

## THE MINERAL INDUSTRY OF

# LATVIA

By Richard M. Levine

Latvia, which borders the Baltic Sea between Estonia and Lithuania, had a small mineral industry that was engaged primarily in mining peat and industrial minerals, which included clays, dolomite, gypsum, limestone, sand for glass and brick production, and sand and gravel for construction uses. The country had a steel mill in Liepaja that had the estimated capacity to produce 550,000 metric tons per year (t/yr) of crude steel and almost 900,000 t/yr of rolled products. Owing to its ports, Latvia's major role in the mineral sector was that of a mineral transporter and, in particular, as a vital transport route for the export of Russian products, particularly oil, fertilizers, and other mineral products.

Latvia supplied about 85% of the raw materials for its cement industry. Raw material resources for cement production occur at fairly shallow depths, and the overburden is primarily glaciated material. In the case of dolomite, gypsum, and sand, surpluses potentially could be produced. All mining was from surface mines.

Except for the output from these mineral industries, Latvia was dependent on imported fuels and other minerals for practically its entire mineral supply. Its open hearth steel mill at Liepaja used imported metallic raw materials.

In 1999, Latvia's gross domestic product (GDP) measured in constant prices increased by 2% compared with that of 1998, and industrial output decreased by 8.8% (Central Statistical Bureau of Latvia, June 27, 2000, Gross domestic product, mln lats at current prices, accessed September 18, 2000, at URL <http://www.csb.lv/basic/gdp1.htm>; Central Statistical Bureau of Latvia, August 30, 2000, Industrial output index [at constant prices], % of previous period, accessed September 18, 2000, at URL <http://www.csb.lv/basic/ind.htm>). Industrial output in the mining and quarrying sector, however, increased by 9.8% but still only accounted for 0.1% of the country's GDP (Interfax Statistical Report, 2000; Central Statistical Bureau of Latvia, February 11, 2000, In 1998 industrial output decreased by 8.8%, Press Release, accessed September 18, 2000, at URL <http://www.csb.lv/Pres/industry99.htm>).

Latvia's major activity in the minerals sector was that of minerals transshipper. The Latvian port of Ventspils was a major oil transit port, which in addition to two oil terminals connected by pipeline to the Russian oil transportation system, has two other large terminals for fertilizer and chemical shipments. About 20% of the world's cargoes of potash passed through Ventspils annually. Russian oil transports accounted for 80% of the traffic through Ventspils (Disa Hastad, June 9, 2000, The Mayor controls everything in Ventspils, Dagens Nyheter

[Internet version], Transcription, accessed September 25, 2000, at URL <http://fbis.fedworld.gov>). In 1999, Ventspils shipped 18.4 million metric tons (Mt) of crude petroleum and petroleum products, which was a 10.5% decrease in comparison with that of 1998. Of total shipments, 13 Mt was crude oil; 4.5 Mt, diesel fuel; and the remainder, other petroleum products. The reduction in shipments was attributed, in part, to increased competition in the Baltic region (Interfax Petroleum Report, 2000). In total, 23 ports in the Baltic region competed for the transit trade from Russia and other countries of the former Soviet Union (Disa Hastad, June 9, 2000, The Mayor controls everything in Ventspils, Dagens Nyheter [Internet version], transcription, accessed September 25, 2000, at URL <http://fbis.fedworld.gov>).

The Liep-jas Metalurgs steel mill, which was founded in 1882, used open hearth furnaces without oxygen intensification, continuous casting equipment, rolling mills, and other plants to produce low-carbon and low-alloy steel and products. The company, which employed about 2,400 workers, produced such rolled metal products as rolled flat bars, general purpose steel wire, and wire nails (International Co-operation Center, [undated], Joint-Stock Company "Liep-jas Metalurgs," accessed September 21, 2000, at URL <http://www.ICC.org.lv/engl/hansa.b...mpnay.catalogue/companies/038.html>). In 1999, Liep-jas Metalurgs produced 482,000 metric tons (t) of crude steel in comparison with 468,500 t in 1998. In 1999, Liep-jas produced 520,000 t of steel products that included 497,000 t of bar and rebar, which was an increase from the 516,400 t of steel products and 477,200 t of bar and rebar produced in 1998. Liep-jas exported about 90% of its steel products (E-Steel, April 15, 2000, Eurofer prepares case against Latvian rebar, Industry Features Weekly, accessed September 21, 2000, at URL [http://www.e-steel.com/industryfeaturesweekly\\_2000-04-15.shtml](http://www.e-steel.com/industryfeaturesweekly_2000-04-15.shtml)).

Latvia's location on the Baltic Sea enabled the country to be of strategic importance in international trade across northern Europe. Latvia planned to increase its significance as a port corridor to the states of the former Soviet Union.

### References Cited

- Interfax Statistical Report, 2000, Latvian economy expands by modest 0.1% in 1999, Interfax Statistical Report, v. 9, issue 14, March 31-April 6, p. 14-15.
- Interfax Petroleum Report, 2000, Shipments at Latvian terminal down 10.5% in 1999, Interfax Petroleum Report, v. 9, issue 2, January 7-13, p. 25-26.

TABLE 1  
LATVIA: PRODUCTION OF MINERAL COMMODITIES 1 /

(Metric tons unless otherwise specified)

Commodity	1995	1996	1997	1998	1999
Cement	203,786	325,008	246,377 r/	W	W
Gypsum	80,163	63,888	116,916	W	W
Limestone	324,000	357,000	372,660	W	W
Peat	454,700	552,100	554,700 r/	171,700	682,800
Steel, crude	279,000	293,000	464,529 r/	468,500 r/	482,000
Steel, products	NA	NA	NA	516,400	520,000

r/ Revised. NA Not available. W Withheld to avoid disclosing company proprietary data.

1/ Table includes estimates and data based on information available through September 26, 2000.