

TAJIKISTAN

By Interfax M&CN

Tajikistan has made significant progress toward economic stabilisation and creating a market economy since its civil war ended in 1997, but the financial crisis in Southeast Asia and in Russia in 1998 prevented sustained economic growth. The country was also hurt by bad weather, since the agricultural sector plays an important role in the economy. International financial organisations continue to provide assistance to Tajikistan, mostly through loans for specific programmes, because the country lacks its own resources to turn the economy around.

Strong economic growth in Russia during 2000 rubbed off on all countries in Central Asia and the Caucasus, including Tajikistan. Higher world market prices for goods exported by Tajikistan, such as aluminium, the continued peace process in the country and help from international financial organisations also gave the country a boost. GDP growth in 2000 was 8.3%, and Tajikistan also showed strong growth in industry, with industrial output up 10.3% last year from 1999.

Tajikistan is a minor minerals and metals producer in the CIS. Tajikistan mines mercury, antimony, lead, zinc, gold, silver, fluorspar, coal, oil, gas and industrial minerals - all but antimony in relatively small quantities. The country's processing capability is represented by a few metallurgical works, which notably include: the Tajik aluminium smelter, a major primary aluminium producer, which is using imported alumina; the Leninabad rare metals combine, which ceased its rare metals production at the beginning of the 1990s and then switched to production of vanadium and iron and steel castings; and the Isfara hydrometallurgical plant, a rare metals producer.

Tajik geologists in 2000 for the first time in years covered virtually the whole country

(geological work was impossible in eastern Tajikistan during the armed conflict). Some good results were achieved. For example, drilling to 50-100 m at the Tutli deposit in northern Tajikistan revealed commercial gold in ore. Tajik geologists also reported good results at the Mirkhant silver field in the Zerafshan valley.

Geologists last year discovered nickel lodes in the Vanch district of the Gorno-Badakhshan autonomous region of Tajikistan. However they have not yet identified any commercial reserves. Drilling in this area began several years ago, but the civil war destroyed all that had been achieved. In 2000, geological work restarted and will grow in scale in 2001.

The government intends to form a joint venture with companies from India to develop Bolshoi Konimansur, the republic's biggest silver deposit, in the Leninabad region. The Indian investors were prepared to inject US\$100 million into the Bolshoi Konimansur deposit, which contains a proven 53,000 t of silver, and production would run to 1-2 t/mth of silver. Until recently, a state-owned company has developed the field.

Vostokredmet, a major uranium-producing complex from Tajikistan, is working at just 30% capacity due to a lack of funds to enrich uranium. It mined about 500,000 t/y of uranium ore in the 1970s and 1980s, producing yellowcake. It mined the Taboshar, Mailisu, Ugusay and Adrasman uranium deposits in northern Tajikistan and deposits on the territory of Uzbekistan. Less than 40% of the uranium at the Tajikistan deposits has so far been mined. About 10,000 t of enriched ore was produced in 1998 from the Taboshar deposit, and in 2000 several foreign companies expressed their interest in redeveloping the Vostokredmet complex. For example, China's Hai-yu Uranium Corp. said

that it was prepared to find an investor to redevelop Vostokredmet in return for 49% of the enterprise's stock, and guarantees from the Tajik Government that credits will be repaid. FENDA Group of America Inc. had also said it was prepared to finance the Vostokredmet plant's rejuvenation with a ten-year, US\$100 million loan with a possible extension to 15 years. The investment would be targeted at the Chkalovsk rare-earth metals plant, which is part of Vostokredmet.

Tajikistan's mineral industry will get control over a major deposit soon. Uzbekistan will hand the Altyn-Topkan lead-zinc field, currently listed as one of the Almalyk Mining and Metals Plant's assets, over to Tajikistan. Altyn-Topkan lies just inside the territory of Tajikistan, but the Almalyk plant of Uzbekistan has been mining the field, which during its time has been its main source of zinc ore, since 1954. The transfer deal resulted from government-to-government talks in May 2000. Uzbekistan will also hand the Altyn-Topkan mines, the settlement of Altyn-Topkan and other facilities to Tajikistan according to a schedule set down in a government resolution. The mine stopped working in March 1999.

Tajikistan is also trying to develop gem mining. This year's budget contains Rb60,000 (US\$25,000) in state support for the gem mining industry. In 2000, the Kukhi Lall deposit yielded 654 g of spinel, and Snezhny 70 g of rubies. Tajikistan intends this year to extract 4.8 kg of spinel from the Kukhi Lal deposit and 5 kg of rubies from the Snezhny deposit, both of which are in Gorny Badakhshan, the only region of the country where precious stones are mined.

Aluminium

Although Tajikistan does not have bauxite reserves, the industry plays a key role in the economy and aluminium accounts for about 55% of exports from Tajikistan.

Tajik Aluminium Plant (TadAZ), one of the biggest aluminium producers in the CIS, and

the only one in Central Asia, has capacity to produce 517,000 t/y of primary aluminium from its 12 electrolysis plants and three pre-baked anode plants. Production peaked at 460,000 t in 1989, and the plant is currently operating at 70% of capacity. The plant produced 300,000 t of aluminium last year, 70,000 t or 30.4% more than in 1999. TadAZ exports about 96% of the aluminium it produces and sells the rest to aluminium product companies in Tajikistan.

The company was able to increase production substantially because there were no interruptions in raw materials supplies from the Sumgait and Pavlodar plants, and as a result of regular energy supplies from the Nureksk power station. The plant had problems in previous years with alumina and electricity supplies due to the military operations in Tajikistan and its neighbouring territories.

The company plans to increase annual aluminium production to 430,000 t by 2005 by installing new production capacity, reconstructing a pre-baked anode plant, and overhauling and re-equipping its electrolysis plants.

Gold

Gold mining plays an important role in Tajikistan's economy and accounts for 5-6% of industrial production. Gold mining enterprises are among the few Tajik enterprises to attract real foreign investment. According to the Academy of Sciences of Tajikistan, the country has 28 gold fields that hold a total of 430 t of gold. If the necessary investment is made in the gold industry and the political situation remains stable, Tajikistan could increase gold production to 10-20 t/y by extracting from new fields, according to the country's precious metals committee.

The industry's main problem is the intensive development required at deposits already under development and at those that have only recently been discovered. The Yakhsu

field, considered the largest in the country, has proven reserves of 25 t or 6% of total proven gold reserves. Other large fields include Taror, Chilau, Burgunda and Aprelevka.

Total 'organised' gold production in Tajikistan is about 3 t/y, and just two joint ventures are producing gold at present. Zeravshan Gold Co., a Tajik-Canadian joint venture, produces nearly 93%, and a Tajik-British joint venture Darvaz produces the rest. Small-scale gold mining co-operatives, operating according to their own plan and loosely controlled by the State, also produce gold in Tajikistan. They produce about 1.5 t/y of gold. All of Tajikistan's gold is produced either as an alloy (80% pure gold content) or as placer gold and is sent for processing at a plant in Chkalovsk, where 999.9% gold bars are produced.

Tajik enterprises last year sold 197.8 kg on the world market, mainly through the London and Zurich exchanges. The country has not received an international certificate for gold refining, since production has yet to excel 10 t. Tajik gold is further refined in Switzerland.

The Tajik-Canadian company Zeravshan Gold Co. is developing the Chilau field in Nendzhikent region and is the country's biggest gold producer. The grade at Chilau averages 1.54 g/t and the field has a capacity to produce 12 t/y of gold and will take 50 years to develop. The company produced 2.41 t of gold last year, 50.6% more than in 1999. Production of the end product, gold alloy, was 3.6 t. Zeravshan plans to increase production to 2.5 t of gold in 2001.

The Darvaz joint venture intends this year to produce 600 kg of gold, compared with the 167.3 kg achieved in 2000. The joint venture is licensed to develop the Yakh-su placer, which stretches 75 km along the Yakh-su valley bottom and contains a proven 25 t of gold. The deposit also contains some lode occurrences. Gold & Mineral Excavation of the UK owns 49% of the joint venture, which

is based in the Hatlon region of Tajikistan and which was established on January 1, 1995. The joint venture did not mine gold between 1997 and 1999 as its equipment had been severely damaged during hostilities in the area in December 1996. Worst affected were two mills, one of which was practically raised to the ground during artillery fire. Also accommodation was destroyed, machinery burned and 100 kg of gold misappropriated.

The Tajik-Canadian joint venture Aprelevka will develop nine fields in Karamazar region in northern Tajikistan. In addition to the main Aprelevka gold lode field, the joint venture will develop Burgunda, Ikkizhilon, Kizil-Cheku, Chashma-Dinar, Chorbi, Nadak, Olur and Beguli.

Coal, Oil, Gas

The republic has six large coal fields, with proven reserves at Fan Yagnob (Leninabad region) totaling around 2,000 Mt. Shurab, one of the largest fields not far from Isfar, was the main supplier of coal for Tajikistan and various regions in Uzbekistan and Kyrgyzstan before the break up of the Soviet Union.

Tajikistan produced 20,700 t of coal in 2000, which is 4.1 t (24.7%) more than in 1999. The country's main coal producer, Leninabadugol (Angisht), produced 11,600 t, and its subsidiary Fan Yagnob 9,100 t at the eponymous coal field.

Tajikistan plans to increase production to 30,000 t in 2001. Leninabadugol is targeting 15,000 t, and the Nazrailok mining enterprise 10,000 t at an eponymous coal field in the Karategi valley in eastern Tajikistan. The Nazrailok field contains an estimated 350 Mt of coal. In 2001 the republic plans to begin development of the Miyonadu coal field in the Tavildarya district, on the border with Gorno-Badakhshan autonomous district. The field has estimated reserves of 645 Mt. In addition, Tajikistan plans to start developing the Ziddi deposit and to produce 5,000 t of coal there in 2001.

Oil and gas companies in Tajikistan produced 39.9 million m³ of gas in 2000, which was 5.6% above target and 3,752 m³ more than in 1999. Oil production in Tajikistan in 2000 amounted to 18,427 t, which was 2.5% below target. Oil and gas companies drilled a total of 1,285 m in 2000. Exploratory drilling is

mainly being carried out in the Khodja Bakiran area. Estimated reserves in this area are estimated at 3 Mt of oil and over 2.7 billion m³ of gas. Tajik oil and gas companies plan to produce 20,000 t of oil and 46 million m³ of gas in 2001.