THE MINERAL INDUSTRY OF

MOLDOVA

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Moldova has a small mineral industry. As of 1995, the energy sector accounted for 7.8% of Moldova’s total industrial output, the metallurgical sector 0.8%, and the construction materials sector 4.5%. (These statistics exclude the portion of the country east of the Dniester River called Transnistria which is under the control of a separatist group) (1997 Moldovan Economic Trends, 1997).

The mineral industry was primarily engaged in the mining and production of industrial minerals, including cement, dimension stone, gypsum, limestone, and sand and gravel. During the mid-1980’s there were more than 100 deposits in Moldova being exploited for industrial minerals, but a number of these deposits may have shut down and there is no evidence that new deposits were developed. Moldova also has a steel mine in Rybnitsa. Moldova had been receiving more than 90% of its industrial raw materials and more than 98% of its fuels from other regions of the former Soviet Union.

In 1996, the gross domestic product (GDP) of Moldova reportedly decreased by 8% compared with 1995 while industrial output decreased by 8.5% (Interfax Statistical Report, 1997). Moldova was heavily dependent on Russia for imported fuel. At yearend, Moldova owed Russia 2.24 trillion rubles (approximately $400 million) for natural gas, making it the second largest debtor nation to Russia in the Commonwealth of Independent States (CIS), following Ukraine (Interfax Daily Business Report, 1996).

Moldova’s electric power generating industry was very low on fuel and in need of repair. It could not meet its country’s energy requirement. Moldova had to import up to 2 billion kilowatt-hours of electricity annually from Ukraine. However in Soviet times, when Moldova was part of one electric grid, the country used to generate up to 17.5 billion kilowatt hours per year, exporting the surplus to Bulgaria, Romania, and Ukraine.

Under the auspices of an intergovernmental agreement signed by Moldova and Russia on October 8, 1996, a joint Russian and Moldovan electric power generation venture was to be formed in January 1997. It would control the Moldovan State District Powerplant, the Vulcanesti power substation and a 218-kilometer, 400-kilovolt power transmission line from the state district powerplant to Moldova’s frontier with Romania. The venture’s aims are to generate more power and, possibly, to export electricity. Each country would have a 50% share in the joint venture.

With sufficient fuel supplies and maintenance, the Moldovan State District Powerplant could, after the year 2000, meet not only Moldova’s own needs for electricity but also export up to 4 billion kilowatthours annually, mainly to Romania, Bulgaria, Greece, and Turkey, according to a Moldovan official (Interfax Daily Business Report, 1996).

Moldova was engaged in efforts to develop its own domestic fuel supplies. Resources Development Co. (Redco) of the United States began drilling exploratory boreholes for natural gas near Baimaclia in accordance with a concession obtained in 1995 to explore and develop oil and gasfields. Moldova’s consumes about 3 billion cubic meters per year of gas and is seeking to become self-sufficient in natural gas. Moldova’s total gas reserves reportedly are estimated to be about 22 billion cubic meters. Redco also plans to begin drilling for oil in the Velenskoye field in southern Moldova with reportedly estimated reserves of 73.5 million barrels (Interfax Petroleum Report, 1996).

In 1996, crude steel production more than doubled, increasing to 643,000 metric tons (t) compared with 299,000 t in 1995. The Moldova Electric Steel Works (MMZ) in Rybnitsa was engaged in a modernization program intended to upgrade the quality and assortment of commercial products to a level that would be competitive with Western European products, to improve efficiency, and increase the output of crude steel and rolled products. In 1996, both steel smelting and rolling capacity were being modernized.

Plans call for the privatization of MMZ in the first half of 1997 with the workers to own a majority stake in the company. Shares are also to be offered to foreign partners. The steel works is currently owned by the state but leased to the workers and reportedly has been profitable.

MMZ exports 95% of total output. Major export markets have included Canada, Egypt, Israel and other countries of the Middle East, Italy, Mexico, Spain, and the United States (Metal Bulletin, 1996).

References Cited


Major Sources of Information

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