THE MINERAL INDUSTRIES OF

THE BAHAMAS AND BERMUDA

By George A. Rabchevsky

THE BAHAMAS

The Bahamas islands are situated in the Atlantic Ocean, north of the Caribbean Basin. The Bahamas comprise 20 major Islands and thousands of small islands. The Grand Bahama Island is the closest to the United States. The largest island, Andros, is about 225 km east of Miami. The terrain of the islands is flat, with coral formations and reefs, with some low rounded hills. Tourism was the largest sector of the economy, followed by offshore banking. Tourism provided more than 65% of GDP, employing more than 50% of the work force. Inflation was estimated at 10%, with 25% unemployment.

The mineral production in The Bahamas was limited to aragonite, cement, petroleum products, salt, sand and gravel, and other construction materials. Most of these commodities were consumed domestically. Less than 2% of the total work force was employed in the mineral industry.

Production

Aragonite, cement, salt, stone, and sand and gravel were the major industrial minerals produced in The Bahamas. Aragonite, stone, and sand and gravel are a form of calcium carbonate, derived from the eroded coral reefs and sea shells. (See table 1.)

Trade

Domestic mineral requirements were met through imports, except for small volumes of industrial minerals produced for local use. Mineral-related imports included cement, crude and manufactured fertilizers, iron and steel, metal ores, crude oil, and petroleum products. Mineral exports included mostly aragonite blocks, petroleum products, and salt. The United States continued to be The Bahamas' most significant trading partner. Foreign investment in the mineral sector was actively encouraged, especially if export-oriented and labor-intensive.

Structure of the Mineral Industry

Except for small aragonite sand and stone producers, mineral industries in The Bahamas were owned or operated by foreign companies. Private industry dominated the limited industrial minerals industry. The utility companies in The Bahamas were Government-owned. Government approval must be obtained for foreign investors to own and operate a business in The Bahamas.

Commodity Review

**Industrial Minerals.**—Aragonite sand was dredged off the Great Bahama Bank, south of the Biminis. Limestone and sand were produced by Freeport Aggregate Ltd., in Freeport, for the local construction industry. The only cement plant was in Freeport, with production steadily declining. Marine salt was produced in the evaporation plant, on the Great Inagua Island.

**Mineral Fuels.**—The Bahamas imported all of its crude oil for the domestic processing of petroleum products. The islands also imported various categories of petroleum products to serve local needs in the transportation and electricity sectors and for reexport to third countries. Petróleos de Venezuela S.A. operated the Bahamas Oil Refining Co. oil transshipment facilities in Freeport. The largest oil-bunkering installation in the Western Hemisphere is also in Freeport. (See table 2.)

Infrastructure

There was 2,400 km of roads in The Bahamas, 1,350 km of which was paved, the rest with gravel. There were two major commercial ports—Freeport on Grand Bahama Island and Nassau on New Providence Island. Petroleum products are received by ocean tanker and pumped into storage tanks at the Clifton Pier terminal on the western end of New Providence. The products were then delivered to retail stations by road tank wagons. A flatbed delivery truck was used to transport the packaged products.

The island's capacity for electrical generation amounted to 386 MW, all from oil-fired plants. The Bahamas Electricity Corp. continued pursuing alternative energy projects, funded by the Inter-American Development Bank. Those projects included the feasibility studies for the dendrothermal (wood-burning) power generating plants on the islands of Abaco and Andros and the development of the solar water heating plant on Ragged Island. The Clifton Power plant and the Blue Hill plant, both in western New Providence Island near Nassau, were being modernized and upgraded.

BERMUDA

The Bermuda islands are in the Atlantic Ocean north of The Bahamas and about 1,800 km east of South Carolina of the United States. Bermuda is an independent territory of the United Kingdom whose main industry was
tourism.

The islands have an insignificant mineral industry. Mineral requirements were imported, except for some local stone production, primarily coral limestone. Quarries were privately owned, with low employment. Stone was transported in trucks over 250 km of public roads. Electric power capacity was about 154 MW, all from oil-fired plants. Lacking rivers and streams, fresh water was collected from rainwater and seawater desalination plants. Petroleum was imported as a domestic fuel. Mineral exports consisted almost entirely of the reexport of fuel oil. No new mineral development projects are expected in the foreseeable future.

The United States continued to be one of Bermuda's most important trading partners. Other significant partners included Canada, Italy, and the United Kingdom.

OTHER SOURCES OF INFORMATION

Agencies

Ministry of Agriculture, Trade and Industry
Nassau, The Bahamas

Ministry of Works and Lands
Nassau, The Bahamas

Publications

Central Intelligence Agency: The World Factbook, annual.

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### TABLE 1
THE BAHAMAS: PRODUCTION OF MINERAL COMMODITIES\(^1\)
(Thousand metric tons unless otherwise specified)

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<tbody>
<tr>
<td>Salt</td>
<td>616</td>
<td>858</td>
<td>828</td>
<td>1,096</td>
<td>1,000</td>
</tr>
<tr>
<td>Stone: Aragonite</td>
<td>897</td>
<td>1,086</td>
<td>807</td>
<td>1,211</td>
<td>1,000</td>
</tr>
</tbody>
</table>

*Estimated.
*Table includes data available through Apr. 1993.
*In addition to commodities listed, crude construction materials (sand and gravel, stone, etc.) may also be produced, but data on such production are not available and information is inadequate to make reliable estimates of output levels.

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### TABLE 2
THE BAHAMAS: STRUCTURE OF THE MINERAL INDUSTRY FOR 1992
(Thousand metric tons unless otherwise specified)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Major operating companies and major equity owners</th>
<th>Location of main facilities</th>
<th>Annual capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aragonite</td>
<td>Marcona Ocean Ind., Inc. (Marcona Corp., 100%)</td>
<td>Ocean Cay</td>
<td>2,500</td>
</tr>
<tr>
<td>Petroleum products</td>
<td>thousand 42-gallon barrels</td>
<td>Bahamas Oil Refining Co. (Petróleos de Venezuela S.A., 100%)</td>
<td>Freeport, Grand Bahama Island*</td>
</tr>
<tr>
<td>Salt</td>
<td>Morton Salt (Bahamas) Ltd. (Morton Salt Co., 100%)</td>
<td>Great Inagua Island</td>
<td>1,500</td>
</tr>
</tbody>
</table>
