

## Hundreds of Local Workers Laid Off at Laos Gold Mine

2014-01-28

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A file photo of a woman panning for gold along the Mekong River in Laos.

Hundreds of local workers have been laid off at an Australian-operated gold mine in southern Laos following an announcement last year by company executives that the firm would cease mining the precious commodity due to rising costs.

About 400 of 4,000 workers at the MMG Lane Xang Minerals Limited Sepon mine in Savannakhet province were let go last week and paid compensation, a company officer told RFA's Lao Service last week.

Most of them were locals who live in Vilabuly district, with the rest coming from neighboring provinces and other area, he said.

The company will help those who can't find employment to find jobs, he added.

Foreign employees, mostly experts, were also laid off last year, he said.

Work at the Sepon site will now focus on copper production, which had already generated about 92 percent of the mine's revenue, a company media release said in November.

Lane Xang Minerals Limited Sepon is 90-percent owned by its Australia-based parent company, MMG Limited, with another 10 percent ownership held by the Lao government.

### 'Uneconomic'

The continued production of gold at Sepon would have proved "uneconomic" due to falling gold prices and rising costs of production, the company said in its statement.

"[But] we appreciate the significance of the Sepon gold and copper operation to our people, their families and the broader community."

"Copper production, which generates about 92 percent of total revenue at Sepon, will continue," the company said.

Copper is now the most commonly mined commodity in Laos, "making it probable that copper

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will remain as the top export commodity in Laos over the years to come," Laos's *Vientiane Times* said on Monday.

The country's second-largest mining investment is in iron ore, with gold coming in third, the paper said.

Meanwhile, the Lao government has announced plans to revise its mining policy "with the aim to generate more revenue from mine concession projects," according to a Dec. 30, 2013, *Vientiane Times* report.

"The move comes after the government has learnt that Laos has collected unreasonably little from many mining projects it has previously granted concessions to investors for."

Officials are currently inspecting mine projects across the country with plans to finalize the government's survey sometime this year before announcing revisions to its policy, the paper said.

**Reported by RFA's Lao Service. Translated by Bounchanh Mouangkham. Written in English by Richard Finney.**

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### Superman

from Krypton

The corrupted Lao government sold the people's lumbars, gold, copper, Mekong River, and now land. If all possible, they will sign over the country to China. After that, they will sell their soul to the devil, if it is still worth anything at all.

Feb 11, 2014 10:38 PM

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### Huk Lao people

from Sky over Laos

Why did the contractor shutdown this mining? Simple Sehphone gold mining project has been running in mid of 2002 and imagine how much gold was taken away until now. Gold is running out and very hard to find and that is simple formula; therefore recently they have to shut down and move to new harvest by mining for copper and other resources throughout the country. Lao Issara PDR government is running out of options beside selling nations and lying Lao people. They will keep doing the same thing till there is nothing left for the new generation.

Feb 06, 2014 10:57 AM

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### Superman

from Krypton

I agree, the Lao people should be glad that mining operations are closing. The natural resources of Laos needs to stay here where it belongs. We need to stop the government officials from further corruption.

Jan 29, 2014 10:16 PM

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### Mekong

from Vientiane

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I think the company was taken over by Chinese interests several years ago, so its only nominally Australian.

Jan 29, 2014 05:16 AM

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**neutral**

from vientiane

Why should Laos Care About this mining Open Or Close?  
90%are owned by Australia anyway.

Jan 29, 2014 01:25 AM

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**Hum Yai**

from Patriotic citizen

If Lao people don't care and who will care for their home. Thief is taking your belongings away but you said who care? That is very wrong. Wondering where is your motherland is.

Feb 06, 2014 11:09 AM

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