

CYPRUS

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Mineral Industry Intelligence and Information

The main attentions of the international community and the divided Island's 'patron states', Greece and Turkey, were focused elsewhere during 2000. Consequently both the generally recognised Cyprus Government in Nicosia and the breakaway Turkish Republic of Northern Cyprus (TRNC) were left rather more to their own devices than in 1999 (apart from TV programmes about holiday high jinks at the country's tourist resorts). Cyprus is doing rather well on this basis it seems; at US\$14,500/y *per capita* income is higher than in either Greece or Turkey. Nevertheless, a resolution of the island's ethnic problems would surely improve the long-term economic outlook as well as the political situation.

The Nicosia Government maintained foreign and economic policies aimed at building the country's significance as a centre of trading and tourism within the Middle East. A new initiative by the Central Bank aims to attract 'offshore' mutual investment funds that target the Mid East market to Cyprus by offering an attractive fiscal and regulatory regime.

The quarrying and mining sector again contributed to economic progress, as shown

in the accompanying table. In value terms the increase in production during 2000 over that in 1999 was marginally less than the 1999 improvement on 1998, mainly due to a reduction in gypsum output. Value added also increased to a slightly lesser extent. Mining and quarrying sector employment fell from 676 in 1999 to 669.

Mining sector data do not include the copper production of Hellenic Copper Mines Ltd (HCM), which is presently based on leaching dump material at Skouriotissa and recovering copper by solvent extraction and electrowinning. Under a co-operation contract with Mytilineos Holdings SA, HCM's copper cathode production is exclusively distributed in the international market by the Greek company, which in January 2000 took a 30% stake in HCM via an increase in capital. This is intended to help finance the planned expansion of the SX-EW plant from 8,000 t/y to 12,000 t/y, which, in turn, is intended to reduce the production cost from US\$0.65/lb copper to US\$0.55/lb. The additional capital was also intended to enable HCM to restructure its debt terms, which were severely limiting cash. As a result of this deal the holdings in HCM are now: Hellenic Mining

Cyprus: Mining And Quarrying						
	1998		1999		2000	
	'000 t	CE'000	'000 t	CE'000	'000 t	CE'000
Gypsum	296.8	935	181.5	572	138.1	435
Ochres	6.05	151	9.17	229	12.3	306
Building stone	39.5	345	63.0	519	91.6	660
Marble	6.75	46	1.6	11	2.1	15
Sand and aggregates	8,400	16,350	9,150	18,300	9,570	20,097
Limerock	4,905	2,943	4,735	2,841	5,020	3,012
Clay	344.3	310	393.8	354	371.8	335
Bentonite	121.85	1,459	140.1	1,555	126.3	1,534
Total Value		22,540		24,486		26,394

Source: RoC, Statistical Service, Ministry of Finance

Co. 31%, Oxiana 30.5%, Mytilineos 30% and others 8.5%. Hellenic also wants to list on the Cyprus Stock Exchange. Present reserves are sufficient to sustain production for ten years but the company is also drilling in the Phoenix open pit and surrounding area to locate any lateral and deep continuations of

the orebody. Copper production and sales in the first quarter of 2001 totalled 1,326 t.

East Mediterranean Minerals (Cyprus), which is a 50/50 joint venture between Hellenic Mining and Oxiana, is conducting a wide-scale exploration programme focused on gold and volcanic massive sulphide deposits.