



Anglo American mining to cut 85,000 jobs



STEPHANE DE SAKUTIN/AFP/Getty Images

The Anglo American Platinum mine in Rustenburg, northwest of Johannesburg.

by ***Andy Uhler*** (</people/andy-uhler>)

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Anglo American had already announced it wasn't handing out dividends to investors. Now, it's cutting back on some of the things it does, which means job cuts.

Raymond Goldie, vice president of mining research at Saloman Partners, said with copper, diamond and coal prices faltering, he can't imagine Anglo American is making much money right now.

"Anglo American is a bit like a power couple in the high-flying world of finance," he said. "Their income has been greatly reduced, the kids have left home they've got to sell the house and move to somewhere smaller."

Over the summer, Anglo American announced it would be cutting about 50,000 jobs. The plan today estimates in a couple of years, that number will be more like 100,000.

Campbell Harvey, professor of finance at Duke University, said this is all part of the commodities cycle.

"Mines are shut down, people are laid off and that decreases the amount of supply," he said. "And when that happens, price goes up."

But when the market will bounce back is anyone's guess.

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