

THE MINERAL INDUSTRY OF

JAMAICA

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In 1998, the economy of Jamaica contracted for the third consecutive year, with a decrease in the gross domestic product of 0.7% (The Planning Institute of Jamaica, 1999, p. 1.6). Mining and quarrying was the only sector of production that increased (by 2.6%). Basic services increased slightly.

The Jamaican mining and quarrying sector was dominated by the production of bauxite and alumina, which provided 97.2% of the sector's value. The country ranked third in the production of bauxite, after Australia and Guinea, with 10.4% of total world production. It also ranked third in the production of alumina, after Australia and the United States, with 7.4% of total world production. Jamaica produced small amounts of cement, gypsum, lime, limestone, marble, marl and fill, salt, sand and gravel, and silica sand. (See table 1.) With the exception of bauxite and alumina and lime, all mineral production declined in 1998.

The Ministry of Mines and Energy is the Government agency responsible for the mining sector of Jamaica. Its Mines and Geology Division supports the Ministry through research and ensures the compliance with the law by regulating mining and quarrying. Legislation governing the mineral sector includes The Mining Act, The Mining Regulations, The Minerals (Vesting) Act, The Mines and Health Regulations, The Bauxite and Alumina Encouragement Act, The Quarries Control Act, The Quarries Regulation, and The Gunpowder and Explosive Act (Mines and Geology Division, 1998a, p. 29). The Jamaica Bauxite Institute is responsible for monitoring and regulating the bauxite industry. It serves as the Government adviser in all matters concerning the subsector.

Production of minerals in Jamaica was led by the private sector, but the Government was a partner or had minority equity in several mineral producing companies. Large international companies, such as Aluminum Co. of America, Aluminum Company of Canada, Kaiser Aluminum Corp., and Norsk Hydro A/S, through their Jamaican subsidiaries, sometimes in partnership with the Government or with each other, produced all bauxite and alumina in Jamaica. (See table 2.) The Government owned 43% of the Caribbean Cement Co. Ltd., the only cement producer on the Island.

In 1998, production of bauxite increased to its highest level since 1974 and its third highest historical level to 12.6 million metric tons (Mt) (The Planning Institute of Jamaica, 1999, p. 7.1). Alumina production increased slightly to 3.4 Mt, a record-high level. Capacity utilization was 89.7% for bauxite and 101.2% for alumina (The Planning Institute of Jamaica, 1999, p. 7.2). Kaiser exported unprocessed bauxite from its Port Rhoades facility in Discovery Bay, St. Ann Parish. Alcan Jamaica Co. Alumina Partners of Jamaica, and Alcoa Minerals

of Jamaica Inc., exported alumina from Port Esquivel in St. Catherine Parish, Port Kaiser in St. Elizabeth Parish, and Rocky Point in Clarendon Parish, respectively.

In mid-1998, the Government of Jamaica, the bauxite and alumina industry, and the workers' unions signed an accord designed to improve labor relations and industry productivity (Mining Journal, 1998). With the agreement, the Government sought to increase investment from the companies, the companies would get tax relief on productivity-enhancement measures, and the unions were hoping for stability within the industry. The agreement, which took 3 years to negotiate, was an effort to increase the world competitiveness of the Jamaican bauxite and alumina sector.

Production of cement decreased by 5.6% to 557,830 metric tons, reflecting the contraction of the construction sector, which decreased by 5.7% (The Planning Institute of Jamaica, 1999, p. 1.6). The only producer was Caribbean Cement, near Kingston. During the year, the Government of Jamaica, which owned 43% of Caribbean Cement, began efforts to divest its interest in the company. Two of the bidders for the company were Trinidad Cement Co. and Cementos Mexicanos S.A. de C.V., each of which already owned 10% of Caribbean Cement (The Jamaica Gleaner, 1998).

Production of gypsum decreased by 41.4% to 154,451 tons. The main reason for the reduced output was the closure in January 1998 of Jamaica Gypsum and Quarries, the only producer (The Planning Institute of Jamaica, 1999, p. 7.4). Nonetheless, the company continued to export gypsum, mainly to Central America, South America, and the Caribbean. Exports from the company's stockpiles increased by 23%. However, 3 months after the closure, plans for a new gypsum, plaster of paris, and ceiling tiles plant that would use gypsum mined from Jamaica Gypsum and Quarries were announced (The Jamaica Gleaner, April 23, 1998, New gypsum company launched, accessed March 15, 1999, at URL <http://www.jamaicagleaner.com/gleaner/19980423/business/b3.html>). The new company, GSP Gypsum Ltd., a franchise of GSP Ltd. ceilings from the United Kingdom, began construction of its \$8.5 million plant in Bull Bay in April. Production from the plant will be exported to countries of the Caribbean Common Market.

Output of lime, an industrial mineral product, increased by 14% to 227,300 tons. The Government of Jamaica has been promoting this sector, and, in 1998, a joint venture between the British Rugby Group PLC (61%) and the Clarendon Lime Company Ltd. (39%) to construct a 130,000-metric-ton-per-year kiln in Clarendon Parish was announced (The British Rugby Group PLC, December 9, 1998, Rugby Jamaica Lime

and Minerals Ltd., press release, accessed May 5, 1999, at URL <http://www.rugbygroup.co.uk/cgi-bin...=index.html&footer=newsfooter.html>). Initial production from the new company, Rugby Jamaica Lime and Minerals Ltd., was to be supplied on the basis of a long-term contract with Alcoa Minerals of Jamaica Inc., the alumina producer owned by Alcoa and the Government's Clarendon Alumina Production Ltd. Construction of the plant was scheduled for the beginning of the year with completion planned by the second quarter of 2000.

Production of marble continued to decline, decreasing by 50% in 1998. The Government continued its efforts to promote this commodity; in September, the Mines and Geology Division published a bulletin describing 9 of the 21 Jamaican marble deposits evaluated by the Government with the United Nations Development Programme (Mines and Geology Division, 1998b). The bulletin, which presented reserves, block dimensions, color and appearance, physical and chemical properties, and suggested uses, highlighted 25 types of marble from these deposits.

References Cited

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Major Sources of Information

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TABLE 1
JAMAICA: PRODUCTION OF MINERAL COMMODITIES 1/

(Metric tons unless otherwise specified)

Commodity		1994	1995	1996	1997	1998
Aluminum:						
Bauxite, dry equivalent, gross weight	thousand tons	11,564	10,858	11,863	11,987 r/	12,646
Alumina	do.	3,221	3,030	3,199	3,414	3,440
Cement, hydraulic	do.	445	522 r/	557 r/	591 r/	558
Gypsum		203,700	208,020	338,875	263,662	154,451
Lead, refined (secondary) e/		800	800	800	800	800
Lime		170,000	170,000 e/	245,000 e/	199,419 r/	227,300
Petroleum refinery products	thousand 42-gallon barrels	5,886	5,323 r/	5,000 r/ e/	5,096 r/	5,128
Salt		17,543	19,730	17,866	16,498 r/	15,606
Silica sand		18,400	16,300	15,790	12,089	6,128
Stone:						
Limestone	thousand tons	3,319	3,385	3,351	3,350 r/	3,201
Marble, cut and/or polished		5,720	2,800	2,000	1,500	750
Marl and fill	thousand tons	3,809	3,920	4,116	4,198	3,900
Sand and gravel	do.	1,700	1,800	1,836	1,928	1,839

e/ Estimated. r/ Revised.

1/ Table includes data available through January 24, 2000.

TABLE 2
JAMAICA: STRUCTURE OF THE MINERAL INDUSTRY IN 1998

(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 Company of Canada, 93%; Government, 7%)	Kirkvine, Manchester Parish, and Ewarton, St. Catherine Parish	1,100
Bauxite	Jamalcan Bauxite Mines	St. Ann and St. Catherine Parishes	3,000
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. (Government, 43%)	Rockfort, St. Andrews Parish	1,700
Gypsum	Jamaica Gypsum and Quarries	St. Andrews Parish	NA
Petroleum products	Petrojam Ltd. (Petroleum Development Ltd., 70%; Government, 30%)	Kingston, St. Andrews Parish	35,500 1/

NA Not available.

1/ 42-gallon barrels per day.