### THE MINERAL INDUSTRY OF

# Moldova

## By Richard M. Levine

Moldova's small mineral industry was primarily engaged in the mining and production of industrial minerals and products, which included cement, dimension stone, gypsum, limestone, and sand and gravel. The Moldova Steel Works minimill in Ribnita (formerly Rybnitsa) had the capacity to produce 800,000 metric tons per year (t/yr) of crude steel (Cooke, 1999). Moldova had been receiving more than 90% of its industrial raw materials and mineral fuels from Russia (Bisnis, 1999, Commercial overview of Moldova, December 1999, accessed September 17, 2000, at URL http://www.bisnis.doc.gov/ bisnis/country/99moldova.htm).

The separatist movement in the region called Transnistria complicated the country's transition to a market economy. Despite its small size (about 12% of the territory and 17% of the population of the country), Transnistria was an economically important region. Before the dissolution of the Soviet Union, it accounted for more than 25% of the Moldovan republic's gross domestic product (GDP) and 35% of its total industrial output (Ministry of Economy and Reforms, [1999], Moldovan industry trends, accessed March 1, 1999, at URL http://www.moldova.md/DEPART/DEPSTAT/1996/EN/ 18.htm). The Moldova Steel Works minimill was in the Transnistria region. In 1999, the country's GDP declined by 4%, and its industrial output, by 9% in compared with those of 1998, when these indicators also declined (2000 Interstate Statistical Committee of the CIS, [undated], Main macroeconomic indicators of Moldova (in percent to previous year), accessed September 13, 2000, at URL http://www.unece.org/stats/sisstat/mol.htm).

At the beginning of 1999, the Itera Corp., which was an international firm based in Russia, bought 75% of the Moldova Steel Works for \$52.5 million. Itera, which was a supplier of Russian gas to Moldova, offset \$22 million of the purchase price for gas debts owed and would pay the remaining sum for the steel works in natural gas (Interfax Mining and Metals Report, 1999). In 1999, the Moldova Steel Works exported 735,000 metric tons of rolled steel worth \$129 million, which was about 96% of its entire output. Exports went to Canada, Eastern and Western European countries, Middle Eastern and North African countries, and the United States (Interfax Mining and Metals Report, 2000).

Oil and gas exploration continued in 1999. In July 1995, the Moldovan Government had granted an exclusive oil and gas development concession to the U.S.-based Redeco Energy Inc., which registered its Moldovan subsidiary as Redeco Moldova. By June 1999, Redeco had completed the first phase of activity under the concession for shallow drilling on the Valeni Oilfield and the Victorovca Gasfield. The second phase of the project involved a large seismic project that was to be followed by deep test drilling to a depth between 2,500 and 3,500 meters (FM Amembassy Chisinau, July 2, 1999, 1999 investment climate statement on Moldova, accessed September 17, 2000, at URL http://www.bisnis.doc.gov/bisnis/country/990707DN.HTM). Production from these fields, which is estimated to be about 100,000 t/yr of oil and 5 million cubic meters per year of natural gas, would alleviate Moldova's energy-import dependency only slightly (Bisnis, December 1999, Commercial overview of Moldova, accessed on September 17, 2000, at URL http://www. bisnis.doc.gov/bisnis/country/99moldova. htm).

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#### **Major Sources of Information**

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# TABLE 1 MOLDOVA: PRODUCTION OF MINERAL COMMODITIES 1/2/

#### (Metric tons unless otherwise specified)

Commodity	1995	1996	1997	1998	1999 e/
Cement	50,000	40,000	121,800	74,000	50,000 3/
Gypsum	13,600	12,700	14,400	19,100	15,000
Lime	10,800	18,800	9,900	16,800	12,000
Peat	454,700	462,700	475,000 e/	475,000 e/	475,000
Sand and gravel	151,073	25,753	30,000 e/	22,000 e/	17,000
Steel, crude	663,000	630,000	811,000	718,000	796,000

e/ Estimated.

1/ Table includes data available through September 2000.2/ Estimated data are rounded to no more than three significant digits.3/ Reported figure.