

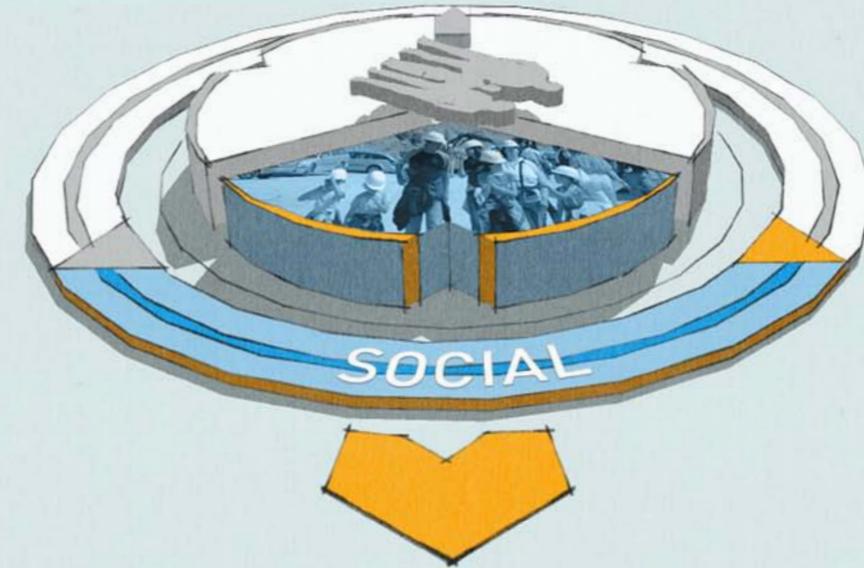
MINERALS INDUSTRY  
**CONTRIBUTION**  
 TO SUSTAINABLE DEVELOPMENT



# First & Foremost – our EU Market

## RETENTION OF FULL VALUE-CHAINS WILL STRENGTHEN THE ECONOMY

The experience of the Global Financial Crisis has taught us that globalisation can make economies stronger, but in some ways it has made the European economy weaker - due to its over-reliance on imports of energy and raw-materials and its declining industrial base. The OECD has recently concluded that the recovery of the EU after the Global Financial Crisis has been delayed and lengthened because of its under-representation in key parts of important global value-chains. Even as recovery appears in sight, the European Commission has warned us that absolute wealth of the EU has been eroded. In order to replace lost wealth and create further wealth, the EU must have something to sell to the rest of the world. The current Industrial Policy of the EU calls for a focus on access to capital, skills, raw-materials and innovation. In particular, the importance of ensuring affordability and availability of raw-material supplies to European businesses has been recognised as necessary for remaining globally competitive. For any raw-material that cannot be grown, the mining industry is the supplier. Euromines members invest heavily in Europe, reducing their customers' dependence on foreign imports and thereby helping to secure a sustainable supply of the raw-materials they need.



### WHAT WE NEED TO HELP LIFT 20 MILLION PEOPLE OUT OF POVERTY:

- Adoption by the Council of a target of 20% industrial contribution to GDP by 2020.
- Creation of possibilities to keep production in the EU and attract as much investment in new facilities as possible including through successful conclusion of the TTIP (Transatlantic Trade and Investment Partnership) negotiation.
- Policies for more efficient EU production and resource efficiency targets that drive positive contributions from the whole value chain in Europe – including from mining & quarrying.
- Further development of "environmental footprints" into full "net benefit assessments" of products and processes in economic, environmental and social terms.

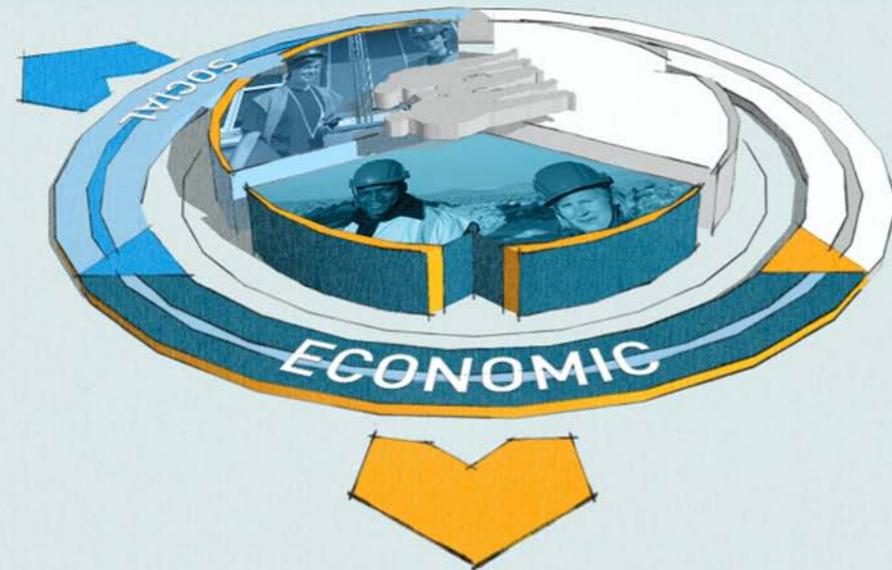
### POVERTY / SOCIAL EXCLUSION

The social impact of the crisis has been significant and the number of people exposed to poverty or social exclusion has increased, thus undermining progress towards the achievement of the Europe 2020 target of lifting 20 million people out of the risk of poverty or social exclusion. 22.8 million Europeans were severely materially deprived in 2012. For example, they could not afford to pay rent or utility bills, to keep homes adequately warm, to meet unexpected expenses, to eat meat, fish or a protein equivalent every second day, to take a week's holiday away from home, to own a car, to own a washing machine, to own a colour television, or to own a telephone.

# Then, Mining as a Growth Strategy

## MINING WILL BE ESSENTIAL TO EUROPE'S INDUSTRIAL RENAISSANCE

The European Union's Economic Policy is essentially an economic growth policy - and rightly so. The EU has suffered the worst recession since its existence after having already seen a widening competitiveness and innovation gap open up between itself and its major trading partners. Mining, being subject to its own economic cycles has equally been affected by the crisis and is equally in need of policy measures to ensure that it contributes as much as it can to renewed growth in Europe. Mining already helps ensure the employment of some 30 million people in Europe. The still strong demand for metals and minerals arising from the emergence of new industrialised economies in other parts of the world means that mining - as a sector - is even better placed than it otherwise would be to provide the kind of investment, jobs, training, government revenues, valuable materials, wealth creation and tradable goods that the EU policy is looking for.



### WHAT WE NEED TO HELP INCREASE TERTIARY EDUCATION RATES:

Modernisation of education and training systems, including life-long learning, vocational training and dual learning schemes, which combine theoretical and practical teaching.

Support for job creation in the extractive sectors; labour mobility; and capacity building within competent authorities.

Support of the European Skills/Competences, qualifications and Occupations initiative to establish European wide standardised job descriptions.

Alignment, where appropriate, of qualifications and training in underground mines to accepted occupational standards, e.g., by National Occupational Standards or the standards required by licensed professional institutions.

Government programmes to raise citizen awareness of the need for growth in mining.

### EDUCATION

The Europe 2020 targets appear achievable by 2020, but some of the progress made has been caused by worsening employment prospects. Overall, investment in education and training has diminished during the crisis and progress in ensuring that adequately skilled labour is available for industrial jobs has been slow. EU investment in state-of-the-art communications infrastructure is also lagging behind that of its main competitors.

[Source: various Communications of the European Commission released during 2013-14]

# Then, Mining as a Growth Strategy

## THE EU SHOULD ATTRACT THE NECESSARY INWARD INVESTMENT

Mining makes it possible to meet the EU's minimum demand for metals & minerals to upgrade and maintain ageing infrastructure; ensure that urbanisation is resource-efficient; deploy new sustainable technologies; care for the increasing number of elderly people and connect with growth markets outside of the EU through export. Additionally, it can and does enable provision of health, child-care, housing and energy supplies to its host communities. Europe's high-tech mines serve as examples to other facilities in the world in terms of energy efficiency and general operating efficiency. Yet, the mining industry's ability to contribute to an economically stronger Europe is currently being constrained by Europe itself. Access to the deposits, access to skilled labour, access to competitively priced energy are some of the things we expect European economic policy to deliver - for the long-term good of the European Union.



### WHAT WE NEED TO INVEST IN EUROPE:

Predictable and stable policy from the EU and Member States. Legally binding targets (including the long term cap to the EU Emissions Trading System) should be kept stable for at least a decade.

An EU energy policy focussed on creating a viable undistorted internal market (free of overlapping policies and subsidies to mature technologies) that offers long-term supply contracts to industry.

Deployment of all conventional and unconventional energy sources, enabling competitive prices for energy intensive industries such as mining.

Translation of the European Commission's Guidance on mining and Natura2000 into all EU languages and promotion of its use at national, regional and local levels.

Recognition of mine site rehabilitation as per the Mine Waste Directive and national mining codes (deferred compensation) as delivering No Net Loss of Ecosystems and their Services, where temporary local degradation results in long-term, sustainable, net gains to indigenous biodiversity.

Explicit political support for mining as a particular growth strategy, e.g., through regional policies.

Reduced permitting times in line with recommendations of the EU Semester.

Innovation stimulus in the mining sector e.g., funding of research on mining techniques.

### RESEARCH & DEVELOPMENT

Under current circumstances, the Europe 2020 target on R&D is unlikely to be met by 2020. European research and innovation are held back by fragmentation and inadequate framework conditions. There is not enough collaboration between the public and private sectors and the innovation gap is widening in Europe.

[Source: various Communications of the European Commission released during 2013-14]

# And Maximising the Value of our Resources

## MINING EMPLOYMENT IS A HIGH MULTIPLIER OF WEALTH

When a mining company proposes to develop a mineral resource discovered in Europe it often means that its investments will be significant, sustained and relatively long-term. In order to shepherd that investment through the good times and the bad, mining companies will protect it by all means available including by employing people with the specialist skills needed to keep the mine in business. Very often, there will be an evident business case for bringing those skills to the local population through co-funding of appropriate education schemes. Similarly, each unique mineral deposit requires its own mining and processing techniques such that mining companies are constantly innovating in order to turn mineral resources into valuable raw-materials, to extend the life of the mine, to cut costs and increase profits and, finally, to ensure that the mine is closed securely at the end of its productive life. Our European neighbours are demanding from us that we increase production within the EU, invest in the local communities that live amongst the natural resources we identify for extraction and maintain the highest standards of mine operation. In short, they demand from us a sustainable model of mining for sustainable economic growth in the EU.



### WHAT WE NEED TO CONTRIBUTE TO EMPLOYMENT RATES:

An EU Geological database to inform minerals policy and land-use planning in the Member States.

Political action to access international finance; increase foreign investment in Europe; and provide financial support for investments that target performance exceeding established international standards.

Mandatory use of an accredited Competent Person (an accreditation established by a CRIR-SCO1-recognised professional body) for relevant regulated activities such as reserve estimation.  
[www.zcrisco.com/welcome.asp](http://www.zcrisco.com/welcome.asp)

Continued actions aimed at increased minerals exploration in the EU.

## EMPLOYMENT

Unemployment has increased sharply in Europe as a result of the crisis - peaking in 2013. The EU employment rate stood at 68.4% in 2012 compared to 68.5% in 2010 and is expected to remain below the Europe 2020 target of 75% of the population aged 20-64 by 2020. Portugal, Slovakia, Poland, Romania, Ireland, Bulgaria, Hungary, Italy, Spain, Croatia and Greece are the countries with the highest unemployment - almost all of them have significant unrealised mineral wealth and mine permits pending. Greece, Portugal and Romania - in particular - appear to have missed opportunities to create wealth from the recent upsurge in demand for metals and minerals.

[Source: various Communications of the European Commission released during 2013-14]

# And Maximising the Value of our Resources

## REASONABLE ENERGY POLICES CAN ENSURE LONGER TERM RETURNS

Energy prices have a big influence on overall mining costs. Most mining sectors are fully integrated into global value chains where additional costs cannot be passed on to their customers. Therefore, in any jurisdiction globally, mining requires competitively priced energy in order to benefit host communities over the long-term. Decoupling of economic growth from greenhouse gas emissions can and does occur where significant mining industries are present or even growing. High energy prices alone do not yield CO<sub>2</sub> reductions in mining sectors and yet they affect competitiveness and cause premature mine closures.



### WHAT WE NEED TO CONTRIBUTE TO REDUCED GREENHOUSE GAS EMISSIONS:

An EU Climate policy focussed on obtaining a global agreement, allowing efficient mining to grow and avoiding carbon leakage. Without a global commitment, free allocation of emission allowances must continue to be the key tool for sectors exposed to carbon leakage.

Separation of the power sector and the manufacturing sectors into two different emission reduction systems.

Recycling of ETS revenues into innovation of emissions reduction and/or sequestration technologies.

Allocation of emission allowances under ETS based on realistic benchmarks (including process emissions), technical standards and actual production.

Benchmarks for free allocation of emission allowances that make reference to global competitors so that efficient installations are rewarded appropriately.

Compensation for indirect carbon costs.

Maintenance of the EU ETS (Emissions Trading System) as the main policy instrument - One single GHG (Greenhouse Gas) reduction target to drive all other measures including renewables and efficiency. No Binding or non-binding efficiency goals.

## CLIMATE CHANGE / ENERGY

The European economy has grown by around 45% in real terms since 1990 and has achieved a clear decoupling of economic growth from greenhouse gas emissions. The performance of individual Member States demonstrates that such decoupling has also occurred when significant mining industries are present (Austria, Greece, Ireland, Portugal and Spain) or growing (Finland and Sweden). Considerable investment is still needed in energy infrastructure across Europe.

[Source: various Communications of the European Commission released during 2013-14]

# And Maximising the Value of our Resources

## THE EU MUST ACT TO MAINTAIN THE COMPETITIVENESS OF ITS INDUSTRIES

The EU should no longer sacrifice economic or strategic interests for the sake of "free trade" - particularly in the area of raw materials. Creating a more solid and predictable network of raw-materials supply is needed for manufacturing industries to produce their tradable goods and services. Providing better conditions for mining in Europe can decrease dependence on imported raw materials and therefore make the EU a stronger, more reliable trading partner. Free **and fair** trade should be promoted and all legislative proposals properly assessed for undesirable impacts on raw material supply, recognising that geological and social conditions in each Member State require specific adaptation in order to improve access to raw materials for all.



## WHAT WE NEED TO DELIVER MAXIMUM VALUE FROM OUR INVESTMENTS OVER TIME:

A Cumulative Cost Impact Assessment of European legislation for the non-energy extractive industries of the EU.

Competitiveness proofing of future EU legislative proposals.

Greatly improved impact assessment of EU policy proposals.

A regulatory fitness check for EU and national legislation and their implementation in the Member States to enhance EU wide consistent implementation of those policies that are most important for the competitiveness of their industries and to ensure that legal frameworks are sufficiently robust to protect their own industries against unfair competition.

A legal framework that protects our EU customers from unfair global competition or leakage of production due to unilaterally self-imposed costs and rewards stand-out productivity performance.

Mainstreamed consideration of sustainable supply of raw materials in all European Commission policy proposals.

*"New EU policy initiatives deserve our participation and support. We must be part of shaping their outcomes. Innovation, research and resource efficiency are themes at the core of what we do. We are long-term investors, creating jobs and skills and paying taxes, often in the regions of Europe that need them most.*

*Europe is rich in natural resources. Our future is one where technological advances lead our industry, where regulation compliments growth and is born from a hard-won consensus for a better future."*

Mark Rachovides, President of Euromines

[Source: various Communications of the European Commission released during 2013-14]



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