference	Other movements	2016
Deferred income tax liabilities:							
Valuation and depreciation of property, plant and equipment	\$ 546	(36)	-	(10)	25	-	\$ 567
Valuation and amortisation of intangible assets	62	(21)	-	(1)	3	-	81
Other	80	19	-	(1)	4	-	58
	688	(38)	-	(12)	32	-	706
Deferred income tax assets:							
Tax losses available for offset	267	55	-	(25)	11	-	226
Accrued liabilities	126	8	(15)	(8)	3	-	138
Impairment of accounts receivable	12	1	-	-	1	-	10
Other	128	(13)	-	-	1	-	140
	533	51	(15)	(33)	16	-	514
Net deferred income tax asset	173	47	(10)	(24)	4	-	156
Net deferred income tax liability	\$ 328	(42)	5	(3)	20	-	\$ 348

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, including right-of-use assets, consisted of the following as of 31 December:

<i>US\$ million</i>	2019	2018	2017
Cost			
Land	\$ 102	\$ 100	\$ 107
Buildings and constructions	1,899	1,752	1,894
Machinery and equipment	4,758	4,302	4,812
Transport and motor vehicles	369	226	255
Mining assets	2,468	2,084	2,461
Other assets	34	35	37
Assets under construction	681	378	549
	10,311	8,877	10,115
Accumulated depreciation, depletion and impairment losses			
Buildings and constructions	(943)	(857)	(968)
Machinery and equipment	(2,904)	(2,647)	(2,906)
Transport and motor vehicles	(200)	(145)	(168)
Mining assets	(1,308)	(998)	(1,112)
Other assets	(25)	(28)	(28)
	(5,380)	(4,675)	(5,182)
Government grants	(6)	-	-
	\$ 4,925	\$ 4,202	\$ 4,933

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The movement in property, plant and equipment, including right-of-use assets, was as follows:

Year ended 31 December 2019

<i>US\$ million</i>	Land	Buildings and constructions	Machinery and equipment	Transport and motor vehicles	Mining assets	Other assets	Assets under construction	Total
At 31 December 2018, cost, net of accumulated depreciation	\$ 100	\$ 895	\$ 1,655	\$ 81	\$ 1,086	\$ 7	\$ 378	\$ 4,202
IFRS 16 adoption: recognition of right-of- use assets (Note 2)	-	12	40	68	-	-	-	120
At 1 January 2019, cost, net of accumulated depreciation	\$ 100	\$ 907	\$ 1,695	\$ 149	\$ 1,086	\$ 7	\$ 378	\$ 4,322
Additions	1	-	11	4	-	-	828	844
Assets put into operation	-	50	387	46	66	6	(555)	-
Assets acquired in business combinations	4	-	-	-	-	-	-	4
Disposals	(3)	(1)	(6)	-	-	-	(4)	(14)
Depreciation and depletion charge	-	(82)	(331)	(46)	(87)	(4)	-	(550)
Impairment losses recognised in statement of operations	-	(13)	(25)	-	(101)	-	(10)	(149)
Impairment losses reversed through statement of operations	-	1	2	-	1	-	3	7
Transfer to assets held for sale	(4)	(8)	(25)	(2)	-	-	-	(39)
Change in site restoration and decommissioning provision	-	12	3	-	64	-	-	79
Government grants	-	-	-	-	-	-	(6)	(6)
Translation difference	4	90	143	18	131	-	41	427
At 31 December 2019, cost, net of accumulated depreciation	\$ 102	\$ 956	\$ 1,854	\$ 169	\$ 1,160	\$ 9	\$ 675	\$ 4,925

Year ended 31 December 2018

<i>US\$ million</i>	Land	Buildings and constructions	Machinery and equipment	Transport and motor vehicles	Mining assets	Other assets	Assets under construction	Total
At 31 December 2017, cost, net of accumulated depreciation	\$ 107	\$ 926	\$ 1,906	\$ 87	\$ 1,349	\$ 9	\$ 549	\$ 4,933
Additions	-	-	-	-	-	-	579	579
Assets put into operation	-	224	350	31	58	2	(665)	-
Disposals	-	(1)	(15)	(1)	(2)	-	-	(19)
Depreciation and depletion charge	-	(80)	(313)	(23)	(82)	(3)	-	(501)
Impairment losses recognised in statement of operations	-	(4)	(10)	-	(15)	-	(8)	(37)
Impairment losses reversed through statement of operations	-	-	1	-	6	-	-	7
Transfer to assets held for sale	-	(20)	(35)	-	-	-	(10)	(65)
Change in site restoration and decommissioning provision	-	(5)	1	-	(1)	-	-	(5)
Translation difference	(7)	(145)	(230)	(13)	(227)	(1)	(67)	(690)
At 31 December 2018, cost, net of accumulated depreciation	\$ 100	\$ 895	\$ 1,655	\$ 81	\$ 1,086	\$ 7	\$ 378	\$ 4,202

Year ended 31 December 2017

<i>US\$ million</i>	Land	Buildings and constructions	Machinery and equipment	Transport and motor vehicles	Mining assets	Other assets	Assets under construction	Total
At 31 December 2016, cost, net of accumulated depreciation	\$ 100	\$ 883	\$ 1,809	\$ 79	\$ 1,347	\$ 10	\$ 424	\$ 4,652
Assets acquired in business combinations	3	1	3	-	-	-	-	7
Additions	-	-	7	-	-	-	622	629
Assets put into operation	-	74	344	32	50	2	(502)	-
Disposals	(1)	(3)	(11)	(2)	(3)	-	-	(20)
Depreciation and depletion charge	-	(84)	(325)	(25)	(85)	(3)	-	(522)
Impairment losses recognised in statement of operations	(1)	(2)	(13)	-	(21)	-	(11)	(48)
Impairment losses reversed through statement of operations	3	9	25	-	30	-	1	68
Transfer to assets held for sale	-	(6)	(11)	(1)	(76)	-	(10)	(104)
Change in site restoration and decommissioning provision	-	8	-	-	36	-	-	44
Translation difference	3	46	78	4	71	-	25	227
At 31 December 2017, cost, net of accumulated depreciation	\$ 107	\$ 926	\$ 1,906	\$ 87	\$ 1,349	\$ 9	\$ 549	\$ 4,933

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Assets under construction include prepayments to constructors and suppliers of property, plant and equipment in the amount of \$77 million, \$36 million and \$60 million as of 31 December 2019, 2018 and 2017, respectively.

Impairment losses were identified in respect of certain items of property, plant and equipment that were recognised as functionally obsolete or as a result of the testing at the level of cash-generating units (Note 6).

The amount of borrowing costs capitalised during the year ended 31 December 2019 was \$Nil (2018: \$1 million, 2017: \$6 million).

Right-of-Use Assets

In 2019, the movement in right-of-use assets were as follows:

<i>US\$ million</i>	Land	Buildings and constructions	Machinery and equipment	Transport and motor vehicles	Total
At 1 January 2019, assets under finance leases, cost, net of accumulated depreciation	\$ 3	\$ 1	\$ 3	\$ -	\$ 7
Newly recognised right-of-use assets	-	12	40	68	120
Total right-of-use assets at 1 January 2019	\$ 3	\$ 13	\$ 43	\$ 68	\$ 127
Additions	-	-	11	4	15
Purchase of right-of-use assets	(3)	(1)	-	-	(4)
Depreciation charge	-	(1)	(7)	(22)	(30)
Transfer to assets held for sale	-	-	-	(2)	(2)
Translation difference	-	-	1	8	9
At 31 December 2019, cost, net of accumulated depreciation	\$ -	\$ 11	\$ 48	\$ 56	\$ 115

The liabilities related to the right-of-use assets are disclosed in Note 25.

Assets in Operating Lease

The Group acts as a lessor in some operating lease contracts. The carrying value of assets in operating lease at 31 December 2019 was \$66 million, including \$51 million of right-of-use assets in sublease representing railroad cars.

<i>US\$ million</i>	Land	Buildings and constructions	Machinery and equipment	Transport and motor vehicles	Total
At 31 December 2019, cost, net of accumulated depreciation	\$ 1	\$ 5	\$ 8	\$ 52	\$ 66

In 2019, rental income amounted to \$32 million, including \$25 million of income from subleasing of right-of-use assets.

At 31 December 2019, the undiscounted lease payments to be received under operating leases were as follows:

<i>US\$ million</i>	2020	2021	2022	2023	2024	After 5 years from the reporting date	Total
Lease payments under operating leases	\$ 25	\$ 26	\$ 15	\$ 3	\$ 3	\$ 20	\$ 92