

THE MINERAL INDUSTRY OF

CYPRUS

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The mineral industry of Cyprus¹ was dominated by the production of bentonite, cement, copper, and refined petroleum products. Other mineral commodities produced included common clay, gypsum, sand and gravel, and stone for local use and gypsum, ocher, and amber for export.

Additional mineral-based processing activity included an aluminum extrusion plant, bronze and iron foundries, and plaster plants. In 2002, domestic exports [excluding exports to ships and aircraft (shipstores)] were valued at \$368 million, of which exports of minerals and mineral products were valued at less than \$20 million.² Imports of mineral fuels for local consumption or refining were valued at about \$450 million (Statistical Service of Cyprus, 2003§³).

In 2002, Cyprus' gross domestic product (GDP) was estimated to be \$10.1 billion (International Monetary Fund, 2003§). Mining and quarrying accounted for about 0.3% of the GDP and employed 0.2% of the labor force. In 2002, the island's population was estimated to be about 767,000, of which the Turkish Cypriot population was about 89,000. The island had an area of 9,250 square kilometers (km²) of which 3,355 km² was in the Turkish Cypriot area (U.S. Central Intelligence Agency, 2003§).

Government Policies and Programs

The Mines Service of the Ministry of Agricultural, Natural Resources, and Environment administered mineral operations under the Mines and Quarries (Regulation) Law, chapter 270, 1959; the Mines and Quarries Regulations, 1958-1979; and the Cyprus Standard and Control of Quality Law, 1975. Royalties on extracted mineral commodities ranged from 1% to 5%. The Ministry's Geological Survey Department was responsible for mineral exploration programs and the evaluation of the country's mineral resources. The Environmental Service was responsible for coordinating the environmental efforts of the Government departments.

The Government's efforts to ally itself with the European Union (EU) were rewarded in December with an invitation by the European Council to join the EU. Accession to the EU was anticipated in 2004 with conversion to the euro from the Cypriot pound expected in 2006.

Commodity Review

Cement and Sand.—Cyprus Cement Co. Ltd. acquired 50% interest in Latourous Quarries Ltd., which produced sand and gravel from its quarry near Nicosia, and 24.5% interest in Elmeni (Quarries) Ltd., which also was a Nicosia-area sand producer. In 2003, Cyprus Cement planned a temporary plant closure to refurbish and upgrade its dust emission filters at the Moni factory to conform with EU standards (Cyprus Cement Co. Ltd., 2003§).

At yearend, installation of a 6-megawatt powerplant at Vassilikos Cement Works Ltd. was underway.

Copper and Gold.—Hellenic Copper Mines Ltd. [a consortium whose members included Hellenic Mining Co. of Cyprus, Mytilineos Holdings S.A. of Greece, and Oxiana Europe Ltd. of the Channel Islands (a subsidiary of Oxiana Resources NL of Australia)] operated the Skouriotissa copper mine and electrowinning facility. In 2002, Hellenic Copper mined lower grade ore than in 2001 and produced 3,631 metric tons (t) of copper cathode compared with 5,176 t in 2001 (Oxiana Resources NL, 2002, p. 10; Kyriakos Kyriakou, Hellenic Copper Mines Ltd., written commun., May 21, 2003).

In 2002, Eastern Mediterranean Minerals (Cyprus) Ltd., which was a joint venture of Oxiana Europe (60%) and Hellenic Mining (40%), continued to reprocess historical geophysical data, especially in the Kalavassos area, and reviewed old records to evaluate the copper resources that remain in the tailing dumps at Lefke in northern Cyprus. The Lefke site had been abandoned by the Cyprus Island Division of the former Cyprus Mining Corp. in 1974 when the property was bisected by the United Nations (U.N.) buffer zone between the Republic of Cyprus and northern Cyprus.

In 2002, the Government continued to clear landmines from minefields along the buffer zone. The U.N. stated that most of the remaining antipersonnel and antitank mines were emplaced in 47 minefields along the buffer zone (Cyprus Mail, 2002§; International Campaign to Ban Landmines, 2002§).

Natural Gas and Petroleum.—In 2002, the Government continued to negotiate a marine exclusive economic zone and associated oil and natural gas exploration rights in the eastern Mediterranean Sea with the Government of Egypt. Talks with the Government of

¹Unless specifically stated, all data in this chapter are for the Republic of Cyprus in southern Cyprus because data related to the Turkish-controlled areas of northern Cyprus are sparse or unavailable.

²Where necessary, values have been converted from Cypriot pounds (£C) to U.S. dollars (UD\$) at the average rate of £C0.6040=US\$1.00 for 2002 and £C0.6397=US\$1.00 for 2001.

³References that include a section mark (§) are found in the Internet References Cited section.

Syria on the construction of a \$250 million submarine natural gas pipeline to Cyprus ended in 2002. Despite Syria's assurances that it could provide 3 million cubic meters per day of natural gas, the Cypriot Government concluded that delays in the construction of the proposed eastern Mediterranean gas network, which would allow Cyprus to link with Egyptian gas piped through Jordan, Lebanon, and Syria, would jeopardize the availability of natural gas for the Electricity Authority of Cyprus, which planned to switch to burning natural gas instead of residual fuel oil by 2006 (Christou, 2002§; Mita, 2002§).

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Major Sources of Information

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TABLE 1
CYPRUS: PRODUCTION OF MINERAL COMMODITIES^{1,2,3}

(Thousand metric tons unless otherwise specified)

Commodity	1998	1999	2000	2001	2002 ^c
Cement, hydraulic	1,207	1,157	1,398	1,369	1,600
Clays:					
Bentonite metric tons	121,850	138,853	167,500	126,600	125,000
Other:					
For brick and tile manufacture	380 ^e	350	285	300	300
For cement manufacture	370 ^e	360	450	440	440
Total	750 ^e	710	735	740	740
Copper, refined metric tons	4,936	5,004	5,197	5,176	3,631 ⁴
Gypsum, crude ⁵ do.	296,800	181,546	260,000	250,000	260,000
Lime, hydrated do.	5,500 ^e	6,000	6,800	9,400	9,000
Petroleum refinery products: ⁶					
Liquefied petroleum gases thousand 42-gallon barrels	344	393	345	359	378 ^p
Gasoline do.	1,208	1,263	1,289	1,277	1,313 ^p
Kerosene and jet fuel do.	212	238	285	288	281 ^p
Distillate fuel oil do.	2,849	3,069	3,027	2,911	2,704 ^p
Residual fuel oil do.	2,929	3,292	3,274	3,156	2,914 ^p
Asphalt and bitumen do.	208	206	207	239	217 ^p
Other do.	20	22	16	19	17 ^p
Total do.	7,770	8,482	8,443	8,248	7,824 ^p
Stone, sand, gravel:					
Limestone, crushed (Havara) ^c	2,000	2,000	1,800 ⁴	1,500 ⁴	1,700
Marble	7	2	2	2	2
Marl, for cement production	1,900 ^e	1,600	1,800	1,780	2,000
Sand and gravel ⁷	8,400	8,500	8,800	9,300	10,000
Building stone ⁸	40	63	80	55	60
Sulfur ^e metric tons	1,400	1,400	1,400	1,400	1,400
Umber do.	6,056	9,169	7,500	4,800 ^r	5,000

^eEstimated; estimated data are rounded to no more than three significant digits. ^pPreliminary. ^rRevised.

¹Table includes data available through May 23, 2003.

²Small quantities of the mineral pigments ochre and terra verte are mined intermittently. Mineral production data from the northern Turkish-occupied section of the country and production of secondary metals from scrap are not included in this table because available information is inadequate to make estimates of output.

³Sources of data include company annual reports, the Mines Service, and the Statistical Service of Cyprus.

⁴Reported figure.

⁵About 4,000 metric tons per year of gypsum was calcined.

⁶Petroleum refinery products are rounded to the nearest thousand barrels; may not add to totals shown.

⁷Includes crushed aggregate.

⁸Includes crude, semifinished, and worked stone.