
Southern Copper water disputes in Peru may delay mines

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Bloomberg cited Mr Guido Bocchio legal manager of Southern Copper Corporation as saying that mine projects in Peru will continue to face delays because of disputes over water until a new law takes effect that gives companies more say in how the resource is managed.

Mr Bocchio said recently that the new law approved in March hasn't been implemented yet because farm groups are seeking greater influence over regional water councils. The law may take effect in January.

Companies such as Southern, Anglo American Plc and Cia De Minas Buenaventura SA face opposition from farm groups worried that new copper mines will take up water needed for agriculture. Peru is the world's largest silver producer, third largest in copper, zinc and tin and ranked fifth in gold.

Mr Bocchio said that "Peru's mining boom has had a setback in terms of legislation. This uncertainty hurts business."

Villagers in September passed a referendum opposing Phoenix based Southern Copper's USD 934 million Tia Maria projects which is scheduled to produce 120,000 tonnes of copper a year by mid 2011. London based Anglo American has been unable to develop its USD 3 billion Quellaveco project since 1992 because of disputes over water rights with local communities.

(Sourced from Bloomberg)

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