

Serbia mining: Copper company RTB “Bor” is closing down unprofitable units

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Mining and Smelting Combine Bor will have to cut all unnecessary costs in 2016.

First task of Mining and Smelting Combine (RTB) “Bor” next year will be to reduce the production price of copper, from 5.040 to 4.500 dollars per ton. That is why the salaries will be reduced, we will have to cut all unnecessary costs and temporarily all unprofitable units will be shut down, said Blagoje Spaskovski, director general of RTB.

He said that the average salary in RTB is around 70.000 but there will be corrections especially in the administration part. When asked whether there will be a reorganization of job positions, Spaskovski said that we will have all the information after the report of KPMG audit house is finished, which is expected in the beginning of 2016.

The fact is that RTB is in a bad position currently due to the drop of copper price, but the company has to keep operating until the copper price goes up again. We had to temporarily stop the operations in our copper wire plant, because the production price was 400, and the product was sold for 160 dollars per ton.

According to him, even with extremely difficult conditions, RTB operated with “slight positive result in current operations”:

Only due to the drop in copper price we lost 25 million dollars. – The mine in Majdanpek after the ice rain was left flooded and it only started operating last month, which is why we are in the red for 15 million dollars. Still to RTB it is most important for the Commercial Court to adopt UPPR, which would solve the inheritance of 860 million euro, mostly by state creditors.

Postponing the loan

Spaskovski said that RTB Management will demand a lower electricity price from EPS, as well as the rescheduling of debt. He also announced that they will ask the State for help in postponing the payment of due loan rates, transmits Serbia-energy.eu