
SNMPE suspends Doe Run membership rights

Friday, 03 Jul, 2009

BNamericas reported that Peru's national oil, mining and energy society SNMPE has suspended US owned Doe Run Perú's rights as a member for non compliance with the society's code of conduct.

SNMPE has sent a letter to Doe Run Perú communicating the decision. The suspension could be followed by the company's full exclusion from SNMPE if it does not complete a series of cleanups and modernizations, called PAMA initiatives, at its La Oroya polymetallic smelter. Doe Run has an October 31st 2009 deadline to fulfill its PAMA obligations.

SNMPE started in March an investigation into the mounting financial difficulties that were endangering the company's ability to continue operations and environmental cleanup activities at La Oroya to determine whether there was a breach of the code of conduct.

The PAMA requirements were established when La Oroya was privatized in 1997. The company has carried out numerous improvement works at the plant, now nearly 90 years old, but has been unable to complete the requirements.

In June 2009, Doe Run Perú closed La Oroya on grounds it is unable to fulfill the PAMA efforts, despite its concentrate providers having signed on a USD 175 million credit line after banks cut the smelter off earlier in the year due to low metals prices.

(Sourced from www.bnamericas.com)

For more news visit at www.steelguru.com