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## **Production pruning - Nyrstar halts zinc output at Balen**

*Saturday, 29 Nov, 2008*

Platts reported that Nyrstar is to halt production at its 260,000 tonne per year Balen zinc smelter.

Nyrstar said that it would temporarily suspend production and initiate a care and maintenance program at its Balen plant due to poor economic circumstances. Nyrstar said that the program, which will take place before year end was needed to address the sudden decline in customer demand and reduce the accumulation of surplus zinc stocks in the market.

Nyrstar also said that the suspension would minimize losses at the plant which have been caused by the low price of zinc, down 58% from its 2008 peak combined with Balen's high energy and production costs. Balen currently has the highest labor cost across the Nyrstar Group and its energy cost has increased by more than 50% in the last 12 months.

Nyrstar further said that the suspension was likely to continue until mid 2009, but would be reviewed over the coming months. It said there would be a reduction in production of about 25,000 tonnes of zinc in the remainder of 2008 and a further 130,000 tonnes in the first half of 2009.

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