

# CYPRUS

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Driving policy making during 2001 was the likelihood that Cyprus will join the European Union, possibly in 2004. The generally recognised Republic of Cyprus (RoC), which is effectively the divided island's Greek Cypriot population, applied for membership in 1998. Re-unification with the Turkish Republic of Northern Cyprus (TRNC) is not a pre-condition for entry but both the United Nations and the EU would prefer the island to achieve this step before joining. EU membership, it is argued, should secure the security and independence of both communities. In Turkey, older politicians fear a return to the discrimination against Turkish Cypriot communities that was a major factor in the 'divorce', but many Turkish industrialists favour removing potential obstacles to their country joining the EU. Solidarity within NATO, of which both Greece and Turkey are members, also has a bearing. In these circumstances, TRNC leader Denktash sought a private meeting with the RoC President, Mr

Clerides, who agreed on condition the UN representative be present. The two met on December 4, for the first time in four years. The meeting apparently went well and a programme of further contacts was arranged.

2001 was also a positive year for Cyprus' main mineral industry exporter, Hellenic Copper Mines Ltd (HCM). HCM produced 5,176 t of copper cathode by leaching, solvent extraction and electrowinning at Skouriotissa and achieved an operating profit. Throughout 2001 the company took technical and managerial steps to move the existing operation closer to its rated output of 8,000 t/y copper prior to undertaking the planned expansion of the SX-EW plant, which is intended further to reduce production costs. In the first quarter of 2001, the company reported an increase in pumping capacities and a switch to single-lift leaching; in the second quarter, HCM commissioned a new fines treatment unit; and in the third the joint venture partners completed a restructuring

## Republic of Cyprus: Mining and Quarrying

	1999		2000		2001	
	'000 t	£'000	'000 t	£'000	'000 t	£'000
Total Value		24,486		26,394		25,250
Non-metallics						
Gypsum	81.5	572	138.1	435	144	454
Ochres	9.17	229	12.3	306	7.8	195
Building materials, Clays						
Building stone	63.0	519	91.6	660	85.5	667
Marble	1.6	11	2.1	15	2.4	16
Sand & aggregates	9,150.0	18,300	9,570.0	20,097	9,980.0	20,060
Limerock	4,735.0	2,841	5,020.0	3,012	2,930.0	1,758
Clay	393.8	354	371.8	335	367.2	330
Bentonite	140.1	1,555	126.3	1,534	115.5	1,770

Source: RoC, Statistical Service, Ministry of Finance.

whereby Hellenic Mining Group and Mytilineos Holdings both have 39.16% interests and Oxiana Europe has 14.15%. The exercise provided a capital injection by Mytilineos for funding capacity expansion. Hellenic also wants to list on the Cyprus Stock Exchange but will wait until the copper market improves.

Towards the end of the year, HCM stopped separate heap leaching of higher grade ore (0.58-0.73% copper) and dump leaching of lower grade material (0.22-0.28% Cu) in favour of a simpler, cheaper single-leach operation. Whereas in the first nine months of the year HCM treated approximately 795,000 t of high grade and 421,000 t of low grade material, in the last quarter the firm processed only 56,000 t of 0.60% Cu material but 443,000 t of 0.40% Cu ore. Mytilineos continued to handle cathode marketing.

During the first half of 2001, East Mediterranean Minerals (Oxiana Europe 60%) completed

planning for drilling eight volcanic-hosted massive sulphide copper targets. Located within the Troodos Complex, these targets had been identified by sophisticated processing of accumulated geophysical data. The drilling programme immediately intersected significant mineralisation, Oxiana reported.

The Hellenic Mining Group also participates in the domestic industrial minerals and stone sector, being the main shareholder in the Vassiliko cement manufacturing operation. Overall the sector reported a small overall decrease in the value of mine/quarry production, as shown in the accompanying table. Sand and aggregates output increased again, earned slightly less but still accounted for almost 80% of sector production value. In contrast, bentonite production declined again in tonnage terms but increased in value. Reduced limerock output was mainly responsible for the overall decline in sector value.