
Downsizing deals - Berong slashes 600 jobs in Philippines

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Berong Nickel Corporation of Philippines said that it has temporarily stopped nickel production amid poor demand and falling prices and has cut more than 600 jobs.

Berong Nickel, in which Toledo Mining Corp has a 56.1% stake, said it has more than enough stock to ship to client BHP Billiton. It has an agreement to supply up to 500,000 tonnes of nickel laterite ore to BHPB annually until 2013.

BHPB only agreed to buy 400,000 tonnes of nickel laterite ore for 2009 and negotiations to raise the annual volume to 1 million tonne were unsuccessful as per Berong shareholder's Atlas Consolidated Mining and Development Corporation.

Atlas said that with more than enough stock to meet the initial shipments to BHP Billiton, all production activity at Berong has ceased for the time being adding that more than 600 employees and contractors were laid off and fewer than 50 staff were still employed in the mine site.

Atlas said half of the 400,000 tonnes intended for BHPB can be supplied from stockpiles, which means full scale mining operations can be deferred until the second half of 2009.

The first shipment to BHPB is scheduled for April 2009 followed by monthly shipments. Apart from BHPB, the Berong project was shipping ore with an average grade of around 1.5% to producers in China although shipments had fallen.

Nickel earlier traded at USD 10,250 per tonne on the London Metal Exchange, less than a fifth of its all time high of USD 51,800 per tonne reached in May 2007.

(Sourced from www.miningjournal.com)

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