



BUSINESS

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EIB freezes Glencore lending on governance concerns

The European Investment Bank (EIB) has frozen all new loans to commodities trading giant Glencore and its subsidiaries, citing "serious concerns" over the group's corporate governance.

In 2005 the EIB provided a \$50m (£30m at today's exchange rate) loan to Mopani Copper Mines, a Zambian subsidiary of Glencore.

But Mopani has since been accused by some campaign groups of tax evasion and of causing widespread pollution.

Glencore has denied the allegations.

'Confident of exoneration'

The EIB is the European Union's lending institution.

[In a statement](#) it said: "Due to serious concerns about Glencore's governance which have been brought to light recently and which go far beyond the Mopani investment, the President of the EIB has instructed the services to decline any further financing request from this company or one of its subsidiaries."

A Glencore spokesman said: "We welcome the EIB taking a close look at Mopani, since we are confident that we will be completely exonerated

"The allegations are based on an incomplete, draft desktop study that was circulated in

Zambia several months ago. We publicly refuted the draft conclusions of this document at the time."

Swiss-based Glencore, the world's largest commodities trader, listed on the London Stock Exchange last month, with its shares beginning trading at 530p each.

In afternoon trading on Wednesday, its shares were down 2.1% at 519.7p.

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