

BELARUS

By Interfax M&CN

In 2000, the Belarusian GDP grew by 6%, and the industrial output increased 8% compared with 1999. In 2000, the following branches of industry boosted their output as compared with the preceding year: the fuel industry - by 15.4%; machine-building and metal-processing companies - 14.5%; ferrous metallurgy - 10.1%; food-processing industry - 7.8%; the construction materials industry - 4.9%; light industry - 4.8%; forest, woodworking, pulp-and-paper industries - 4%; chemical and petrochemical industries - 0.9%. A 2.8% output drop was reported at electric power companies.

Belarus is a minor metal and fuel producer. It does not possess any metal mining capacity, but does produce steel, natural gas, oil and oil products, dolomite and a number of building materials. The country's metal industry is represented by a few steel, steel roll and pipe producers using imported raw materials, mainly ferrous metal scrap. The country does not have any capacity to produce non-ferrous metals.

Meanwhile, geological surveys suggest that Belarus possesses reserves of gold, iron, coal, bauxite, titanium, zirconium, diamonds, amber and soda. About 4,000 mineral deposits have been discovered in Belarus. Some of these reserves are substantial, in particular, the Okolovskoye iron-ore deposit, near the capital, Minsk. This contains 533 Mt of ferro-quartzite ore with an average Fe content of 26.2%. The field is 10 km long and up to 140 m wide, with orebodies of up to 35 m in width. Okolovskoye also contains as much as 100 t of gold, however this is unlikely to be mineable, judging by past experience at iron-ore fields in the Kursk magnetic anomaly in central Russia. Similar quartzite ores there also contain gold, but this is associated only with fine interlayers of sulphide minerals.

Belarus has other iron-ore deposits, notably the Novoselkovskoye ilmenite and magnetite deposit, thought to contain 48 Mt of 36% Fe ore at depths of up to 700 m. The ore zone, in the upper reaches of the River Neman, is 1.2 km long and 180 m wide, and contains five orebodies up to 27 m wide at depths of up to 180 m. There are also over 300 small deposits containing iron in the country's marshland area.

Belarus depends on Russia in coping with its energy problems. Mineral products accounted for 47% of all Russian imports to Belarus in 2000. Reportedly, in cost terms their imports went up by 72.4% and amounted to US\$2.6 billion. Oil (11.9 Mt of imports worth US\$1.63 billion), natural gas (17.1 billion m³ worth US\$526.2 million) and electricity (6.5 billion kilowatt hours worth US\$116.3 million) accounted for the bulk of the above supplies. As compared with 1999, oil supplies grew by 20.5%, natural gas by 3.3% and electricity by 11%.

Meanwhile, Belarus's undiscovered oil resources are estimated at 190.6 Mt. Since the Belarusian oil fields were first developed (1965) some 102.4 Mt of oil and 10.7 billion m³ of casing-head gas have been extracted. The residual oil reserves amount to 62.66 Mt of oil and 35.04 billion m³ of casing-head gas, which will be enough for at least 34 years of active extraction operations. According to Belneftekhim, Belarus will be extracting 1.55 Mt of petroleum by 2005, falling to 1.0 Mt in 2010 and 1.1 Mt in 2015.

Last year, Belarus extracted 1.84 Mt of oil, and the extraction of casing-head gas reached 257.2 million m³ (a growth of 0.5%). Belorusneft is maintaining a steady level of hydrocarbon production notwithstanding the fact that the oil has to be extracted from horizons which are hard to access. Experts

forecast that in 2001 slightly over 1.8 Mt of oil will be extracted in Belarus.

The National Programme of Power Conservation stipulates that by the year 2005, Belarus should replace 540,000 t of imported fuel by local output. National fuel resources extracted in Belarus (oil, gas, peat, firewood, etc) make up 4.6-5.2 Mt or 15% of the national power consumption index. By 2005, some 5.57-5.9 Mt of local fuel will be used, compared with the required 32 Mt.

Belarus authorities are counting on the growing co-operation with Russia as far as communal land exploration and environment-protection issues are concerned. The land exploration is of great importance for Belarus, as the country is not rich in natural resources. Exploration of Belarus's territory is planned, as well as joint exploration of trans-boundary properties, particularly for diamonds, oil and gas.

The country's steel industry comprises: the Belarussian metallurgical plant (BMZ), a major metals fabricator from the town of Zhlobin, in the southeast of the country; the Mogilyov metallurgical plant, a minor steel and steel pipes producer from Mogilyov, eastern Belarus; and the Rechitsa metalware plant, a producer of wire, nails and steel netting.

State-owned BMZ is considered to be one of the most modern metallurgical plants in the

CIS. The plant is importing about 80% of the raw materials that it needs, and produces almost 100% of Belarussian steel. BMZ produced 1.3 Mt of roll in 2000, up 10.9% year-on-year. Figures rose 12.5% to 1.5 Mt of raw steel and 7% to 100,400 t of metalware, of which 49,500 t was metal cord, up 5.3%. The company specialises in casting blanks, round products, metal cord, brass-coated wire and other types of wire from carbon steel. It is currently exporting more than 70% of its output to countries outside the CIS. All of its products have been certified to international standards, and the quality system has been certified to ISO 9002.

Belarus's Powder Metallurgy programme (for 2002-2005) will be submitted to the government later this year. Under the programme, the Powder Metallurgy plant (Molodechno) is to be reorganised, and a specialised enterprise for production of powders from iron will be established on the basis of either the above plant or BMZ. The programme is also to consider scientific support of innovations in powder metallurgy. The programme (costing US\$1.5-US\$2 million) will apparently target the production of metallic powders with a capacity of up to 5,000 t/y. Half of this will be for domestic consumption, with the remainder being exported, mainly to the Baltic states and Switzerland. The expenses are expected to be recovered in 3-4 years.