The European Union
Helping or hindering mining?
You don’t have to look far to find someone prepared to knock the European Union. This feels particularly true for *Mining Journal*, based in the UK, where an ‘In-Out’ referendum on EU membership in June has provoked an increase in anti-EU rhetoric.

In mining circles, at times, it’s not much better.

Europe, for all its mining history and known mineral wealth, has lacked meaningful mining development for decades. The EU, as the default governing body for greater Europe, or at least its 28 member states, is the easy scapegoat.

The criticisms of European mining vary depending on where you are – Western Europe has permitting problems, Central Europe is overtly bureaucratic, Eastern Europe is antiquated and full of activists. Not that these problems recognise state boundaries.

The theme, with the exception of Scandinavia, is miners generally find life difficult in this part of the world. “There is an industry [in Europe] built-up around not permitting mines,” Euromax Resources chief executive Steve Sharpe said on a Mines and Money panel chaired by *Mining Journal* late last year. “It would be interesting to see how much that sector is actually worth in terms of revenues because it employs a lot of people.”

Sharpe is most familiar with the Greek mining system from his time spent at European Goldfields (taken over by Eldorado Gold in 2012). He said Macedonia, where Euromax is developing its Ilovica gold-copper project and which is not an EU state, had provided a conspicuously different experience, so far.

The problems further east are well dokumented: The headlining problem child, Rosia Montana in Romania, is described in more detail in an Eastern and Central Europe feature in this edition of *Mining Journal* (see page 28-29). This part of the world is heavily populated by environmental activism driven by mining’s poor track record.

An Eastern European bloc unsuccessfully petitioned the EU parliament for a blanket ban on cyanide in gold processing in 2010, though Slovakia went ahead and issued its own ban in 2014, joining EU members Germany, Czech Republic and Hungary in going cyanide-free.

In Western Europe, Spain has been criticised for its complicated mining framework, which has claimed multiple mining scalps in the past decade, while England-focused Wolf Minerals chief executive Russell Clark has complained about the inflexibility of waste management legislation, having been forced to build a triple-lined tailings dam for the chemically inert tails product from Wolf’s Drakelands tungsten mine.

The Fraser Institute’s most recent rankings paint a similarly diverse picture of EU member states, ranking them from fourth (Ireland) of 109 jurisdictions through to 106th (Greece) on its key Investment Attractiveness index, which combines ratings for mining policy and mineral potential. Only 12 of 28 member states were covered, implying those not covered are generally even less suitable for mineral investment.

The better rankings are generally reserved for countries in Northern and, to a lesser extent, Western Europe. The worst scores were recorded for Central and Eastern Europe. This was reflected across a range of separate indices (see table, below left) that considered mining policy, mineral potential and encouragement of exploration (see the column ‘Current practices mineral potential’ in the table).

The obvious question is: for how many of these poor experiences and poor ratings can the EU be held responsible?

That is: how much influence does the EU actually have on the mining industry?

### Getting real

Though quick to deride the EU, few mining companies based in EU member states have a full understanding of how the organisation works.

The EU is not authorised to govern the mining policies of its member states, but, in reality, it keeps a close eye on the key practices through two separate documents: the Waste Management directive and the Environmental Impact Assessment directive.

These provide the EU “legislative competence” over the two key areas for which miners must gain approval before digging anything up, according to Control Risks analyst Stina Hartikainen.

“In these areas, EU bodies can adopt regulation that member
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