

THE MINERAL INDUSTRY OF CYPRUS

By Philip M. Mobbs

The mineral industry of Cyprus¹ was dominated by the production of bentonite, cement, sand and gravel, and stone. Other mineral commodities produced included common clay, gypsum, and refined petroleum products for local use and copper, gypsum, ocher, perlite, and amber for export. Additional mineral-based processing activity on Cyprus included an aluminum extrusion plant, bronze and iron foundries, and plaster plants. In northern Cyprus, the mineral industry was dominated by the production of construction aggregates, stone, and amber.

In 2004, Cyprus' gross domestic product (GDP) at current prices was estimated to be \$14.5 billion.² Mining and quarrying accounted for about 0.3% of the GDP. Real GDP increased at an annual rate of 3% compared with 2% in 2003. Cyprus' GDP based on purchasing power parity was estimated to be more than \$15.4 billion in 2004, and the GDP per capita based on purchasing power parity was \$19,224 (International Monetary Fund, 2005§³).

The island had an area of 9,250 square kilometers (km²), of which 3,355 km² was in the area administered by Turkish Cypriots. The Greek Cypriot population was estimated to be about 776,000, and the Turkish Cypriot population was estimated to be about 210,000. In April, the United Nations' referendum on the unification of the two Cypriot states (known as the Annan Plan) was rejected by the Greek Cypriots by a margin of 3 to 1, and the proposed reunification of the divided Cyprus did not take place. A month later, a divided Cyprus became a member of the European Union (United Nations Security Council, 2004, p. 1-2; U.S. Central Intelligence Agency, 2004§).

Commodity Review

Metals

Copper.—Hellenic Copper Mines Ltd. copper production ceased in November. Because of unpaid wages, workers at the mine and solvent extraction-electrowinning facility at Skouriotissa went on strike in December. Operations remained suspended at yearend; the company was negotiating the sale of the business.

¹Unless specifically stated, all data in this chapter are for the Republic of Cyprus in southern Cyprus because data related to the areas of northern Cyprus administered by Turkish Cypriots are sparse or unavailable. The two areas have been separated since 1974.

²Where necessary, values have been converted from Cypriot pounds (Cy£) to U.S. dollars (US\$) at the average rate of Cy£0.469=US\$1.00 for 2004 and Cy£0.515=US\$1.00 for 2003. Purchasing power parity valuation was based on the average rate of Cy£0.455=US\$1.00 for 2004.

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

Eastern Mediterranean Minerals Ltd. of Cyprus (EMM), which was a joint venture of Oxiana Europe Ltd. of the Channel Islands (95%) and Hellenic Mining Co. of Cyprus (5%), continued to develop a geographic information systems database of Cyprus mineral occurrences with the British Geological Survey. In December, Eastern Mediterranean Resources Public Ltd., which was incorporated in Cyprus in September, agreed to acquire Oxiana's interest in EMM.

Mineral Fuels

In April 2004, Cyprus Petroleum Refinery Ltd. closed the country's petroleum refinery at Larnaca and began to convert its tank farm to a fuel import and storage center.

Outlook

In 2005, continued building and roadway construction in the north and the south is expected to maintain the strong domestic demand for cement, gypsum, sand and gravel, and stone. With the closure of the oil refinery, the country should easily be able to meet European Union standards for sulfur content of fuels with imports.

Reference Cited

United Nations Security Council, 2004, Report of the Secretary-General on his mission of good offices in Cyprus: New York, New York, United Nations Security Council Report S/2004/437, May 28, 27 p.

Internet References Cited

International Monetary Fund, 2005 (April), Cyprus, World Economic Outlook Database, accessed May 3, 2005, via URL <http://www.imf.org/external/pubs/ft/weo/2005/01/data/dbginim.cfm>.

U.S. Central Intelligence Agency, 2004, Cyprus, World Factbook 2004, accessed July 6, 2004, at URL <http://www.odci.gov/cia/publications/factbook/geos/cy.html>.

Major Sources of Information

Mines Service

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Statistical Service of Cyprus

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

(Thousand metric tons unless otherwise specified)

Commodity	2000	2001	2002	2003	2004 ^P
Cement, hydraulic	1,398	1,369	1,438	1,637	1,689
Clays:					
Bentonite metric tons	167,500	126,600	128,400	144,859	155,717
Other:					
For brick and tile manufacture	285	300	350	350 ^c	425
For cement manufacture	450	440	480	550	565
Total	735	740	830	900 ^c	990
Copper, refined ⁴ metric tons	5,197	5,176	3,695	2,552	1,240
Gypsum, crude ⁵ do.	260,000	250,000	295,000	300,000	255,000
Lime, hydrated do.	6,800	9,400	12,190	13,370	13,990
Petroleum refinery products: ⁶					
Liquefied petroleum gases thousand 42-gallon barrels	345	359	378	330	80
Gasoline do.	1,289	1,277	1,313	1,242	300
Kerosene and jet fuel do.	285	288	281	301	70
Distillate fuel oil do.	3,027	2,911	2,704	2,437	600
Residual fuel oil do.	3,274	3,156	2,914	2,411	600
Asphalt and bitumen do.	207	239	217	194	50
Other do.	16	19	17	--	--
Total do.	8,443	8,248	7,824	6,916	1,700
Stone, sand, gravel:					
Limestone, crushed (Havara)	1,800	1,500	2,000	1,000	1,200
Marble	2	2	2	2	1
Marl, for cement production	1,800	1,780	1,950	2,220 ^f	2,290
Sand and gravel ⁷	8,800	9,300	10,500	10,700	11,600
Building stone ⁸	80	55	80	103	105
Sulfur ^e metric tons	1,400	1,400	1,300	1,300	300
Umber do.	7,500	4,800	5,500	5,500	5,205

^cEstimated; estimated data are rounded to no more than three significant digits. ^PPreliminary. ^fRevised. --Zero.

¹Table includes data available through July 1, 2005.

²Small quantities of the mineral pigments ochre and terra verte are mined intermittently. Mineral production data from the area administered by Turkish Cypriots and production of fertilizers, perlite, and 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.

⁴Skouriotissa copper plant was closed in November 2004.

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

⁶Refinery closed in April 2004. Petroleum refinery products are rounded to the nearest thousand barrels; may not add to totals shown.

⁷Includes crushed aggregate.

⁸Includes crude, semifinished, and worked stone.

TABLE 2
CYPRUS: STRUCTURE OF THE MINERAL INDUSTRY IN 2004

(Metric tons unless otherwise specified)

Commodity	Major operating companies and and major equity owners	Location of main facilities	Annual capacity
Aluminum:			
Secondary	A & E Aluminium Recycling Ltd.	Nicosia	NA
Semimanufactures	Muskita Aluminum Industries Ltd.	Extrusion presses, Limassol	18,000
Cement	Vassiliko Cement Works Ltd.	Vassiliko	1,260,000
Do.	Cyprus Cement Co. Ltd.	Moni	400,000
Do.	Bogaz Endustri ve Madencilik	Near Famagusta, Northern Cyprus	150,000
Clay, bentonite	Peletico Penta Ltd.	Mines at Pentakomo and Troulli	300,000
Do.	Hellenic Mining Co.	NA	NA
Do.	Drapia Mining Co. Ltd.	Drapia, Monagroulli, and Parsata	(1)
Do.	Oryktako Ltd.	Mine at Kato Moni and processing plant at Malounda	10,000
Do.	C & A Quarries Ltd.	NA	NA
Copper, cathode	Hellenic Copper Mines Ltd.	Skouriotissa	(2)
Gypsum	Peletico Ltd.	Quarry and processing plant at Aradipou, near Larnaca	NA
Do.	Zeiplast Chemical Industries Ltd.	Near Moni	NA
Perlite	Peletico Ltd.	Expanded perlite facility at Larnaca	NA
Do.	Zeiplast Chemical Industries Ltd.	Expanded perlite facility at Moni	NA
Petroleum, crude	Cyprus Petroleum Refinery Ltd.	Larnaca	(3)
Steel, semimanufactures	B.M.S. Metal Pipes Industries Ltd.	Tube and pipe mill, Paphos	15,000

NA Not available.

¹Inactive

²Production ceased in November 2004.

³Refinery closed in April 2004. Conversion of facility to petroleum product storage terminal began in 2004.