



# 2014 Minerals Yearbook

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## REUNION AND SEYCHELLES

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# THE MINERAL INDUSTRIES OF REUNION AND SEYCHELLES

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## REUNION

Reunion is a volcanic island located about 200 km southwest of Mauritius. Administratively, it is an overseas department of France. Mineral production represented only a very small part of the economy of Reunion; quantitative information on mineral production was not available. Aggregates and coral sand were produced on the island, primarily for local consumption, and cement was processed from imported clinker. All demand for metals and mineral fuels was met through imports.

## SEYCHELLES

The mineral industry was not a significant contributor to the economy of Seychelles in 2014. The country's economy was primarily based on the services sector, which accounted for 72% of the gross domestic product (GDP) in 2014. The tourism industry accounted for 28% of the GDP, making it the largest single contributor. The manufacture of concrete, glass, rock products, and other construction materials contributed 0.5% to the GDP in 2014, and the rate of growth in the sector was 2% at constant prices. In 2014, mineral fuel imports accounted for 25% of all imports and were valued at \$288 million, which was an increase of 5% compared with the value in 2013 (National Bureau of Statistics, 2014, p. 12; Central Bank of Seychelles, 2015, p. 12, 16, 52–53; World Bank, The, 2015).

The country's mineral industry is administered by the Ministry of Defense, Legal Affairs, Information, Youth, and Hydrocarbons and the Ministry of Natural Resources and Industry. The Mineral Act of 1962 governs mineral extraction and mining; the Removal of Sand and Gravel Act of 1982 regulates the mining of beach sand; and the Petroleum Mining Act of 1976 governs hydrocarbon exploration and production. Activity in the hydrocarbon sector is also regulated by the Seychelles Petroleum (Taxation) Act of 2008 and the Seychelles Petroleum (Taxation) (Amendment) Act of 2013.

### Production

Mineral commodities produced in Seychelles included clay for bricks, crushed stone, granite dimension stone, salt, and sand. Aggregates was the only commodity for which production data were reported. The production of crushed granite increased by 12% in 2014 to 152,453 metric tons (t) compared with 136,000 t in 2013. Aggregates other than crushed granite increased by 10% to 129,131 t in 2014 from 117,471 t in 2013 (table 1). Table 2 is a list of major mineral industry facilities.

<sup>1</sup>Deceased.

## Commodity Review

### *Mineral Fuels and Other Sources of Energy*

**Petroleum.**—The national oil company, PetroSeychelles Ltd., was established in 1984 for the promotion and supervision of oil exploration activities in the waters of Seychelles' Exclusive Economic Zone (EEZ). Although exploration for hydrocarbons had been ongoing since the 1970s, no commercially significant petroleum or gas reserves had been found in the region by yearend 2014. Seychelles depended entirely on imported petroleum products for its energy requirements (PetroSeychelles Ltd., 2015a, c, d).

In 2014, two petroleum companies were active in the Seychelles EEZ. Exploration activity in two license blocks north of the Seychelles Islands was conducted by Afren plc of the United Kingdom through its wholly owned subsidiary East African Exploration (Seychelles) Ltd. (EAX) (75% working interest) and Avana Petroleum Ltd. (25% working interest), which was a wholly owned subsidiary of Vanoil Energy Ltd. of Canada. Evaluation of a three-dimensional (3-D) seismic program conducted in 2013 in deep water had been completed, and an economic study of the prospective potential of the license area had begun. Further 3-D seismic acquisition in shallow water areas of the license area was planned for 2015 (Afren plc, 2014; PetroSeychelles Ltd., 2015b).

WHL Energy Ltd. of Australia was active in three offshore exploration blocks, which are located to the south of the islands. In March 2014, Ophir Energy plc of the United Kingdom announced that it had entered into an agreement with WHL Energy Ltd. to acquire a 75% operator interest in the southern offshore exploration blocks. The blocks are located within a frontier basin characterized by a large number of potential structural hydrocarbon targets. A 3-D seismic survey that covered 1,500 square kilometers (km<sup>2</sup>) was completed in July; interpretation started in September and was expected to be completed in 2015. The offshore region had been tested previously by four drill holes, all of which encountered oil and gas shows but no commercial hydrocarbons (Ophir Energy plc, 2015, p. 28).

**Renewable Energy.**—In order to reduce its reliance on imported fuels, Seychelles set a target of producing 15% of its electricity from renewable resources by 2030. In 2014, wind power produced 2.2% of the energy used by the islands. The Port Victoria wind farm, which consisted of eight wind turbines, had an installed capacity of 6 megawatts, sufficient to supply 2,200 homes. The project was funded by the Government of the United Arab Emirates and managed by its energy company, MASDAR, until it was handed over to the Seychelles Public Utilities Corp. (PUC) in June 2013. In May 2014, a project was

initiated to take advantage of the year-round solar potential in Seychelles. The project, which was cofunded by the United Nations Development Programme—Global Environment Facility (UNDP-GEF), would generate a total of 750 kilowatts of solar energy from the use of photovoltaic panels and would provide a 35% rebate to residential and commercial users of solar energy (Lablache, 2014; Razanajatovo, 2014).

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

(Metric tons)

Commodity <sup>2</sup>	2010	2011	2012	2013	2014
Stone, crushed:					
Granite (locally known as crusher dust)	180,520	120,214	155,946	136,000	152,453
Other	156,710	101,046	123,759	117,471	129,131

<sup>1</sup>Table includes data available through November 12, 2015.

<sup>2</sup>In addition to the commodities listed, brick clay, granite dimension stone, salt, and sand were produced, but available information is inadequate to make reliable estimates of output.

TABLE 2  
REUNION AND SEYCHELLES: STRUCTURE OF THE MINERAL INDUSTRIES IN 2014

(Metric tons)

Country and commodity	Major operating companies	Location of main facilities	Annual capacity <sup>e</sup>
REUNION			
Cement	Holcim (Outre-Mer) S.A.S. (Holcim Ltd.)	Ibity grinding plant, Le Port	600,000
SEYCHELLES			
Stone, crushed	United Concrete Products (Seychelles) Ltd.	Pointe Larue, Mahe Island	150,000
Do.	Civil Construction Company Ltd.	Quarry on Mahe Island	97,000
Stone, dimension, granite	Gondwana Granite Co. Ltd.	Victoria, Mahe Island	NA

<sup>e</sup>Estimated; estimated data are rounded to no more than three significant digits. Do. Ditto. NA Not available.