



# 2011 Minerals Yearbook

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**MALTA**

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# THE MINERAL INDUSTRY OF MALTA

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The geology of the Maltese islands is relatively young; the oldest rocks date back to the middle of the Tertiary Period about 30 to 35 million years ago. The islands contain very few minerals of economic significance. The sedimentary rocks that form the islands were used locally, mostly in construction and lime making. Some minerals worthy of note were anhydrite, calcite, and gypsum (Savona-Ventura, 1995).

The Malta Resources Authority (MRA) is a public corporate body with regulatory responsibility related to the energy, mineral resources, and waters of the Maltese islands. The MRA was established by the Maltese Parliament through the Malta Resources Authority Act of 2000. The MRA is responsible for such mineral-related functions as oil exploration, oversight of quarry operators, and regulation of energy and water utilities (Malta Resources Authority, 2011a).

## Production

Malta's exploited mineral resources in 2011 were mainly limestone and evaporated (solar) salt. Quarrying was done mainly by small family-operated businesses, as was the production of solar salt (table 1). Two types of limestone were quarried, both by open pit. The softstone limestone, locally known as Franka, was quarried from the Lower Globigerina Limestone Formation and was the main building material for construction. Limestone known locally as hardstone was quarried from the Lower and Upper Coralline Limestone Formations. These deposits also produced crushed aggregates and a harder material, locally known as Malta Marble, which could be polished and used for tiling. All the mineral production was for domestic consumption (Malta Resources Authority, 2011a).

## Structure of the Mineral Industry

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

## Mineral Trade

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 as a group were Malta's principal trading partners. In 2011, exports to Malta from the United States were valued at \$707 million. U.S. imports from Malta in 2011 were valued at \$244 million (table 2). U.S. exports to Malta included fuel oil, which was valued at \$568 million, petroleum products valued at \$37 million, drilling and oilfield equipment valued at \$2 million, and mineral supplies valued at \$1 million. U.S. imports from Malta included excavating and construction equipment, which was valued at \$4 million; U.S. goods returned and reimported,

\$2 million; finished metal shapes, \$22,000; and iron and steel manufactures, \$6,000. Malta depended almost completely on imports for its supply of raw materials and fuels (U.S. Census Bureau, 2011a, b).

In 2004, the Malta Freeport Terminals Ltd. was established to develop the Malta Freeport, which was to offer modern transshipment facilities, storage, and various assembly and processing operations, including an oil terminal with bunkering facilities. Between 2004 and 2011, the Malta Freeport invested about €170 million (\$226 million<sup>1</sup>) in expansions and new equipment, such as quayside cranes and yard cranes, and in increasing the water depth. The expansion resulted in steadily increasing capacity levels and traffic volume; the volume of traffic at the Freeport terminal increased by 71% from 2005 to 2011. Malta's strategic location in the center of the Mediterranean Sea on one of the major shipping lanes in the world provided an important transshipment center for major shipping lines (CountryProfiler Ltd., 2011, p. 5).

## 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, including promoting exploration, analyzing data, keeping samples and data, monitoring contractual obligations, and maintaining surveillance of exploration activity on Malta's Continental Shelf (Malta Resources Authority, 2011c).

Hydrocarbons have been produced for several decades in areas adjacent to Malta's offshore area. Malta's extensive offshore marine area neighbors the offshore areas of Libya and Tunisia and is within the same geologic province. Notable hydrocarbon areas north of Malta include the Gela, the Irminio, the Ragusa, and the Vega fields, which are located offshore Sicily. Fields to the southwest of Malta include the Ashtart and the Miskar fields offshore Tunisia and the Bahr Es Salaam and the Bouri fields offshore Libya. The Government continued to promote Malta's petroleum potential. In 2011, Heritage Oil plc and Mediterranean Oil and Gas plc (both of the United Kingdom) held exploration licenses in Maltese waters (Malta Resources Authority, 2011b).

Mediterranean Oil and Gas announced that it had signed an agreement with the Government to extend the first exploration phase of the production-sharing contract (PSC) for the offshore

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

Malta area 4 (Blocks 4, 5, 6, and 7) until January 2013. There was no change to the existing required level of minimum exploration expenditure of \$5 million or to the commitment to acquire 1,000 square kilometers of three-dimensional (3-D) seismic survey data. The western part of Block 7 was covered by a 3-D seismic survey. Four prospects and five leads on the PSC area had been confirmed and delineated by yearend 2011 (Offshore Energy Today, 2011).

## Outlook

International trade activities, including the transshipment and reexport of goods, such as petroleum and other minerals, will continue to be significant to the country'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<sup>1,2</sup>

(Cubic meters)

Commodity <sup>3</sup>	2007	2008	2009	2010	2011
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

<sup>1</sup>Estimated data are rounded to no more than three significant digits.

<sup>2</sup>Table includes data available through March 31, 2012.

<sup>3</sup>In 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.

TABLE 2  
MALTA: TRADE WITH THE UNITED STATES

(Million dollars)

Month	2010		2011	
	Exports	Imports	Exports	Imports
January	19	20	27	17
February	25	19	29	20
March	17	27	27	31
April	42	21	56	16
May	79	23	5	21
June	7	24	32	23
July	82	22	115	20
August	70	20	103	21
September	51	24	89	23
October	21	20	78	19
November	19	18	36	17
December	27	24	109	18
Total <sup>1</sup>	457	262	707	244

<sup>1</sup>Data has been rounded and may not add to totals shown.

Source: U.S. Census Bureau, Foreign Trade Division, U.S. trade with Malta. (Available at <http://www.census.gov/foreign-trade/balance/c4730.html>.)