

THE MINERAL INDUSTRY OF

MALTA

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Malta was an important transshipment center in the Mediterranean area. The country's natural ports and its strategic location in the center of the Mediterranean Sea and in the middle of the shipping lanes that connect the two ends of the Mediterranean are its major assets.

The transshipment and reexport of goods were significant to the country's economy in 2002. Malta ranked high amongst maritime nations in terms of ships registered. Ships registered under the Maltese flag made up the fifth largest fleet in the world with more than 27 million metric tons of material shipped in 2002 (Country Profiler, 2003¹).

Malta's mineral-related economy depended mainly on trade and the storage of crude oil and refinery products as well as other nonfuel mineral commodities. The mineral industry, which consisted mainly of limestone and salt production for domestic consumption, was small (table 1).

The Government was pursuing a policy of gradual economic liberalization, taking steps to shift emphasis in trade and financial policies from reliance on direct governmental intervention and control to regimes that allow a greater role for market mechanisms. The European Union (EU) was Malta's major trading partner in 2002. The United States' trade balance with Malta is listed in table 2.

Malta was privatizing state-controlled firms and liberalizing markets in order to prepare for membership in the EU. The island, however, remains divided politically on the question of joining the EU. Malta has had an association agreement with the EU for more than 20 years. A referendum on Malta's membership in the EU was scheduled for the first one-quarter of 2003. If results were favorable, then Malta hoped to be included in the first wave of new EU entrants, which should be admitted by 2003 to 2005 (U.S. Department of State, 2002§).

With the help of foreign companies, the Government was exploring its offshore areas for petroleum. Previous seismic work by the Government in the 1980s and by Texaco Corp. from 1990 to 1992 resulted in the identification of several prospects. The prospects are along the same geologic trend as several Italian oilfields offshore Sicily.

Hardman Resources plc of Australia completed technical studies and a satellite oil seep survey on offshore prospects southeast of Malta at offshore block numbers 4 and 5, 70 kilometers (km) east of the Italian Vega oilfield. Hardman had been seeking joint-venture partners to fund a drilling program to extend the license beyond the well commitment date of October 5, 2002. In the absence of a suitable farm-in arrangement, the company agreed to surrender the license (Office of the Prime Minister, 2002§).

The Government signed an agreement allowing Pancontinental Oil and Gas plc of Australia the exploration of area 5 and block 3 of area 4 in waters south of Malta. The agreement provided for further geologic and geophysical work, which would include the drilling of an exploratory oilwell. The company was proceeding with a seismic program to investigate area 5 leads (Pancontinental Oil and Gas NL, 2002§).

A production license was awarded to ENI SpA in an area northwest of Gozo. An exploratory well was drilled in 2002 and was reported to have encountered noncommercial quantities of gas (Office of the Prime Minister, 2002§).

Internet References Cited

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U.S. Department of State, 2002 (July), Malta, Background Note, accessed April 4, 2003, at URL <http://www.state.gov/r/pa/ei/bgn/5382.htm>.

¹References that include a section mark (§) are found in the Internet References Cited section.

TABLE 1
MALTA: ESTIMATED PRODUCTION OF MINERAL COMMODITIES^{1,2}

(Cubic meters)

Commodity ³	1998	1999	2000	2001	2002
Limestone	1,000,000 ^r	1,100,000 ^r	1,140,000 ^r	1,230,000 ^r	1,230,000
Salt	6,000 ^r	6,000 ^r	6,000 ^r	6,000 ^r	6,000

^rRevised.

¹Table includes data available through March 2003.

²Estimated data are rounded to no more than three significant digits.

³In addition to listed commodities, small amounts of cement, fertilizer, lime, and plaster are produced, but available information is inadequate to make reliable estimates of output levels.

TABLE 2
MALTA: TRADE WITH THE UNITED STATES

(Million dollars)

Month	2001 ¹		2002 ²	
	Exports	Imports	Exports	Imports
January	16	24	22	40
February	17	24	26	26
March	19	37	22	36
April	17	21	20	31
May	16	26	27	27
June	14	26	23	33
July	18	22	16	27
August	16	23	18	28
September	17	25	12	35
October	21	27	25	27
November	21	29	22	26
December	20	27	26	34
Total ³	212	311	259	370

¹Source: U.S. Census Bureau, Foreign Trade Division, July 2002.

²Source: U.S. Census Bureau, Foreign Trade Division, April 2003.

³Totals may not add because of rounding.