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annual report

2002

euromines

Minerals make more of life!

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euromines annual report

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TABLE OF CONTENTS

FOREWORD by the President of Euromines Shaun Stewart – Rio Tinto

This year has been a significant one for the global mining industry with the culmination of the Global Mining Initiative (GMI) and the development of an action plan to promote the contribution of mining, metals and minerals towards sustainable development.

The GMI Conference took place in Toronto in May 2002 to identify the issues and priorities arising from the Mining Minerals and Sustainable Development (MMSD) Report issued in the same month. Euromines has joined the International Council on Mining and Metals (ICMM) and participates in their international work programmes and Task Forces aimed at promoting sustainable development performance and practice throughout the industry. It was with great sadness that we learned of the death of Dr Jay Hair, ICMM's first Secretary General in November 2002. Over his illustrious career he championed a wide range of environmental issues with his strong commitment to conservation of natural resources and environmental protection.

Euromines has had a busy 2002 and whilst environmental, health and safety initiatives affecting mining activity continue to occupy much of our time we have also been able to focus on sustainable development, which now lies at the heart of all EU policy. We have been actively involved in the development of Sustainable Development Indicators for the mining sector, which are being progressed by DG Enterprise. Euromines promoted and hosted a well attended two day seminar in November 2002 on the EU's thematic strategy on sustainable use of natural resource at which the views of the Commission, national government, NGOs and industry were well represented. These activities help us to present our views as well as enabling us to listen to others and to establish contacts and relationships with those involved in Brussels and elsewhere.

Euromines continues to be actively involved in the promotion of mining related research and development through EMIREC and NESMI as well as supporting mining related excellence in education through FEMP – the Federation of European Mineral Engineering Programs. These are important activities for Euromines to support and serve as examples of our proactive efforts for the sector.

On the European environmental front Euromines hosted a Mine Waste Management Seminar in Dublin which was well attended and well received. Work continues with the development of the BAT Notes for a wide range of metal and industrial mineral waste management techniques as well as the tracking of developments on the new EU Chemicals Policy; EU energy policy and emission trading; mining related water and air issues; and the UNEP cyanide code for gold production. Those together with health and safety issues such as NO and NO2 OELs, crystalline silica and others continue to occupy our attention.

Euromines has responded to the Commission's drive to promote Corporate Social Responsibility (CSR) performance throughout the sector by engaging, on behalf of the majority of members, in the Social Dialogue Committee for the mining industry. This serves as a useful vehicle to dialogue with European mining unions over issues of mutual interest and concern to the industry.

As is customary in this foreword, I express the membership's thanks to all Chairpersons and active participants of the Euromines Committees and Working Groups for their hard work and commitment over 2002. Their work and dedication tends to go largely unremarked and this brief acknowledgement is all too inadequate to express our collective thanks. I would also like to warmly welcome some new members in 2002, namely Silver & Barytes, K+S, Cleveland Potash, Iber-Potash, Rio Narcea Gold Mines and Südwestdeutsche Salzwerke.

Finally, on behalf of all members I express our thanks and appreciation to our hard working 2002 Secretariat. We bade farewell to Ingrid Poncelet with our good wishes and welcomed Jean Fudel who joined the Euromines team in September 2002.

Shaun Stewart
President

The state of the mining industry in Europe and competition factors around the world

There is still no common mineral policy for the European Community. The European Union has been and still is strongly focussed on sustainable development. When the Commission issued a ''EU communication on sustainable development for the non-energy extractive industry a promising start was made and it is hoped that this will develop longer-term into something like a "European minerals policy ".

In the meantime there is a fast growing share of mineral supply originating from South America and from China.

World Consumption of Minerals: 31 billion t/a
Value: 1,200 trillion €/a

Share of mineral input in Global GDP*: about 3%
EU-15 GDP: about 1%

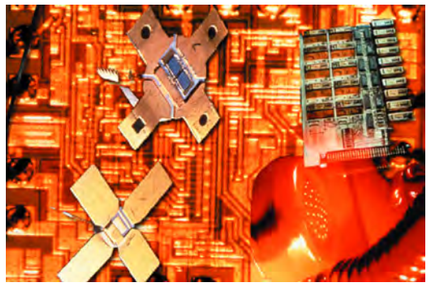
Exploration

Exploration in Europe has been on a slow increase during the last ten years if measured in absolute dollar terms. It is on the periphery of Europe that most expertise and interest is focused: namely Scandinavia (including Greenland), Ireland, Iberian peninsula, and Greece. The stable European economic and political situations together with the proximity to major markets are the main reasons for the surprisingly strong interest in these regions. If measured relative to the size of the continent the interest in Europe is even more pronounced. The exploration expenditure per square km in Latin America is around 35 USD and in North America slightly lower. In Europe that figure is 20 USD per square km which is twice the African exploration figure (of 10 USD per square km). When exploration in Europe is considered as almost completely concentrated to the areas mentioned above the figure becomes comparable to the other continents.

Metal Mining

In 1990 producers of European base metal ores accounted for some 3% of the total value of all non-fuel minerals produced in the world. In 1999 this figure approximately halved to 1.8% and this downturn continues although there is, on average, at least one to two new mines opening each year in Europe. The restructuring in Eastern Europe will inevitably lead to substantial mine closures.
When looking at both underground and open-pit mining, it is apparent that about 12% of the world's underground mines are in Europe, some of them leaders in world production with considerable technical know-how. Numerous industrial applications and consumer industries are depending on the concentrates produced for metal smelting and refining.

ECONOMICS



Industrial Minerals

The industrial minerals contribution to the European GDP is about ten times larger than that for metal mining. The European industrial minerals industry is world class and many producers are amongst the world's largest. The application of industrial minerals is extensive and ranges, for example, from chemical and pharmaceutical applications to the construction, industrial fabrication and oil industry.

However, it should be noted that a growing number of European produced industrial mineral products are coming under pressure from imported products from China. These minerals are not produced under comparable environmental and social performance conditions as those produced in Europe.
With EU enlargement many large industrial mineral producers will join to increase the world share of the European Union's industrial mineral production.

Mining centres of the world

Although Europe might not be the largest mining area in the world, the largest mining houses of the world are located in Europe, that is in London. In 1990 some 8.5 % of the total value of all non-fuel minerals produced in the world were controlled from London, by the beginning of the new millennium this had changed to almost 16 %.

Courtesy: Herrenknecht

Equipment manufacturing

Mining operations around the world consume some 200 billion USD of specialised products for the extractive sector every year. About 90 % of such products originate from no more than ten countries in the world. Europe accounts for approximately 20 % of the total market share of these suppliers. The most important countries supplying world-class mining technology in Europe are Finland, Germany, Sweden and the UK.

Consultancy services

Due to its long mining history Europe also supplies a high percentage of consultancy services in the mining sector within Europe and around the world. Due to a long tradition of European mining many old mine sites European experts have a substantial knowledge about the long-term conditions of closed mines. Due to the ever more stringent environmental and health and safety legislation in Europe, European mining consultants lead in developing innovative solutions for environmental problems. This knowledge will be extremely valuable when considering the work to be done in the accession countries.

Prices and Resource Availability

The global resource industry is highly competitive, and the real price and cost of most mineral products have been declining for a long time. The Club of Rome set out a gloomy message thirty years ago that resources were being exhausted. Since then more resources have been identified and real terms prices of many commodities have fallen by 2-3% every year.

Long Run Real Price Declines

Commodity	Annual Average Price fall since 1970 (real US$)
Aluminium	-2.3
Copper	-2.1
Lead	-3.3
Molybdenum	-5.4
Nickel	-1.7
Tin	-8
Zinc	-1.2
Traded Iron Ore	-2.9
Traded Steam Coal	-2.6

Courtesy: Rio Tinto

The fall in prices does not reflect a stagnation dying industry. Output has grown over the same period, albeit erratically. The efficient use of resources and improvements in management and technology have contributed to generate profitability to the industry. The long term price decline results from industry that constantly invests to grow and improve. Indeed from the narrower shareholder perspective it is much easier to argue that we have invested and improved too much rather than too little.
Technological innovation continues to open up new resources, and makes feasible existing resources more economically viable.

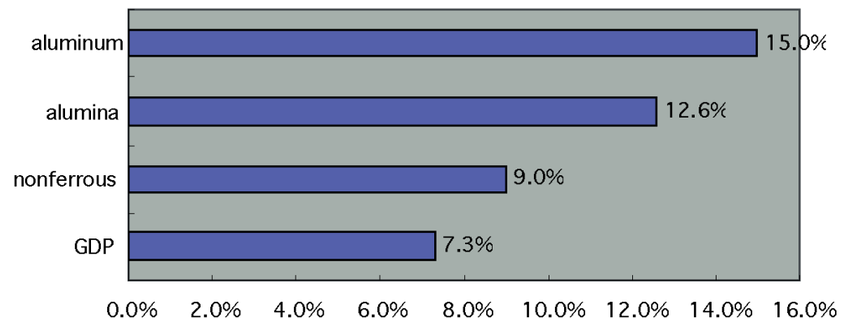
Outlook

It is estimated that about 85 billion USD will be invested in the global mining sector over the next few years. It is estimated out of that only 2.5 % will flow into Europe, about 2 billion USD.
However, the steady flow of exploration investment and the influx of Australian, Canadian and other junior companies into Europe is an encouraging signal. The Stock Exchanges of London, Oslo and Stockholm are supplying funds for a growing number of junior companies and this could result in growing investment for the sector.
It will be important to provide a sufficiently encouraging and stable legal framework for these companies and investments to secure future mineral supply for Europe with shorter transport distances and providing more employment in the sector.
This growth will help to maintain the world-class know-how in the technology for the sector, which could become so valuable when looking at the running prospects of the accession countries.

China – the unfair competitor

Europe has been a net importer of metal concentrates and is a steadily increasing importer of industrial minerals. One of the areas in the world with the highest rate of increased mineral exports is China. Unfortunately, although China has been granted access to the World Trade Organisation (WTO), the rules of a free market economy have not yet been implemented and China's own forecast relating to targeted exports is very ambitious.

China aluminium & alumina output growth rate forecast, 2001 - 2005

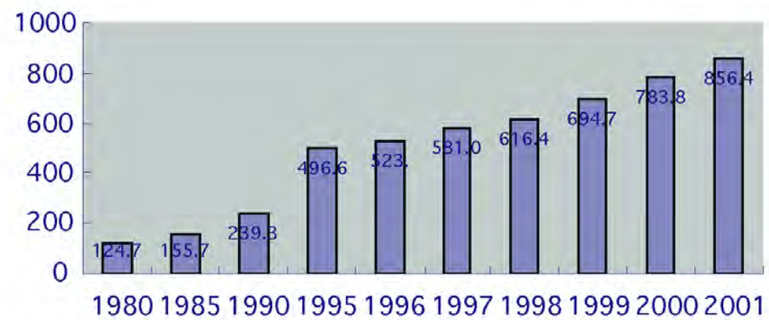


Source Minmetals China

In the light of these developments Euromines together with EuroAlliage (the Association of European ferro-alloy producers) who faces a similar problem and of Gide Loyrette Nouel attorneys, held a seminar in May 2002, on china and its metals and mineral sector.

Ten non-ferrous metals output in China

(0,000 ton)



Source Minmetals China

The Minister Counsellor of the Mission of the People's Republic of China to the EU, Mr Liu Youhou, and a representative of the Chinese metals and minerals chamber Mr Deng Gang attended and presented the Chinese industrial policy in the minerals sector.
The European Commission presented its current tools of trade policy as the counterbalance to the Chinese developments.
In the absence of a consistent minerals policy for the extractive sector, taking into account such import developments, the industry is very concerned that in the long-term it might be left only with one option, that is to close and to invest in China. However, the operating conditions in China do not yet provide a stable legal framework nor is its environmental, health and safety legislation and performance consistent with European standards.

China non-ferrous metals import & export value (billion US$)

Source Minemetals China

In contrast to these production figures the comparison of emissions from Chinese mines are not available. However, production conditions in China do not match European standards and therefore the European industry is at a major commercial and competitive disadvantage.

In addition, the Chinese import/ export licensing system applied to metal and mineral exports is still effective and contributes substantially to the distortion as well.

ECONOMICS

The European Policy on Sustainable Development

The follow-up to the Commission's Communication on sustainable development for the non-energy extractive industry

In many aspects 2002 was dominated by the legislative follow-up of the European Commission's Communication on the non-energy extractive industry. Three main areas of activities are reported upon here: the agreement on sustainable development indicators for the sector, the amendment of existing and development of new legislation to provide provisions for the extractive sector and the enlargement and its relevance for the extractive sector.

In the area of *Sustainable Development Indicators (SDI)* general performance indicators for the non-energy extractive industry have been identified to be provided by industry and national governments.
A pilot SDI study was carried out and the complete reporting scheme for the sector was launched in October 2002 aimed at obtaining first results in early 2003 so as to be able to aggregate reported figures for the whole sector.

SDI Indicators

Company level	Member State level
Employment	Sustainable access to resources
Exploration costs	Land granted for minerals extraction
R&D Investment	Material demand
Transport constraints	Contribution to GDP
Health & safety of employees	Trade balance
Communication to the Community	Sensitivity
Development of skills	External co-operation in sustainable development of minerals
Energy efficiency	
Water demand	
Land demand	
Use of dangerous substances	
Environmental accidents	

The SDIs provide the sector with a tool to present its performance against objective criteria from which performance measurement could be assessed year to year. This would also enable comparison with other industrial sectors.

In the area of *Enlargement*, an expert group tasked with the evaluation of the economic, environmental and social aspects of EU Enlargement and its relevance to the mining industry, was able to present, with the assistance of the European Commission, a comprehensive statistical analysis of the mining industry carried out by the German BGR at the beginning of 2002.

In spring 2002 the accession countries were invited to the Raw Materials Supply Group and presented their respective countries mining industry and associated issues. Throughout the year Euromines visited several accession countries, participated in conferences and established and intensified contacts. The issues and difficulties of the sector in the accession countries remain substantial.
The restructuring and the implementation of the Aquis Communautaire may well result in mine closure in the accession countries with associated high rates of unemployment in many cases and high capital investment required in other cases.
Typically industry federations are small and find it difficult to manage the new and enlarged scope of activities and services that they have to provide for their members.
For that reason Euromines applied, under the Commission's Business Support Programme, for financial assistance to support accession country engagement. Hopefully the funding will be granted.

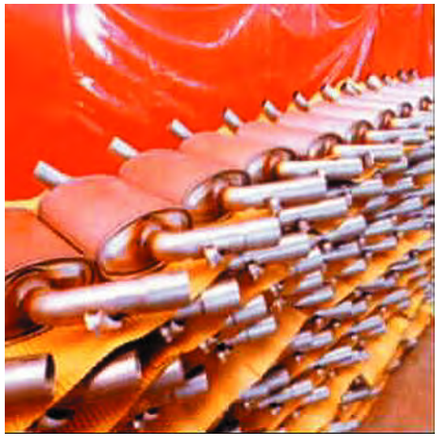
It is planned that in 2003 a series of meetings will be held in the accession countries either as committee meetings or as seminars and conferences, to promote the work and value of Euromines in those countries.

EU Enlargement Countries

Mine output	EU	CEEC
Hard Coal	95 million t	141 million t
Lignite	242 million t	200 million t
Copper	235 000 t	530 000 t
Lead	204 000 t	99 000 t
Zinc	535 000 t	200 000 t
Rock Salt	42.5 million t	8.1 million t
Kaolin	6.7 million t	4.3 million t
Magnesite	1.9 million t	0.9 million t

The European Thematic Strategy on Sustainable Use of Natural Resources

In April 2002, the European Commission presented its first discussion paper on a sustainable management of natural resources and highlighted its objective to de-couple material use from economic growth.
Since the European minerals industry had a specific view on this issue, it organised a conference in November to provide additional input and food for thought.
Summing up, it was stated that the Sustainable Resource Policy for Europe should include the global dimension of mineral supply into Europe. There was much evidence of the mining, minerals and metals industries' commitment to sustainable development as well as practical examples, but not only within the performance of the European mining operations, but also in the areas of R&D in mining and processing industries presented by academia and in the Graduate Education (FEMP), all of which have to be constructive drivers for the future of European mining.



The industry encouraged the Commission to listen to stakeholders and constituencies who have a genuine desire to find and encourage solutions to the issues confronting the industry. It stressed the need to develop the flow of reliable statistical data on the sectors performance across the three pillars of sustainable development. Without reliable data the sector cannot be recognised as improving its performance and impacts on a year on year basis and demonstrate its commitment to continual improvement.

Also, the attention of the Commission should be brought to those barriers to the promotion of sustainability in metal and mineral supply in Europe caused by trade distortions: for example, the copper scrap recycling trade, the tungsten product and ferro-alloys situation and the effects of the actions of India and China on this trade. There are similar examples for industrial minerals.

The sector is now looking forward to the next draft paper from the Commission, which had been announced for spring 2003.

Research and Development

Framework Programme 6

Euromines has been very active through EMiReC in lobbying for the 6th Framework Programme for Research and Technical Development. When the Commission requested to hand in Expressions of Interest (EoI) for research topics, Euromines and other EMiReC members took the opportunity to send several research ideas for the minerals and mining industry. In total the Commission received some 12000 EoI, on the basis of which it wanted to fine tune the work programmes and to target the call for proposals. The evaluation of the proposals clearly indicated the importance of active industry participation.

In order to discuss the EoI regarding the minerals and mining industry and their evaluation, EMiReC and the North Sweden Office organised the workshop "European Natural Resources (Minerals), Mining and Environment: R&D prospects in the EU's 6th Framework Programme" in Brussels on 22/23 October 2002. It triggered the participation of a large number of industry and research people as well as the participation of the Commission.

The Commission officially launched FP 6 during a three-day event organised in Brussels in November 2002. On 17 December it published the first call for FP6, with the deadline of 6 March 2003. On 18 December Euromines gathered with EMiReC participants to discuss the future actions for writing up a proposal answering to this call. Euromines planned organising an RTD information meeting for industry in the beginning of January 2003 in order to measure industry's interest for such Commission funding. The latest developments have proved that 2003 will become a busy RTD year.

New participants and International contacts

In 2002 EMiReC has grown in all respects. Not only did IMA-Europe, SIM and The Swedish Mining Association join the Council, EMiReC also participated in the R & D conference held by Natural Resources Canada in Ottawa. The contact with Australian research was reinforced by a visit of the representatives of the board of AMIRA to the Secretariat in Brussels.

Publications

EMiReC
European Mineral Resources RTD Council

EMiReC published the brochure "How to turn Rock into Wealth", which presents the mining and extractive industry's research in an easily accessible way. Copies can be ordered through the Secretariat.

NESMI

NESMI

Euromines and EMiReC have played an active role in launching "The Thematic Network on European Sustainable Mining and Processing Industries", funded by the European Commission under Framework Programme 5. The official launch of NESMI was organised in April 2002 in Bochum with Commission participation. NESMI functions as the platform for the mining and minerals industries for exchanging information on research and developing new research strategies. Euromines is in charge of "information, communication and recommendation", it is a member of the Steering Committee and is part of the Advisory board through EMiReC. The network has attracted several new members since its start. More information on NESMI can be obtained at www.nesmi.net.

Follow-up of the Communication on the Safe Operation of Mines

As recommended in its October 2001 Communication, the European Commission set out to develop three legislative measures: first the amendment of the Seveso II Directive; secondly the development of a European wide waste legislation and thirdly the development of a BAT note on mine waste management. These legislative initiatives are of great importance to the mining industry and Euromines has and continues to monitor them very closely.

Seveso II

"The aim of the Seveso II Directive is two-fold. Firstly, the Directive aims at the prevention of major-accident hazards involving dangerous substances. Secondly, as accidents do continue to occur, the Directive aims at the limitation of the consequences of such accidents not only for man (safety and health aspects) but also for the environment (environmental aspect). Both aims should be followed with a view to ensuring high levels of protection throughout the Community in a consistent and effective manner * ".

In 2002 the Council of Ministers adopted the amended Seveso II Directive which now includes a number of installations within the extractive sector when these are using dangerous chemicals in certain quantities. The mining industry agrees that this is an appropriate measure. In order to improve its overall performance the industry is looking at promoting the ISO certification where this is suitable and manageable and is considering appropriate management training options.

European Mine Waste Legislation: a second and third working paper

As a second measure the European Commission has started to work on a proposal for a separate piece of mine waste legislation. In June 2001 DG Environment began a public consultation process around a working document covering the management of wastes resulting from the prospecting, extraction, treatment, and storage of mineral resources.

After consultation with Member States, environmental NGOs and industry representatives, which demonstrated that DG Environment's adaptation for the Landfill Directive was inappropriate, a new working document is due to be issued by the Commission in the first quarter of 2003.

BAT note on mine waste management

In the Communication on the Safe Operation of Mines (Com(2000) 664) the European Commission outlined a program for how to increase safety and control in the management of mining waste. The third action was the development of a Reference Document on Best Available Technologies for Management of Tailings and Waste-Rock in Mining Activities (BAT).

The BAT document is written at the Joint Research Centre in Seville by Mr Stephan Theben. The work, which is organised through input from a Technical Working Group with 50 representatives from industry, Member States and NGO's, started with a Kick-off meeting in June 2001. A first draft of the BAT document was issued in September 2002 and a second draft is expected before the summer 2003. The document is expected to be finalised before the end of 2003.

The contribution from Euromines to the BAT document has been co-ordinated though a full-time Project Manager as the issue was found to be of strategic importance for Euromines due to the close link to the Mining Waste Directive. The Euromines Project Manager is supported by a working group with representatives from many of the Euromines member companies.

Numerous initiative have been taken during the year 2002 to assure that Mr Theben obtained a broad knowledge of the mining waste management in Europe and thereby the prerequisites to produce a good quality document. This has been done by arranging site visits, conferences, workshops and meetings. Large quantities of written information has been facilitated in a compiled form to Mr Theben for the inclusion in the document. During 2002 Euromines was by far the most active contributor to the BAT document.

*: http://www.europa.eu.int/Comm/environement/seveso

EU Directive on Environmental Liability

The sector is monitoring with great interest the development of this Directive. Whilst the latest Commission proposal demonstrates improvement, the European Parliament's views are again of great concern. As for many other industrial sectors the lack of liability protection through the issue of existing permits is of great concern.
The mining industry hopes that the Council of Ministers will not follow this line, which will be another deterrent for mining investment in Europe.

The New EU Chemicals Policy

In February 2001 the European Commission issued its White Paper on Chemicals Policy which introduced a new approach to the management of chemicals in the European Union.
The new strategy is articulated around the following key elements :

- **Reversal of responsibility from authorities to industry for the testing and risk assessment of chemicals;**
- **Introduction of an authorization system in cases where stringent control is assured for the most dangerous substances;**
- Increased transparency and information about chemicals;
- Merging the regulatory framework for existing and new substances;
- Promotion of innovation and competitiveness without compromising a high level of protection.

Under the proposed new scheme, an industry producing a substance covered by the Policy will be responsible for supplying data relative to that chemical. Following which, the authorities will be called upon to evaluate the data provided and to decide on additional substance-tailored testing programmes after industry proposals. Increased responsibility will also be placed on the users in the manufacturing chain (formulators and downstream users), who will have to supply data relative to the particular use they make of the substance.
The new system for assessing both existing and new chemicals is known as the REACH system*. This will contain the following three elements:

- Registration of basic information for around 30,000 substances (all existing and new substances exceeding a production volume of 1 tonne) to be submitted by companies in a central database. **This will apply to all metals and their compounds.**
  Subject to certain conditions, the following are the suggested deadlines for the submission of registration dossiers for substances exceeding a production volume of:
  - 1,000 tonnes - by the end of 2005 at the latest,
  - 100 tonnes - by the end of 2008 at the latest,
  - 1 tonne - by the end of 2012 at the latest.
- Evaluation of the registered information for all substances exceeding a production volume of 100 tonnes or, in case of concern, also for substances at lower tonnages; this evaluation will be carried out by the authorities and will include the development of substance-tailored testing programmes focussing on the effects of long-term exposure. **This will also apply to most metals and their compounds.**
- Authorisation of substances which are carcinogenic, mutagenic or toxic to reproduction (CMRs) and persistent organic pollutants (POPs). **This means that the marketing and use of such substances are authorised ONLY IF the safety of their applications is demonstrated by industry.**

* REACH stands for registration, Evaluation and Authorisation of Chemicals

ENVIRONMENT

This strategy is expected to impact raw material producers because they will have to provide costly risk assessments for their products and it will increase pressure to remove naturally occurring substances that may be deemed undesirable in end products. Raw material producers will have to follow the development of the detailed procedures of this evolving EU policy extremely closely.

Throughout 2002 the extractive industry federations have jointly developed a position which suggests that several adjustments be made
- to improve the practical workings of the new "REACH" system , in particular, with respect to the proposed authorization system,
- the timetable to phase-in existing substances, the regulation of "finished articles",
- the central administration of REACH and the sharing of responsibility and information throughout the supply chain.

Jointly, the extractive industry federations have urged the Commission to increase its efforts to discuss with its trading partners possible international solutions to the "global" issues raised in the White Paper, such as the collection of data on existing substances and the presence of metals and minerals in products. On these and other issues with an international dimension, the support of the international trade community will be critical to ensure that the system is applied by all parties and is enforceable.
The best way of achieving the Community's objectives on these issues is not by seeking to impose a framework developed within the EU upon the wider community but through genuine international dialogue. In view of the international character of its membership, the EU Committee is available to discuss with the Commission ways of enhancing international cooperation on its chemicals regulation.

Finally, the circulation of information, a fair allocation of responsibilities throughout the supply chain and the safeguarding of the vital interests of all the parties involved will be crucial to the practical success of future legislation. Considerable uncertainties remain in this area.

CORPORATE SOCIAL RESPONSABILITY

The sector has a long tradition of co-operating with its surrounding communities as well as its workforce.

Social dialogue – a new tool for stakeholder dialogue

EMCEF, the European Mine, Chemical and Energy Workers' Federation, supported by the coal and potassium mining organisations, CECSO (the European Solid Fuels' Association) and APEP (The European Potash Producers Association), created in 2001 the sectorial Social Dialogue Committee for Mining.
During the first half of 2001 Euromines asked the independent consultancy firm ASTON Communications to identify the appropriate representative Member State mining industry employers federations and to organise a preparatory meeting which took place on March 14th 2001. The aim was to define a strategy for possible participation in the future EU Sectorial Social Dialogue for the Mining Sector.

DG Employment and Social Affairs together with the Unions (EMCEF) invited Euromines to participate in this Social Dialogue. A decision on participation was taken in 2002 and Euromines joined as an observer and later applied for full membership.

Health and Safety at the workplace

Health an safety are key priorities in the mining industry and the EU legal framework is always of great concern. In 2002 three main issues were discussed.

Physical Agents Directive: Vibrations and Noise

In September and October 2001 the European Parliament made amendments to the Common Position adopted by the Council on the proposed *"Council Directive on the minimum health and safety requirements regarding the exposure of workers to the risks arising from physical agents (vibration)"*.
The Conciliation procedure for the proposal on vibration and a new proposal on Noise was adopted.
In the autumn the revised proposal on vibration was amended and adopted. Although the Directive now is much improved it will still pose several implementation problems for industry, in particular where older machinery remains in place.

The proposal on noise is still in the conciliation procedure and will be finalised in 2003.

Occupational exposure limit value for NO

Despite the fact that the NO2 issue and CO Occupational Exposure Levels (OEL) have still not been finalised, the European Commission's scientific expert body, the Scientific Committee on Occupational Exposure Limits (SCOEL), issued a recommendation for an OEL value for NO of 0, 2 ppm. The scientific justification for such a recommendation was less convincing than that made previously for the NO2/ OEL and was made without any linkage to the other NO2 proposal. The mining industry has strongly opposed these procedures and the values suggested. The consultation on both issues will be continued in 2003.
Overall it can be stated that the sector is more and more concerned about the Commission's policy in health an safety. More and more proposals are scientifically unfounded and not implementable. A more constructive dialogue would be desirable.

Mining and education: FEMP – Foundation of European Mineral Programmes

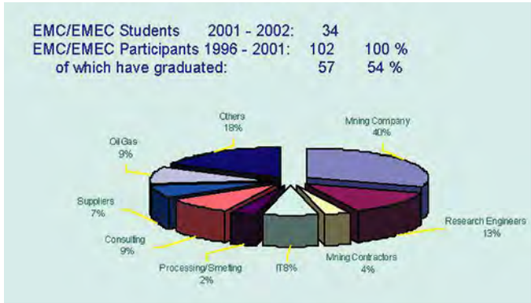
Part of the sector's joint activity in the area of corporate social responsibility is the involvement in FEMP, the Foundation of European Minerals Education Programmes. The sector is facing a shortage in skilled engineers and workers. More and more universities that used to provide such education are closing due to lack of students and/or funds.

The aim of this foundation is to provide a unique European education at 8-12 different universities with a large number of international exchange possibilities. The foundation, two years after its set-up, is now supported by about 23 companies and federations of the sector.
Originally providing education at four core universities, a new East-European cluster providing access to the programme of students from the accession countries has been set up.

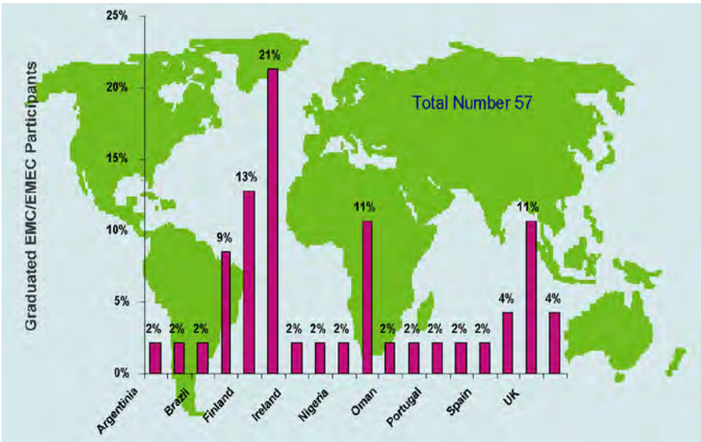
The annual meeting of the Industrial Advisory Board (IAB) of the Foundation of European Mineral Programs (FEMP) took place in Delft in December 2002 and was combined with the annual gathering of the student body and Alumni of the European Mining and the European Mineral Engineering Courses

The Advisory Board reviewed the situation of the programmes and the job situation for the graduating students as well as their geographical employment.

EMC / EMEC JOB STATISTICS



EMC / EMEC EMPLOYMENT WORLD WIDE



The Global Mining Initiative

The industry initiative on sustainable development

The Global Mining Initiative (GMI) was an industry initiative concluded in 2002 involving nine major resource companies including Rio Tinto, Anglo American and BHP Billiton who are members of the World Business Council for Sustainable Development (WBCSD). The GMI addressed the challenges confronting the mining metals and minerals industry in the transition to sustainable development, including access to markets and resources, and the need to improve social and environment performance. The project aimed to build trust with society and develop business directions that ensure economic viability while contributing to sustainable communities and a sustainable environment.

With sustainable development a major focus, the GMI engaged in dialogue with stakeholders about how best to make the difficult choices and trade-offs required for successful mineral development.

The work of the GMI got under way in late 1999 focused on three parallel components:
- the MMSD (Mining Minerals and Sustainable Development) analysis of the issues facing the industry with pointers to how they could be addressed;
- a strategy conference involving the industry and stakeholders to discuss the way forward; and
- the creation of a global institution to carry forward the outcomes and engage in ongoing dialogue with society.

The MMSD

The Mining, Minerals and Sustainable Development project was the cornerstone of the GMI. Because an industry-managed analysis would have neither the independence nor credibility that was needed, the WBCSD was invited to conduct the project and draw in non-industry participation in the form of inter-governmental organisations, national governments and conservation groups. Euromines participated in the MMSD European regional dialogue meetings.

The WBCSD in turn commissioned a London-based NGO, the International Institute for Environment and Development, to map out a new approach to the challenges facing the industry. While the industry put up most of the cash, it had no control over what the project chose to investigate, whom they consulted or how their report was written. Monitoring of these aspects was in the hands of the project's Assurance Group, primarily made up of independent academics, senior members of some major NGOs and no current mining industry executives.

Key conclusions from the MMSD report included:

Industry Performance
- Overall perception of performance is very negative.

Trust
- Significant lack of trust between various actors across the sector.

Need for Minerals
- Not possible to meet the worlds legitimate basic needs without minerals & metals.
- Depletion is not a practical constraining factor.

Management of Mineral Wealth
Full potential contribution to national and local development is not realised.

Legacy
- Legacy issues represent a major obstacle to building trust and moving forward.

Capacity
- Need to build capacity of all actors (including Industry).

Participation
- Collective effort by all parties is required for progress.

Company and industry level recommendations in the MMSD report included:

Individual Company Level
- Develop and implement a Sustainable Development Policy
- Improve closure planning – full integration of SD considerations
- Anti-corruption initiatives – greater transparency in distribution of funds
- Greater public participation in decision-making

Industry Level
- Global declaration on sustainable development
- Develop performance 'protocols' with third party verification and/or company wide certification
- Support formation of an 'independent' complaints, disputes & resolutions mechanism
- Sector initiatives focusing on Artisanal and Small Scale Miners (ASSM)
- Develop programmes to support product stewardship
- Sector initiatives to address minerals legacies.

The GM Conference

The GMI organised a landmark strategy conference on mining, metals and sustainable development in Toronto Canada from 12 – 15 May 2002. The pathways and options developed in the MMSD final report helped inform the conference discussions. The GMI invited a wide representation of interests to allow engagement between the industry and its stakeholders at the leadership level.

The purpose of the conference was to achieve open and inclusive debate on how the industry should contribute to sustainable development; hear views from outside the industry; develop an industry consensus on sustainable development; and describe and encourage best social and environment practice. The consensus contributed to the World Summit on Sustainable Development in Johannesburg in September 2002. The conference was self-financing from registration fees and sponsorships.

Renewed industry representation

A key element of the GMI was to create global mechanisms to carry forward the relationships and outcomes delivered by the MMSD project and the conference discussions. It was decided to transition an existing body, the International Council on Mining and the Environment (ICME) into a more broadly mandated association, with membership from industry Chairmen/CEOs and leaders of existing industry bodies, named the International Council on Mining and Metals (ICMM). It is based in London with a small expert staff to provide leadership in implementing the industry's sustainable development vision. Euromines joined ICMM as a member in 2002.

Following the GMI conference in May 2002, ICMM is now carrying forward the outcomes, directions and relationships of the industry's sustainable development vision.

The GMI's web address is
http://www.globalmining.com.

The ICMM's web site is
http://www.icmm.com

There is also a conference web site
http://www.gmiconference.com

The MMSD site is
http://www.iied.org/mmsd