

LAOS

By a Special Contributor

Laos, under a dirigiste regime for a long time, has gradually changed over to private enterprise and profit-orientation, a development brought on by the necessity to import modern technology, identified as the 'main engine of growth'. Some foreign companies, notably Australian, US and Thai entrepreneurs, have taken a keen interest in Laos' minerals programme. The US-led war with Iraq is likely to affect economic growth by making oil costly and reducing the inflow of capital.

The main weakness of the Laotian economy arises from its poor infrastructure and land-locked geography. But its chief attractions are rich mineral resources which include tin, gold, iron ore, coal, gypsum, limestone, potash and precious stones. Along with neighbouring Cambodia, Vietnam and Myanmar, Laos is a promising repository of gold. Newmont Mining of the US has a long-term agreement with the government, through its subsidiary Newmont Viengkham Ltd, to prospect for, and produce, gold in the provinces of Vientiane and Sayabouri. Rio Tinto has engaged in similar activities in Savannakhet and Khammouane. Gold occurs as placer deposits over an extensive area. Malaysia Mining Corp. and Bunduon Sdn Bhd, a private company, have explored for gold and other minerals in Xieng Khouang province in the northeast.

Laos' largest mineral resource is iron ore, with reserves estimated at 1,000 Mt with over 60% Fe content. The deposits mostly lie in Xien Khouang Province. A gypsum mine in Savannakhet and an iron-ore mine in Xien Khouang were established with Vietnamese aid. Apart from these, tin ore has been exploited for a long time. Two tin mines are worked and the concentrates (50% Sn) are sent to Malaysia for refining. Proved reserves of tin are estimated at 65,000 t, but actual reserves are considered much larger. Experts consider that the deposits can support a production of 2,000-3,000 t/y for several years.

The Vientiane plain has substantial deposits of sylvite-potash. Potash also occurs close to the Thai border. There were proposals to mine lignite in the northern region (estimated deposits: 150 Mt) for power generation.