

Prospects and challenges of mineral sector of Pakistan

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Abstract

Minerals other than radioactive minerals and laying in special areas including FATA is a provincial subject and provincial governments have authority for regulation of mineral titles, detail exploration/ development, mining and monitoring of health and safety of mine workers as per constitution of Pakistan. Federal Government responsibility includes geological/geophysical survey, mapping national and international coordination and formulation of national policies and plans. Pakistan is endowed with good mineral potential however, unlike other developing countries with good mineral endowment; it has not yet been able to promote growth by exploiting its natural resources to the optimal level. The current contribution of mineral sector to the GDP is about 1% (considerably below global averages of 2-8% of GDP) but likely to increase considerably on the development and commercial exploitation of known mineral deposits up to 3-4 %. As evident from the geological environment and present state of exploration and mineral discoveries made, so far Pakistan has vast potential for varieties of minerals. These includes huge resources of Thar Coal Sindh, well known Copper and precious metal potential of district Chagai Baluchistan, Waziristan and Gilgit-Baltistan, Marble and Granite deposits of Khyber Pakhtunkhwa (KP), Rare earth elements in carbonatites in KP, world famous gemstones of KP, AJ&K and Gilgit-Baltistan and huge potential of Industrial rocks and minerals (rock salt and coal) in Punjab. In spite of having all these resources the country is importing metals and alloys, gold and fertilizer minerals. In order to encourage indigenous production of minerals and products for domestic use, government has been encouraging investment in exploration and development in the mining sector. The utilization of latest exploration techniques may bestow Pakistan with discoveries of world class concealed or sub-surface deposits as yet undetected by previous exploration programmes. It is likely that future mineral discoveries with modern techniques of exploration, in the given area, may include such precious, base metals and rare elements which are highly priced in the present market. By using the latest techniques, future exploration may be able to find exploitation of known deposits.

For development of these mineral resources through private national / international investment National Mineral Policy (NMP) has been formulated with the consences of all the provinces and stake holders. The NMP offers various incentives for investment in the mineral sector and all the provinces have established separate Department of Mines & Mineral Departments and formulated investment friendly mineral concession rules to facilitate investment in mineral sector. All these steps are aimed to enhance the share of mineral sector in the GDP and make it competitive in the international market. Due to existence of these investment friendly policies various international companies have started exploration and mining in Pakistan which includes production of copper and gold from saindak copper Project Balouchistan and production of lead-zinc from Duddar deposit Balouchistan by the Chinese company M/s MCC. Detail exploration has been conducted by the multinational mining company in Ricodiq area district Chagi Balochistan where they have proved availability of copper and gold resources of more than five billion tons. Various national/international companies have started work on development of various blocks in Thar coal fields Sindh and will hopefully start coal mining and integrated power generation up to 2018. Investment opportunities are still available in coal mining and power generation, base metal exploration and mining, decorative stones and gemstones mining in Pakistan.