



2011 Minerals Yearbook

BHUTAN AND NEPAL [ADVANCE RELEASE]

THE MINERAL INDUSTRIES OF BHUTAN AND NEPAL

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BHUTAN

Bhutan had monetary and trade links mainly with India, and its economy was significantly influenced by that of India. Bhutan's economy continued to grow steadily in 2011. The growth rate of the gross domestic product (GDP) in real terms was about 8%, the GDP based on purchasing power parity was about \$4 billion, and the average inflation rate was about 7%. In addition to receiving financial assistance from India, Bhutan generated income by selling hydroelectric power to India.

The mineral industry of Bhutan was small and not a significant contributor to the country's economy. The country produced and exported cement, copper wire, ferrosilicon, and manganese. Other mineral production included coal, dolomite, and limestone (table 1; U.S. Central Intelligence Agency, 2012). On April 13, the Royal Government of Bhutan published a draft Mineral Development Policy 2011, which addressed the mineral conservation and value addition policies in Bhutan (Royal Government of Bhutan, 2011).

Dungsam Cement Construction Ltd. (DCCL) of India was constructing a cement plant at Nganglam in Pemagatshel District, which is located in southeastern Bhutan. The plant was to have a design capacity of 1.3 million metric tons per year (Mt/yr) of cement. DCCL planned to sell 90% of the plant's cement production to India and to supply the remaining 10% to the Bhutanese market. Construction of the plant was expected to be completed in December 2011. Capital for the project came from the Bank of Bhutan, Bhutan National Bank, Druk Punjab National Bank, National Pension and Provident Fund, Royal Insurance Corp. of Bhutan Ltd., Punjab National Bank, State Bank of India, and Union Bank of India (table 2; India Cement & Construction Materials, 2011; Rai, 2011).

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NEPAL

Nepal's mineral resources were mostly unexploited, and its mineral industry was not a significant contributor to the country's economy. Nepal's real GDP growth rate in 2011 was 3.5%. The country produced cement, red clay, coal, limestone, marble, and rolled steel (table 1). In 2011, Nepal's exports increased by 11.7%; exports went mainly to Bangladesh, Germany, India, and the United States. Imports increased by 7.7% and came mainly from China and India (Asian Development Bank, 2011; U.S. Department of State, 2012).

In 2011, through the Asian Development Bank's co-financing operation program, the Organization of the Petroleum Exporting Countries Fund for International Development provided a \$20 million loan to Nepal for the country's economic development. In June, Ambuja Cements of India acquired an 85% stake in Nepal's Dang Cement Industries. Dang Cement, which held a limestone mining lease in Nepal, became an Ambuja subsidiary. Limestone is a key raw material in the production of cement, and Ambuja Cements had 25 Mt/yr of cement production capacity in India (Asian Development Bank, 2011; Business Standard, 2012).

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TABLE 1
BHUTAN AND NEPAL: PRODUCTION OF MINERAL COMMODITIES¹

(Metric tons unless otherwise specified)

Country and commodity ²	2007	2008	2009	2010	2011 ^e
BHUTAN					
Cement ^e thousand metric tons	180	180	180	200	200
Coal, bituminous	105,261	123,704	48,545	87,814	80,000
Dolomite	578,552	1,247,568	1,028,993	1,192,374	1,100,000
Ferrosilicon, exports	40,313 ^r	30,824 ^r	90,798 ^r	97,528 ^r	94,000 ^e
Granite square meters	1,341	199	217	18,731	18,000
Gypsum	189,198	248,445	299,735	344,034	340,000
Limestone	543,964	583,707	591,027	715,956	700,000
Marble square meters	1,121	1,143	31	--	--
Quartzite	64,049	94,688	82,578	104,580	100,000
Slate square meters	7,256	764	1,765	--	--
Stone	388,721	408,945	475,614	716,760	700,000
Talc	62,015	56,077	64,381	26,302	26,000
NEPAL					
Cement ^e thousand metric tons	300	295	295	295	300
Clay, red	35,000	14,135	8,950	9,000	9,000
Coal:					
Bituminous	16,274	13,845	14,819	16,000	16,000
Lignite	98	60	NA	--	--
Total	16,372	13,905	14,819	16,000	16,000
Gemstones:					
Quartz kilograms	1,110	930	826	1,000	1,000
Tourmaline do.	5	--	--	--	--
Total do.	1,115	930	826	1,000	1,000
Salt thousand metric tons	2	--	--	--	--
Steel, rolled ^e do.	85	85	85	85	80
Stone:					
Limestone	822,042	701,950	582,999	580,000	580,000
Marble:					
Chips	954	441	1,047	900	900
Slab, cut cubic meters	22,110	1,781	426	500	500
Craggy do.	--	--	8,062	--	--
Quartzite ^e	3,100	--	--	3,000	3,000
Talc	9,043	7,996	6,601	9,000	9,000

^eEstimated; estimated data are rounded to no more than three significant digits; may not add to totals shown. do. Ditto. NA Not available. -- Zero.

¹Table includes data available through June 21, 2012.

²In addition to the commodities listed, crude construction materials, such as sand and gravel and a variety of stone, presumably are produced in Bhutan and Nepal, but information is inadequate to make reliable estimates of output.

TABLE 2
BHUTAN AND NEPAL: STRUCTURE OF THE MINERAL INDUSTRIES IN 2011

(Thousand metric tons unless otherwise specified)

Country and commodity	Major operating companies and major equity owners	Location of main facilities	Annual capacity ^c
BHUTAN			
Cement	Dungsam Cement Construction Ltd. (DCCL)	Nganglam, Pemagatshel District	1,300
Do.	Penden Cement Authority Ltd.	Gomtu, Samtse District	348
Dolomite	Jigme Mining Corp. Ltd.	do.	2,000
Ferrosilicon	Bhutan Ferro Alloys Ltd. (Government of Bhutan, Marubeni Co., and Tashi Commercial Co.)	Phuentsholing	34
NEPAL			
Cement	Dang Cement Industries (a subsidiary of Ambuja Cements of India)	NA	NA
Do.	Lhaki Cement Pvt. Ltd.	Bhawani Khola	660
Do.	Hetauda Cement Industries Ltd.	Hetauda	260
Do.	Himal Cement Co. Ltd.	Chobhar	130
Do.	Manasa Cement Industry	Chandragadhi, Jhapa	37
Lead and zinc	Nepal Metal Co. Ltd.	Lari	NA
Magnesite	metric tons	Nepal Orind Magnesite Ltd.	50
Marble	Godavari Marble Industries Ltd.	Latitpur	1

^cEstimated. Do., do. Ditto. NA Not available.