

BELARUS

By Interfax-CNA

The GDP of Belarus grew by 4.7% in 2002. Industry accounted for 26% of GDP, agriculture for 9%, construction for 5.3%, transport and telecommunications for 11.3% and trade and restaurant services for 10.4%. Industrial output rose by 4.3%. Production increased by 11.4% in the fuel industry, by 7.7% in ferrous metallurgy, by 5.8% in forestry, by 4.3% in the food industry, by 8.8% in construction materials, by 5.3% in machine building and metal processing, and by 3.7% in electricity. There were falls of 2.2% and 0.7% respectively in light industry and chemicals/petrochemicals.

The country's foreign debt increased by 6.6% in 2002 to US\$813 million, although as a percentage of GDP it shrank to 6% by end year from 8% a year earlier. Belarus' main creditors are Germany, Russia and the US, and the International Bank for Reconstruction and Development, and the International Monetary Fund.

Belarus is a minor metal and fuel producer. It does not possess any metal mining capacity, but does produce steel, natural gas, oil and oil products, dolomite and a number of building materials. Meanwhile, geological surveys suggest that Belarus possesses resources of gold, iron, coal, bauxite, titanium, zirconium, diamonds, amber and soda. It has also been surmised that diamonds could occur. All told, about 4,000 mineral occurrences have been recorded in Belarus. The known deposits of potassium salts are sufficient to meet the country's requirements for a hundred years if they were to be exploited.

Iron and steel

The Belarussian steel industry comprises the Belarussian Metallurgical Plant (BMZ), a major metals fabricator from the town of Zhlobin, in the southeast of the country, the Mogilyov Metallurgical Plant, a minor steel and steel pipes producer from Mogilyov, eastern Belarus, and Rechitsa, a metalware plant producing wire, nails and steel netting.

State-owned BMZ is the country's largest metallurgical company and began operations in 1985. The company specialises in casting blanks, round products, metal cord, brass-coated wire and other types of wire from carbon steel. It is currently exporting more than 80% of its output to countries outside the CIS. BMZ obtains its raw materials in both Belarus and from neighbouring CIS countries. About 80% of raw materials and other inputs are imported.

In 2002, BMZ produced 1.48 Mt of raw steel (down by 0.2% from 2001), 1.37 Mt of rolled product (up 3.6%) and 123,000 t of metalware (up 9.4%). The company invested US\$30 million in an upgrade last year and this year it plans to increase steel production to 1.7 Mt.

Meanwhile, in November 2002 the government granted BMZ a deferment in the repayment of a US\$12 million credit until January 1, 2004. The credit was extended to BMZ for the purchase of raw and other materials under contracts concluded with Russian suppliers in 2001-2002.

Rechitsa, located in the Gomel region, produced 47,233 t of product last year, or 4.1% more than in 2001. Exports contributed 74% of sales. The plant, established in 1912, makes nails, screws, braces, bolts, rivets, nuts, and wire, including wire for concrete reinforcement. Its output comprises 5,000 sizes of goods, and up to 40% are sold in the CIS. Its main metal supplier is BMZ.

Mogilyov Metallurgical Plant is a major producer of iron and steel pipes and, last year, its production of steel pipes more than doubled to 60,160 t. Output of iron pipes rose by 40% to 10,400 t. The works produces straight-seam electric-welded steel pipes, electric-welded steel water and gas pipes, electric-welded shaped pipes, iron pressure pipes with rubber insulation, and iron shot. Some 70% of output is exported, mainly to western Russia, the Baltic States and Germany. Mogilyovt buys hot-rolled coiled strips, foundry iron, conversion pig iron and foundry coke from Ukraine, Russia and Kazakhstan.

Oil and gas

Belorusneft, the principal company involved in the oil and gas sector, was set up in 1964. In 2002 it extracted 1.8 Mt of hydrocarbons, the same level as in 2001. It also extracted 245 million cubic metres of gas. Belorusneft owns over 60 Mt of oil reserves calculated according to projected coefficients for oil extraction. Its geological resources exceed 200 Mt but most is likely to prove unrecoverable, according to expert opinion.

Apart from extracting oil and gas, Belorusneft engages in surveying, prospecting, and commercial drilling, the development and construction of oilfields, the overhaul and underground repair of wells, and gas processing. It also offers a wide spectrum of services: 2D and 3D seismic surveying, well seismic studies, computer processing and interpretation of seismic surveying data, the examination and definition of promising oil and gas sectors, and geological control over deep-well drilling. In addition to operations in Belarus, it drills and repairs wells in Russia.