

Budapest Declaration
of the Social partners in the European mining industry
to promote exploitation of indigenous raw materials

Participants to the conference organised in Budapest within the framework of the EU project "The future of miners - the role of the social partners" (VS/2009/0459) passed a joint position on June 12, 2010.

"The creation of a solid industrial base in Europe is an essential question if we want to strengthen the EU economy and secure its development for the benefit of a blossoming economic and environmentally friendly production structure." This is the core idea of the economic policy of four European Industry Federations, EMCEF, EMF, EFFAT and ETUF:TCL, that was fully supported by the conference participants.

The employment expansion and the creation of new and sustainable jobs are impossible without the use of European natural resources and raw materials. According to the Raw material initiative of the European Commission "While the current effects of the financial crisis are leading to a slow down of the growth of global demand for raw materials, it is expected that the growth levels of emerging countries in the future will maintain high pressure on raw materials demand. ... **Cohesion policy funding**, in particular under the European Regional Development Fund, is available to support a range of research, innovation and business support measures for raw material exploration and exploitation."

Europe needs to develop its economic value added activities. Industry is gaining growing importance in the process that leads to a successful European economy creating new jobs, intensifying productivity, stimulating innovation and improving social standards. The availability of primary raw materials is of strategic importance for stable operations of European industry.

Europe has been leading in the coal technologies for a very long time. This advantage, however, seems to decrease now as only a few of the more than 400 coal based installations are in Europe. The relatively low world market prices of raw materials and of production should be used as a chance and massive investments should be made in the procession of coal. The social partners are aware of the fact that the non-energy use of coal should be increased substantially so that the supply of organic raw materials for the highly important value chain of the chemical industry can be guaranteed in the EU.

The 7. Research Frame Programme 2007-2013 of the EU calls for projects in connection with the different use of coal within the frame of the "Clean coal" action. To be able to make appropriate use of this form of subsidies, the governments of the coal-mining EU member states should take over a co-ordinating role between research and the industry and support such projects. The social partners agree to support this strategically important initiative through their networks.

No industrial activity can be sustained or developed without secure energy supply and appropriate energy prices. "Europe needs to act now, together, to deliver sustainable, secure and competitive energy. In doing so the EU would return to its roots. In 1952 with the Coal and Steel Treaty and 1957 with the Euratom Treaty, the founding Member States saw the need for a common approach to energy. Energy markets and geopolitical considerations have changed significantly since then. But the need for EU action is stronger than ever." - says the

energy policy communication of the European Commission. “Existing measures on areas such as renewable electricity, biofuels, energy efficiency and the Internal Energy Market have achieved important results but lack the coherence necessary to bring sustainability, security of supply and competitiveness. No one element of the policy provides all the answers – they must be taken together as a whole.” The participants to the conference agree with this statement and draw the attention to the fact that within the energy sector the security of supply requires the support of the use of indigenous resources including the clearly environmentally friendly renewables.

We are convinced that the extraction of coal for energy generation purposes and for the generation of electric energy serves a secure and economical supply and by using modern technologies, it can decrease environmental burdens and increase employment. Best available technologies have substantially increased the efficiency of coal-based power plants and chemical plants, thus decreasing the unit emission values. There are promising experiments for Carbon Capture and Storage (CCS) and Carbon Capture and Recovery (CCR). We are convinced that the CO₂ emission of the raw material and fuel types has to be assessed on life cycle, otherwise Europe as a leading power in environmental protection will export environment pollution. To be able to renew the extraction and processing segments of the coal industry we need to maintain and expand former values and to establish research, geological, mining and processing-industry cultures. The state aid to coal industry is justified from this angle, too.

We are convinced that the objectives and considerations of the EU regulation (1407/2002/EC) on state aid to the mining industry are still valid. The regulation has justified itself, this is why the European Commission did not recommend any changes in its interim report (2007) and considered the possibility of a compatibility of state aid and the internal market.

The importance of these objectives has increased after the structural changes generated by the EU enlargement, the current crisis that hits the economy as a whole and is increasing challenges of the security of supply. This is reflected in the call of the Council and the Commission for a highest possible use of indigenous energy resources. To achieve these goals, we need all instruments of subsidisation possible under the current regulations. These subsidies concern only a small segment of the EU energy and especially of the electric energy market and do not distort competition. The subsidies do not contradict the EU environment goals either, as they do not influence the amount or the use of coal.

If Europe will depend on the coal from third countries in the future, coal prices will shoot up and electricity prices will be unsustainable. The conclusions of the ECORYS study stating that coal prices on the international market are safe are misleading since the reason for this stability is the existing coal mining in Europe.

The decision makers must concentrate on the processes of the real economy. The current threat of the economic crisis, which was caused by the financial markets and not by the industry, requires a major change in the economic and social strategy of Europe. This must be considered also in the energy roadmap 2050 and should be reconsidered in the medium term programme, as well. Against this background, a 30% decrease of the CO₂ emission is unacceptable.

Due to the threatening recession and the pressure of unemployment in Europe we demand a sustainable and co-ordinated economic and social policy, which is capable of razing confidence for the economy, increasing demand and retaining jobs in the real economy. The prolongation of the scope of the coal aid regulation after 2010, at least until 2020, could be a major element in this policy.

Budapest, 12/ 06/ 2010

Employer organisations		Trade unions
EUROPE	EURACOAL	EMCEF
BULGARIA	MMIEAD	PODKREPA
CZECH REPUBLIC	ZSDNP	OSPHGN
GERMANY	GVST	IG BCE
HUNGARY	MBSZ	BDSZ
POLAND	ZPGWK	ZZG w POLSCE
ROMANIA	SNLO	FNME
SPAIN	CARBUNION	FIA UGT