

BELARUS

By Interfax-CNA

Belarus's GDP grew by 4.1% in 2001. Industry accounted for 27.7% of GDP, agriculture for 8.9%, construction for 5.3%, transport and telecommunications for 11.3%, and trade and restaurant services for 9.7%. Industrial output increased by 5.4% year-on-year. The biggest increase in output was seen in the food industry at 11.3%, engineering and metal processing at 11.2%, ferrous metals at 6.5%, chemicals and petrochemicals at 5.4%, timber, wood processing and pulp and paper at 5.3%, the fuel industry at 4.6%, and construction at 3.2%. Output fell by 1.3% in the energy industry and was unchanged in the light industries sector.

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. Indeed, about 4,000 mineral deposits have been discovered in Belarus. Belarus has explored deposits of potassium salts sufficient to supply its needs for 100 years. There are some suppositions that diamonds can be extracted in Belarus.

Iron and Steel

Iron ore deposits of about 500 Mt in the Stolbtsy region are under detailed development study. The iron content is about 28%. In the near future, the expediency of building a plant on the site will be reviewed. Experts believe that it is possible to mine the ore by open pit as the deposit is at a depth of about 65 m.

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

State-owned BMZ, produced 1.33 Mt of roll in 2001, up 29.5% year-on-year. It increased production of metalware by 1.4% to 113,200 t including 49,100 of metal cord. However, the company's output of raw steel fell by 1.0% to 1.49 Mt. 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 80% 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.

Last year, BMZ was offered state support including reduced VAT on imported technological equipment. Also, BMZ was entitled to reduce the costs of its main assets as of July 2001, in compliance with coefficients defined by the ministry of industry or official data on prices for similar assets. As another measure of state support rendered to BMZ, the government has expanded the list of goods subject to (temporary) zero import duties.

The Rechitsky metals plant, a state-owned company from the Gomel region of Belarus, increased metalware production 16.2% year-on-year to 45,650 t in 2001. The plant's product range includes nails, screws, nuts and bolts and wire, and it exports about 70% of its output, 30% of this to countries outside the CIS. Russia is a major market. Most of the raw material comes from BMZ.

The Mogilyov metallurgical plant, which is 38.8%-owned by Boston Trade Connections of the US, produced 27,900 t of steel pipe in 2001, 6.9% less than in 2000. Production rose 18.7% to 22,900 t for iron pipes and 9.3% to 15,400 t for iron shot. The works produces straight-seam electric-welded steel pipes, electric welded steel water and gas pipes, electric welded shaped pipes, iron pressure pipes with rubber insulation and iron shot. The company sells its products in Belarus, western Russia, the Baltic states and Germany,

exporting 70% of its output. It buys hot-rolled coiled strips, foundry iron, conversion pig iron and foundry coke from Ukraine, Russia and Kazakhstan.

Oil and Gas

Belarus's theoretical oil resources are put at 190 Mt. Belarusneft possesses over 60 Mt of oil reserves, and 63 exploratory oil wells have been sunk in Belarus. Reserves are sufficient for 30 years, and annual production is 1.8-2.0 Mt.