

THE MINERAL INDUSTRY OF

BELARUS

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In 1997, mining accounted for 5.2% of industrial production in Belarus (Ministerstvo statistiki I analiza Belarus, 1998) and consisted primarily of extracting potash from the Starobinsk deposit, peat at deposits throughout the country, some oil and natural gas, and some construction materials. In the mineral commodity production sector, Belarus produced steel at one mini-mill in Zhlobin and steel pipe at a plant in Mohilyov (formerly Mogilev). The country also had a large diamond cutting and synthetic diamond production industry, a nitrogen production enterprise, a fertilizer production plant, and a large petroleum refining sector with refineries at Mazyr and Navapolatsk with a combined capacity to produce 40 million metric tons per year (Mt/yr) of petroleum products. Owing to its lack of domestic resources, Belarus imported most of its mineral raw materials, most of which came from Russia and other Commonwealth of Independent States (CIS) countries. Based on Belarus trade data (see table 3), Belarus appeared to be a transshipper of mineral commodities to the CIS and the rest of the world.

In 1997, Belarus reported that its gross domestic product increased by 10% and industrial output increased by 17.6% compared with that of 1996 (Interfax Statistical Report, 1998). In the minerals sector, production increased for cement, ferrous metals, nitrogen, and potash, and production remained at about the same level or decreased slightly for natural gas and crude oil.

Belarus was one of the world's largest producers of potash. In the 1980's, Belarus was producing more than 5 Mt/y calculated on the basis of potassium oxide (K_2O) content, but following the breakup of the Soviet Union, production had fallen to about 1.9 million metric tons (Mt) of K_2O by 1993. In an effort to increase exports to world markets, a program to raise the quality of potash to world standards was then undertaken. In 1997, production had increased to more than 3.2 Mt K_2O produced from 23.4 Mt of mined ore. Potash was mined by the Belaruskaliy Production Association, which operated the Soligorsk mining complex located in Minsk oblast; in 1997, Belaruskaliy reported profits of 2 trillion rubles, or approximately \$65 million [30,740 Belarus rubles per \$1 at the beginning of 1998] (Kalugin, 1998).

In 1997, Belarus shipped more than 3 Mt of potash calculated on the basis of K_2O to consumers, which was a 25% increase compared with that of 1996. Of total shipments, 23.8% went to consumers in the CIS, and 76.2% was exported outside the CIS. Belarus itself was the largest consumer of its potash in the CIS, consuming 450,000 metric tons (t), followed by Russia, which consumed 300,000 t. Although prior to the breakup of the Soviet Union, almost all of Belarus' potash was exported to the Commonwealth of Mutual Economic Assistance (CMEA) countries in East Europe, in 1997, this region only received about 25% of Belarus' potash exports. Ukraine, which, up until 1992

had been receiving more than 1 Mt/yr of potash from Belarus, in 1997 received only about 40,000 t in. In 1997, among the largest importers of Belarus potash were China, Malaysia, Poland, and the United States (Kalugin, 1998).

In 1997, Belarus refined 11.9 Mt of crude oil, which was 4% less than that of 1996. Of the country's two refineries, the Nafatan refinery in Navapolatsk refined 7.3 Mt, which was 5.6% more than that of 1996, and the Mazyr refinery in Mazyr refined 4.6 Mt, which was 16.3% less than that of 1996. The decline in refinery output was caused by shortfalls in crude oil deliveries from Russia (Interfax Petroleum Report, 1998). Russian companies owned a large portion of the Belarus refineries. Belarus was also a large transshipper of Russian oil along the Belarus portion of the Druzhba pipeline.

The Belarus electric steelworks, a minimill in Zhlobin that produced metal cord and rolled products, was the country's main producer of ferrous metals. Its feedstock was scrap imported from Russia. In 1997, the plant produced 1.11 Mt of crude steel, which was an increase of 39.8% compared with that of 1996. It shipped 697,000 t of rolled steel, which was 25% more than that of 1996, and 40,300 t of metal cord, which was 11.8% more than that of 1996 (Interfax Mining and Metals Report, 1998a).

In 1997, the Mohilyov metallurgical works, Belarus' iron and steel pipe producer produced 22,684 t of iron pipe and 28,686 t of steel pipe, which was respectively 44.8% and 68.8% more than that produced in 1996. Boston Trade Connections of the United States owned 38.8% of the Works (Interfax Mining and Metals Report, 1998b).

For more extensive coverage of the mineral industry of Belarus, see the 1996 Minerals Yearbook, Volume III, International Review of Europe and Central Eurasia.

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Major Sources of Information

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TABLE 1
BELARUS: PRODUCTION OF MINERAL COMMODITIES 1/

(Thousand metric tons unless otherwise specified)

Commodity	1993	1994	1995	1996	1997
Cement	1,900	1,500	1,235	1,467	1,876 r/
Nitrogen, N content of ammonia	600 r/	550	670	680	590
Peat (fuel use)	2,922	3,482	3,145	2,793	2,768 r/
Petroleum:					
Crude	2,000	2,000	1,932	1,860	1,822 r/
Refined	14,200	12,700	13,100	12,400 r/	11,900
Potash, K ₂ O content	1,900	3,000	3,200	2,700 e/	3,247
Steel:					
Crude	947	880	744	886	1,220 r/
Pipe	44	10	12	19	31
Rolled	600	700	586	800	1,100
Natural gas million cubic meters	300	295	266	249	246 r/
Sulfuric acid	399	291	437	549	698

e/ Estimated. r/ Revised.

1/ Table includes data and estimates based on information available through March 6, 1999.

TABLE 2
BELARUS: STRUCTURE OF THE MINERAL INDUSTRY IN 1997

(Thousand metric tons unless otherwise specified)

Commodity	Major operating company	Location of main facilities	Annual capacity e/
Cement	Volkovysskiy plant	Wawkavysk (Volkovskiy)	2,200, total both plants.
	Krichevskiy plant	Mogilev region	
Diamonds	Kristall plant	Homel (Gomel)	NA.
Nitrogen, N content of ammonia	Grodno "Azot" Association	Hrodna (Grodno) region	1,000.
Peat, fuel use	Production at 37 enterprises producing mainly briquettes	All regions of country	5,000. 1/
Petroleum, crude	Belarusneft Association	Hrodna region	2,000.
Petroleum, refining	Mazyr refinery	Mazyr (Mozyr)	40,000. 2/
	Naftan refinery	Navapolatsk (Novopolotsk)	
Potash, K ₂ O content	Belaruskaliy Production Association	Soligorsk area	5,000.
Steel, crude	Belarus electric steelworks	Zhlobin	1,100.
Steel, pipes	Mohilyov metallurgical works	Mohilyov	80.

e/ Estimated. NA Not available.

1/ Total peat for fuel use production.

2/ Total for both refineries.

TABLE 3
BELARUS: FOREIGN TRADE

(Metric tons unless otherwise specified)

Commodity	Exports	
	1996	1997
Aluminum, primary:		
To CIS 1/	31,200	438,400
To rest of world	158,700	18,000
Coal, bituminous:		
To CIS	NA	NA
To rest of world	400	200
Coke:		
To CIS	NA	604,700
To rest of world	182,500	NA
Copper, anodes:		
To CIS	NA	0.3
To rest of world	NA	NA
Ferroalloys:		
To CIS	417	27,994
To rest of world	NA	NA
Lead, primary:		
To CIS	NA	3,612
To rest of world	NA	89,700
Pig iron:		
To CIS	141	12,183
To rest of world	18	NA
Petroleum, crude:		
To CIS	NA	20
To rest of world	300,000	400,000
Commodity	Imports	
	1996	1997
Aluminum, primary:		
From CIS	5,905	7,393
From rest of world	NA	NA
Coal, bituminous:		
From CIS	986,100	706,300
From rest of world	8,900	2,100
Coke:		
From CIS	53,867	60,207
From rest of world	NA	NA
Commodity	Exports	
	1996	1997
Copper, anodes:		
From CIS	77	83
From rest of world	NA	NA
Iron ore and concentrate:		
From CIS	NA	1,900
From rest of world	NA	NA
Lead, primary:		
From CIS	3,857	4,146
From rest of world	NA	NA
Nickel:		
From CIS	11	177
From rest of world	NA	NA
Pig iron:		
From CIS	89,261	159,502
From rest of world	NA	NA
Natural gas:	million cubic meters	
From CIS	143,345	15,752
From rest of world	NA	NA
Petroleum, crude:		
From CIS	10,644,700	10,460,700
From rest of world	NA	100

See footnotes at end of table.

TABLE 3--Continued
BELARUS: FOREIGN TRADE

(Metric tons unless otherwise specified)

Commodity	Exports	
	1996	1997
Petroleum, refinery products:		
From CIS	405,900	712,300
From rest of world	55,800	70,400

NA Not available.

1/ CIS, Commonwealth of Independent States.

Source: Interfax Statistical Report, 1998, Structure of Foreign Trade by Belarus in 1997 [reported by Belarus Ministry of Statistics and Analysis]:
Interfax Statistical Report, v. VII, issue 10, February 27-March 6, 1998, p. 20-22.