

CROATIA

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Petroleum production and refining remained the chief components of Croatia's minerals industry. Small quantities of ferrous and nonferrous metals and industrial minerals were produced, mainly for domestic needs.

In 2000, following a year of economic stagnation, Croatia's gross domestic product grew by 3.5% and industrial production, by about 1.7%. The total value of output of the mining and quarrying sector increased by 1.8%, of which the value of petroleum increased by 2%. The output of petroleum refinery products, base metals, and processed industrial minerals rose by 5.4%, 4.4%, and 4.1%, respectively.

Major activities in the oil and gas sector included the government's plan to privatise Industrija Nafta dd Zagreb (INA) in 2002. INA, Croatia's state-owned oil company, operates domestic oil and gasfields southeast of Zagreb near the Hungarian border and along the Adriatic coast. The country's primary source of petroleum came from imports via the Adria pipeline that runs from Omisalj on the Adriatic coast toward Sisak (refinery) to the east and then northward towards Hungary.

The major share of the crude oil consumed by Croatia is imported from oilfields that INA operates under contract in Angola, Egypt and the Russian Federation. New offshore Adriatic deposits were under development during 2000, and exploitation began through a joint venture with ENI of Italy. INA's Sisak refinery also began to ship petroleum refinery products to Serbia and Montenegro in October shortly after the cancellation of the international embargo. Other developments included Jadranski Naftovod (JANAF), in which INA has a 38% stake, concluding an agreement with Yukos of the Russian

Federation in October 2000. This agreement calls for modernisation of the Adria pipeline and its linkage with Yukos's Druzhba pipeline, which supplies Central Europe with petroleum. The project would allow Yukos to transport crude petroleum to the Croatia port of Omisalj for loading onto tankers.

Croatia's production of metals was based mainly on domestic and imported secondary raw materials. The output of crude steel fell by nearly 8% last year but there was a recovery in the production of aluminium semimanufactures (primary aluminium declined slightly) and ferroalloys. Output of ferroalloys (ferrochromium) resumed following a break in output in 1999.

Jadranska Zelejazara Split on the Adriatic coast and SP MK Zeljezare Sisak dd in Sisak comprised the country's steel industry. Major activities in the iron and steel industry in 2000 included a contract that Jadranska awarded to Voest-Alpine Industrieanlagenbau (VAI) of Austria to modernise Jadranska's operations. The renovation would cost approximately US\$10 million and include the installation of a new electric arc furnace, a two-stand Concast billet caster, and a rolling mill. The new electric arc furnace, which would replace two existing furnaces, was scheduled for startup in September 2001 and will have a design capacity of 81,000 t/y, lifting total steel production capacity at Jadranska to about 170,000 t/y. Other issues in the steel industry involved the European Union's imposition of a definitive 23% duty on imports of Croatian seamless pipe and tube in response to findings of dumping by the European Commission. This measure replaced the imposition of a provisional 31.2% duty in 1999.

There was a rise in industrial minerals output. The cement industry, which helps drive the

quarrying of industrial minerals, saw production increase by more than 3%, compared with that of 1999. Foreign investment, led by a UK-based consortium, in Dalmacijacement, mainly to convert operations from fuel oil to coal and petroleum-based coke, amounted to US\$48.01 million.

Meanwhile, the outlook for Croatia's economy and minerals industry, like that for other republics of the former Yugoslavia, is captive to political and social stabilisation in the region.

| Production of Mineral Commodities ^{1,2} (t except where specified) | | | |
|--|----------------------|----------------------|----------------------|
| Commodity ³ | 1998 | 1999 | 2000 |
| Metals | | | |
| Aluminium: | | | |
| Bauxite ^e | -- | -- | -- |
| Metal, ingot, primary and secondary | 16,112 ^r | 14,461 ^r | 14,403 ⁴ |
| Alloys | 2,191 | 843 | 977 ⁴ |
| Semi-manufactures, rolled | 26,148 | 29,465 | 30,161 |
| Ferrochromium | 11,861 ^r | -- | 15,753 ⁴ |
| Steel: | | | |
| Crude, from electric furnaces | 104,854 | 74,429 ^r | 68,360 ⁴ |
| Semi-manufactures: | | | |
| bars and wire rod | 42,357 | 46,665 | 42,388 ⁴ |
| strip, narrow and wide | -- | -- | -- ⁴ |
| seamless tubes | 56,637 | 40,719 | 36,432 ⁴ |
| welded pipe | | | |
| Industrial Minerals | | | |
| Cement ('000t) | 2,294 | 2,712 | 2,852 ⁴ |
| Clays: | | | |
| Bentonite | 7,581 | 8,441 ^r | 10,013 ⁴ |
| Ceramic clay ^e | 5,022 | 6,000 | 6,100 |
| Fire clay, crude ^e | 5,000 | 5,000 | 5,500 |
| Gypsum: | | | |
| Crude | 107,800 ^r | 137,991 ^r | 150,765 ⁴ |
| Calcined | 1,259 | 1,236 | 1,176 ⁴ |
| Lime ('000t) | 216 | 198 | 220 ⁴ |
| Nitrogen ('000t) | 248 | 306 ^r | 328 ⁴ |
| Pumice ('000t) | 38 | 55 | 38 ⁴ |
| Quartz, quartzite, glass sand | 112,018 ^r | 99,078 ^r | 95,686 ⁴ |
| Salt, all sources | 24,050 ^r | 18,373 ^r | 33,668 ⁴ |
| Sand and gravel ('000 m ³) | 4,316 | 3,644 | 3,480 ⁴ |
| Stone, excluding quartz and quartzite, dimension stone, crude: | | | |
| Ornamental (m ²) | 1,133,405 | 1,457,334 | 608,707 ⁴ |
| Crushed ('000 m ³) | 11,459 | 11,871 | 11,000 |
| Other ^e (m ³) | 20,000 | 20,000 | 25,000 |
| Sulphur, by-product of petroleum ^e | 15,000 | 15,000 | 15,000 |
| Mineral Fuels and Related Materials | | | |
| Carbon black | 22,165 | 17,589 | 20,029 ⁴ |
| Coal, bituminous ('000t) | 51 | 15 | -- ⁴ |
| Natural gas, gross production Mm ³ | 1,570 | 1,567 | 1,768 ⁴ |
| Petroleum, crude: | | | |
| As reported ('000t) | 1,535 | 1,618 ^r | 1,768 ⁴ |
| Converted ^{e5} ('000 bbl) | 10,400 | 9,600 | 10,300 |
| Refinery products | 5,053,000 | 5,438,000 | 5,700,000 |

^e Estimated. ^r Revised. -- Zero.

¹ Table includes data available through July 2001.

² Estimated data are rounded.

³ In addition to commodities listed, common clay also was produced, but available information was inadequate to make reliable estimates of output levels.

⁴ Reported figure.

⁵ Rounded to two significant digits.