

THE MINERAL INDUSTRY OF AFGHANISTAN

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The siege of the Hazarajat region by the Taliban and the pullout of aid agencies worsened the conditions of the country already made desperate by 20 years of civil war. In the agricultural sector, cereal production was estimated at 3.85 million metric tons in 1998, a 5% increase over that of 1997. However, Afghanistan still had to import 740,000 metric tons of wheat to make up the shortfall in consumption. The only foreign investment in Afghanistan was by Telephone Systems International of the United States with \$415 million for providing a countrywide telecommunications system (Far Eastern Economic Review, 1999, p. 69).

The Taliban in Kabul and the opposition Northern Alliance in Sheberghan in the north agreed to meet face to face for talks in Islamabad, Pakistan, under United Nations (UN) auspices. The United States was trying to keep the region safe for the oil and gas pipelines that could unlock central Asia's wealth of mineral fuels. American companies planned to build oil and gas pipelines from central Asia across Afghanistan to markets in South Asia.

The UN pulled out of Kandahar in March when Taliban leaders assaulted international aid workers. In July, the exodus of aid workers had a devastating effect on the estimated 1 million residents of Kabul. The aid groups provided subsidized food, medicine, and clothes and were repairing neighborhoods heavily damaged during civil war. Only workers from the UN and the International Red Cross were exempted from the relocation order of the Taliban and remained in Kabul. Nongovernmental foreign aid groups returned to Kabul in August, but the Taliban had the right to veto aid projects they did not want. The European Union froze funding of \$4 million for humanitarian aid projects in Kabul (Washington Post, 1998). However, aid to the rest of Afghanistan was not blocked.

Afghanistan has never been a significant producer of any mineral commodity. The best known gemstone found in the country is lapis lazuli. Cement output from indigenous sources

was provided to the local market. Coal was mined from a number of small mines. One economically important product was natural gas. Afghanistan also produced barite, gypsum, and salt and a minimal amount of asbestos, clays, sand and gravel, and stone.

Because of continuing political turmoil and low world oil prices, Unocal Corp. of the United States suspended a \$2 billion, 1,271-kilometer natural gas pipeline project linking the Dauletabad Gasfield in Turkmenistan across Afghanistan to Multan, Pakistan (Far Eastern Economic Review, 1998). Construction had not begun and the agreement was not signed. Unocal owns 36.5% of Centgaz, a Turkmenistan-based consortium including Delta Gas Pipeline (15%) of Saudi Arabia, the Turkmenistan Government (7%), Gazprom of Russia, and a number of South Korean, Japanese, and Pakistani companies. Unocal was to pay one-half of the cost with the rest coming from international financial organizations.

Afghanistan's ruined infrastructure was gradually being reconstructed. The electricity network in Helmand Province in the southwest of the country had been restored and was ready to be used.

References Cited

- Far Eastern Economic Review, 1998, Business briefing: Far Eastern Economic Review, v. 161, no. 51, December 17, p. 54.
———1999, Afghanistan, *in* Asia 1999 yearbook: Far Eastern Economic Review, 216 p.
Washington Post, 1998, Aid groups flee Kabul at Taliban ultimatum: Washington Post, July 21, p. A29.

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/	1994	1995	1996	1997	1998
Barite	2,000	2,000	2,000	2,000	2,000
Cement, hydraulic	115,000	115,000	116,000	116,000	116,000
Coal, bituminous	180,000	185,000	185,000	185,000	190,000
Copper, mine output, Cu content	5,000	5,000	5,000	5,000	5,000
Gas, natural:					
Gross	2,700	2,600	2,700	2,700	2,600
Marketed	2,300	2,200	2,300	2,300	2,200
Gypsum	3,000	3,000	3,000	3,000	3,000
Natural gas liquids	40	40	40	40	40
Nitrogen, N content of ammonia	15,000	10,000	5,000	5,000	5,000
Salt, rock	13,000	13,000	13,000	13,000	13,000

1/ Table includes data available through August 20, 1999.

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.