

government chose effectively to paralyze COMIBOL during a period of readjustment. Its losses were cut to US\$8.3 million in 1988.

Since Bolivian Constitution precludes the privatization of COMIBOL (minerals are the inalienable property of the state), the intention was to convert it into a holding corporation, operating a few profitable mines on its own account while seeking partners to explore, develop and operate other properties. Joint ventures arrangements were sought, rather than outright sale.

The stable economy and liberal policy of the Bolivian government permitted the overall output volume to recover to near 1,980 levels by the end of the decade. The process of recovery was complex and involved fundamental shifts in the output mix and in the distribution of control in the industry.

**4.2 Development of the mining industry:** The Bolivian government has explicitly recognized that private foreign and domestic investment would be indispensable for the recovery and expansion of the mining sector. It made, therefore, all the efforts to attract the private capitals required.

As a result of the favourable conditions, considerable private investment has been made in the Bolivian mining industry during the last years.

The main projects that have been developed are:

◆**The Kori Kollo mine:** located at the La Joya-Chuquiña mining district, 195 kilometers southwest of the city of La Paz, at an altitude of 3,750 meters above sea level, it is Bolivia's largest and most ambitious project. It produces around 245,000 ounces of gold and 1.06 million ounces of silver at the open pit mine. The total investment for its development has been in the order of US\$163.0 million. The owners of this important project are Battle Mountain Gold from the USA (85%), and the local group Zeland Mines (15%), whose owners are Empresa Minera Inti Raymi, EMUSA and other smaller investors.

◆**COMSUR:** It is the second largest private mining company in Bolivia, and it is owned by the Sánchez de Lozada family. In 1989 they signed a joint venture agreement with the British firm RTZ (Río Tinto Zinc), to carry out several exploration projects. Together they formed EMICRUZ, a mining company that has been conducting several exploration programs at the Altiplano and the San Ramón area at the Pre-Cambrian.

COMSUR invested, with its own resources, the sum of US\$17 million during the 1990-1992 period to expand its Porco mine to produce 350,000 MT of zinc-lead-silver mineral. The same group signed a joint venture contract with COMIBOL (April 1993) to work together the rich Bolívar mine (tin-silver-lead-zinc).