CROATIA

By Walter G. Steblez
US Geological Survey

The petroleum extraction and refining sectors continued to play leading roles in Croatia's mineral industries. However, the mining and processing of industrial minerals and metals occupied a much lesser role in meeting the country's consumption needs during 2002.

Croatia's gross domestic product (GDP) increased by 3.8% compared with that of 2001; total industrial production rose by 4.5%. The value of output of the mining and quarrying sector, as a whole, rose by about 17% compared with that of 2001, representing about 5.3% of the gross value output of industry.

The petroleum and natural gas sector (less surveying) increased output by 1.4%, compared with the 3% shortfall in 2001 when output fell by about 5%. The gross value of output of coke and petroleum refinery products increased by about 1.2%, and the value of natural gas and petroleum production as a proportion of total industrial output amounted to about 3.8%. The government continued to promote reform and privatisation of the country's energy sector.

In the early part of the year, the government approved initial privatisation stages for the public electric-power generating company HEP, and for the national oil and gas company INA. Legislation concerning INA stipulated a retention of 25% of the company's shares by the government, at least until Croatia's accession to the European Union; 25% plus one share is to be sold to a major strategic investor, and the balance of INA's shares are to sold on the stock market and distributed to current and former employees and war veterans under preferential terms. Foreign oil and gas concerns expressing initial interest in offering bids during INA's privatisation included those of Austria, Hungary, Poland and Russia.

INA's commercial activities during the year included exploration for natural gas and petroleum in Albania and Syria. In the southwestern part of Albania, INA was developing an oil well at Dajlani 1 during the first phase of planned exploration. In Syria, INA began development of the Jihar 1 well in the Hayan exploration block; the development of a second oil well was also initiated. Three wells are to be built during INA's first phase of exploration and development work in Syria. Exploration in Croatia's offshore areas, previously undertaken jointly by INA and Italy's national oil and gas company, Ente Nazional/Idrocarbuni (ENI), resulted in the discovery of about 20,000 Mm^3 of natural gas in the Ivana, Ika, Ida, Annamaria and Marica fields. The development plan calls for the construction of nine production platforms to work 18 drill sites, as well as to lay a 120 km underwater gas main. Production was anticipated to begin in 2004.

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The gross value of output of Croatia's mining and quarrying operations, other than those associated with hydrocarbons, increased by about 56%, and that of processed industrial minerals by 14%, compared with that of 2001. The decline in the value of base metals output, however, amounted to about 10%. Preliminary data for 2002 indicated the cessation of production of aluminium ingot (primary and secondary); more than 16,000 t were produced in 2001. The decline in output of aluminium alloys and aluminium semis amounted to about 1.3% and 1.0%, respectively. In addition, production of crude steel fell by about 42% compared with that of 2001.

The privatisation of Zeljezara Sisak in 2001, which resulted in its acquisition by Trubo Impex (an Austrian-Russian consortium), experienced a reversal in 2002: following a wage dispute between labour and the company's new management, Trubo Impex withdrew from its participation in Sisak's operation in November 2002, leaving the company in financial difficulty.

In contrast with metals, output of most industrial minerals continued to register growth. Preliminary production data for 2002, show increases for crushed stone, dimension stone, gypsum, salt, and silica materials of 14%, 8%, 3%, 19% and 9%, respectively, over 2001. In 2002, industrial minerals mining and processing and building materials sectors constituted 7% of the value of total industrial production. Cement, lime and glass production increased by about 4%, 6%, and 6%, respectively, compared with that of 2001. About 20% of the mining and quarrying of industrial minerals directly goes for the production of consumer goods; the balance, is used as feedstock for a wide range of industrial products.

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Croatia: Mineral Production (t) [1][2]/					
Commodity [3]		1999	2000	2001	2002
Metals					
Aluminium:					
Bauxite [e]		--	--	--	--[4]
Metal, ingot, primary and secondary		14,461	15,050	16,019	--[4]
Ferrochromium		--	15,753	361	--[4]
Crude Steel		77,213	71,021	57,993	33,851[4]
Industrial Minerals					
Cement	'000 t	2,712	2,852	3,246	3,378[4]
Clays:					
Bentonite		8,441	10,013	10,580	10,000
Ceramic clay [e]		6,000	6,100	6,000	6,000
Fire clay, crude [e]		3,000	--	--	--
Gypsum:					
Crude		137,991	150,765	130,861	135,000
Calcined		1,236	1,176	1,217	1,200
Lime	'000 t	198	220	253	269[4]
Nitrogen	'000 t	306	328	263	270
Pumice	'000 t	55	38	42	40
Quartz, quartzite, glass		211,572	211,705[r]	252,013[r]	274,121[4]
Salt, all sources		18,477	33,668	32,585	36,885[4]
Sand and gravel	'000 cm^3	3,644	3,480	3,500	3,500
Stone, excluding quartz					
Ornamental	m^2	1,155,281	1,063,901[r]	1,044,944	1,127,948[4]
Crushed and brown,	'000 t	11,871	10,801	12,941	14,736[4]
Other [e]	cm^3	20,000	25,000	25,000	25,000
Sulphur [e]		15,000	15,000	15,000	15,000
Mineral Fuels and Related Materials					
Carbon black		17,589	20,029	21,180	20,000
Coal, bituminous	'000 t	15	--	--	--[4]
Natural gas, gross	Mcm^3	1,551	1,659[r]	2,010	2,100
Petroleum, crude:					
As reported	'000 t	1,293	1,214	1,121	1,100
Refinery products		5,639,000	5,322,000	5,400,000	5,300,000

[e]/ Estimated.
[r]/ Revised.
-- Zero.
[1]/ Table includes data available through May 2003.
[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.