

# 23-INDUSTRY-CONSTRUCTION

Highly dependent on the **world nickel market**, metallurgy accounts for between 1 and 5% of New Caledonia's GDP over the years. With 1 300 employees at the end of 2005, it accounted for 2% of total paid employment.

The sector's origins go back to the end of the 19<sup>th</sup> century (first factory at pointe Chaleix in 1877), although its effective weight within the economy has remained modest. It is destined, however, to undergo development with the construction of 3 major projects, which could triple current production capacity by 2010.

Accordingly, in 2000 **SLN** undertook its "75 000 tonnes" programme, with a view to increasing production capacity at the Doniambo pyrometallurgic factory to 75 000 tonnes per annum by 2007-2008. In the factory, a new "Demag 10" oven was put into service in 2004 ; in terms of supply, garnieritic ore extracted from the Tiébaghi site is processed through an enrichment plant on site, prior to shipment by tanker to the Doniambo factory for transformation.

The Goro-Nickel project (Southern factory), undertaken by **INCO** (bought out by **CRVD** in 2006) with the participation of Japanese investors and **SPMSC**, aims to complete construction of a hydrometallurgic enrichment factory with an annual production capacity of 60 000 tonnes of nickel and 5 000 tonnes of cobalt, using lateritic ore extracted from the Goro massif. Work is well advanced, and operation is expected to commence before the end of 2007.

Lastly, the Koniambo pyrometallurgic factory project (Northern factory), a partnership between **SMSP** and the Canadian company **Falconbridge** (bought out by **Xstrata** in 2006), will process garnierite ore from the Koniambo massif. The factory, with an annual capacity of 60 000 tonnes, is due to be in production in 2009.

Local transformation of nickel ore creates more wealth for the New Caledonian economy than exports of the raw material : in 2005, 59 thousands of tonnes of nickel content exported as **fusion product** earned 655 million Euros, whereas the 48 thousands of tonnes of ore exports earned 133 million Euros.

► **World nickel market.** See 21.4.

► **GDP.** Gross Domestic Product. See 13.1.

► **Société Le Nickel (SLN).** Subsidiary of the French group Eramet located in New Caledonia, SLN operates mine sites (Thio, Kouaoua, Népoui-Kopéto, Tiébaghi and Kaala-Gomen), and the **Doniambo metallurgy factory** in Nouméa. It is New Caledonia's largest company : at the end of 2005 it employed 1 960 staff, with slightly more than two-thirds involved in metallurgy.

► **Doniambo factory.** Inaugurated in 1910 by Société des Hauts Fourneaux de Nouméa, it became the property of SLN in 1937. It manufactures **ferro-nickels** and **nickel mattes** using a pyrometallurgic process (combination of electric and rotating ovens).

► **INCO, Falconbridge, Eramet Xstrata, CVRD.** See section 21.4.

► **SPMSC.** Société de Participation Minière du Sud Calédonien, created in February 2005, enabling the three Provinces to purchase 10% of Goro Nickel (of which 50% for the Southern province, 25% for the Northern province and 25% for the Loyalty islands province).

► **Fusion products.** Metallurgic production comprises two main product categories.

- **ferro-nickels**, metal compounds containing an average 25% nickel and 70% iron, sold in the form of filings or lingots (the latter process ceased in mid-1999). Ferro-nickel production is exported to a variety of destinations.
- **nickel mattes**, metal compounds comprising an average 75% nickel and 20% sulphur and represent the raw material used in nickel production. These are exclusively destined for the Eramet factory at Sandoville near le Havre, in France.

## SOURCES

[1] Direction de l'Industrie, des Mines et de l'Énergie (DIMENC), données statistiques.

[2] Direction Régionale des Douanes de Nouvelle-Calédonie (DRDNC), données relatives aux exportations de ferro-nickels.

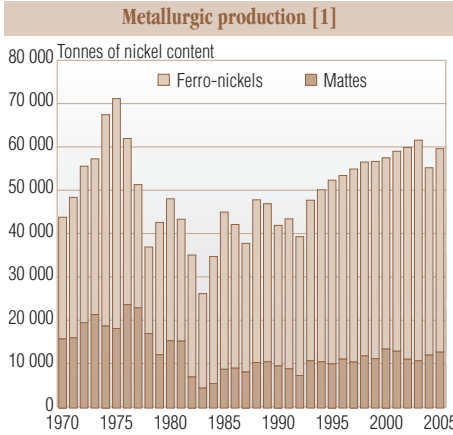
[3] Institut de la Statistiques et des Études Économiques (ISEE), Comptes économiques.

## SEE ALSO

Institut de la Statistique et des Études Économiques (ISEE) : [www.isee.nc](http://www.isee.nc)

Direction Régionale des Douanes de Nouvelle-Calédonie (DRDNC) : [www.douane.gouv.nc](http://www.douane.gouv.nc)

# 23.1 NICKEL METALLURGY



### Production and exports of fusion products\* [1]

	Production		Exports	
	Volume	Value	Volume	Value
1970	43 821	43 613	43 613	94 728
1975	71 068	62 075	62 075	163 092
1980	48 059	49 104	49 104	198 388
1985	45 008	44 195	44 195	272 543
1990	41 961	45 841	45 841	298 973
1995	52 343	51 894	51 894	303 951
2000	57 463	57 579	57 579	468 660
2001	58 973	60 033	60 033	378 810
2002	59 867	58 007	58 007	408 173
2003	61 523	62 479	62 479	552 183
2004	55 180	56 112	56 112	621 427
2005	59 576	58 836	58 836	655 484

\* Mattes and ferro-nickels

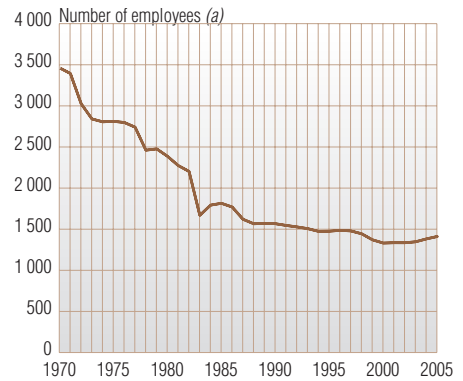
Units : tonnes of nickel content, thousand Euros

### Production and added-value generated by nickel metallurgy [1 and 3]

	1998	1999	2000	2001
Production (P)	227 861	321 071	466 917	372 240
Intermediate consumption (CI)	194 584	198 103	284 576	276 456
<b>Added-value (VA= P-CI)</b>	<b>33 277</b>	<b>122 968</b>	<b>182 340</b>	<b>95 775</b>
Contribution to GDP	1.0	3.6	4.9	2.6

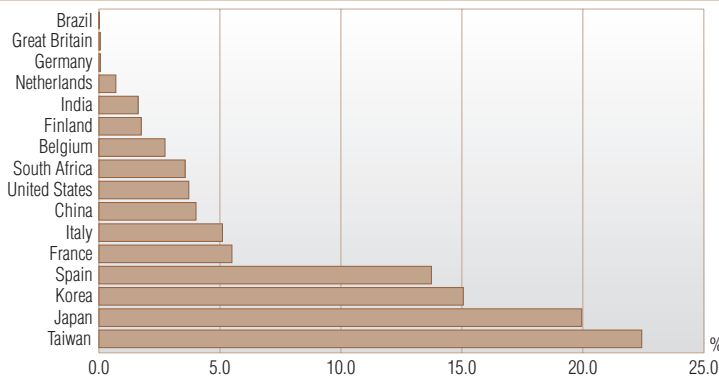
Units : thousand Euros, %

### Employment in metallurgy [1]



(a) Average annual staff at the Doniambro factory.

### Destinations\* for ferro-nickels (2000-2005 average) [1]



\* As a percentage of total value exported.

# 23-INDUSTRY-CONSTRUCTION

With 9% of GDP in 2001 and almost 10% of paid employment in 2005, the **construction sector** plays an important role in the New Caledonian economy.

It grew from the mid-1960s, when the **nickel boom** created greater demand for housing. In the early 1990s, construction activity benefited from growth in investments related to the Matignon Accords. The establishment of the provinces and extensive decentralisation of powers and authority that resulted from this have made the provinces the driving forces behind the redistribution of economic wealth in the territory. Many public works have resulted from this (provincial infrastructure, roading networks, schools, medical infrastructure...), alongside private sector initiatives (construction of private and communal housing), mainly concentrated in Greater Nouméa. Furthermore, the **development contracts** between the state, the provinces, and the municipalities have focused on the development of **welfare housing**.

From 1996 onwards, the sector, which had become more gloomy, was revitalised by a series of tax incentive measures voted by Congress. **Tax exemption** measures also had an impact, with the construction of apartment buildings, hotels, and serviced apartments.

Since then, construction activity has remained strong, in particular for housing with, on the one hand the welfare housing programme in place, and on the other, continued demand for private dwellings, as witnessed by the spectacular growth in **home loans**. The Goro-Nickel construction site, with the pilot factory opened in 1999, also contributes to activity in the sector.

Cement sales, which were over the 100 000-tonne mark in 2002, also bear witness to the healthy state of the sector, as do the ever-increasing numbers of staff in paid employment. At the end of 2005, there were 834 construction businesses employing 6 484 staff, while nearly 6 400 businesses employed no staff.

► **Construction sector.** According to the French business nomenclature (NAF), construction encompasses the following activities :

- Site preparation (earthworks, boring, drilling...),
- Construction works (buildings and structures),
- installation work,
- finishing work.

► **French business nomenclature (NAF).** See 17.2.

► **GDP.** Gross domestic product. See 13.1 and 13.2.

► **Nickel boom.** See 21.3.

► **Development contracts.** See 16.2.

► **Welfare housing.** See 8.4 and 8.5.

► **Tax exemption.** See 16.1.

► **Home loans.** See 10.2 and 13.5.

► **GDP.** Gross Domestic Product. See 13.1 and 13.2.

## SOURCES

[1] ISEE/RIDET, CAFAT, données statistiques sur les entreprises et les salariés.

[2] Institut de la Statistiques et des Études Économiques (ISEE), Comptes économiques.

[3] HOLCIM, données statistiques sur les ventes de ciment.

[4] Direction Régionale des Douanes de Nouvelle-Calédonie (DRDNC), données statistiques sur les importations de ciment.

# 23.2 CONSTRUCTION

## Construction businesses' production and added-value [2]

	1998	1999	2000	2001
Production (P)	585 175	689 280	735 010	755 817
Intermediate Consumption (CI)	308 811	398 184	422 897	437 361
<b>Added-value (VA= P-CI)</b>	<b>276 356</b>	<b>291 104</b>	<b>312 113</b>	<b>318 457</b>
Contribution to GDP	8.6	8.5	8.4	8.6

Units : thousand Euros, %

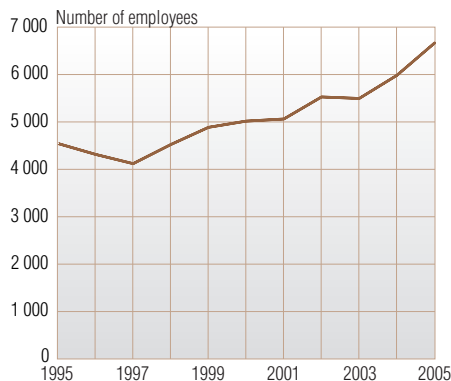
## Construction businesses and staff numbers\* by detailed activity [1]

	1995		2000		2001		2002		2003		2004		2005	
	Bus.	Empl.	Bus.	Empl.	Bus.	Empl.	Bus.	Empl.	Bus.	Empl.	Bus.	Empl.	Bus.	Empl.
Site preparation	136	539	198	850	211	842	227	1 092	242	948	263	1 100	286	1 147
Construction work	1 721	2 587	1 843	2 824	1 928	2 907	1 982	3 213	2 106	3 130	2 322	3 396	2 529	3 594
Installation work	657	467	740	580	752	445	736	491	746	501	798	541	879	594
Finishing work	1 318	788	1 507	759	1 534	826	1 472	882	1 506	970	1 574	1 040	1 732	1 149
<b>Total</b>	<b>3 832</b>	<b>4 381</b>	<b>4 288</b>	<b>5 013</b>	<b>4 425</b>	<b>5 020</b>	<b>4 417</b>	<b>5 679</b>	<b>4 600</b>	<b>5 550</b>	<b>4 957</b>	<b>6 077</b>	<b>5 426</b>	<b>6 484</b>

\* At 31 December each year

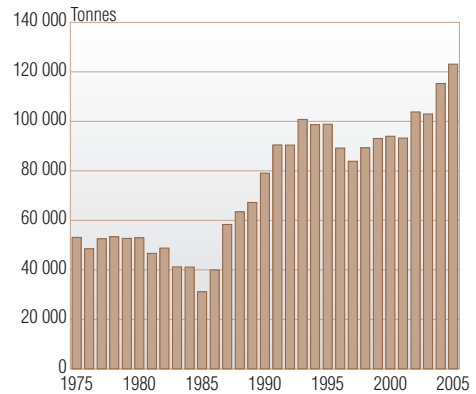
Unit : number

## Staff numbers\* in construction [1]



\* Annual average

## Cement sales [3]



## Construction businesses by detailed activity and staff numbers at the end of 2005 [1]

	0 staff	1-9 empl.		10-19 empl.		20-49 empl.		50 empl. and +		Total	
	Bus.	Bus.	Empl.	Bus.	Empl.	Bus.	Empl.	Bus.	Empl.	Bus.	Empl.
Site preparation	181	77	296	10	125	16	494	2	232	286	1 147
incl. major earthworks	137	46	179	5	65	7	200	-	-	195	443
various earthworks, demolition	41	27	105	5	60	5	153	2	232	80	549
boring and drilling	3	4	13	-	-	4	142	-	-	11	155
Construction works	2 101	349	1 098	46	610	25	737	8	1 150	2 529	3 594
incl. private homes	386	96	313	14	193	3	115	2	138	501	759
various buildings	133	57	200	14	184	15	406	2	577	221	1 367
roadways and sports grounds	14	10	45	1	10	1	25	2	221	28	300
general masonry work	1 225	101	290	9	111	1	32	-	-	1 336	433
construction of power lines and telecommunications	5	6	22	-	-	-	-	1	164	12	185
lifting, assembly	127	17	46	-	-	-	-	1	51	145	96
framing work	80	22	76	3	38	1	20	-	-	106	134
Installation works	777	92	275	4	51	5	133	1	134	879	594
incl. electrical installation work	517	64	206	2	27	4	113	1	134	588	480
water and gas installation	212	19	50	1	13	1	20	-	-	233	83
heating and air conditioning installations	34	6	13	-	-	-	-	-	-	40	13
insulation work	13	2	5	-	-	-	-	-	-	15	5
Finishing works	1 533	163	405	25	334	9	287	2	123	1 732	1 149
incl. painting	570	39	82	7	87	3	93	1	51	620	312
metal joinery, locksmiths	116	27	84	4	56	2	78	1	72	150	289
wooden and plastic materials joinery	337	34	92	4	58	1	35	-	-	376	185
floor and wall coverings	244	35	84	3	46	1	28	-	-	283	157
<b>Total</b>	<b>4 592</b>	<b>681</b>	<b>2 074</b>	<b>85</b>	<b>1 120</b>	<b>55</b>	<b>1 652</b>	<b>13</b>	<b>1 639</b>	<b>5 426</b>	<b>6 484</b>

Unit : number

# 23-INDUSTRY-CONSTRUCTION

In 2005 there were 1 959 industrial businesses on the RIDET companies register (excluding mining, nickel metallurgy and construction).

Industrial activities are divided into 2 main categories : agrifoods industry and manufacturing industry.

Over 85% of businesses were involved in manufacturing, mainly in the production of consumption goods (38%) and capital goods (33%).

Over 3 700 people were employed by these businesses in 2005, of which 57% in manufacturing industries and 43% in agrifoods industries. Small and medium sized industries were mainly smaller units : 79% of businesses had no staff and 3% had more than 20 employees (excluding the "art decoration" sub-group).

The geographical location of industrial businesses was very unbalanced, given that 85% of them were located in the Southern province, 10% in the Northern province and barely 5% in the Loyalty islands province.

In 2001, industrial businesses contributed 5% to GDP. The share of this wealth generated by manufacturing businesses was significant (61%), as opposed to 39% for the agrifoods industry.

Small and medium sized industries' transformation activities are for the satisfaction of the local market, and only very marginally for export. To restrict the entry of competing products from overseas, protection laws are in effect in New Caledonia. Local industrial production benefits from tariff protection (duties and import taxes), and import quotas. There are also fiscal measures in place for intermediate consumption (reduced TGI), contributing to the competitiveness of local companies against similar imported goods. To benefit from this advantage, businesses must belong to the productive sector and have activities that are of interest to the development of New Caledonia. The provinces, who have authority over economic development, have also instigated various financial assistance packages for investment and operating expenses.

► **RIDET.** See 17.2.

► **Manufacturing industry (excluding metallurgy).** It encompasses :

- consumption goods industries (production mainly destined for households),
- capital goods industries (production mainly destined for use in a production process and with a life span of less than one year),
- intermediate goods industries (production mainly destined for use in a production process).

The "art decoration" sub-group covers all businesses producing decorative items, fantasy jewellery, textile printing, leather goods, sculpture, lapidary, etc.

► **Small and medium sized industries.** The Federation of New Caledonian Industrials (FINC) defines small to medium size industrials as any business with a production or transformation activity regardless of the number of employees, in so far as it uses an industrial technology for mass production.

► **GDP.** Gross Domestic Product. See 13.1 and 13.2.

► **TGI.** General Import Tax, see 14.4 and 14.5.

## SOURCES

[1] Institut de la Statistiques et des Études Économiques (ISEE), fichier RIDET et Comptes économiques.

# 23.3 MANUFACTURING AND AGRIFOODS INDUSTRIES

## Industrial businesses\* by province in 2005 [1]

	Loyalty islands province		Northern province		Southern province	
	Businesses	Employees	Businesses	Employees	Businesses	Employees
Manufacturing industry	55	30	151	54	1 462	2 079
Consumption goods	28	5	44	1	554	681
Capital goods	7	0	45	19	505	665
Intermediate goods	7	25	25	34	183	636
Art Decoration	13	0	37	0	220	97
Agrifoods industry	37	26	47	95	207	1 485
Meat and Fish	1	-	8	48	33	361
Beverages	-	-	-	-	5	300
Milk	-	-	-	-	5	44
Grain processing and animal feed manufacture	-	-	-	-	7	98
Various foodstuffs	36	26	39	47	157	681
<b>Total</b>	<b>92</b>	<b>57</b>	<b>198</b>	<b>148</b>	<b>1 669</b>	<b>3 563</b>

\* Excluding mining, metallurgy and construction

Unit: number

## Industrial businesses\* by legal entity status in 2005 [1]

	Sole trader	Public Company	Limited Liability Company	EURL	GDPL	Trust Company	Economic Interest Group	Epic	Other	Total
	Manufacturing industry	1 313	19	281	15	10	1	8	0	21
Consumption goods	501	3	101	4	5	-	3	-	9	626
Capital goods	451	5	89	7	-	-	1	-	4	557
Intermediate goods	118	11	80	3	-	1	1	-	1	215
Art Decoration	243	-	11	1	5	-	3	-	7	270
Agrifoods industry	167	14	97	2	1	3	5	1	1	291
Meat and Fish	22	5	9	-	-	2	3	1	-	42
Beverages	1	2	2	-	-	-	-	-	-	5
Milk	2	-	3	-	-	-	-	-	-	5
Grain processing and animal feed manufacture	2	5	-	-	-	-	-	-	-	7
Various foodstuffs	140	2	83	2	1	1	2	-	1	232
<b>Total</b>	<b>1 480</b>	<b>33</b>	<b>378</b>	<b>17</b>	<b>11</b>	<b>4</b>	<b>13</b>	<b>1</b>	<b>22</b>	<b>1 959</b>

\* Excluding mining, metallurgy and construction

Unit: number

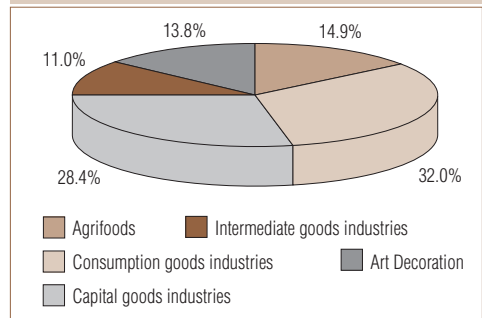
## Industrial businesses\* by staff numbers in 2005 [1]

	0 staff	1-9 empl.	10-19 empl.	20+ empl.	Total
	Manufacturing industry	1 421	194	26	27
Consumption goods	558	53	6	9	626
Capital goods	467	76	5	9	557
Intermediate goods	138	56	13	8	215
Art Decoration	258	9	2	1	270
Agrifoods industry	177	77	17	20	291
Meat and Fish	24	11	1	6	42
Beverages	1	1	-	3	5
Milk	1	2	1	1	5
Grain processing and animal feed manufacture	2	-	2	3	7
Various foodstuffs	149	63	13	7	232
<b>Total</b>	<b>1 598</b>	<b>271</b>	<b>43</b>	<b>47</b>	<b>1 959</b>

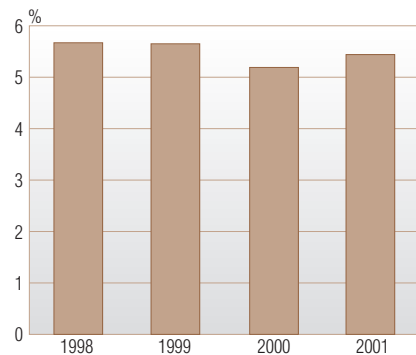
\* Excluding mining, metallurgy and construction

Unit: number

## New Caledonian industrial businesses in 2005 [1]



## Industries' contribution to GDP\* [1]



\* Excluding mining, metallurgy and construction

## Major results for industrial businesses\* [1]

		Manufacturing industry	Agrifoods industry	Total
		1999	Production (P)	290 669
	Intermediate Consumption (CI)	170 516	127 401	297 917
	Added-value (P-CI)	120 152	73 074	193 226
2000	Production (P)	292 462	206 408	498 870
	Intermediate Consumption (CI)	175 703	131 055	306 758
	Added-value (P-CI)	116 759	75 353	192 112
2001	Production (P)	301 093	214 092	515 186
	Intermediate Consumption (CI)	179 801	135 203	315 004
	Added-value (P-CI)	121 292	78 889	200 181

\* Excluding mining, metallurgy and construction

Unit: thousand Euros