

## CYPRUS

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**A**s a single island, Cyprus seemingly snatched defeat from the jaws of victory on April 24 2004. The UN managed to organise a referendum on national re-unification - as the United Republic of Cyprus - ahead of the scheduled May 1, 2004 date for the existing Republic's accession to the European Union (EU). The re-unification process requires agreement between the Republic of Cyprus, effectively the majority Greek Cypriot community that now occupies the southern part of the island, and the breakaway Turkish Republic of Northern Cyprus (TRNC). A majority in the TRNC, whose older leaders had approached the issue without much enthusiasm, voted in favour of the plan, but people in the Republic, where widespread support for unification had previously been claimed, voted against, as recommended by the government and the church. Consequently, only the Republic of Cyprus, having signed the Treaty of Accession in April 2003, has actually joined the EU.

The justification for the 'no vote' is said to lie in the detail of the UN scheme but it seems that many Greek Cypriots feared that their living standards would decline as a result of re-unification. The perceived failure of the united Cyprus Government to ensure that investment in the Turkish communities matched that in Greek areas was, it may be recalled, a major reason for the alienation of the two populations in the first place, leading to the creation of the 'Green Line' divide manned by UN troops and the Turkish invasion. Sceptics may be tempted to feel the Republic's citizens like it that way.

A key question now is what status will be accorded to the TRNC, which has previously only been recognised by Turkey. Immediately following the vote, EU expansion commissioner Guenter Verheugen said his team would seriously consider a way to end Turkish Cypriot economic isolation, while officials said the EU plans to provide direct financial aid and to take further steps to help the fishing and mining sectors. The Union would also consider opening its market to farm produce from northern Cyprus. The Republic's government backed such assistance.

At present the mineral industry makes a small contribution to the Cyprus economy, providing raw materials for domestic construction and manufacturing, while also exporting industrial minerals and metals. Within the Republic, the value of gross mining and quarrying output rose from C£19.7 million in 1995 to about C£30 million in 2002, with just one dip in 1997. Sand, gravel and limerock for construction comprise by far the greatest proportion of the tonnage extracted by more than 250 quarries and also account for the biggest share by value. But bentonite mining and processing, mainly for export, is also important, with Peletico, the Hellenic Mining Group and C&A Quarries being the main producers. Hellenic is also the main shareholder in

the Vassiliko cement manufacturing operation and Peletico is the largest producer of the island's third most important industrial mineral, gypsum. Some of the production from Aradipou is calcined, some used in-house to make plasters and some sold for plasterboard and cement manufacture. Umber and ochres are also mined largely for export, the main producers being Drapia Mining Co Ltd and Feo Quarries Ltd, both also bentonite suppliers. Cement is manufactured in three grades and production rose from 1.44 Mt in 2002 to 1.64 Mt in 2003, most of the increase being used domestically: local sales totaled 1.3 Mt and exports 362,000 t. However, clinker output fell by 20,000 t to 1.4 Mt and exports from 212,500 t to 56,000 t.

Hellenic Copper Mines (HCM) continues to recover copper from previous mine dumps, using a leach-solvent extraction-electrowinning system with a capacity of 10,000 t/y copper cathode. Following Oxiana's sale of its 14.15% interest in HCM during March 2004, the local Hellenic Mining Co. and the Greek firm Mytilineos Holdings own the company. However, Oxiana retained the right to exploit the 500,000 t of gold ore (grading 1.5 g/t) that has already been mined at Skouriotissa, plus any gold ore that HCM may mine in future. The Australian-based company had also already increased its stake in the exploration company East Mediterranean Minerals (Cyprus) Ltd (EMM) from 60 to 95%, the partner company in this case being Hellenic Mining.

EMM is continuing studies of the island's volcanic-hosted massive sulphide systems in the Troodos Complex. Although drilling at six anomalies did not encounter mineralisation in economic quantities, EMM is doing ground geophysics on some alteration systems as well as drilling plus geophysics in unexplored areas close to existing mines.

	2000	2001	2002
Total Value (C£'000)	27,500 <sup>(r)</sup>	26,855 <sup>(r)</sup>	30,065
Output ('000 t)			
Gypsum (raw)	138.1	144.0	153.6
Ochres	12.3	8.2	7.8
Building stone	91.6	85.5	n.a
Marble	2.1	2.4	n.a
Sand & aggregates	9,740 <sup>(r)</sup>	9,740 <sup>(r)</sup>	11,200.0
Limerock	5,020	2,930	n.a
Clay	371.8	367.2	n.a
Bentonite	126.3	115.5	108.7

r – Revised

Source: RoC, Statistical Service, Ministry of Finance