

THE MINERAL INDUSTRY OF

JAMAICA

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Jamaica's economy grew modestly by 0.5% in 1995 (constant dollars).¹ Inflation, as measured by the consumer price index, was 25.5%, a small decrease from that of 1994. The value of the Jamaican dollar decreased by 6.2% in relation to the U.S. dollar. Some sectors of the economy, including construction, showed healthier growth patterns than the general economy, but the mining and quarrying sector decreased by 6.4% from that of 1994. The manufacturing sector decreased by 1%.

By world standards, Jamaica is a modest producer of minerals. However, it is a leading world producer of bauxite and alumina. Mining and quarrying contributed to 8.6% to the gross domestic product (GDP) in 1995. Of this, 98% was from bauxite and alumina. In 1995, Jamaica ranked third in output of alumina after Australia and the United States. It also ranked third in the production of bauxite after Australia and Guinea. Accordingly, production of bauxite and alumina dominates Jamaica's mineral sector and is a significant contributor to the GDP and an important source of foreign exchange.

Jamaica's other production of metal commodities is limited to a small amount of steel and secondary lead. Jamaica also produces modest quantities of industrial minerals such as cement, gypsum, salt, and stone. The country depends totally on imports for its supply of petroleum. Petrojam Ltd., owned by the Petroleum Corporation of Jamaica (Government) is the only petroleum refinery in the country.

Most of the production levels of the mineral commodities produced in Jamaica increased in 1995. The most significant exception, because of its dominance of the sector, was the decrease of the output of bauxite and alumina. Production of bauxite and alumina decreased by 6.1% and 5.9%, respectively, from that of 1994. The alumina decrease was in part the result of work stoppages because of strikes at all refineries. Industry management has expressed concern over the production costs and efficiency in Jamaica's alumina plants, in particular, after new labor contracts were in place in 1995.² Plans to increase alumina production capacity in Alcoa Minerals of Jamaica Inc. (Jamalco) from 850,000 metric tons per year to 1 million metric tons per year and in Aluminum Partners of Jamaica (Alpart) from 1.45 million tons per year to 2 million tons per year have been influenced by those concerns and seem to be on hold in the near future. In contrast, plans for the Trelawny alumina project in

northern Jamaica were progressing.³ A feasibility study for the 1-million-ton alumina project was scheduled for 1995, with exploration, environmental impact assessment, and laboratory work to be completed by yearend. Final engineering and financial studies were scheduled for 1996. The project is being undertaken by the Jamaican Bauxite Institute and the Canadian company Alcan Aluminum Ltd., the parent company of Alcan Jamaica Co. (Jamalcan).

The production of silica sand, consumed mainly in glass containers by the beverage industry, decreased 11.4%, down for the second consecutive year because of the increased usage of plastic by the beverage industry to replace glass containers. The most severe output decrease was achieved by the marble industry, which reduced its production during the year by 51%. According to the Economic and Social Survey Jamaica 1995, the production decrease was attributed to the need for investment to expand the production required to meet the domestic demand and to the reluctance from both licensed mining contractors and land owners to invest—not to the lack of demand. While Jamaica reduced its production levels of marble in 1995, imports of marble slab from nearby Cuba and other areas of Latin America were increased.

As construction increased in Jamaica, output of most of the commodities that supply the needs of the sector increased accordingly. The most notable production increase was that of cement, which increased by 17% to 523,562 tons. The large increase in cement production was attributed to an increase in construction and building. Even though increased activity in that sector was not as notable as the increase of cement output, part of the significant increase was due to the size of public sector projects that were under construction and/or expansion during the year.

In the case of gypsum, output increase was not due to an increase of domestic consumption but to an increase in demand by the Latin American and Caribbean markets to which Jamaican gypsum was being exported, of which exports of gypsum to Brazil increased the most.

Production of petroleum refinery products decreased in 1995. Petrojam, the producer, and some of its subsidiaries are some of the Government companies planned to be privatized. Originally, the Government intended to divest itself completely of Petrojam; however, it decided to retain 51% majority equity in the company.⁴

In 1995, various companies were exploring for gold and copper in Jamaica.⁵ BHP Minerals International Exploration

Inc., Kennecott Corp., and Orvana Minerals Corp. were among them. Orvana, of Vancouver, Canada, continued to work through its subsidiary Clarendon Mining Ltd. on the Central Inglier gold deposit and the project was leading to the feasibility study phase at yearend.

¹The Planning Institute of Jamaica. Economic and Social Survey Jamaica 1995, p. 1.2.

²Platt's Metal Week. Jamaican Alumina Industry Faces Rising Costs. July 31, 1995, pp. 5-7.

³Metal Bulletin. Jamaica Advances Trelawny Alumina Project. V. 326, No. 8372, Apr. 6, 1995, p. 7.

⁴Petroleum Economist. News in Brief. Jamaica, Aug. 1995, p. 28. Mining Investment Conference Review, Apr. 1995, p. 15.

Major Sources of Information

Commissioner of Mines

Ministry of Production, Mining and Commerce

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Telephone: (809) 927-1936
The Jamaican Bauxite Institute Ltd.
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TABLE 1
JAMAICA: PRODUCTION OF MINERAL COMMODITIES 1/

(Metric tons unless otherwise specified)

Commodity		1991	1992	1993	1994	1995
Aluminum:						
Bauxite, dry equivalent, gross weight	thousand tons	11,600	11,300	11,400	11,564 r/	10,857
Alumina	do.	3,015	2,917	2,989	3,221 r/	3,030
Cement, hydraulic	do.	388 r/	474 r/	451	446 r/	524
Gypsum		135,840	144,970	152,190	203,700 r/	208,020
Iron and steel, steel, crude		24,385 r/	24,690 r/	24,500 e/	24,500 e/	24,500 e/
Lead, refined (secondary) e/		1,000	1,000	800	800	800
Lime		95,000	179,000	151,000	170,000	170,000 e/
Petroleum refinery products	thousand 42-gallon barrels	6,858 r/	8,763 r/	5,774 r/	5,886 r/	5,364
Salt		17,255 r/	21,095 r/	17,970 r/	17,543 r/	19,341
Silica sand		15,620	20,420 r/	21,300	18,400 r/	16,300
Stone:						
Limestone	thousand tons	2,900 r/	3,161 r/	3,319 r/	3,319 r/	3,385
Marble, cut and/or polished		4,000 r/	4,620	5,780	5,720 r/	2,800
Marl and fill	thousand tons	2,950	3,451 r/	3,627	3,809 r/	3,920
Sand and gravel	do.	1,214	1,347	1,549	1,700 r/	1,800

e/ Estimated. r/ Revised.

1/ Table includes data available through Oct. 1, 1996.

TABLE 2
JAMAICA: STRUCTURE OF THE MINERAL INDUSTRY FOR 1995

(Thousand metric tons unless otherwise specified)

Commodity	Major operating companies and major equity owners	Location of main facilities	Annual capacity
Alumina	Alcoa Minerals of Jamaica Inc. (Jamalco) (Aluminum Co. of America, 50%; Clarendon Alumina Production Ltd., (Government) 50%)	Halse Hall plant at Clarendon, Clarendon Parish	850
Do.	Alumina Partners of Jamaica (Alpart) (Kaiser Aluminum Corp., 65%; Hydro Aluminum Jamaica AS, 35%)	Nain, St. Elizabeth Parish	1,450
Do.	Alcan Jamaica Co. (Jamalcan) (Alcan Aluminum Ltd. Canada, 93%; Government, 7%)	Kirkvine, Manchester Parish, and Ewarton, St. Catherine Parish	548 548
Bauxite	Jamalcan Bauxite Mines	St. Ann and St. Catherine Parishes	1,600
Do.	Jamaica Bauxite Mining Ltd. Lydford Mines	Lydford, St. Ann Parish	2,500
Do.	Jamalco Bauxite Mines	Mochu Mountains, Clarendon Parish	2,500
Do.	Kaiser Jamaica Bauxite Co. Ltd.	Kirkvine, Manchester Parish; Water Valley, Discovery Bay, St. Ann Parish	4,500
Cement	Caribbean Cement Co. Ltd.	Rockfort, St. Andrews Parish	1,700
Petroleum products	Petrojam Ltd. (Petroleum Corp. of Jamaica, 100%)	Kingston, St. Andrews Parish	36,000 1/

1/ 42-gallon barrels per day.