
Strike cuts coal shipments in Colombia - Xstrata

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Xstrata Plc said that a rail strike prevented the movement of fuel from two Colombian mines. Ms Claire Divver a spokeswoman of Xstrata's London based said that the action by a union representing employees at rail company Fenoco affected supplies from the Calenturitas and La Jagua mines, part of Xstrata's Prodeco unit. She added that the mine output isn't disrupted and some coal from Prodeco is being transported by road.

Xstrata in January agreed in to buy Prodeco for USD 2 billion from commodity trader Glencore International AG. Prodeco can produce 15 million metric tons a year of coal.

About 350 Fenoco workers went on strike March 24 to demand union recognition, Dow Jones reported yesterday, citing a union official. The workers blocked trains that move about 130,000 tons of coal a day to ports in Santa Marta on the Caribbean coast.

Prodeco owns 40% of Fenoco. US coal producer Drummond Ltd and three other Colombian coal-producing companies own the rest, Divver said. Birmingham, Alabama-based Drummond shipped 22.9 million tons of coal from Colombia in 2007.

(Sourced from Bloomberg)

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