

THE MINERAL INDUSTRY OF AFGHANISTAN

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The factions struggling for power had virtually destroyed the capital of Kabul and the country's economic development during the past 4 years. In 1996, the international community and donor agencies tried to relieve acute shortage of food and medical supplies around the country. Afghanistan depended on relief from foreign groups such as the Swedish Committee for Afghanistan, a group of Scandinavian aid agencies working for war relief. The Afghan Red Crescent set up several income-generating projects in Kabul with the help of Western non-governmental organizations.

The Afghan economy was in ruin and inflation was running at 50% a month. The rate of Afghani to the U.S. dollar dropped dramatically. Some 400,000 people in Kabul were almost entirely dependent on Western relief. The World Food Program and other agencies set up dozens of bakeries to provide cheap bread. Pledges and contributions from Western donors totaled only \$35.6 million, or just 29% of the requirement. Not a single dollar was donated to the United Nations physical infrastructure projects.

Afghanistan was known to have limited mineral resources under production: large coal deposits in the north and a small copper deposit at Ainak. Coal output was currently around 200,000 metric tons per year (t/yr), and the copper mine was in partial production with a capacity of 150,000 t/yr of ore. A cement plant had a production level of 115,000 t/yr. Uranium was reported to be mined in the past. The Soviets found high-grade iron ore in Bamyan Province and high-grade chrome ore in Logar Valley. Other finds included asbestos, barite, bauxite,

beryl, emerald, fluorspar, gold, lapis lazuli, lead, lithium, mica, silver, sulfur, tantalum, and zinc.

To the north of Afghanistan, there is one of the world's richest natural gas fields where more than 566 billion cubic meters of the fuel is deliverable. The Dauletabad Gasfield is on the border with Iran. Unocal Corp. of the United States was to build a 1,400-kilometer pipeline costing more than \$2 billion through Afghanistan to sell natural gas to Pakistan and perhaps India. The company kept communications open with the Taliban and other factions. All groups supported the project. There were three bids to repair multibillion-dollar oil and gas pipelines through Afghanistan from Turkmenistan to Pakistan. The three contenders were a consortium of Unocal and Delta Oil of Saudi Arabia, Daewoo Corp. of the Republic of Korea, and Bidas of Argentina.

In the Shiberghan and Sar-i-Pol areas, natural gas was produced at a rate of around 2,400 cubic meters per day. Some was pipelined to the neighboring Uzbekistan to earn foreign exchange. The rest was used in the production of fertilizer and high-grade urea at a plant and in the generation of electricity at a 34-megawatt powerplant in Mazar-e-Sharif.

Major Sources of Information

Ministry of Mines and Industries
Kabul, Afghanistan
Ministry of Water and Electricity
Kabul, Afghanistan

TABLE 1
AFGHANISTAN: ESTIMATED PRODUCTION OF MINERAL COMMODITIES 1/

(Metric tons unless otherwise specified)

Commodity 2/	1992	1993	1994	1995	1996
Barite	2,000	2,000	2,000	2,000	2,000
Cement, hydraulic	115,000	115,000	115,000	115,000	116,000
Coal, bituminous	175,000	180,000	180,000	185,000	185,000
Copper, mine output, Cu content	5,000	5,000	5,000	5,000	5,000
Gas, natural:					
Gross	2,600	2,700	2,700	2,600	2,700
Marketed	2,300	2,300	2,300	2,200	2,300
Gypsum	3,000	3,000	3,000	3,000	3,000
Natural gas liquids	35	35	40	40	40
Nitrogen, N content of ammonia	40,000	30,000	30,000	30,000	30,000
Salt, rock	12,000	13,000	13,000	13,000	13,000

1/ Table includes data available through June 6, 1997.

2/ In addition to the commodities listed, asbestos, lapis lazuli, uranium, and a variety of crude construction materials (clays, stone, and sand and gravel) presumably are produced, but available information is inadequate to make reliable estimates of output levels.