

Table 4.2: Peak Output and Capacity Utilization Rates (Chromite)

Mineral	Peak Output/Year (000 Dmt.)	Capacity Utilization Rates (1988)
Metallurgical conc.	140.00 (1981)	30.5%
Metallurgical ore	43.70 (1986)	52.7%
Chemical grade ores	21.03 (1988)	100.0%
Refractory ores	400.00 (1977)	24.0%

Source: BMGS

Production/Exports

In the course of estimating future trends in mining production, the following pointers were considered:

- a) There is a limited flexibility in varying total mining output. Expanding mine output in the short run beyond rated capacity is constrained by the time required to develop other mining areas and to adjust the mill to variations in the ore grade. On the other hand, production cutbacks can be resorted to. However, temporary shutdowns (with the intention of reopening the mine in a year or two) rarely occurs [3].
- b) The short term effect of prices is not that significant. However, the effect of expected metal prices, among others, would matter more in terms of investments in new or additional mining capacity in the medium term.
- c) Additional mine capacity will be insignificant in the medium term. Except for the gold sector, where one new mine is starting to operate commercially and is expected to contribute around 700 kg. of gold per annum, no major additions to capacity is expected in the said period. While two copper mines are planning to expand capacity, this will