THE MINERAL INDUSTRY OF

CYPRUS

By Bernadette Michalski

In recent years, following the depletion of economic zones of their well known copper deposits, mineral production was mainly by local companies working small deposits. Aggregates, cement, and dimension stone production supplied the domestic construction industry and accounted for the bulk of mineral exports in 1996. The value of mining and quarrying products was approximately \$100 million, nearly one-half of which was attributed to the hydraulic cement industry. (See table 1.) Mineral imports exceeded \$505 million accounting for 14% of total exports. Fuels and related materials accounted for slightly more than one-half of mineral imports, while metals accounted for one-third of mineral imports. The principal sources of mineral imports were Europe and central Eurasia. Exports of mineral commodities were valued at \$34 million accounting for more than 6% of total exports. Industrial mineral exports accounted for \$21 million, the bulk of which was destined for the Middle East. Economic growth in 1996 was 3.5%.

The Mines Service administered mineral operations under the Mines and Quarries (Regulation) Law, Chapter 270, 1959; the Mines and Quarries Regulations, 1958-79; the Petroleum (Production) Law, 1974; and the Cyprus Standard and Control of Quality Law, 1975. Mining operations in Cyprus have been owned and operated privately under leases and licenses issued by the Mines Service since 1958. Royalties on extracted mineral commodities ranged from 1% to 5%.

Offshore companies pay a flat corporate tax rate of 4.25% and are not subject to any exchange control restrictions if they trade in Cyprus and do not borrow from a Cypriot Bank.

The Ministry of Agriculture, Natural Resources, and Environment was developing an integrated legislative framework for the protection of the environment as well as adopting an effective mechanism for the coordination of environmental policy issues.

¹Where necessary, values have been converted from Cypriot pounds (C£) to U.S. dollars at the rate of C£0.46=US\$1.00. Unless specifically stated, all data in this chapter are for the southern Greek-administered area because data related to the Turkish Cypriot area are sparse or unavailable.

Most of the country's traditional mineral enterprises were either shut down or were operating at a small fraction of past production levels; however, the resource base of commodities, such as asbestos, bentonite, celestite, chromite, copper, iron oxide pigments, pyrite, and salt was still significant. Producers of these commodities could possibly resume operations or increase production under more favorable economic conditions.

Engineering, equipment supply, and construction planning services for a solvent extraction and electrowinning project at the Skouriotissa copper mine were completed in 1996. The plant is designed to produce 8,000 metric tons per year (t/yr) of copper cathode. This plant will replace a cementation operation which was processing copper from tailings produced by an open pit mine which ceased operation more than two decades past. Copper ore reserves at Skouriotissa grading 0.6% copper are reported to be 15 million metric tons. The Hellenic Mining Co. holds 44% equity and 43.7% equity is held by Oxiana Resources of Australia.

In an effort to transform Cyprus into a trading hub of the eastern Mediterranean, the government has inaugurated in October 1996 a \$40 million mega-merchandising complex near Nicosia called the International Merchandising Center. The center is a duty free shop for traders who use the nation as a major offshore base for materials destined for the Middle East and southern Europe.

Major Source of Information

Ministry of Agriculture, Natural Resources, and Environment Nicosia, Cyprus

Telephone 357-2-309283 Fax: 357-2-316872

Ministry of Commerce, Industry, and Tourism

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 ${\bf TABLE~1}$ CYPRUS: PRODUCTION OF MINERAL COMMODITIES 1/2/

(Thousand metric tons unless otherwise specified)

Commodity	1992	1993	1994	1995	1996 e/
METALS					
Copper, cement: 3/					
Gross weight metric tons	473	278			NA
Cu content do.	172	103			1,499
INDUSTRIAL MINERALS					
Cement, hydraulic	1,131	1,089	1,044	1,021	1,000
Clays, crude:					
Bentonite metric tons	58,800	60,000	48,975	49,487	70,660
Other:					
For brick and tile manufacture	463	450	475	407	400
For cement manufacture e/	346	350	375	350	350
Total	809	800	850	757 e/	750
Gypsum:					
Crude metric tons	35,470	90,000	180,000	133,208	150,468
Calcined do.	6,150	3,000	4,000	4,000 e/	4,000
Lime, hydrated do.	5,540	6,100	5,525	5,530	5,500
Stone, sand, and gravel:					
Limestone, crushed (Havara)	2,800	3,000	3,000 e/	3,200	3,000
Marble	58	50	50 e/	50 e/	50
Marl, for cement production	1,400 e/	1,500 4/	1,600	2,000	1,600
Sand and gravel 5/	5,750	6,000	6,000 e/	6,000 e/	6,000
Building stone	250 e/	100	1,436	974	800
Umber metric tons	5,000	6,000 e/	9,000 e/	5,415	4,604
MINERAL FUELS AND RELATED MATERIALS					
Petroleum refinery products:					
Liquefied petroleum gas thousand 42-gallon barrels	300	308	350 r/	350 r/e/	350
Gasoline do.	1,100	799	900 r/	1,000 r/e/	1,000
Kerosene and jet fuel do.	300	346	400 r/	400 r/e/	400
Distillate fuel oil do.	2,200	1,886	2,450 r/	2,500 r/e/	2,500
Residual fuel oil do.	1,500	2,000	2,500 r/	2,500 r/e/	2,550
Asphalt do.	200	208	200	200 e/	200
Total do.	5,600	5,547	6,800 r/	6,950 r/e/	7,000

e/ Estimated. r/ Revised.

^{1/} Table includes data available through May 15, 1997.

^{2/} Mineral production data from the northern Turkish-occupied section of the country are not included in this table, as available information is inadequate to make reliable estimates of output levels.

^{3/} Hellenic Mining Co. ceased copper recovery operations from the Skouriotissa Mine tailings in 1993.

^{4/} Reported figure.

^{5/} Includes crushed aggregate.