

LITHUANIA

By Interfax-CNA

Lithuania's GDP grew by 5.7% in 2001 in comparison with 3.3% in 2000. Private and government investment in Lithuania increased by 28% last year to US\$1.6 billion. The state accounted for 33% of all investment, and the private sector for the remainder.

Lithuania's mining industry does not play an important role in the economy. The country extracts only peat and some industrial minerals. Lithuania does possess some oil reserves, however according to research, reserves amount to about 46 Mt. Geological Service calculations put reserves at about 60 Mt.

Oil production in Lithuania in 2001 amounted to about 464,000 t, up 47% from 2000. From next year oil production is expected to fall if new fields are not developed. The largest producer in the republic in 2001 was the Lithuanian-Danish company Minijos Nafta, with 294,000 t (up 91% from 2000). Production by the oldest Lithuanian oil company, Genciu Nafta, fell 22% to 77,800 t, owing to a drop in reserves. Geonafta produced 68,600 t of oil in January-December 2001, up 25% from 2000. The oil company Manifoldas increased oil production 200% last year, to 23,600 t.

Previously, most of the oil produced in Lithuania was transported by rail to refineries in Poland, as oil production companies were unable to agree with Lithuania's Mazeikiu Oil Refinery regarding a national oil quality bank. After changes in Polish export tariffs, Lithuanian oil production began to supply oil to Mazeikiu Nafta last year. It is planned that Mazeikiu Nafta will buy 35,000 t of Lithuanian oil in 2002.

Meanwhile, Genciu Nafta plans to start exporting oil to Finland, through Latvia. Genciu Nafta will supply about 25,000 t of oil produced in Lithuania to the Finnish energy concern Fortum. The Neste company, which owns a network of filling stations in Latvia, is part of the Fortum structure.

Mazeikiu Nafta depends mainly on Russian oil supplies. The company plans to refine around 7 Mt of crude, up 200,000 t from 2001, and transfer 6-7 Mt of oil through the Butinge terminal, compared with 5.1 Mt last year. A big overhaul is planned for October, but the refinery's stoppage should not affect the supply of oil products to Lithuania, other Baltic countries and Poland. The export of oil products to Ukraine and other CIS countries may be reduced, however.