



2008 Minerals Yearbook

ALBANIA [ADVANCE RELEASE]

THE MINERAL INDUSTRY OF ALBANIA

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Albania's important mineral deposits included chromium, copper, iron ore, and mineral fuels, such as natural gas and petroleum. As in recent years, production of such minerals as chromite and steel increased, and the number of exploration projects for chromite, copper, and nickel have also increased as Albania's privatization program continued to attract international exploration companies.

Minerals in the National Economy

In 2008, Albania's gross domestic product (GDP) increased by 6.8% and the rate of inflation was 3.4%. In 2007 (the most recent year for which data were available), industrial production made up about 8% of the GDP, and the mineral extraction industry accounted for about 16% of the value of industrial production (Institute of Statistics of the Republic of Albania, 2008; International Monetary Fund, 2009, p. 194, 200).

Production

Production of crude steel and rolled steel were each estimated to have increased by about 14% compared with production in 2007, and ferrochromium production was restarted. Other metals and industrial minerals were estimated to have maintained their 2007 production levels. Asphalt and bitumen production increased by about 33%, coke production decrease by about 20%, natural gas production increased by about 20%, crude petroleum production increased by about 25%, and production of petroleum refinery products decreased by about 14% compared with production data for 2007 (table 1).

Structure of the Mineral Industry

Mining activities in Albania are regulated by the Mining Law of Albania, No. 7796, dated February 17, 1994. Privatization of Albanian mineral resources is accomplished through the granting of prospecting permits, exploration concessions, and mining concessions to Albanian and foreign companies. In 2008, more than 738 permits for prospecting, exploration, and mining were reported to be outstanding; 590 of these permits were for mining. Most of the permits went to small- and medium-size companies, and the majority of permits were for the mining of limestone (259 permits) and chromite (220 permits). Table 2 is a list of major mineral industry facilities (Parliament of Albania, 1994, p. 6-12; Albinvest, 2009, p. 2).

Commodity Review

Metals

Chromium.—Production of chromite in 2008 decreased by 37% compared with that of 2007. Reported chromite ore

reserves were 32.8 million metric tons (Mt), including 12.8 Mt at a grade of more than 30% Cr₂O₃ (Albinvest, 2009, p. 15).

The rights to chromite mines near Bulquize and the Burrel and the Elbasan ferrochromium plants were acquired in 2007 by Albanian Chrome, Sh.p.k. (ACR), which was a partnership between the Austrian firm DCM DECOMetal GmbH and the Russian firm Terwingo Ltd. In March, ACR opened one of three furnaces at its ferrochromium plant in Elbasan; it planned to open the second furnace in July 2009 and the third furnace in January 2010. In 2008, ACR reported production of 74,674 metric tons (t) of chromite and 11,916 t of ferrochromium (DCM DECOMetal GmbH, 2007; 2008a, b; Muller, 2009).

In January 2009, Empire Mining Corp. received exclusive exploration and development rights to four licenses located near Bulqiza. The area of the licenses covered 64.5 square kilometers (km²) (24 square miles) (Empire Mining Corp., 2009).

JAB Resources Ltd. explored a 30-km² (12-square-mile) area near Kalimash in northeastern Albania; its focus was on high-tonnage, low-grade chromite. At the end of 2008, JAB was preparing applications for a mining permit and planned to operate an open pit mine and a concentrating plant to produce about 700,000 metric tons per year (t/yr) of chromite ore, which would then be processed into about 100,000 t of concentrate. No potential startup date for the mine and plant was given (JAB Resources Ltd., 2009).

Nickel.—No nickel production was reported in 2008. In November, Balkan Resources Inc. (based in Alberta, Canada) and European Nickel PLC (ENickel) (based in London, United Kingdom) announced that they would develop the Devolli and the Kokogllave deposits in southeastern Albania as a joint venture. Each company would have a 50% stake in the project, which was expected to produce about 15,000 to 20,000 t/yr of nickel for at least 15 years. A prefeasibility study for the project was expected to be completed by the end of 2009 (European Nickel PLC, 2009, p. 8).

Industrial Minerals

No data were available on the production of industrial minerals, but production was estimated to have remained near the 2007 levels of production. Antea Cement Sh.a. (a subsidiary of the Titan Cement Group) continued construction of a 1.5-million-metric-ton-per-year (Mt/yr)-capacity cement plant in the Kruje region. The plant was expected to begin operating in early 2010. Cementos Aquila sh.p.k. (a subsidiary of Grupo Empresarial Aricam S.L.) planned to construct a plant in Mamurras with an initial capacity of 1.3 Mt/yr and an eventual capacity of 2.6 Mt/yr. The Mamurras plant was expected to begin operations in 2010 (Grupo Empresarial Aricam, 2008; Titan Group, 2009, p. 54).

Mineral Fuels

Crude Petroleum.—Production of crude petroleum was estimated to have increased to about 3,970,000 barrels (bbl), which was an increase of about 25% compared with that of 2007. The increase was entirely the result of an increase in production by Bankers Petroleum Ltd. The company increased crude petroleum production at its Patos Marinza field to an average of 5,875 barrels per day (bbl/d) from 4,724 bbl/d in 2007. By the end of 2008, Bankers Petroleum was producing up to 6,960 bbl/d from the Patos Marinza field and increased the amount of proved and probable reserves by 22% to 180 million barrels (Mbbbl). State-owned company Albpetrol Sh.A. reported production of 281,147 t (1.9 Mbbbl) of crude petroleum in 2008, which is the same amount that was reported in 2007. This reported figure was converted to 42-gallon barrels using the U.S. Energy Information Administration's conversion factor for Albania of 6.594 bbl of crude petroleum per metric ton (U.S. Energy Information Administration, 2008; Albpetrol Sh.a., 2009; Bankers Petroleum Ltd., 2009, p. 1, 2, 14).

Refined Petroleum.—In February the Albanian Government announced that Albania's only petroleum refinery, the state-owned Albanian Refining and Marketing of Oil Sh.a. (ARMO), would be privatized, and, in June, the Government announced that a consortium made up of Switzerland-based Anica Enterprises and Mercuria Energy Group Ltd., and United States-based Refinery Associates of Texas Inc. was chosen as the winner of the tender for 85% of the company. The consortium bid \$193.4 million and planned to invest about \$354 million¹ in ARMO's refineries, which were located in Ballsh and Fier. The deal was reportedly made final in early December and the consortium paid the Government the money owed for the purchase of the refinery (AlbanianEconomy, 2008; Koleka, 2009).

Outlook

Albania has the potential to increase its production of metals and mineral fuels as exploration projects continue and as foreign companies increase investments in Albania. Further investment will depend on economic and social stability as well as on the improvement of infrastructure.

¹Where necessary, values have been converted from European Union euros (€) to U.S. dollars (\$) at the rate of €0.68*=US\$1.00.

*Correction posted February 2, 2010.

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TABLE 1
ALBANIA: PRODUCTION OF MINERAL COMMODITIES¹

(Metric tons unless otherwise specified)

Commodity ²	2004	2005	2006	2007	2008 ^e	
METALS						
Chromium:						
Chromite, gross weight	160,300	170,000	210,120	323,570	203,850 ³	
Marketable ore and concentrate:						
Marketable ore (41.6% Cr ₂ O ₃) ^e	40,000	50,000	55,000	80,000 ^r	51,000	
Concentrate ^e	14,430 ³	16,270 ³	17,000	25,000	16,000	
Total	54,430	66,270	72,000	105,000 ^r	67,000	
Copper:						
Ore, gross weight	29,030	73,000	10,000	65,000 ^{r,e}	65,000	
Concentrate:						
Gross weight ^e	3,210 ³	8,480 ³	2,000	5,000 ^r	5,000	
Cu content ^e	642	1,696 ³	400	1,000 ^r	1,000	
Iron and steel:						
Metal, ferroalloys, ferrochromium	34,650	34,400	17,040	--	11,916 ³	
Steel:						
Crude steel	120,000 ^{r,e}	179,524 ^r	205,534 ^r	263,271 ^r	300,000	
Rolled steel	98,000	100,000	114,000	136,000 ^r	155,000	
INDUSTRIAL MINERALS						
Cement, hydraulic	thousand metric tons	573	489	525	889 ^r	890
Clay, kaolin ^e	do.	300	310 ³	300	300	300
Dolomite ^e		1,613,000 ³	1,000,000 ³	1,000,000	1,000,000	1,000,000
Olivinite ^e		200	200	200	200	200
Salt ^e		24,783 ³	25,000	25,000	25,000	25,000
MINERAL FUELS AND RELATED MATERIALS						
Asphalt and bitumen, natural ⁴		61,035	86,000	83,000	69,000	92,000 ³
Coal, lignite ^e		12,600	13,100	13,000	13,200	13,000
Gas, natural, gross production ⁵	thousand cubic meters	11,965	11,347	11,091	11,089	13,295 ³
Petroleum:						
Coke		58,712	60,000	64,000	59,000	47,000 ³
Crude, gross weight	thousand 42-gallon barrels	2,545	2,301	2,084	3,165 ^{r,e}	3,970
Refinery products: ⁶						
As reported	thousand metric tons	376	361	405	378	324 ³
Converted to 42-gallon barrels ^e	thousand 42-gallon barrels	4,080	3,770	4,490	4,140	3,540

^eEstimated; estimated data are rounded to no more than three significant digits; may not add to totals shown. ^rRevised. do. Ditto. -- Zero.

¹Table includes data available through June 30, 2009.

²In addition to the commodities listed, a variety of industrial minerals and construction materials (common clay, quartz, sand and gravel, stone, and titanomagnetite) are produced, but output is not reported quantitatively, and available information is inadequate to make reliable estimates of output. Also, a small amount of bauxite for use in the cement industry was believed to have been produced.

³Reported figure.

⁴Includes asphalt and bitumen produced at petroleum refineries.

⁵Separate data on marketable production are not available, but gross and marketed output are regarded as being nearly equal.

⁶Figures include asphalt and bitumen and coke production figures seen earlier in the table.

TABLE 2
ALBANIA: STRUCTURE OF THE MINERAL INDUSTRY IN 2008¹

(Thousand metric tons unless otherwise specified)

Commodity	Major operating companies and major equity owners	Location of main facilities (all state-owned)	Annual capacity	
Cement	NA	Vlore, southwest of Tirana	NA	
Do.	Elbasan Cement Factory (Seament Holding)	Elbasan, 32 kilometers southeast of Tirana	775	
Do.	Fushe Kruje Cement Factory Sh.p.k. (Seament Holding)	Fushe Kruje, 35 kilometers northwest of Tirana	1,320	
Do.	Spacelift Cement Group	Mes, northeast of Shkoder, 85 kilometers northwest of Tirana	1,200	
Chromite	Albanian Chrome, Sh.p.k. (ACR) (DCM DECOmetal GmbH, 50%, and Terwingo Ltd., 50%)	Bater (including Bater I and II and Martanesh), 40 kilometers northwest of Tirana	450	
Do.	do.	Mine in Bulquize, 40 kilometers northwest of Tirana	85	
Do.	do.	Pogradec (including Katjtel and Pojske Mines)	NA	
Do.	Empire Mining Corp.	Bulquiza-Batra License (including the Thekna, Lugu Gjat-10 Korriku, Ternova, and Ushitari Mines) 40 kilometers northwest of Tirana, near Bulqize	NA	
Do.	do.	Bulquiza Veriore License, 40 kilometers northwest of Tirana, near Bulqize	NA	
Do.	do.	Qafe Burreli License, 40 kilometers northwest of Tirana, near Bulqize	NA	
Do.	do.	Liqeni i Dhive License (including the Liqeni i Dhive, Maja e Hurdhes, and Liqeni i Dervishit Mines), 40 kilometers northwest of Tirana, near Bulqize	NA	
Do.	Numerous small producers	NA	NA	
Coal, lignite	NA	Maneze, Mezes, and Valias Mines in Tirana Durres area; Krabe Mine, 20 kilometers southeast of Tirana; Alarup and Cervnake Mines, in Pogradec area, 80 kilometers southeast of Tirana; Mborje-Drenove Mine in Korce area, 85 kilometers southwest of Tirana; and Memaliaj Mine in Tepelene area, 110 kilometers south of Tirana	18	
Copper:				
Ore	Caldera Resources Inc.	Gjegjan, 100 kilometers northeast of Tirana	150	
Do.	Nesko Maden	Munella	NA	
Smelter	NA	Kukes, 110 kilometers northeast of Tirana	6	
Do.	NA	Lac, 35 kilometers northwest of Tirana	7	
Ferrochromium	NA	Burrel, 35 kilometers northeast of Tirana	40	
Do.	Albanian Chrome (ACR) (DCM DECOmetal GmbH, 50%, and Terwingo Ltd., 50%)	Elbasan, 32 kilometers southeast of Tirana	20	
Iron ore	NA	Prenjas (Bushtrica, Prenjas, Skorska I and II), 70 kilometers southeast of Tirana	650	
Do.	NA	Guri i Kuq (including Cervenake, Grasishta, Guri i Kuq, Hudenisht and Guri Pergjgur), 25 kilometers east of Tirana	500	
Lime	Kurum International Sh.p.k.	Elbasan	36	
Natural gas	million cubic meters	Albpetrol Sh.A.	Gasfields in southwest Albania between Ballsh and Fier	15
Petroleum:				
Crude	42-gallon barrels per day	do.	Oilfields at Marineza, Ballsh, Sheqishte, Patos, Gorrisht, and others	6,000
Do.	do.	Bankers Petroleum Ltd.	Oilfields at Kucova and Patos Marinza, east of Fier in south central Albania	7,000
Refined	do.	Albanian Refining and Marketing of Oil Sh.a. (ARMO)	Refineries at Ballsh and Fier	33,000
Steel		Kurum International Sh.p.k.	Electric arc furnace at Elbasan	600

Do., do. Ditto. NA Not available.

¹A substantial portion of these enterprises have been operating significantly below capacity during the transition to a market economy; the capacities provided in this table represent only the latest available information and may not show the true status of these enterprises.