

# American mining in colombia essay sample

[Law](#), [Security](#)



AMC is one of the leading coal mining companies in USA that had finished moving nearly all of its coal operation from the southern united state to premier mine in Northeast Colombia. Before move to Colombia. AMC was one of the the top 300 largest private companies in USA that providing high quality coal, reliable delivery and excellent service. By moving to Colombia, Mine Company provided three of numerous advantages for AMC such as type of payment for worker where lower wages provided for worker in Colombia rather than US mine workers, Colombia the world's largest coal reserve and the government offered for protection of the company operation and its employees. However, established the company in Colombia so many obstacles that American mining Company faced such as business and political environment problems such as security, attack the company , worker and foreigner investor for growth the development prospects. MAIN ISSUES

This article explained about business's condition and country' s problem which is happened in Colombia and affect to AMC (American Mining Company) growth prospect. SWOT

Strength:

Strength could include a company specialist and location. There are many aspect of business to be growth the prospect in mining that AMC have in Colombia compare in US. The strength includes: \* The type of payment of labor of AMC, In Colombia the company will get more benefit such as payment of wages for Colombian mine worker much cheaper that US mine worker. \* No restriction labor mine from Colombian union or government such limited working hour and safety mandatory condition. This condition

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caused increasing of unemployment in Colombia. \* Colombia the world largest of coal reserves. This can increase the quality of coal in the world. \* Government also offered numerous attractive investments to AMC such as tax-free operational and subsidized Infrastructure development. \* Colombia army would be protected of company's operation and its employees \* Cheap land

\* Increase the quality of production because of the modern technology and efficient operational logistics could provide a liable source Weakness

The AMC's Weakness includes:

\* Few restriction applied to foreign company wishing to start business operation in Colombia. Both foreign and national investment have to follow the same legal and administrative policies. 100% foreign ownership was permitted for most sectors of the Colombian economy but not for national security , hazardous waste product and some real estate growth. \* According Colombian law, the worker required to be Colombian nationals. this will exceeded percentage minimum \* AMC got interest in acquiring carbonol 50% equity in the project \* The businesses also operate during the day because night is too being dangerous. This caused of the fractions group's attack effect. \* Poor access of distribution of foreign because country problem \* The company not protected the worker

Threats

The company is aware of possibly external threats. Threats for AMC are: \* Colombian Political environment is one of the threat of company because Colombia endured a bitter civil war \* Colombia is the highest rates of violent,

disruptive acts on company and kidnapping in the world. this condition caused discouraging the foreign investor to come to Colombia \* One group of fractions in Colombia also dominated for drug trafficking and kidnapping business to be better armed equipped motivated than government army. this situation also can influenced the foreign investor because the target is foreigner and high profile executives \* The paramilitaries are another threat for AMC because their target is company's union worker. This will affect the all production. \* High for transportation cost because the security concern

### Opportunities

\* US sent a \$1. 3 billion aid package to confront the security issued create by rebels and drug problem and US also increased military shipment including helicopter and training. This can improved the security for future and protect US assets \* Decreased the of unemployment by creating more jobs

\* By increase the security it is a great time to positioned for market in Colombia \* Colombia's mineral and energy resources are abundant, especially in coal. Furthermore, higher prices, increased international demand, improved output, and pro-business reforms, have led companies from Canada to China to establish operations in Colombia.