

LITHUANIA

By Interfax-M&CN

The GDP of Lithuania was up 3.3% in 2000, after a 7.6% rise of the gross added value in industries, including the power industry, a 4.3% rise in services and a 1.9% rise in agriculture and fishing. Lithuania's industrial output rose by 10.6% year-on-year in 2000, and 9.1% by excluding oil refining. Lithuania's state debt, both domestic and foreign, totaled Lt20.15 billion, or 44.9% of GDP, at the end of 2000. Foreign debt increased from US\$2.41 billion to US\$2.48 billion in 2000. In December 2000, Lithuania became a member of the World Trade Organization. Since foreign trade accounts for about 80% of the country's GDP, joining WTO will make a positive contribution to Lithuania's economic development.

Lithuania's mining industry does not play an important role in the economy. The country extracts only peat and industrial minerals, although there are some oil reserves. According to scientific estimates, Lithuanian onshore oil reserves amount to about 19 Mt, with a further 30-60 Mt in the Lithuanian sector of the Baltic Sea.

Geonafta, a Lithuanian company that conducts oil exploration and production, plans to invest Lt12.7 million (US\$3.2 million) in oil production and Lt5 million (US\$1.25 million) in exploring for new deposits in 2001.

Geonafta and its subsidiaries plan to produce over 500,000 t of oil in 2001. Geonafta owns 50% of Minijos Nafta and Gensiu Nafta, which operate what are considered to be the richest deposits in Lithuania, and also owns controlling shares in Manifoldas. At the moment the Geonafta group of companies is operating all 11 deposits located in Lithuania.

Geonafta also plans to begin negotiations with the Lithuanian Government for licences to produce oil in the Baltic Sea.

A tranche of 80.9% Geonafta shares were acquired for Lt52 million in October 2000, by the oil consortium Naftos Gavyba, which includes Polish oil and energy company Petrobaltic and Energopol Trade, Swiss finance company Arada and Lithuanian brokerage Vivum and Financial Industrial Corp. The consortium promised to invest Lt56 million (US\$14 million) in Geonafta over a five-year period.

Nevertheless, local oil production will not be sufficient to satisfy Lithuania's demand. The country will have to import oil, mainly from Russia, to cover its energy needs and for refining at Mazeikiai, which has the capacity to refine 12 Mt/y of oil but only refined 4.9 Mt of oil in 2000. The refinery plans to refine 7 Mt in 2001.