
Doe Run Peru to stop operations at La Oroya complex

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Doe Run Peru, which operates the La Oroya refinery and smelter complex, told workers that it would completely shut down operations. The smelter has been operating far below capacity since financial problems in February hurt the company's capacity to buy concentrate.

Mr Luis Castillo union leader at Doe Run Peru said that "Today we showed up for work as usual, but we were told that starting today, the company is shutting all of the operations. The situation is uncertain; we were not given any details. Production is already fully stopped today. Workers have been told to leave as there is nothing for them to do."

Mr Castillo said that, while the 3,500 workers at La Oroya are idle, about 800 to 850 workers at Doe Run's Cobriza copper mine continued to work. But all copper shipments from Cobriza have stopped, so workers there also face an uncertain future. He added that "All of us La Oroya workers will meet to hold a special assembly to decide what to do next and find out from authorities what is happening."

Doe Run owes roughly USD 100 million to creditors in Peru for unpaid past mineral deliveries which, combined with mandated environmental spending, brings total debt to USD 175 million. The union is concerned that if Doe Run leaves, workers will lose many benefits they had earned by decades of work.

(Sourced from www.platts.com)

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