

REKO DIQ PROJECT TO BE COMPLETED IN NEXT 4 YEARS

Islamabad : Reko Diq Gold and Copper project worth Rs. 8.812 billion is expected to be completed in the next four years and generate income to the tune of Rs. 15.875 billion per annum (\$ 185.25 million) with estimated production of 38,305 tonnes of copper, 42.618 ounces gold and other valuable metals.

Executive Committee of the National Economic Council (ECNEC) in its last meeting has approved this vital project to be executed by the Department of Mines and Minerals, Balochistan (Strategic Organisation). Reko Diq project having local component of Rs. 5.209 billion and foreign exchange component of Rs. 3.603 billion would create 917 job opportunities in the province.

Reko Diq is the fifth largest copper ore reserve in the world having 0.8 percent of copper content. Department of Mines and Minerals, Balochistan envisages creating a facility for processing of 15,000 tonnes copper ore per day to produce copper metal, and other valuables such as gold, silver, molybdenum and sulphuric acid at Reko Diq. This facility will be for the production of copper and gold ingots in value-added products such as sheets, pipes, and rods as per requirement.

It has been estimated that annual income from the project will be Rs. 15.875 billion or equivalent to \$ 185.25 million per year, the recurring cost of the project would be Rs. 4.770 billion after completion in next four years.

The project would provide necessary infrastructure and give boost to the mineral sector by exploiting the mineral resources of the country. It will also help in achieving self-reliance in the production of copper, gold ingots and some other materials such as silver, molybdenum and sulphuric acid. The project would help improve livelihood of the people of Balochistan by providing direct employment to 917 persons and generating economic activity in the area. The plant and equipment required for the project would be designed and manufactured locally using expertise and engineering industrial base available in the country.

The sponsor of the project has confirmed to the government about the management structure of the project and informed that provincial government is in a process of hiring services of a lawyer to deal with matters leading to the formation of a company as advised by the Central Development Working Party and they had also notified the board of governors recently, which shall exercise full financial and administrative powers to implement the project on fast track basis by maintaining transparency and efficiency.

According to the project document, keeping in view the local consumption of copper, which is estimated at around 100,000 tonnes per year, the sponsors had assured that they had not foreseen any marketing problem, however, they would hire professionals in due course of time in this regard. Secretary Mines and Minerals, Balochistan has asked the Federal Government to provide funding from Federal Public Sector Development Programme or from the Balochistan package. It has been decided that the funding requirements for the project during 2010-2011 and onwards be done by the ECNEC.

(Sajid Chaudhry)