



# 2011 Minerals Yearbook

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## MOLDOVA

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# THE MINERAL INDUSTRY OF MOLDOVA

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Moldova had a small mineral industry of limited regional significance that was primarily engaged in the mining and production of industrial minerals and mineral products, including cement, clays, gypsum, limestone, and sand and gravel. The country was dependent on imports for all its coal, natural gas, and oil supplies, which came mainly from Russia. Moldova's main mineral resources were industrial minerals used to produce construction materials and as an input for the cement, chemical, food processing, and glass industries. Small deposits of iron ore, natural gas, and oil had been explored but were found not to be economic to develop (U.S. Central Intelligence Agency, 2012).

## Minerals in the National Economy

In 2011, the nominal gross domestic product (GDP) of Moldova was \$7.1 billion; the real GDP increased by 6.4% compared with that of 2010. Industrial production contributed 12.3% to the GDP. At the same time, the country had not yet overcome the effects of the economic crisis of 2009, and, in 2011, total industrial production stood at only 91% of the 2008 level.

Mining and quarrying contributed only 1.3% to the total industrial production. In 2011, the mining and quarrying sector continued to recover faster than other industrial sectors—the year-on-year growth rate in mining and quarrying was 17.1%, whereas the overall industrial production increased by only 7.4% (National Bureau of Statistics of the Republic of Moldova, 2011a, b).

In 2011, the Moldovan trade balance deficit increased by 29% to \$2.97 billion; exports increased by 43.8% to \$2.22 billion, and imports increased by 34.7% to \$5.19 billion. In 2011, Moldova was a net importer of mineral commodities; the total value of mineral exports amounted to \$37.1 million and the total value of mineral imports was \$1,179.6 million. Moldova was a net importer of base metals and articles made out of them; the total value of these exports was \$112.9 million, and the total value of imports of base metals and articles made out of them was \$312.5 million. No information on the export of specific mineral commodities was available. The major export categories were foodstuffs, machinery, and textiles, and the main export trade partners were Russia (which received 28.2% of Moldova's exports), Romania (16.9%), Italy (9.7%), Ukraine (6.9%), Germany (5.0%), and the United Kingdom (4.6%). Moldova imported chemicals, machinery and equipment, mineral products and mineral fuels, and textiles. The country's major import trade partners were Russia (which supplied 15.9% of Moldova's imports), Ukraine (12.3%), Romania (11.1%), China (7.7%), Germany (7.7%), Turkey (7.1%), and Italy (6.7%) (National Bureau of Statistics of the Republic of Moldova, 2011a, b; Kommersant.md, 2012; U.S. Central Intelligence Agency, 2012).

## Production

Data on mineral production are in table 1.

## Structure of the Mineral Industry

Table 2 lists all major mineral industry facilities.

## Commodity Review

### Metals

**Iron and Steel.**—In 2011, OAO Moldovan metallurgical plant, which was located in the Transnistria region, continued to struggle in the aftermath of the economic crisis. Although production of crude steel increased by 32.8% compared with that of 2010 to 320,600 metric tons (t), it stayed very much below the plant's capacity level of about 1.1 million metric tons (Mt). The production of rolled steel increased to 306,500 t, or by 32.5% from its level in 2010 (OJSC Moldova Steel Works, 2012).

The plant was commissioned by the Government of the U.S.S.R. in 1985 and was designed to meet the demand from Moldova and the neighboring Ukrainian regions. In 1998, the plant was transformed into a closed joint-stock company. In 2011, the plant's products were exported to the European Union, Russia, and Ukraine, as well as to other countries in Eastern Europe, and to Africa, Latin America, and the Middle East (OJSC Moldova Steel Works, 2012).

According to the company's management, it was trying to attract the mining and metallurgical holding companies Metalloinvest (Russia) and Metinvest (Ukraine) to invest in modernization of the plant. An important component was obtaining political support from Russia and Ukraine and from the Government of Moldova to support a business located in the Transnistria region (Metaldaily.ru, 2011).

### Industrial Minerals

**Cement.**—Despite continuing economic difficulties, cement production in 2011 was estimated to have increased by 11.1% to 1,000,000 t. The two leading cement producers in Moldova were Lafarge Ciment Moldova SA (a part of Lafarge S.A. of France), which was located in the northern part of Moldova, and the Rybnitsa cement complex, which was located in the Transnistria region.

The Rybnitsa cement complex produced cement and lime for use in construction. The complex opened in 1958, but after the dissolution of the Soviet Union, it had financial difficulties, and, in 2004, was sold to Tegep Kft. of Hungary. In 2011, the major shareholder of the plant was the Russian holding company Metalloinvest (Kol'tsova, 2011; Point.md, 2012; Zvdinvest.ru, 2012).

**Gypsum.**—Gypsum in Moldova was produced by the Moldovan-German company CMC-Knauf AG. In addition to gypsum, the company produced limestone, marble and other stones, and sand and gravel, as well as construction mixes, finished stone products, and other products used in construction.

CMC-Knauf was located in the village of Kriva in the Briceni region in the north of the country. The main gypsum deposit, Kirovskoe, had been mined since 1958 and reportedly had reserves of 16 Mt (Cisbusiness.info, 2012; Oknauf.com, 2012).

## Outlook

In the next few years, Moldova's economy will likely return to the pre-recession production levels. It is likely to remain a small producer of mineral products, however, and to continue to focus on production of industrial minerals, especially construction materials. In the longer term, Moldova faces several challenges. One of them is providing political and economic stability that would enable industrial enterprises to attract investment capital from Russia, Ukraine, and other countries; this is especially important for companies located in the Transnistria region. Second, as one of the poorest countries in Europe, Moldova is looking for ways to improve its living standards, which would allow its citizens working abroad to return home. In 2011, remittances sent from Russia alone increased by \$231 million to a total of \$1,076 million (Moldova.org, 2012a). Finally, Moldova is seeking to diversify its energy sources to be less dependent for energy on other countries, especially Russia. In 2011, Moldova increased its purchase of electricity from Ukraine and started developing national programs focused on alternative energy sources (in particular, biofuels and wind power) (Kyivpost.com, 2012; Moldova.org, 2012b). It remains to be seen how successful Moldova will be in reaching those three overarching goals.

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TABLE 1  
MOLDOVA: PRODUCTION OF MINERAL COMMODITIES<sup>1</sup>

(Metric tons)

Commodity <sup>2</sup>	2007	2008 <sup>e</sup>	2009 <sup>e</sup>	2010 <sup>e</sup>	2011 <sup>e</sup>
METALS					
Steel:					
Crude	965,200 <sup>r</sup>	885,000	425,900 <sup>3</sup>	241,500	320,600 <sup>3</sup>
Rolled	883,500	816,000 <sup>3</sup>	440,900 <sup>3</sup>	231,400 <sup>3</sup>	306,500 <sup>3</sup>
INDUSTRIAL MINERALS					
Cement	800,000 <sup>e</sup>	750,000	700,000	900,000	1,000,000
Clays, unspecified	165,040	165,000	150,000	160,000	140,000
Gypsum	311,900	333,300 <sup>r,3</sup>	94,400 <sup>r,3</sup>	99,800 <sup>r,3</sup>	100,540 <sup>3</sup>
Lime	1,135	1,000	800	900	750
Limestone	166,870	165,000	150,000	170,000	165,000
Sand and gravel	272,197	200,000	150,000	195,000	170,000
MINERAL FUELS AND RELATED MATERIALS					
Peat, fuel use <sup>e</sup>	475,000	475,000	475,000	475,000	475,000

<sup>e</sup>Estimated; estimated data are rounded to no more than three significant digits. <sup>r</sup>Revised.

<sup>1</sup>Table includes data available through June 25, 2012.

<sup>2</sup>In addition to commodities listed, Moldova is thought to produce granite, natural gas, and petroleum, but available information is not adequate to estimate production.

<sup>3</sup>Reported figure.

TABLE 2  
MOLDOVA: STRUCTURE OF THE MINERAL INDUSTRY IN 2011

(Metric tons unless otherwise specified)

Commodity	Major operating companies and major equity owners	Location of main facilities	Annual capacity <sup>e</sup>
Cement	Lafarge Cement Moldova SA	Rezina	1,400,000
Do.	Rybnitsa Cement Complex	Rybnitsa, Transnistria Region	1,100,000
Granite thousand cubic meters	NA	Kosoutsokoye deposit	150
Gypsum	CMC-Knauf joint venture	Kirovskoye deposit	850,000
Oil and natural gas:			
Oil	Redeco Moldova Oil and Gas Co.	Valeni oilfield	100,000
Natural gas thousand cubic meters	do.	Victorovca gasfield	5,000
Sand and gravel do.	NA	71 mined deposits	1,000
Steel, crude	OAo Moldovan metallurgical plant	Rybnitsa, Transnistria Region	1,100,000

<sup>e</sup>Estimated; estimated data are rounded to no more than three significant digits. Do., do. Ditto. NA Not available.