

5. BOLIVIAN MINING PRODUCTION: THE MAIN MINERALS

The Bolivian mining production grew in 1995 at the annual rate of 14.9%, thus reverting the recession of 1994 (-2.5%). In 1995, the declining tendency of traditional mining (tin) continued, but at a faster pace; while the drop in 1994 was -6.8%, in 1995 it descended in -9.1%. The new mining, on the contrary, grew 24.3% in 1995, more than compensating the fall of the traditional mining.

The dynamism of the new mining was due to the start up of the Bolivar mining complex, the greater production and efficiency in the operation of the Kori Kollo deposit, and some expansions in the polymetallic mining.

The declining tendency of traditional mining is the result of insufficient investment to replace reserves, increase production rates and renew technologies. If the existing tin operations do not receive, on an emergency basis, an important flow of investment, they will no longer be viable.

The aforementioned demonstrates that the growth of the national mining production depends strongly on the thrust of the new mining, which required the enormous investments made during the last ten years.

During the ten years of existence of the New Economic Policy (NPE), the total investment made in the Bolivian mining sector reached the sum of US\$ 569.4 million (public investment was US\$147.7 million and private investment was US\$421.6 million).

While the public investment during the 1985-1989 period reached a total of US\$76.0 million, more than doubling the investment made by the private sector (US\$37.7 million), the 1990-1995 period witnessed an increase in the private investment, which amounted to US\$384.0 million. During the same last period, the public investment reached only US\$71.7 million.

There has been also a qualitative difference in the structure of investment, since there has been a greater emphasis in exploration activities.

A byproduct of the modernization of the Bolivian mining industry has been the diversification and insertion in the international capitals markets. In 1980, the production of tin represented 60% of the national production, while in 1995 it was gold with 33% which represented the most important export, being followed by zinc with 28%, tin (17%) and silver (13%). These four minerals constituted the 91% of the national production. The presence of important international companies, making substantial risk investments in exploration and production, is another characteristic of Bolivian mining during the 90's. Companies like Altoro (Canada), Asarco (USA), Auspac (Australia), Barrick Gold (Canada), Battle Mountain Gold (USA), BHP (Australia), De Cappel (Canada), Eagle Crest and Essex Resources (Canada), Inmet Mining (Canada), Jordex (Canada), Orvana Minerals (Canada), Renison Goldfields (South Africa), RTZ (UK), Silver Standard