



2012 Minerals Yearbook

MALTA

THE MINERAL INDUSTRY OF MALTA

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The sedimentary rocks that formed the islands of the Maltese archipelago are composed mainly of limestone. The rock sequence is divided into five geologic formations: Upper Coralline Limestone, Greensand, Blue Clay Limestone, Globigerina Limestone, and Lower Coralline formation. The older sediments of the Lower Coralline Limestone were deposited about 35 million years ago whereas the more recent layers of the Upper Coralline Limestone were deposited about 7 million years ago. Also, there were some small areas of Pleistocene surface deposits. Malta had very few mineral resources (industrial minerals, metallic minerals, or mineral fuels) that were of economic significance (University of Malta, 2013).

The Malta Resources Authority (MRA) has regulatory responsibility relating to the energy, mineral, and water resources of the Maltese islands. The MRA was established by the Maltese Parliament through the Malta Resources Authority Act of 2000. Some of the mineral-related matters for which the MRA has oversight responsibility are oil exploration, quarry operators, and energy and water utilities (Malta Resources Authority, 2013a).

Production

The main mineral commodities produced in Malta in 2012 were limestone and evaporated (solar) salt, which were used locally, mostly in construction and lime making (table 1).

Structure of the Mineral Industry

Several small stone quarries operated on the islands of Gozo and Malta. Available information regarding the ownership of these quarries, however, as well as the amount of production, capacity, and the locations of the quarries was inadequate to prepare a Structure of the Mineral Industry table for Malta.

Mineral Trade

Malta is strategically located in the center of the Mediterranean Sea and is about 6 nautical miles off the main Mediterranean sea-route between Gibraltar and the Suez Canal, which is one of the major shipping lanes in the world. Because of its location, Malta has become an important transshipment center for major shipping lines. In 2004, the Malta Freeport Terminals Ltd. was established to develop the Malta Freeport, which offers modern transshipment facilities, storage, and various assembly and processing operations, including an oil terminal with bunkering facilities. In 2012, Malta Freeport ranked 12th among the top European ports and was the third-ranked transshipment and logistics center in the Mediterranean region. More than 95% of the Malta Freeport's container traffic was transshipment business, including petroleum and refined petroleum products (Malta Freeport Terminals Ltd., 2012).

The mineral-related economy of the country depended almost completely on imports, the reexport of raw materials and fuels, and the storage of crude petroleum. The European Union (EU) countries that were Malta's principal trading partners included Germany (14%), France (10.5%), Greece (7.7%), Italy (7.4%), and the United Kingdom (6.4%) for exports and Italy (32%), France (8.4%), the United Kingdom (8%), and Germany (6.9%) for imports (U.S. Central Intelligence Agency, 2013).

In 2012, exports to Malta from the United States were valued at \$381 million. These exports included fuel oil valued at \$245 million, natural gas liquids valued at \$23 million, and petroleum products valued at \$6 million. U.S. imports from Malta in 2012 were valued at \$257 million. These imports included other petroleum products valued at \$10 million and advanced iron and steel manufactures valued at \$46,000. Malta depended almost completely on imports for its supply of raw materials and fuels (U.S. Census Bureau, 2012a, b).

Commodity Review

Mineral Fuels

Petroleum.—The Oil Exploration Department (OED) of the MRA was set up to implement and administer the provisions of the Petroleum Production Act, Chapter 156, as amended; the Continental Shelf Act, Chapter 194, as amended; and the Petroleum (Production) Regulations, Subsidiary Legislation 156.01, as amended. The OED administers the country's petroleum exploration, which includes promoting exploration, analyzing data, keeping samples and data, monitoring contractual obligations, and maintaining surveillance of exploration activity on Malta's Continental Shelf. Hydrocarbons have been produced for several decades in the Libya and Tunisia offshore areas, which are adjacent to Malta's marine area and are within the same geologic province (Malta Resources Authority, 2012b).

Mediterranean Oil and Gas Ltd. of the United Kingdom announced that it planned to start petroleum exploration drilling efforts by yearend 2013 on its license in Malta's offshore Area 4 where it has a production-sharing agreement with the Government. Mediterranean Oil and Gas stated that its decision was based on new seismological data that it had acquired in 2011 and 2012. The new data were gathered using a 9-kilometer-long cable that made use of sonar to explore for petroleum prospects below sea level. This €8.3 million (\$11.1 million¹) exploration project was the largest yet conducted in Malta by Mediterranean Oil and Gas (Malta Today, 2012).

¹Where necessary, values have been converted from euro area euros (€) to U.S. dollars (US\$) at a rate of €0.75=US\$1.00.

Mediterranean Oil and Gas reported that an independent review by ERC Equipoise Ltd. of the United Kingdom had estimated 26 million barrels of petroleum resource potential. Mediterranean Oil and Gas stated that it intended to initiate drilling exploration by yearend 2013. The sea is 450 meters deep in the area, and the exploration well is expected to reach a depth of 2.5 kilometers and take 60 days to drill (Xuereb, 2012).

Outlook

International trade activities, including the transshipment and reexport of goods, such as petroleum, refined products, and other minerals, will continue to be significant to Malta’s economy. The country is expected to continue offshore exploration for petroleum. Industrial minerals will continue to be produced for domestic consumption.

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TABLE 1
MALTA: ESTIMATED PRODUCTION OF MINERAL COMMODITIES^{1,2}

(Cubic meters)					
Commodity ³	2008	2009	2010	2011	2012
Limestone	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Salt, solar	6,000	6,000	6,000	6,000	6,000

¹Estimated data are rounded to no more than three significant digits.

²Table includes data available through March 31, 2013.

³In addition to the commodities listed, small amounts of cement, fertilizer, lime, and plaster are produced, but available information is inadequate to make reliable estimates of output.