



Written by on June 14, 2010

Vast Mineral Wealth Found in Afghanistan

The New York Times on June 14 quoted a statement from General David Petraeus, commander of the United States Central Command (USCENTCOM) that there could be as much as \$1 trillion in mineral deposits in Afghanistan, including significant deposits of lithium, an alkaline metal with numerous industrial applications, including lithium batteries.

"There is stunning potential here," said Petraeus. "There are lots of ifs, of course, but I think potentially it is hugely significant."



The report quoted an internal Pentagon memo that said Afghanistan could become the "Saudi Arabia of lithium."

The American geologists responsible for discovering the mineral deposits were invited to the country by Afghan officials in 2004, and they began their research at the library of the Afghan Geological Survey in Kabul. They came across research data compiled by Soviet scientists during the Soviet occupation of Afghanistan from 1979-1989. When the Soviets retreated and the nation descended into chaos and Taliban rule, Afghan geologists kept the records in their personal custody, returning them to the library only after the Taliban had been driven from power.

Using the old Soviet data as a guide, the American geologists engaged in several years of aerial surveys, and by 2007, were confident that Afghanistan contained vast stores of valuable minerals, including iron, copper, cobalt, gold, and lithium. The information was reviewed by a U.S. task force brought in to study the results in 2009. The results were further reviewed and most recently presented to Defense Secretary Robert M. Gates and Afghan President Hamid Karzai.

The Middle East-based al Jazeera news network reported that Waheed Omar, Karzai's spokesman, said at a news conference on June 14 that the U.S. Geological Survey was "contracted by the Afghan government to do a survey, so this is basically an Afghan government initiative."

"I think it's very, very big news for the people of Afghanistan and that we hope will bring the Afghan people together for a cause that will benefit everyone," he said. "This is an economic interest that will benefit all Afghans and will benefit Afghanistan in the long run."

Those who have analyzed the discovery regard the find as potentially having both positive and negative consequences, however. It would unquestionably dwarf Afghanistan's current economy, where the gross domestic product in a January 2010 International Monetary Fund [report](#) was estimated to be is only about \$12 billion.

Interestingly, that report also made specific reference to expected mining revenues:

D. Medium-Term Outlook and HIPC Completion Point

28. In the medium term, real GDP is projected to grow at an average of 7 percent (Table 8). The baseline scenario assumes economic stability, a gradual improvement of security over the next



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five years, and a relatively ambitious economic program focused on financial sector development, strengthening revenue administration, and public enterprise reform. The baseline also takes into account the coming on stream of new mining projects (*especially the large Aynak copper project*) and assumes an improvement in governance and increased efficiency in development spending. During the next decade, and despite a steady increase in domestic revenues, the baseline yields sizable fiscal and balance of payments gaps that are assumed to be financed with grants and, to a lesser extent, concessional loans. [Emphasis added.]

A Reuters news report about the just-announced trillion-dollar mineral discovery also noted the Chinese-managed mining project:

The report about the country's untapped wealth is likely to intensify competition among regional players such as China, India and even Russia for a greater role in exploiting those resources.

Two Chinese firms have committed themselves to a \$4 billion investment in the vast Aynak copper mine, south of Kabul, the biggest non-military foreign investment so far in the country.

The *Times* report also observed that "American officials fear resource-hungry China will try to dominate the development of Afghanistan's mineral wealth."

Last year, in an Afghan version of "Chinagate," Muhammad Ibrahim Adel, Afghanistan's Minister of Mines, was accused by U.S. officials of accepting a \$30 million bribe from Chinese officials to grant the Chinese state-owned firm MCC the rights to develop the copper mine. The Minister has been replaced.

At least one journalist, AOL News science reporter Katie Drummond, took issue with those who labeled the announcement of the Afghan mineral deposits as a "discovery." In her June 1 online article for Wired.com, Drummond asserted: "Despite what you may read this morning, the U.S. military did not just 'discover' a trillion dollars' worth of precious minerals in Afghanistan."

Continuing, Drummond observed: "But the military (and observers of the military) have known about Afghanistan's mineral riches for years." In a 2007 report, the Geological Survey and the Navy concluded that "Afghanistan has significant amounts of undiscovered non-fuel mineral resources," including "large quantities of accessible iron and copper [and] abundant deposits of colored stones and gemstones, including emerald, ruby [and] sapphire."

Drummond also suspects that the timing of the "discovery" appears to be "just a little too convenient" and quoted Blake Hounshell at the neoconservative *Foreign Policy*, who noted that the Obama administration is struggling to combat the perception that the Afghan campaign has "made little discernible progress," despite thousands of additional troops and billions of extra dollars.

The mineral wealth has the potential to be both a blessing and a curse for Afghanistan. It could serve to fund improvement's in the nation's military, enabling it to defeat the Taliban and take over security of their nation from NATO. But it may also make the country more attractive for outside belligerents and invite attacks by outsiders who covet its wealth. And in a country with a weak central government and strong, often corrupt, regional warlords, squabbling over the mineral rights could lead to a series of civil wars.

Photo: AP Images



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