



2006 Minerals Yearbook

FIJI

THE MINERAL INDUSTRY OF FIJI

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The principal natural resources of Fiji are hardwood trees (timber) and marine life (fish). Fiji also has small but rich mineral resources of gold and silver. Other identified mineral resources in Fiji were carbonate rock, copper, lead, river sand and gravel, and zinc, as well as potential offshore oil and gas. Gold and silver were produced mostly for export to earn foreign exchange. Most limestone was produced and consumed as raw material by Fiji's single cement producer. Some crushed stone, limestone, dimension stone, and sand and gravel were produced and consumed by the domestic construction industry.

The Ministry of Lands and Mineral Resources (MLMR) is the main Government agency that implements the country's mineral development policies. Under supervision of the MLMR, the Mineral Resources Department (MRD) is responsible for developing policies on mining and for providing geoscientific and relevant information and assistance to investors in the mining sector. The MRD also facilitates exploration and development of mineral, petroleum, and other related non-biological resources of the country (Mineral Resources Department, 2006).

According to the Fiji Islands Bureau of Statistics' National Accounts, the mining and quarrying sector contributed about 1% of the gross domestic product (GDP) in 2005 (the latest year for which the data were available), and gold and silver production accounted for most of the sector's contribution to the GDP. Fiji relied on imports to meet its mineral fuel requirement. Fijian imports of mineral fuel amounted to \$463.6 million and accounted for 28.8% of total imports in 2005. Fiji's major export mineral commodities were gold and silver, which were valued at \$39.3 million and accounted for about 7.8% of the country's total exports in 2005 (Fiji Islands Bureau of Statistics, 2006a).

Production

According to Government official statistics, the mining activities in Fiji during the past 5 years involved the production of coral sand and limestone for cement manufacturing, gold and silver for export, and river sand and gravel and crude stones for construction (table 1).

Emperor Mines Ltd. of Australia, which was 45.3% owned by DRDGold SA of South Africa, was the sole producer of gold and silver. It operated Emperor Gold Mine [Company] at the Vatukoula gold mine on the island of Viti Levu. On December 28, 2005, as part of the Emperor Gold Mine's restructuring program to improve its financial conditions, 374 workers at Vatukoula were laid off. On January 3, 2006, however, the mine agreed to reinstate 141 of those workers (Answers.com, 2006).

Gold production at the Vatukoula Mine decreased by 49% in 2006 owing to a scheduled mine shutdown during the second quarter and a serious mine-shaft conveyance incident at the Philip Shaft section of the mine during the third quarter. Following an extensive 3-month review, the company announced that the mine was no longer economically viable; the company

closed its Vatukoula gold mine in Fiji on December 5. The mine was placed on a care and maintenance program starting in early December 2006 (Emperor Mines Ltd., 2006).

Fiji Industries Ltd. had operated a cement plant in Lami, Suva, for more than 48 years. The company was the sole supplier of cement to Fiji and to eight Pacific neighboring countries. Fiji Industries reportedly spent about \$4 million in 2004 to renovate its cement-making process to reduce the level of carbon dioxide and dust emissions and to stop water runoff. Cement production had increased to 143,000 metric tons (t) in 2005 from 111,000 t in 2000 (Fiji Islands Bureau of Statistics, 2006b).

Structure of the Mineral Industry

Fiji's mineral industry consisted of one locally controlled cement company, one South African-owned gold mining company and several locally controlled small industrial minerals quarries (company names and their production capacities, however, were not available) that produced such construction materials as limestone, sand and gravel, and other construction aggregates (table 2). The mining and quarrying sector employed about 1,700 workers and accounted for about 0.5% of Fiji's labor force of 342,000 in 2000 (the latest year for which data were available) (Fiji Islands Bureau of Statistics, 2006b).

Outlook

The Fiji mining sector is expected to decline during the next 2 years because of the closure of the Vatukoula gold mine in late 2006. The political instability and uncertainty could prevent new gold and copper mine development in the short term. The mining sector is expected to remain small relative to other sectors of the Fijian economy during the next 2 to 3 years,

Fiji's economy as measured by the GDP was forecasted to grow at a slower rate of 1.8% in 2007 compared with its growth rate of 2.6% in 2006 (International Monetary Fund, 2006).

References Cited

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TABLE 1
 FIJI: PRODUCTION OF MINERAL COMMODITIES¹

| Commodity ² | | 2002 | 2003 | 2004 | 2005 | 2006 |
|---------------------------------|--------------|------------------------|----------------------|----------------------|------------------------|--------------------|
| Cement, hydraulic ^e | metric tons | 111,000 ^{r,3} | 120,000 ^r | 120,000 ^r | 143,000 ^{r,3} | 145,000 |
| Gold, mine output, Au content | kilograms | 3,725 ^r | 3,519 ^r | 3,731 | 2,793 ^r | 1,430 ^e |
| Limestone ^e | metric tons | 165,000 | 180,000 | 180,000 | 215,000 | 215,000 |
| Sand and gravel ^e | cubic meters | 275,913 ³ | 280,000 | 280,000 | 330,000 | 300,000 |
| Silver, mine output, Ag content | kilograms | 1,901 ^r | 1,974 | 1,901 | 1,418 ^r | 750 ^e |

^eEstimated; estimated data are rounded to no more than three significant digits. ^rRevised.

¹Table includes data available through June 1, 2007.

²In addition to the commodities listed, bauxite, crushed and dimension stone, marble, coral sand, and other construction aggregates are produced, but data are insufficient to make reliable estimates of output.

³Reported figure.

TABLE 2
 FIJI: STRUCTURE OF THE MINERAL INDUSTRY IN 2006

(Thousand metric tons unless otherwise specified)

| Commodity | | Major operating companies and major equity owners | Location of main facilities | Annual capacity ^e |
|-----------|-----------|--|---------------------------------------|---------------------------------|
| Cement | | Fiji Industries Ltd. (an affiliate company of Holcim Group) | Lami, Suva, Fiji | 150 |
| Gold | kilograms | Emperor Gold Mines (100% owned by Emperor Mines Ltd. of Australia) ¹ | Vatukoula, on the island of Viti Levu | 1,900 |
| Silver | do. | do. | do. | 750 |

^eEstimated.

¹The Vatukoula gold mine was closed in December 2006.