



# 2007 Minerals Yearbook

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## ALBANIA

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# THE MINERAL INDUSTRY OF ALBANIA

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Albania's important mineral deposits included chromium, copper, iron ore, and such mineral fuels as natural gas and petroleum. Potential developments in the mineral sector could become an important part of Albania's future economic growth as privatization continues and the number of exploration projects increases.

## Minerals in the National Economy

In 2007, Albania's economy continued to develop as indicated by the 6% growth in the gross domestic product (GDP) and an inflation rate of only 2.9% (International Monetary Fund, 2008, p. 264, 270). Industrial production made up about 8% of the GDP, and the mineral extraction industry accounted for about 16% of the value of industrial production (Institute of Statistics of the Republic of Albania, 2008).

## Production

In 2007, production of chromite as measured by gross weight increased by about 54% compared with production in 2006 whereas ferrochromium production was believed to have been suspended in 2007. No copper ore was produced in 2007, and crude steel production was estimated to have maintained its 2006 level of output. Production of industrial minerals was estimated to have remained at 2006 levels as well, whereas production of crude petroleum was estimated to have significantly increased.

## Structure of the Mineral Industry

Privatization efforts continued in 2007, resulting in increased exploration and production activities by private multinational companies. Table 2 gives the locations of important mineral production facilities in Albania, although at the time of the publication of this report, not enough information had been gathered to list the operating companies.

## Commodity Review

### Metals

**Chromium.**—The rights to chromite mines near Bulquize and the Burrel and the Elbasan ferrochromium plants were acquired in 2007 by a partnership of the Austrian firm DCM DECOMetal GmbH and the Russian firm Terwingo Ltd. The partnership announced plans to increase investment significantly at its new facilities to increase annual production of marketable chromite ore and concentrate to 100,000 metric tons (t) from approximately 82,000 t and to achieve annual production of 33,000 t of low carbon ferrochromium and 15,000 t of high carbon ferrochromium. Production of ferrochromium was

expected to be restarted at the end of 2007 or the beginning of 2008 (DCM DECOMetal GmbH, 2007; 2008a, b; Metal-Pages, 2007).

**Nickel.**—European Nickel PLC (ENickel) continued to make progress on exploratory drilling at its Devolli nickel project in southeastern Albania. ENickel reported inferred resources of 35.6 million metric tons of nickel ore with an average grade of 1.20% in November 2007 and planned to complete its initial project study in 2008 (European Nickel PLC, 2008, p. 3, 8).

### Industrial Minerals

Important developments in the industrial minerals sector took place in the cement industry. The Greek company Antea Cement Sh.A. (a subsidiary of the Titan Group) and Spanish company Cementos Aquila sh.p.k. (a subsidiary of Grupo Empresarial Aricam) each were granted permits to construct cement manufacturing plants in Albania. Antea intended to invest about \$125 million<sup>1</sup> into the construction of a 1.5-million-metric-ton-per-year (Mt/yr)-capacity cement plant in the Kruje region with an expected completion date of late 2009 (Titan Group, 2008a, p. 52; b, p. 48). Cementos Aquila planned to invest about \$145 million to construct a plant in Mamurras with an initial capacity of 1.3 Mt/yr and an eventual capacity of 2.6 Mt/yr. The Mamurras plant was expected to begin operations in 2010 (Grupo Empresarial Aricam, 2008).

### Mineral Fuels

Crude petroleum production was estimated to have increased by about 50% in 2007 to an estimated 480,000 t. The estimated increase was the result of a 39% increase in the average oil production at Bankers Petroleum Ltd.'s Patos Marinza oilfield to 4,724 barrels per day (bbl/d). The company expected to increase production at Patos Marinza to 7,500 bbl/d by the end of 2008 and to 20,000 bbl/d by 2010 (Bankers Petroleum Ltd., 2008, p. 4, 7-8, 12). Natural asphalt and bitumen production increased by 17% compared with production in 2006.

### Outlook

The development of additional mineral exploration and development projects in Albania will likely depend on the country's ability to attract foreign investment and further its privatization program. Improvements to the business environment in Albania could increase foreign investment and increase domestic economic activity, which could result in increases in mineral production.

<sup>1</sup>Where necessary, values have been converted from European Union euros (€) to U.S. dollars (US\$) at the rate of 0.73€=US\$1.00.

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TABLE 1  
ALBANIA: PRODUCTION OF MINERAL COMMODITIES<sup>1</sup>

(Metric tons unless otherwise specified)

Commodity <sup>2</sup>	2003	2004	2005	2006	2007
<b>METALS</b>					
Bauxite <sup>e</sup>	5,000	--	-- <sup>3</sup>	--	--
Chromium:					
Chromite, gross weight	220,000 <sup>e</sup>	160,300	170,000	210,120	323,570
Marketable ore and concentrate:					
Marketable ore (41.6% Cr <sub>2</sub> O <sub>3</sub> ) <sup>e</sup>	89,000	40,000	50,000	55,000 <sup>r</sup>	75,000
Concentrate <sup>e</sup>	10,000	14,430 <sup>3</sup>	16,270 <sup>3</sup>	17,000 <sup>r</sup>	25,000
Total	99,000	54,430	66,270	72,000 <sup>e,r</sup>	100,000 <sup>e</sup>
Copper:					
Ore, gross weight	--	29,030	73,000	10,000	--
Concentrate:					
Gross weight	--	3,210	8,480	2,000	--
Cu content <sup>e</sup>	--	642	1,696 <sup>3</sup>	400	--
Iron and steel:					
Metal, ferroalloys, ferrochromium	37,800	34,650	34,400	17,040	--
Steel:					
Crude steel	86,117	98,026	87,000	100,000	100,000 <sup>e</sup>
Rolled steel	86,000 <sup>r</sup>	98,000 <sup>r</sup>	100,000	114,000 <sup>r</sup>	115,000 <sup>e</sup>
<b>INDUSTRIAL MINERALS</b>					
Cement, hydraulic	578	573 <sup>r</sup>	489 <sup>r</sup>	525 <sup>r</sup>	525 <sup>e</sup>
thousand metric tons					
Clay, kaolin <sup>e</sup>	--	300	310 <sup>3</sup>	300	300
do.					
Dolomite <sup>e</sup>	1,500,000	1,613,000 <sup>3</sup>	1,000,000 <sup>3</sup>	1,000,000	1,000,000
Olivinite <sup>e</sup>	200	200	200	200	200
Salt <sup>e</sup>	21,448 <sup>3</sup>	24,783 <sup>3</sup>	25,000	25,000	25,000
<b>MINERAL FUELS AND RELATED MATERIALS</b>					
Asphalt and bitumen, natural <sup>4</sup>	42,076	61,035	86,000 <sup>r</sup>	83,000 <sup>r</sup>	69,000
Coal, lignite	18,000	12,600	13,100	13,000	13,200 <sup>e</sup>
thousand metric tons					
Gas, natural, gross production <sup>5</sup>	11,617	11,965	11,347	11,091 <sup>r</sup>	11,089
thousand cubic meters					
Petroleum:					
Coke	57,541	58,712	60,000 <sup>r</sup>	64,000 <sup>r</sup>	59,000
Crude, gross weight	359,253	386,000 <sup>r</sup>	349,000 <sup>r</sup>	316,000 <sup>r</sup>	480,000 <sup>e</sup>

<sup>e</sup>Estimated; estimated data are rounded to no more than three significant digits; may not add to totals shown. <sup>r</sup>Revised. do. Ditto. -- Zero.

<sup>1</sup>Table includes data available through March 31, 2009.

<sup>2</sup>In addition to the commodities listed, a variety of industrial minerals and construction materials (common clay, quartz, sand and gravel, stone, and titanomagnetite) are produced, but output is not reported quantitatively, and available information is inadequate to make reliable estimates of output.

<sup>3</sup>Reported figure.

<sup>4</sup>Includes asphalt and bitumen produced at petroleum refineries.

<sup>5</sup>Separate data on marketable production are not available, but gross and marketed output are regarded as being nearly equal.

TABLE 2  
ALBANIA: STRUCTURE OF THE MINERAL INDUSTRY IN 2007<sup>1</sup>

(Thousand metric tons unless otherwise specified)

Commodity	Location of main facilities	Annual capacity
Cement	Elbasan, 32 kilometers southeast of Tirana; Kruje, 20 kilometers northwest of Tirana; Shkoder, 85 kilometers northwest of Tirana; and Vlore, southwest of Tirana	1,200
Chromite	Bater (including Bater I and II and Martanesh), 40 kilometers northwest of Tirana	450
Do.	Bulquize (including Bulquize south, Fush, Terrnove, and Todo Maco), 35 kilometers northwest of Tirana	450
Do.	Kalimash, 60 kilometers north of Tirana	250
Do.	Kam, 70 kilometers north of Tirana	100
Do.	Klos, 20 kilometers northeast of Tirana	50
Do.	Pogradec (including Katjiel, Memelisht, Pojske, Pishkash, and Prrenjas), 50 kilometers east of Tirana	100
Coal, lignite	Maneze, Mezes, and Valias Mines in Tirana Durres area; Krabe Mine, 20 kilometers southeast of Tirana; Alarup and Cervnake Mines, in Pogradec area, 80 kilometers southeast of Tirana; Mborje-Drenove Mine in Korce area, 85 kilometers southwest of Tirana; and Memaliaj Mine in Tepelene area, 110 kilometers south of Tirana	18,000
Copper:		
Ore	Fushe-Arrez, 80 kilometers north of Tirana	350
Do.	Gjejan, 100 kilometers northeast of Tirana	150
Do.	Golaj (including Nikoliq and Pus), 120 kilometers northeast of Tirana	150
Do.	Kurbnesh-Perlat, 55 kilometers northeast of Tirana	100
Do.	Rehove, 110 kilometers southeast of Tirana	100
Do.	Reps (including Gurch, Lajo, Spac, and Thurr), 55 kilometers north of Tirana	350
Do.	Rreshen, 50 kilometers north of Tirana	50
Do.	Shkoder (including Palaj, Karma I and II), 85 kilometers northwest of Tirana	100
Smelter	Kukes, 110 kilometers northeast of Tirana	6
Do.	Lac, 35 kilometers northwest of Tirana	7
Do.	Rubik, 50 kilometers north of Tirana	4
Ferromanganese	Burrel, 35 kilometers northeast of Tirana	40
Do.	Elbasan, 32 kilometers southeast of Tirana	36
Iron ore	Prrenjas (Bushtrica, Prrenjas, Skorska I and II), 70 kilometers southeast of Tirana	650
Do.	Guri i Kuq (including Cervenake, Grasishta, Guri i Kuq, Hudenisht, and Guri Pergjrgjur), 25 kilometers east of Tirana	500
Natural gas	million cubic feet Gasfields in southwest Albania between Ballsh and Fier	16,000
Nickel, smelter	Elbasan	6
Petroleum:		
Crude	42-gallon barrels per day Oilfields at Marineze, Ballsh, Shqisht, Patos, Kucova, Gorrisht, and others	35,000
Refined	do. Refineries: Ballsh, Cerrik, Fier, and Stalin	33,000
Steel	Steel of the Party Metallurgical Combine at Elbasan	150

Do., do. Ditto.

<sup>1</sup>A substantial portion of these enterprises have been operating significantly below capacity during the transition to a market economy; the capacities provided in this table represent only the latest available information and may not show the true status of these enterprises.