
Cronimet Mining to invest USD 50 million in Armenia

Friday, 31 Jul, 2009

Huliq reported that Cronimet Group a German metals company that owns largest mining enterprise in Armenia pledged to make at least USD 60 million in additional investments to expand its operations in the country.

As per report Mr Guenter Pilarski chairman of the Cronimet group made the pledge during a visit to Yerevan that involved talks with Mr Serzh Sarkisian PM of Armenia and local businessmen.

Mr Pilarski said that the extra investments will be channeled into building a copper smelter in the same mountainous area close to Armenia's border with Iran. The project will not create any ecological problems.”

Mr Pilarski made similar assurances at a meeting with Sarkisian on July 28th. He said that the planned smelter will have modern equipment and technology that inflict no damage on environment.

Zangezur currently only enriches most of cooper and molybdenum ores extracted from its Kajaran mines. The rest of it is turned into metal at the Yerevan based Makur Yerkat smelter, which is also owned by Cronimet. Both Zangezur and Makur Yerkat have significantly increased production levels in the past 3 years on the back of record high international prices of copper and other non ferrous metals. Virtually all of their production is sold abroad.

Cronimet had teamed up with 2 Armenian firms in late 2004 to buy a 75% stake in the Zangezur Copper Molybdenum Plant in a USD 132 million deal. As part of the takeover, it undertook to invest USD 150 million in modernizing the Soviet built plant, which is located near the southeastern town of Kajaran and currently employs about 3,000 people. Much of the modernization is due to be completed by the end of this year.

(Sourced from Huliq.com)

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