

## **Cronimet Mining Company To Invest \$50 Million in Armenia**

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Cronimet Group - a German metals company that owns largest mining enterprise in Armenia on Thursday pledged to make at least \$60 million in additional investments to expand its operations in the country.

Guenther Pilarski, chairman of the Cronimet group, made the pledge during a visit to Yerevan that involved talks with Prime Minister Serzh Sarkisian and local businessmen.

Cronimet had teamed up with two Armenian firms in late 2004 to buy a 75 percent stake in the Zangezur Copper-Molybdenum Plant in a \$132 million deal. As part of the takeover, it undertook to invest \$150 million in modernizing the Soviet-built plant, which is located near the southeastern town of Kajaran and currently employs about 3,000 people. Much of the modernization is due to be completed by the end of this year.

Speaking to journalists in Yerevan, Pilarski said the extra investments will be channeled into building a copper smelter in the same mountainous area close to Armenia's border with Iran.

"The project will not create any ecological problems," he said.

Pilarski made similar assurances at a meeting with Sarkisian on Wednesday. He said the planned smelter will have modern equipment and technology that inflict no damage on environment. Zangezur currently only enriches most of copper and molybdenum ores extracted from its Kajaran mines. The rest of it is turned into metal at the Yerevan-based Makur Yerkat smelter, which is also owned by Cronimet.

Both Zangezur and Makur Yerkat have significantly increased production levels in the past three years on the back of record-high international prices of copper and other non-ferrous metals. Virtually all of their production is sold abroad.

PM of Armenia Sarkisian was quoted by his press service as telling Pilarski, who is also Armenia's honorary consul to Germany, that his government considers development of the mining sector a top economic priority and will save no effort to facilitate Cronimet's operations in Armenia.

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