

THE MINERAL INDUSTRY OF JAMAICA

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Jamaica's gross domestic product (GDP) contracted in 1996 by 1.7%; while inflation, as measured by the consumer price index, was 15.8%, a significant decrease from that of 1995, when it was 25.6%. The mining and quarrying sector increased by 7.5%. Growth of the bauxite and alumina subsector was 7.6%, while other mining activities increased 3.2% (The Planning Institute of Jamaica, 1997, p. 1.5).

Privatization efforts by the Government had mixed results in 1996. The sale of the Jamaica Public Service Co.'s majority share did not proceed because the Government was dissatisfied with offers received from the private sector (The Planning Institute of Jamaica, 1997, p. 9.1). The privatization of Petrojam Ltd., the only petroleum refinery in Jamaica, and its subsidiaries was completed in 1996. In July, the Government announced that Petroleum Development Ltd. (PDL), a group formed by the management and employees of Petrojam in partnership with Austin Blade Finance Ltd. and Americar Trading Corp., had been selected to purchase Petrojam's assets being sold by the Government. In October, Petrojam's divestment came into effect. PDL initially paid \$59 million out of the \$68-million price. The outstanding balance would be paid in 1 to 10 years. The Government retained 30% interest in the refinery (The Planning Institute of Jamaica, 1997, p. 9.2).

The Government promotion agency, Jamaica Promotions Corp., was involved in several mineral-related projects. These include prospecting for metallic minerals, mining of limestone/whiting, mining of marble, manufacturing of lime, producing solar salt, and manufacturing of high-grade steel.

By world standards, Jamaica is a modest producer of most minerals. But, it is a leading world producer of bauxite and alumina. Mining and quarrying contributed 9.4% to the GDP in 1996. Of this, 98% was from bauxite and alumina (The Planning Institute of Jamaica, 1997, p. 1.6).

Jamaica ranked third in output of alumina after Australia and the United States, with about 7% of the world total production. It also ranked third in the production of bauxite after Australia and Guinea, with 10% of the world total production. In summary, 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 bauxite reserves of 2 billion metric tons represent 9% of the world's total (Plunkert, 1997, p. 29). Jamaica planned to increase its alumina annual production from about 3 million tons to 5 million tons (Mining Journal, 1996). The country's producers were expected to spend \$500 million in expanding their operations.

Jamaica's production of other 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.

In 1996, production of bauxite in Jamaica increased by 9% to 11.8 million tons, the highest level since 1981. Output of alumina also climbed to 3.2 million tons, almost 10% of the world supply. Revenues from bauxite and alumina decreased slightly to \$695.5 million mainly because of a lower price of alumina (Financial Times, 1997).

Production of gypsum, marl and fill, and sand and gravel increased during the year. Production of gypsum soared in 1996, being 2.5 times that of 1991 and 62% higher than in 1995. Gypsum has become an export commodity, mainly shipped to the Caribbean and Latin America. During the year, gypsum exports totaled \$1.6 million.

Production of limestone, marble, and silica sand decreased in 1996. The decrease in production of limestone (1%) was attributed to the decrease in the construction sector, which contracted by 5.4%. However, exports of high-purity limestone increased by 40%. Production of silica sand has been decreasing since 1994 because of the reduced demand by the beverage industry for glass bottles. Output of marble dropped by almost 29%. Production of salt decreased by 10%, while that of cement rose by 6%.

In 1996, Jamaica's value of exports of traditional commodities was \$904 million, or 66% of total export value of almost \$1.4 billion. Alumina and bauxite continued to be the leading export earners for Jamaica with a combined value of 49% of total exports. In 1996, imports totaled \$2.9 billion. The leading mineral-related imports were fuel and lubricants, imported from Trinidad and Tobago, which accounted for 16% of all imports. Petrojam imported 11.3 million barrels of crude petroleum and petroleum products for \$255.2 million, about 54% of all fuel and lubricants imported. The bauxite/alumina industry imported 24% of the total value; but in terms of volume, it represents a decrease of 7.5%. This was possible because of energy-efficiency improvements in their operations (Planning Institute of Jamaica, 1997, p. 9.6).

References Cited

- Financial Times, 1997, Jamaica lifts bauxite output: Financial Times, no. 3,184, January 8, p. 22.
- Mining Journal, 1996, Bauxite expansion: Mining Journal, v. 327, no. 8406, November 30, p. 434.
- Planning Institute of Jamaica, The, 1997, Economic and social survey Jamaica 1996: The Planning Institute of Jamaica, 26 chapters, variously paged.
- Plunkert, P.A., 1997, Bauxite and alumina: U.S. Geological Survey Mineral

Major Sources of Information

Commissioner of Mines

Ministry of Production, Mining and Commerce
P.O. Box 189, Hope Gardens
Kingston, Jamaica, WI
Telephone: (876) 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		1992	1993	1994	1995	1996
Aluminum:						
Bauxite, dry equivalent, gross weight	thousand tons	11,302 r/	11,307 r/	11,564	10,858 r/	11,829
Alumina	do.	2,917	2,989	3,221	3,030	3,200
Cement, hydraulic	do.	475 r/	451	445 r/	523 r/	555
Gypsum		144,970	152,190	203,700	208,020	338,900
Iron and steel, steel, crude e/		24,690 2/	24,500	24,500	24,500	24,500
Lead, refined (secondary) e/		1,000	800	800	800	800
Lime		179,000	151,000	170,000	170,000 e/	170,000 e/
Petroleum refinery products	thousand 42-gallon barrels	8,763	5,774	5,886	5,364	6,100
Salt		21,095	17,970	17,543	19,730 r/	17,866
Silica sand		20,420	21,300	18,400	16,300	15,800
Stone:						
Limestone	thousand tons	3,161	3,319	3,319	3,385	3,351
Marble, cut and/or polished		4,620	5,780	5,720	2,800	2,000
Marl and fill	thousand tons	3,451	3,627	3,809	3,920	4,116
Sand and gravel	do.	1,347	1,549	1,700	1,800	1,836

e/ Estimated. r/ Revised.

1/ Table includes data available through Oct. 10, 1997.

2/ Reported figure.

TABLE 2
JAMAICA: STRUCTURE OF THE MINERAL INDUSTRY FOR 1996

(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 Aluminium Lat. 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	Mocho 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 Development Ltd., 70%; Government, 30%)	Kingston, St. Andrews Parish	36,000 1/

1/ 42-gallon barrels per day.