

# AngloGold may cut up to 8,500 jobs

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AngloGold Ashanti could cut up to 8,500 jobs at its unprofitable South African mines, reducing its workforce by nearly a third.

AngloGold, the world's third-largest gold miner, said it has started talks with organised labour to reduce the size of its 28,000-strong South African work force at its local mines because of "heavy and ultimately unsustainable losses they have incurred".



Kopanang mine. Photo: AngloGold Ashanti

"This is a difficult decision which follows a period of significant and - ultimately - unsustainable losses, and also the evaluation of the options available to return our South African business to profitability," said AngloGold CEO Srinivasan Venkatakrishnan.

"It is critical that we act to protect the long-term sustainability of this business and the majority of our workforce. We are mindful of the sensitivity that this situation demands, and are committed to supporting all our employees throughout this process."

The plans include putting the Kopanang and Savuka mines onto care and maintenance and folding parts of the TauTona mine into the nearby Mponeng mine.

TauTona's all-in sustaining costs in the first quarter of 2017 was \$1,737/oz and Kopanang was \$2,399/oz against an average \$1,216/oz received price in that time, this after the mines had incurred "sustained significant operating losses" in 2016.

"Some of our older mines in the South African region have reached the end of their economic lives, several decades after they started production," AngloGold said.

"These mines face systemic challenges, including near-depletion of ore reserves, increasing depth and distance from central infrastructure, declining production profiles, and cost escalations that have continued to outpace both inflation and a subdued gold price," it said.

Trade union Solidarity said AngloGold had cut 990 jobs recently and its deputy general secretary of mining, Connie Prinsloo, said this latest round of retrenchments could be followed by more job cuts in the mining sector after the publication of the Mining Charter, which mining companies and lawyers have rounded on as a deeply damaging document from the Department of Mineral Resources.

**Source:** *BDpro*

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