

THE MINERAL INDUSTRY OF

MALTA

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The importance of Malta's mineral industry rests mainly on trade and storage of crude oil and refinery products. The indigenous mineral industry, consisting of limestone and salt production, contributes less than 0.5% to the gross domestic product.

In 1994, the Hompesch Steel Co., Malta's only steel producer, was forced to close its rebar mill in Fgura, 4 kilometers south of Valletta. The abolishment of the 25% duty on foreign rebar, required under a trade agreement with the European Union, boosted imports from Italy and Romania. The sale of equipment from the 15,000-metric-ton-per-year (mt/a) capacity mill will help Hompesch Steel to expand its iron and steel scrap exports, which at yearend of 1994 was 20,000 mt/a.²

About 20 hard limestone quarries produce crushed aggregates for use in road construction, lime manufacture, and as a concrete additive. About 60 softstone quarries, mainly owned by construction companies, produce building blocks for local construction at the rate of about 300,000 mt/a.³

Trade and storage of petroleum and refinery products are concentrated at Marsaxlokk Bay, on Malta's southern coast.

The storage and blending facilities are connected to a new terminal, accommodating vessels of up to 100,000 deadweight tons.

With help from foreign companies, the Maltese Government is exploring offshore areas for crude oil. The first contract was with American Oil Co. (AMOCO), followed by an agreement with Shell Malta, a subsidiary of Royal Dutch Shell, and its Saudi Arabian partner Nimir. Exploration applications in areas 3, 4, and 5, were due by December 1994. The agreement is for 30 years and includes 50% taxation on profits, but no royalties.

Malta's efforts to become a full member of the European Union will compel the Government to cut state subsidies, further remove protective tariffs, and end state monopolies. This may adversely affect the small-scale limestone industry, but should help procure investments for expansion of storage facilities at Marsaxlokk Bay.

¹Text prepared Apr. 1995.

²Metal Bulletin. Malta's Hompesch Quits Rebar Market. June 2, 1994, p. 25.

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TABLE 1
MALTA: PRODUCTION OF MINERAL COMMODITIES 1/ 2/

Commodity 3/	1990	1991	1992	1993	1994
Limestone e/ thousand metric tons	2,400	2,350	2,300	2,200	2,200
Salt e/ metric tons	30 4/	30	30	30	30

e/ Estimated.

1/ Previously and 1994 data are rounded by the U.S. Bureau of Mines to three significant digits.

2/ Table includes data available through Mar. 1995.

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

4/ Reported figure.