

THE MINERAL INDUSTRY OF UZBEKISTAN

By Richard M. Levine

Uzbekistan was the third most populous state created from the former Soviet Union (FSU) and the fourth largest in land area. Well endowed with mineral wealth, it was among the world's largest producers of gold, which was a significant source of foreign currency earnings. Along with gold, Uzbekistan produced steel and a number of other nonferrous metals important to its economy including copper, lead, molybdenum, silver, tungsten, and zinc. Uzbekistan also produced industrial minerals, including feldspar and fluorspar, and mineral fuels including coal, natural gas, and uranium. It had one of the FSU's largest gas-processing facilities at Muborak (formerly Mubarek).

Given Uzbekistan's large gold production as well as its self-sufficiency in mineral fuels, the mineral sector has been and will remain one of the chief contributors to the country's economic development. The country initially was successful in attracting foreign investment to its gold mining sector. Its other mineral sectors, however, were also in need of investment. Their future will depend on assessing whether these other mineral industries

can produce profitably for domestic and/or foreign markets and the degree to which Uzbekistan can finance their development through domestic or foreign investment. Having been the first FSU country to attract large-scale foreign investment into its mineral sector for gold production, Uzbekistan for a time enjoyed a reputation for providing a business climate amenable to large-scale mineral industry investment. However, despite Uzbekistan's initial success, the country still has not undergone a number of aspects of economic reform that would facilitate investment in the mineral industry, including aspects of tax reform and allowing investors full convertibility of the soum into foreign currency. It appears that investment could proceed more rapidly if necessary legal and financial frameworks were established to permit enterprises to operate more in accordance with market practices.

For more extensive coverage of the mineral industry of Uzbekistan, see the 1997 Minerals Yearbook, Volume III, Mineral Industries of Europe and Central Eurasia.

TABLE 1
UZBEKISTAN: PRODUCTION OF MINERAL COMMODITIES 1/

(Metric tons unless otherwise specified)

Commodity	1994	1995	1996	1997	1998 e/
METALS					
Aluminum, secondary e/	2,000	2,500	2,500	2,700 2/	3,000
Copper: e/					
Mine output, Cu content	75,000	75,000	80,000	80,000	70,000
Metal:					
Blister	70,000 r/	70,000	75,000	75,000	65,000
Refined	90,000 r/	95,000	100,000	115,696 r/ 2	89,936 2/
Gold e/	70 r/	70	72	78 r/	80
Lead, mine output Pb content e/	15,000 r/	10,000	7,500	500 r/	500
Molybdenum, mine output, Mo content e/	500 r/	500	500	500	500
Silver, mine output e/	65	70	70	75 2/	83 2/
Steel:					
Crude	352,000	352,000	442,000	371,400 r/ 2	344,000 2/
Rolled	340,000	320,000	390,000	350,000 r/ 2	322,000 2/
Tungsten, mine output, W content e/	300 r/	300	300	300	300
Uranium, mine output, U content e/	2,000 e/	2,000	1,700	1,955 2/	2,000 2/
Zinc: e/					
Mine output, Zn content	30,000 r/	15,000	12,000	1,000 r/	1,500
Metal, smelter	70,000 r/	70,000	40,000	53,000 r/	52,000
INDUSTRIAL MINERALS					
Cement	4,800,000 r/	3,400,000	3,300,000	3,500,000 2/	3,400,000 2/
Feldspar e/	70,000	70,000	70,000	70,000	70,000
Fluorspar e/	90,000	90,000	90,000	90,000	90,000
Graphite e/	60	60	60	60	60
Kaolin e/	5,500,000 r/	5,500,000	5,500,000	5,500,000	6,000,000
Mineral fertilizers	800,000	900,000	1,000,000	954,500 r/ 2	975,900 2/
Nitrogen, content of ammonia e/	800,000	906,000	950,000	950,000	875,000
MINERAL FUELS					
Coal	3,800,000	3,100,000	2,844,000	3,130,000 2/	2,950,000 2/
Natural gas	million cubic meters	47,200	48,600	49,000	51,200 2/
Petroleum and gas condensate		7,600,000	7,624,000	7,891,000 2/	8,100,000 2/

e/ Estimated. r/ Revised.

1/ Table includes data and information for basing estimates available through January 16, 2000.

2/ Reported figure.

TABLE 2
UZBEKISTAN: STRUCTURE OF THE MINERAL INDUSTRY IN 1998

(Metric tons unless otherwise specified)

Commodity	Major deposits/ facilities	Location	Annual capacity e/
Bismuth	Ustarasay deposit (depleted)	Chotqol (Chatkalo)-Kuraminskiy region	NA.
Coal	Central Asian Coal Association (mining)		
Do.	Angren brown coal deposit	Angren region	6,000,000.
Do.	Baysunkskoye deposit	Surkhondaryo (Sukhandar'inskaya) region	1,000,000.
Copper:			
Mine output, Cu content	Almalyk mining-metallurgical complex	Toshkent Wiloyati (Tashkent oblast)	100,000.
Metal	mining Kalmakyr, Sarycheku deposits		
Metal	Almalyk refinery	Olmalik (Almalyk) 1/	130,000.
Feldspar	Karichasayskoye and other deposits	Deposits in Samarqand (Samarkand) and Toshkent (Tashkent) regions and Karakalpakstan (Karakalpakskaya ASSR)	120,000.
Fertilizers	Kokand superphosphate plant	Quqon (Kokand)	NA.
Do.	Samarkand chemicals plant	Samarqand (Samarkand)	NA.
Do.	Ammophos production association		NA.
Fluorspar	Agata-Chibargata, Aurakhmat, Kengutan, Kyzylbaur, Naugarzan, Nugisken deposits	East of Toshkent (Tashkent)	150,000.
Gold	Muruntau deposit	Nawoiy (Navoi) region	85.
Kaolin	Angren deposit	Angren region	8,000,000.
Lead-zinc:	Almalyk mining and metallurgical complex		
Mine output, metal content	miining Uchkulach deposit	Toshkent Wiloyati (Tashkent oblast)	40,000 (lead).
Do.	Do.	Do.	80,000 (zinc).
Zinc, metal	Almalyk refinery	Olmalik (Almalyk)	120,000.
Molybdenum:	Almalyk mining and metallurgical complex	Toshkent Wiloyati (Tashkent oblast)	900.
Mine output, Mo content	mining Kalmakyr, Sarycheku deposits		
Metal	Uzbek refractory and hard metals plant	Chirchiq (Chirchik)	NA.
Natural gas liquids	Mubarek gas processing plant	Muborak (Mubarek)	1,200,000.
Petroleum and natural gas	More than 160 oil and gas deposits and 92 under exploration. Major gas deposits: Gazli, Kandyym Kokdumalak, and Shurtan. Major oil deposits: Kokdumalak and Mingbulak	Oil and gas deposits are concentrated in the Bukhoro-Khiwa (Bukhara-Khiva), Sukhondaryo (Sukhandarin'skaya), southwest Gissarskiy, and Ustyurtskiy regions and the Farghona (Fergana) valley	50 billion cubic meters (natural gas); 9,000,000 (petroleum).

See footnotes at end of table.

TABLE 2--Continued
 UZBEKISTAN: STRUCTURE OF THE MINERAL INDUSTRY IN 1998

(Metric tons unless otherwise specified)

Commodity	Major deposits/ facilities	Location	Annual capacity e/
Petroleum, refined	Fergana oil refinery	Farghona (Fergana) region	NA.
Do.	Bukhara oil refinery	Bukhoro (Bukhara)	NA.
Steel, crude	Bekabad steel mill	Bekabad	1,100,000.
Tungsten, mine output, W content	Koytash deposit	northeastern Uzbekistan	1,200.
	Ingichka deposit	Zirabulakskie Mountains	
	Ugat deposit	northern Uzbekistan	
Metal	Uzbek refractory and hard metals plant	Chirchiq (Chirchik)	NA.
Sulfur	Mubarek gas processing plant complex	Mubarek	2,000,000.
Uranium	Navoi mining and metallurgical complex	Nawoiy (Navoi) region	NA.

e/ Estimated. NA Not available.

1/ New names and spellings for locations are used whenever available; old names appear in parentheses.