



# 2009 Minerals Yearbook

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**HUNGARY [ADVANCE RELEASE]**

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# THE MINERAL INDUSTRY OF HUNGARY

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Hungary was a modest producer of minerals, and mining and mineral processing activities made up only a small part of the country's economy. In 2009, Hungary's gross domestic product (GDP) decreased by 6.3% compared with the GDP in 2008. Mining and quarrying made up only about 0.2% of the GDP in 2008 (the latest year for which data were available). Petroleum, petroleum products, and related materials accounted for about 5% of the value of all imports, and natural and manufactured gas accounted for about 4% of the total value of imports. Hungary was a participant in both the South Stream and the Nabucco natural gas pipeline development projects (Hungarian Central Statistical Office, 2009; 2010a, p. 12-13; b, p. 42).

## Production

Production decreases were seen for most minerals in 2009 owing to the world economic crisis and the resulting decrease in demand for mineral commodities. Production of bauxite and alumina decreased by 38% each; gallium, by 33%; pig iron, by 19%; crude steel, by 35%; and steel semimanufactures, by an estimated 36%. Production stopped at Hungary's second ranked steel producer, Dam 2004 Acel-es Hengeremu Kereskedemi es Szolgaltoto Ltd. (Dam 2004), in December 2008, and the liquidation process for Dam 2004's assets began in June 2009. In April, steel producer ISD Dunafer Ltd. announced that it would lay off 300 employees and release 100 workers into early retirement. ISD Danafer's subsidiary ISD Kokszo Ltd. reduced coke production by 25% (ISD Dunafer Ltd., 2009; Steel Guru, 2009).

Industrial mineral production was estimated to have declined in 2009 owing to the 4.3% decrease in the volume of construction compared with that of 2008. Building construction decreased by 12.6%, but civil construction increased by 6.2%. In the third quarter of 2009, Holcim Hungaria Zrt. stopped production at its cement plant at Labatlan owing to decreased demand for cement. Nostra Cement, which was a subsidiary of Strabag SE, expected to complete construction on a new cement plant at Kiralyegyhaza with a production capacity of 750,000-850,000 t/yr of cement in the summer of 2010 and to begin production in 2011 (Budapest Business Journal, 2009; Holcim Ltd., 2009; Hungarian Central Statistical Office, 2010b, p. 51).

## Structure of the Mineral Industry

Table 2 is a list of the major mineral industry facilities. Four important changes were made to table 2. The Tisza and

the Zala Refineries were removed from the list of petroleum refineries because these refineries did not distill any crude oil. The Tisza Refinery performed desulfurization and fuel blending and the Zala Refinery produced bitumen products. Motim Electrocorundum Ltd. was removed from the list of alumina producers because the company produced alumina products and not alumina from bauxite. INOTAL Aluminium Processing Ltd. was removed from the list of aluminum producers. Since it took over the smelter at Inota from Magyar Aluminium Ltd. (MAL) in 2007, INOTAL produced only aluminum products and not crude aluminum.

## Outlook

Hungary will most likely remain a small producer of mineral products and the trade of mineral fuels was expected to remain a significant issue in terms of Hungary's trade balance.

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

(Metric tons unless otherwise specified)

Commodity <sup>2</sup>	2005	2006	2007	2008	2009	
<b>METALS</b>						
Bauxite, gross weight	thousand metric tons	535	538	546	511	317
Alumina, gross weight, calcined basis	do.	305	301	301	299	185
Aluminum:						
Primary		31,800	1,400	--	--	--
Secondary <sup>e</sup>		50,000	50,000	50,000	50,000	50,000
Total		81,800	51,400	50,000	50,000	50,000
Gallium	kilograms	5,900 <sup>r</sup>	6,300 <sup>r</sup>	5,600 <sup>r</sup>	5,100 <sup>r</sup>	3,400
Iron and steel, metal:						
Pig iron	thousand metric tons	1,329	1,335	1,394	1,289	1,050
Steel:						
Crude	do.	2,005	2,144	2,317	2,160	1,401
Semimanufactures	do.	1,944 <sup>r</sup>	2,225 <sup>r</sup>	2,138 <sup>r</sup>	2,196 <sup>r</sup>	1,400 <sup>e</sup>
Manganese ore:						
Run-of-mine:						
Gross weight		50,000	50,000	51,000	50,000	50,000 <sup>e</sup>
Mn content <sup>e</sup>		13,500	13,400	13,600	13,400	13,400 <sup>e</sup>
Concentrate: <sup>e</sup>						
Gross weight		15,000	15,000	15,000	15,000	15,000
Mn content		5,000	5,000	5,000	5,000	5,000
<b>INDUSTRIAL MINERALS</b>						
Cement, hydraulic	thousand metric tons	3,371	3,724	3,552	3,544	3,200 <sup>e</sup>
Clays:						
Bentonite, raw		9,000	6,600	54,000	50,000	45,000 <sup>e</sup>
Kaolin, raw and washed		7,000	7,000	3,000	3,000	2,800 <sup>e</sup>
Gypsum and anhydrite		55,000	30,000	26,000	26,000	24,000 <sup>e</sup>
Nitrogen, N content of ammonia <sup>e</sup>	thousand metric tons	275	275	300	300	300
Perlite		65,000	71,000	67,000	67,000	65,000 <sup>e</sup>
Sand and gravel:						
Gravel	thousand metric tons	33,500	34,483	29,400	25,000	23,000 <sup>e</sup>
Sand:						
Common	do.	12,800	11,634	5,400	5,400	5,000 <sup>e</sup>
Foundry		138,000	120,000	117,000	100,000	90,000 <sup>e</sup>
Glass		164,000	251,000	220,000	220,000	200,000 <sup>e</sup>
Stone:						
Dimension, all types <sup>e</sup>	thousand metric tons	5,000	5,000	5,745 <sup>3,r</sup>	5,700 <sup>3,r</sup>	5,500
Dolomite	do.	7,200 <sup>e</sup>	8,142	6,270	6,200	6,000 <sup>e</sup>
Limestone	do.	3,014	3,517	3,287	3,200	3,000 <sup>e</sup>
Sulfur, byproduct, elemental, all sources <sup>e</sup>		65,000	50,000	65,000	65,000	60,000 <sup>e</sup>
Sulfuric acid <sup>e</sup>		80,000	80,000	80,000	80,000	75,000 <sup>e</sup>
<b>MINERAL FUELS AND RELATED MATERIALS</b>						
Coal:						
Bituminous	thousand metric tons	--	--	--	--	--
Brown	do.	1,426	1,352	1,392	1,373	1,370 <sup>e</sup>
Lignite	do.	8,154	8,467	8,352	8,041	8,000
Total	do.	9,580	9,819	9,744	9,414	9,370 <sup>e</sup>
Coke, metallurgical		613,643	921,062	1,016,547	998,809	746,155
Gas, natural	million cubic meters	3,159	3,246	2,653	2,691 <sup>r</sup>	2,517
Peat		NA	77,300	89,000 <sup>r</sup>	90,000	90,000 <sup>e</sup>

See footnotes at end of table.

TABLE 1—Continued  
HUNGARY: PRODUCTION OF MINERAL COMMODITIES<sup>1</sup>

(Metric tons unless otherwise specified)

Commodity <sup>2</sup>	2005	2006	2007	2008	2009	
MINERAL FUELS AND RELATED MATERIALS—Continued						
Petroleum: <sup>3,4</sup>						
Crude thousand 42-gallon barrels	6,340	5,930	5,610	5,180	4,970	
Refinery:						
Motor fuel (including aviation fuel)	do.	11,300	11,700	11,900	11,600	11,100
Gas oil	do.	27,100	26,900	28,800	28,900	28,600
Fuel oil	do.	1,200	1,800	1,000	900	900
Total	do.	39,600 <sup>r</sup>	40,400 <sup>r</sup>	41,700 <sup>r</sup>	41,400 <sup>r</sup>	40,600

<sup>6</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. NA Not available. -- Zero.

<sup>1</sup>Table includes data available through August 27, 2010.

<sup>2</sup>In addition to the commodities listed, diatomite, lime, and a variety of industrial minerals and construction materials, such as common clay and talc, may have been produced, but available information is inadequate to make reliable estimates of output.

<sup>3</sup>Reported figure.

<sup>4</sup>Figures were converted to barrels from production reported in thousand metric tons, which was reported as the following: Crude production: 2005—948; 2006—886; 2007—839; 2008—775; 2009—743. Petroleum products (totals): 2005—4,998; 2006—5,092; 2007—5,249; 2008—5,225; 2009—estimated by author.

TABLE 2  
HUNGARY: STRUCTURE OF THE MINERAL INDUSTRY IN 2009

(Thousand metric tons unless otherwise specified)

Commodity	Major operating companies and major equity holders	Location of main facilities	Annual capacity
Alumina	Magyar Aluminium Ltd. (MAL)	Ajka Timfoldgyar plant, about 120 kilometers southwest of Budapest, near Lake Balaton	400
Bauxite	do.	Bakony bauxite mine 5 kilometers south of Ajka	NA
Cement	Holcim Hungaria Zrt. (Holcim Ltd.) <sup>1</sup>	Plants at Labatlan and Hejocsaba	2,100
Do.	Duna-Drava Cement Kft. (HeidelbergCement, 50%, and Schwenk Zement KG, 50%)	Plants at Beremend, 30 kilometers south of Pecs, and Vac, 35 kilometers north of Budapest	2,500
Clays	Agyag-Asvany Kft	Two opencast mines at Felsopeteny	NA
Coal:			
Brown coal	Vertes Power Plant Ltd. (Magyar Villamos Muvek Zrt., 96.59%)	Markushegy Mine at Oroszlany, 55 kilometers west of Budapest	1,400 <sup>c</sup>
Lignite	Mátrai Erömü Zrt. (MÁTRA) (RWE AG, 50.9%; Magyar Villamos Muvek Zrt., 25.5%; EnBW AG, 21.7%)	Thorez opencast mine at Visonta, 80 kilometers northeast of Budapest	4,700 <sup>c</sup>
Do.	do.	Opencast mine at Bukkabrany, 130 kilometers northeast of Budapest	4,000 <sup>c</sup>
Coke	ISD Kokszolo Ltd. (ISD Dunafer Co. Ltd.)	Dunaujvaros, 60 kilometers south of Budapest	1,000
Iron, pig iron	ISD Dunafer Co. Ltd. (Industrial Union of Donbass)	do.	1,400
Manganese	NA	Urkut manganese ore mines, 120 kilometers southwest of Budapest	NA
Natural gas	Hungarian Oil and Gas Co. (MOL)	Oil and gas fields in south and southwest Hungary	NA
Perlite	Perlit 92 Kft	Palhaza, northeastern Hungary; opencast mine and processing plant	NA
Petroleum:			
Crude	42-gallon barrels per day Hungarian Oil and Gas Co. (MOL)	Oil and gas fields in southern and southwestern Hungary	14,800 <sup>c</sup>
Refined	Duna Refinery [Hungarian Oil and Gas Co. (MOL)]	Szazhalombatta, 25 kilometers southwest of Budapest	8,100
Pig iron	ISD Dunafer Co. Ltd. (Industrial Union of Donbass)	Dunaujvaros, 60 kilometers south of Budapest	1,300
Silica	Uveg-Asvany Banyaszati Ipari Kft.	Mine and plant at Fehevarosugo	NA
Steel, crude:			
Primary	ISD Dunafer Co. Ltd. (Industrial Union of Donbass)	Dunaujvaros, 60 kilometers south of Budapest	1,600
Secondary	OAM OZD Steelworks Ltd.	120 kilometers northeast of Budapest	360
Do.	Dam 2004 Acél-es Hengermu Kereskedemi es Szolgáltato Ltd. <sup>2</sup>	Diosgyor, 145 kilometers northeast of Budapest	550

<sup>c</sup>Estimated. Do., do. Ditto. NA, Not available.

<sup>1</sup>Holcim Hungaria Zrt.'s plant at Labatlan temporarily halted cement production in the third quarter of 2009.

<sup>2</sup>Stopped production in December 2008.