

mineral industry news

the newsletter of the associate parliamentary minerals group

February 2010 Issue 1



Minerals Group

PURPOSE

To promote parliamentary awareness of the importance of minerals, provide information on developments in minerals usage, policy and regulation and act as an information exchange between parliamentarians and industry.

OFFICERS

Title	Name	Party
Co-Chairs	Stephen O'Brien	Con
	Bill Olnier	Lab

MEMBERS

Tom Levitt
Bill Etherington
Jim Knight
David Hamilton
Paddy Tipping
Bob Blizzard
Russell Brown
Tom Clarke
Cheryl Gillan
James Gray
Dr Liam Fox
Earl of Shrewsbury
Sir Paul Beresford
Peter Ainsworth
Sir John Butterfill
David Heath
John Barrett



Dear Colleague,

Welcome to the first edition of the Associate Parliamentary Minerals Group (APMG) Newsletter. We all depend heavily upon minerals products. Without them we would have no homes, schools, offices, shops or hospitals. We would have no roads and railways, no water and sewage systems, and many of the day to day products we take for granted such as paper, plastics, glass, steel, pharmaceuticals and cosmetics simply would not exist.

In a typical year the minerals industry produces some 540 million tonnes of energy and non-energy minerals in the UK; nearly ten tonnes for every man, woman and child. The coal, construction and industrial mineral sectors account for some 390 million tonnes and they directly contribute £3.5 billion a year to the economy, though their value to the downstream industry they support is significantly greater. The industry also directly employs some 55,000 people and represents the largest materials flow in the economy.

The role of the APMG is to raise awareness in Parliament of the vital role that minerals play in our day to day lives, and to highlight the importance of the industry to the UK economy. We trust that you will find the enclosed articles of interest and hope that you will continue to support this vital industry.

With best wishes,

Stephen O'Brien MP and Bill Olnier MP
Co-Chairs

APMG Luncheon Meetings 2009

January – the importance of indigenous minerals to the glass manufacturing industry

The Group looked at the glass manufacturing industry. Alan Williams, Head of Raw Materials and Glass Compositions R&D at Pilkington spoke of the link between the importance of high quality indigenous silica sands and the manufacture of world quality glass. Mr Williams told the group how such minerals are scarce and geographically restricted in the UK and argued that where these minerals did occur they should be safeguarded. There is a need, he continued, to ensure planning decisions on key industrial minerals were not made entirely on local issues but also considered important national economic issues. There must be adequate permitted reserves to give Pilkington confidence to make future investment in the UK he said.

June - concerns about the impact of the mine waste directive on the China Clay Industry

The Group focused on the implementation of the European Mining Waste Directive through the Environmental Permitting Regulations. The Group was told by George Muskett from the Kaolin and Ball Clay Association and Gary Staddon from Imerys Minerals, of industry anxiety that the new Regulations, which could force the

closure of extractive waste facilities, could have a severely detrimental effect upon the mining industry. Concerns centred on how Local Emergency Planning Authorities, upon whose recommendation facilities could now be closed, have little experience in this area. There were also worries that the premature closing of these facilities might prove a risk to local communities and the environment.

During a Delegated Legislation Committee Debate on June 23rd Anne McIntosh MP, the Conservative Shadow DEFRA Minister, supported the reservations of the APMG and suggested that it would be preferable to delay the introduction of the Regulations until a proper consultation had taken place. Left as they stood the Regulations might force facilities to close down with the loss of many jobs. Roger Williams MP, speaking for the Liberal Democrats, supported this and further argued that the UK extractive industries are currently well regulated. It would be inappropriate, he continued, to walk away from a facility when this could leave it more dangerous than if it remained operational. Dan Norris MP, Minister at DEFRA, stated that the regulations had been drawn up following a 12-week public consultation. Following further representations by the APMG, Mr Norris agreed to include a provision in the Off-Site Emergency Plan

Regulations requiring local authorities to inform the operators 15 days before they recommended a facility be closed. He also agreed to consult on the guidance to be prepared by DEFRA and issued to Local Emergency Planning Authorities.

October - developments in the implementation of the mine waste directive.

Members took a further look at the MWD and also discussed the Waste Framework Directive. The speaker, Roy Hathaway, Head of Waste Regulation and Business Waste at DEFRA told the Group that waste prevention was at the core of the Government's strategy and would, in all cases, be given priority over waste disposal. There was a need, he continued, to promote measures such as recycling and recovery and only in instances where this was impossible should landfill be considered.

Industry members expressed their concern that soils and overburden, moved during the course of mineral extraction were being classified as extractive waste and thus subject to unnecessary regulation. These materials are essential for restoring the sites and must be carefully husbanded by operators for this purpose. Roy Hathaway commented that DEFRA would engage with industry on the issue.

CBI Minerals Group in association with APMG Holds Third Living with Minerals Conference ‘SHAPING UK MINERALS POLICY’



Stephen O'Brien addresses conference delegates

The CBI Minerals Group's third Living with Minerals Conference held in association with the APMG brought together Industry representatives from across the country to hear the outcomes from the first cycle of work of the UK Minerals Forum and to discuss pressing issues in what is a period of great concern for the sector.

The Conference agreed that the UK economy is heavily dependent upon a continuing, secure, domestic supply of essential non energy minerals and that there is a growing concern over impending supply problems. Many speakers outlined the importance of making as good a use of the UK's indigenous deposits as possible and commented that this required not just access to resources through existing planning approvals but also the ability of operators to obtain new permissions in acceptable locations. Delegates believed that it would be invaluable for stakeholders to develop a series of concise 'strategic statements' for the range of minerals produced in the UK, describing their economic importance and the role they play in user industries. Hopefully these could then be endorsed by the Government.

The Conference highlighted the need for a

clear approach to the issue of mineral extraction in National Parks and Areas of Outstanding Natural Beauty and pressed for a statement from Government on how the issue should be approached and outlining the importance of natural resources to the UK. Again delegates pointed to planning issues and agreed that the planning framework for supply of minerals from National Parks and AONBs 'lacks clarity', particularly with regard to 'national considerations of mineral supply'.

Also during the Conference delegates approved plans to instigate a coordinated campaign of voluntary carbon reduction action amongst the UK's minerals industries, and agreed on the importance of ensuring that such action is followed through across the whole of the sector. Delegates further suggested that the reduction of mineral transport distances were of particular importance.

Lastly delegates discussed the need to establish a mechanism to ensure that the transition of legislation between policy makers and enforcers is clear and consistent. On this the Conference hoped that the Government would act quickly to prevent perhaps irreparable damage to the sector.

National recognition for quarry firm's energy savings

Sibelco UK, one of the country's largest industrial minerals suppliers, beat off stiff competition to take second prize in the business category at the National Energy Efficiency Awards. The company finished ahead of 140 businesses to reach the final alongside the likes of Marks & Spencer and Marston's Brewery. And having been short listed to the final four, the mineral company were only beaten to the first place spot by retail giant, Tesco. In awarding the second place commendation, the judges said: "For a company in a sector not usually associated with energy efficiency, to make such impressive savings is a demonstration that all sectors have a role to play in the energy efficiency drive."

Sibelco's achievement at the Awards was based on the company's ongoing success in driving down energy consumption across its UK operations. Over the past five years Sibelco has slashed carbon emissions by more than 25,000 tonnes through a series of energy saving initiatives and investment in new technologies. Earlier in the year, the company became one of only a handful of

UK businesses to be awarded the prestigious new Carbon Trust Standard.

Derek Johnson, Sibelco UK Energy Efficiency Manager, commented: "To achieve second prize against such prestigious blue-chip competition is a fantastic achievement.

We've worked incredibly hard to reduce our carbon footprint and continue to make great progress. The commendation is further evidence of our commitment to combating climate change and strengthens Sibelco's position as environmental leaders in the minerals industry."



Mineral Products Association Formed

The Mineral Products Association was formed by the merger of the Quarry Products Association, the British Cement Association and the Concrete Centre and now represents the majority of construction and industrial minerals



production in the UK as well as providing the market development expertise for concrete. The Association has also recently signed an affiliation with the British Precast Concrete Federation, thereby allowing the whole of the concrete sector to operate very closely together for the first time.

The MPA looks forward to maintaining the strong relationships its three predecessors have had with Parliament, largely through the Associate Parliamentary Minerals Group, but also individually through other regular contacts. It is proud to represent this essential and often misunderstood part of British industry and hopes that, by its close cooperation with the Group, it can continue to build confidence in what its members do and the materials they produce.

The Association's CEO Nigel Jackson is particularly concerned by the impacts of what he terms a 'dysfunctional' planning system and by the increasing pace and range of regulation, especially relating to

water licensing, waste management and mine waste management. He is also unhappy that the industry is 'triple taxed' on aggregates, landfill and emissions and

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that there are more taxes in prospect. 'Given what we have achieved in terms of reduced environmental impact and our commitment to continuous improvement', he commented, 'it is a big ask to impose any further financial and regulatory burdens.'

CEMEX opens new plant

Global building materials company CEMEX recently opened a new cement grinding and blending plant at the Port of Tilbury in Essex. The £49 million investment, which has been under construction for the past two years, is the largest in the UK cement industry for five years, and the 1.2 million tonne plant will increase CEMEX UK's cement capacity by 20%.

The plant, which is the only cement plant in the South East of England, was officially opened by Parliamentary Under Secretary of State for Communities and Local Government, Shahid Malik, in the company of CEMEX's President of the Europe, Middle East, Africa and Asia Region Juan Romero and 150 guests.

"I'm delighted that CEMEX chose to site their new plant in the Thames Gateway. The Gateway is renowned for attracting innovative businesses, has strong trade and business links and a geographical position that gives the region ready access to a number of key markets for many companies. CEMEX's decision to base its low-carbon sustainable plant in Tilbury will provide jobs and allow the company to reduce its carbon footprint even further by making use of the Gateway's water and rail transport links," Mr Malik said.

The plant boasts the first vertical cement mill in the country, which uses 20-40% less energy than traditional horizontal mills. The mill combined with the blended cement capabilities, shipping, barge and rail loading facilities mean that the plant's carbon footprint per tonne of finished product is further reduced.



Gonzalo Galindo, CEMEX UK President, Shahid Malik MP, Parliamentary Under Secretary of State for Communities and Local Government and Juan Romero, CEMEX President of the Europe, Middle East, Africa and Asia region officially open the CEMEX Tilbury plant.

Record decline in Aggregates and Construction activity in 2009

Figures released by the Minerals Production Association (MPA) in January show that Aggregates volumes declined by an unprecedented 24% in 2009. In addition, ready mixed concrete volumes fell by 30% and asphalt production dropped by 18%. This reduction to levels not seen since the mid 1960s reflects the massive decline in construction during the year.

In 2009 construction was started on just over 100,000 houses, some 50% down on 2007 and far short of the 250,000 houses which are needed each year to meet growing housing needs. Such data indicates that the production and manufacturing sectors have been hit extremely hard by the recession.

Simon van der Byl, Director of Public Policy at the MPA, commented "the length and severity of the economic and construction recessions means that Government must reverse the current policy of cutting public investment by 50%.

Recent research commissioned by the UK Contractors Group and CBI has confirmed that investment in construction is very effective in stimulating further economic growth and employment, and provides significant long term social and economic benefits. There are huge amounts of spare resources available in the construction industry and supply chain and parts of our infrastructure with outstanding backlogs of work, such as highway maintenance – now is precisely the time to get on with this type of work."



Imerys awarded Eco-town status

After two years of competing against sixty other nationwide schemes, Imerys Minerals Limited has been awarded Eco-town status for an initiative to regenerate the Mid Cornwall China Clay Area. The status will not only put the national regeneration spotlight firmly on a mining area in the South West but will also facilitate cooperation and partnerships between the community and private and public sectors, encourage innovation and creativity in delivering a showcase for low carbon sustainable living. Six former industrial mineral sites in the Mid Cornwall area will be transformed.

David Taylor MP

The APMG would like to send its condolences to the wife and children of David Taylor MP who, sadly, passed away recently. He was a great Parliamentarian who contributed enormously to both the work of the Group and to the minerals industry as a whole. He will be sorely missed.