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Soviet Chromite Position

Reserves - The Soviet Union claims the world's largest total reserves of chromite ore, surpassing those of Turkey and South Africa both in quantity and quality. Roughly nine-tenths of these reserves are located in the Kempirsay deposits of Kazakhstan. The remainder are located chiefly in the northern Urals. Soviet press statements suggest that the measured portion of Kazakhstan's reserves are on the order of 30 to 50 million metric tons.

The Kempirsay deposits cover an area of approximately 1,000 square kilometers in northern Kazakhstan, and contain about 70 individual deposits. Ores suitable for refractory or chemical uses occur in the northern district, metallurgical grades (high chrome to iron ratio) in the southern. Mine development has been observed chiefly in the Donshoye group, near Khrom-Tau in the southern district, where considerable expansion is presently in progress and more is planned. At least 3, possibly 4, mines have been put into operation here since 1959. One or two of these may be open-pit operations. Crushing and grading facilities have also been increased, an old plant having been rebuilt, a new one put into operation since 1959, and one more reported under construction in 1963.

Ores of the southern Kempirsay are of excellent quality, containing 30 - 60% Cr<sub>2</sub>O<sub>3</sub>, with low silica, and having a chrome to iron ratio as high as 4 to 1. Commercial ores, sold as fines, friable, and hard lump, contain at least 45 - 52% Cr<sub>2</sub>O<sub>3</sub> depending upon type, and have a chrome to iron ratio of more than 3 to 1.

The Soviet enterprise wholesale price for run-of-the-mine chromite ores containing 50% Cr<sub>2</sub>O<sub>3</sub> is set at 6 rubles 20 kopecks per metric ton. Freight charges are additional and may be greater for the domestic consumer located at great distance from Donshoye than the 10 rubles 2 kopecks or 10 rubles 6 kopecks per metric ton, charged for rail shipment of ores to Pati or Batumi, the usual ports for ocean shipment of these ores.

Trade - Soviet exports of chromite ores exceeded 200,000 metric tons per year during the late 1950's and have risen from 427,000 metric tons in 1960 to 472,000 metric tons in 1962 and to approximately 500,000 metric tons in 1963.\* Exports to Bloc countries represent a decreasing share of the total -- about 36% in 1959 and 1960, 29% in 1962.

\* Estimate. Official Soviet trade statistics have not been released for 1963.

Production - To provide for this high level of exports and to assure estimated domestic needs for chromite, the USSR in 1963 probably produced from 1.3 to 1.6 million metric tons of all grades, some 65 - 70% of it metallurgical. In 1965, production from Kazakhstan's mines is scheduled to be twice the 1958 level, and the Soviet plan for production of chromite ore is estimated to be about 1.6 to 1.9 million metric tons.

Outlook - If the USSR attains the estimated production goal for 1965, the Soviet chromite industry probably will be able to support, by 1965, a high level of domestic consumption plus exports in excess of 600,000 metric tons. Recent announcements claim fulfillment of the 1963 production plan and that for January 1964. There is no information available on the current progress of the construction program.

Soviet plans for the period after 1965 are largely unknown. However, given the existence of the large total reserves claimed, and demonstrated Soviet eagerness to obtain hard currency, there is no apparent reason to doubt the USSR will proceed with earlier announced plans to "greatly enlarge" the Kempirsay mines by 1980.