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## Chinese group begins multi billion Afghan project

Wednesday, 15 Jul, 2009

Reuters reported that a Chinese firm started work on a copper deposit in Afghanistan on July 9th part of a multi billion dollar project and the first major foreign investment of its kind in Afghan history.

As if to underscore the dangers of working in Afghanistan, just hours before work began at the Aynak mine in Logar province a powerful blast in another part of the province killed 25 people, including 15 school children.

State owned China Metallurgical Group Corporation and China's top integrated copper producer Jiangxi Copper Company won a 2008 tender to explore and develop the vast Aynak Copper Mine south of the capital Kabul. Aynak is thought to contain up to 13 million tonnes of copper and is regarded as one of the major ore bodies in the world.

With Afghanistan facing a growing Taliban-led insurgency, security concerns had stopped CMGC from starting work on the project until July 9th. The deposit was discovered in 1974 and surveyed by Soviet geologists in 1979 has never been developed until now.

A Mines Ministry official said that Landmines in and around the site had to be removed, and a number of large craters, caused by US bombs dropped on what was then a military training camp in late 2001 had to be filled. The official said that "The minister has gone to inaugurate the start of the actual work of Aynak."

Construction work is due to finish in less than three years and the Chinese group will pay the Afghan government USD 400 million a year to operate the mine, which should provide jobs for thousands of Afghans.

According to previous ministry estimates, it plans to extract some 200,000 tonnes of copper a year. It will first build a power station to run to the mine and will seek coal deposits to fuel the station.

Afghanistan currently relies on aid for about 90% of its budget but its mines minister said that the country was sitting on vast reserves of mineral wealth. It was looking for mining firms to open up a huge iron deposit, holding an estimated 1.8 billion tonnes of high quality ore in the central part of the country.

Mr Mohammad Ibrahim Adel mines minister of Afghanistan said that US Geological Survey shows Afghanistan may hold far higher amounts of minerals than previously thought, with iron deposits alone estimated at between 5 billion tones to 6 billion tonnes.

(Sourced from Reuters)

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