

Country report: ROMANIA

“Future of Miners

The role of social partners

Climate change and their impact for employment in the mining industry“

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MARIN CONDESCU, President, FNME

Mining industry in Romania

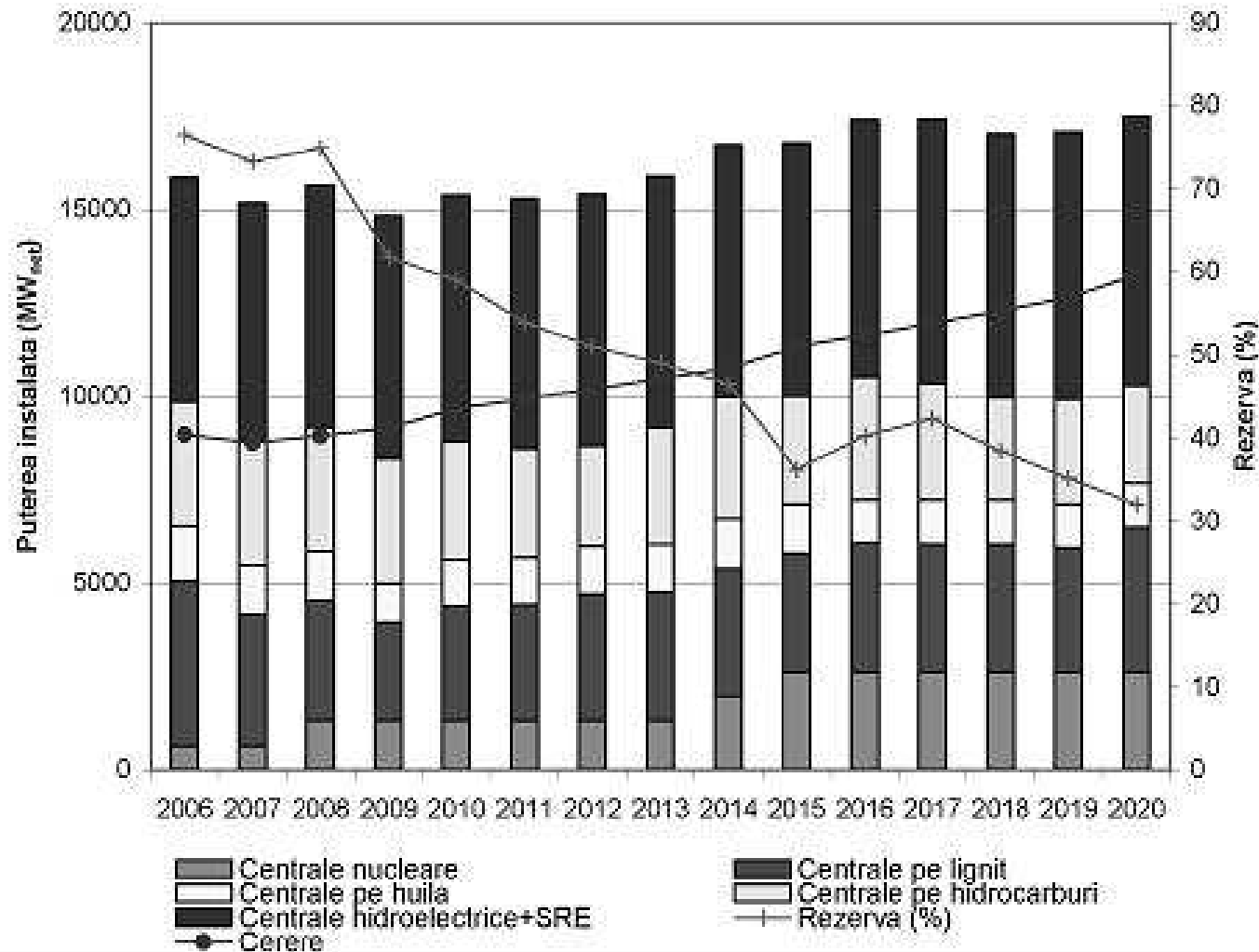
Coal exploitation

- **Bituminous coal** – is exploited in underground mines located in the Jiu Valley, which belong to CNH Petrosani, a state-owned company managed by the Ministry of Economy.
- **Lignite** – is exploited in quarries (95%) and underground mines (5%), which belong to state-owned companies (SNLO), to companies whose shares are divided among the state and the Property Fund (20%), such as Turceni, Rovinari and Craiova Energetic Complexes, as well as to other private companies which make up for approximately 4-5% of the lignite production (only in quarries).
- For 2008, the coal production was of 34,4 mil tons, out of which 2,8 mil tons black coal and 31,6 mil tons lignite.

Factors determining the restructuring of the coal sector

- The decrease of the national energy consumption level, following the restructuring of significant energy consumers;
- Depletion and difficult underground mining and geological conditions, with low productivity and high extraction costs;
- The transition of households to gas heating, the relinquishment of coal and bituminous coal briquettes;
- The implementation of economic and technical measures which raised the functioning parameters of the equipment, particularly in quarries;
- The change of geological conditions determined by the transition to interior dumping in quarries, which reduced the distance between dumping process lines.

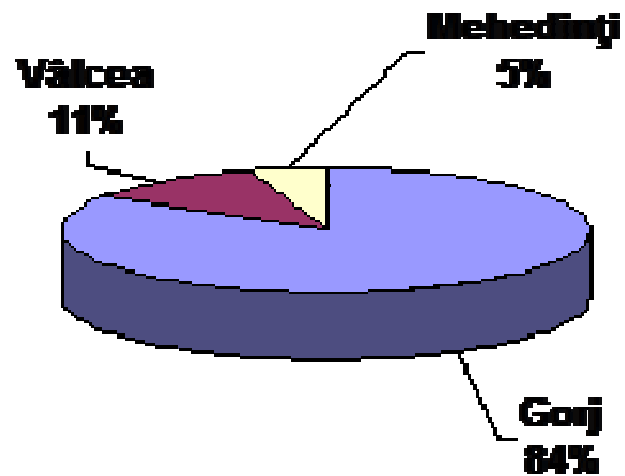
The structure of electrical energy production according to types of plants and primary energetic carriers



Organisational structures for coal exploitation

- **1991- 1995**, the activity was carried out in two Autonomous Public Corporations – one for bituminous coal (with head office in Petrosani) and another for lignite (with head office in Tg. Jiu);
- **1995-1997**, the lignite activity was reorganized through the separation and creation of a new Autonomous Public Corporation with head office in Ploiesti;
- **1997-2004**, the Autonomous Public Corporations turned into national companies, on which occasion the operational activities (transportation, repair factories, canteens, etc.) were organized as distinct commercial entities subject to the privatization process which later occurred;
- **2004** the company covering the Oltenia region was reorganized. A distinct entity was created and it took over approximately 60% of the lignite production capacity (SNLO), while the other units merged with the Rovinari, Turceni and Craiova thermo-plants, thus creating three new energetic complexes. Due to a decrease in activity, the company covering Ploiesti was liquidated; one remaining sub-company was charged with the shutting-down of its units. During 1997 – 2005 the mining sector in Romania was profoundly restructured: the activity of most inefficient mines was stopped, the workforce in the coal sector was reduced from approx. 132.000 to aprox. 28.000 workers, triggering an increase in work productivity and a reduction of production costs.

Lignite production in Oltenia



Total production

903.638,9 thousand tons

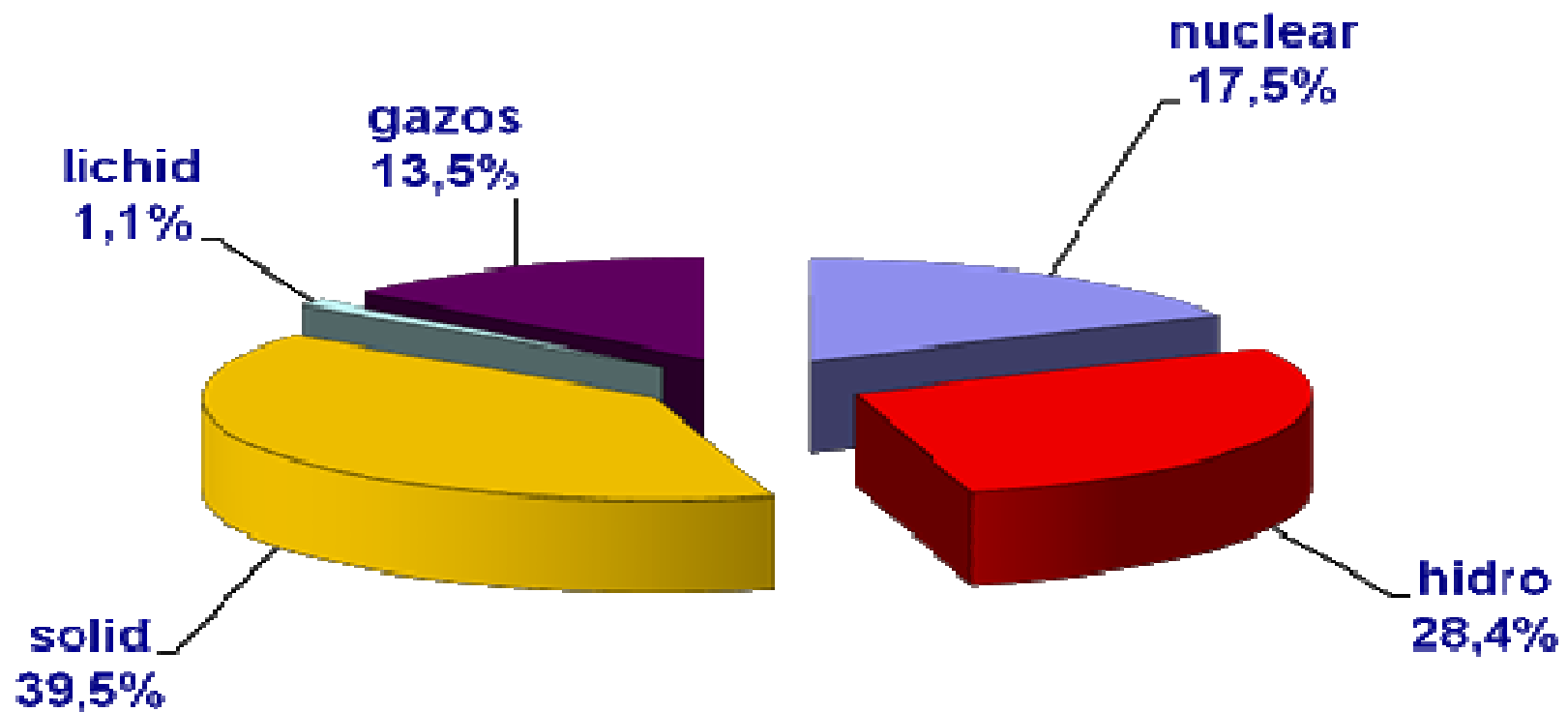
Out of which:

-Mehedinți	43.406,8 th to	4,8%
-Vâlcea	102.848,7 th to	11,4%
-Gorj	757.383,4 th to	83,8%

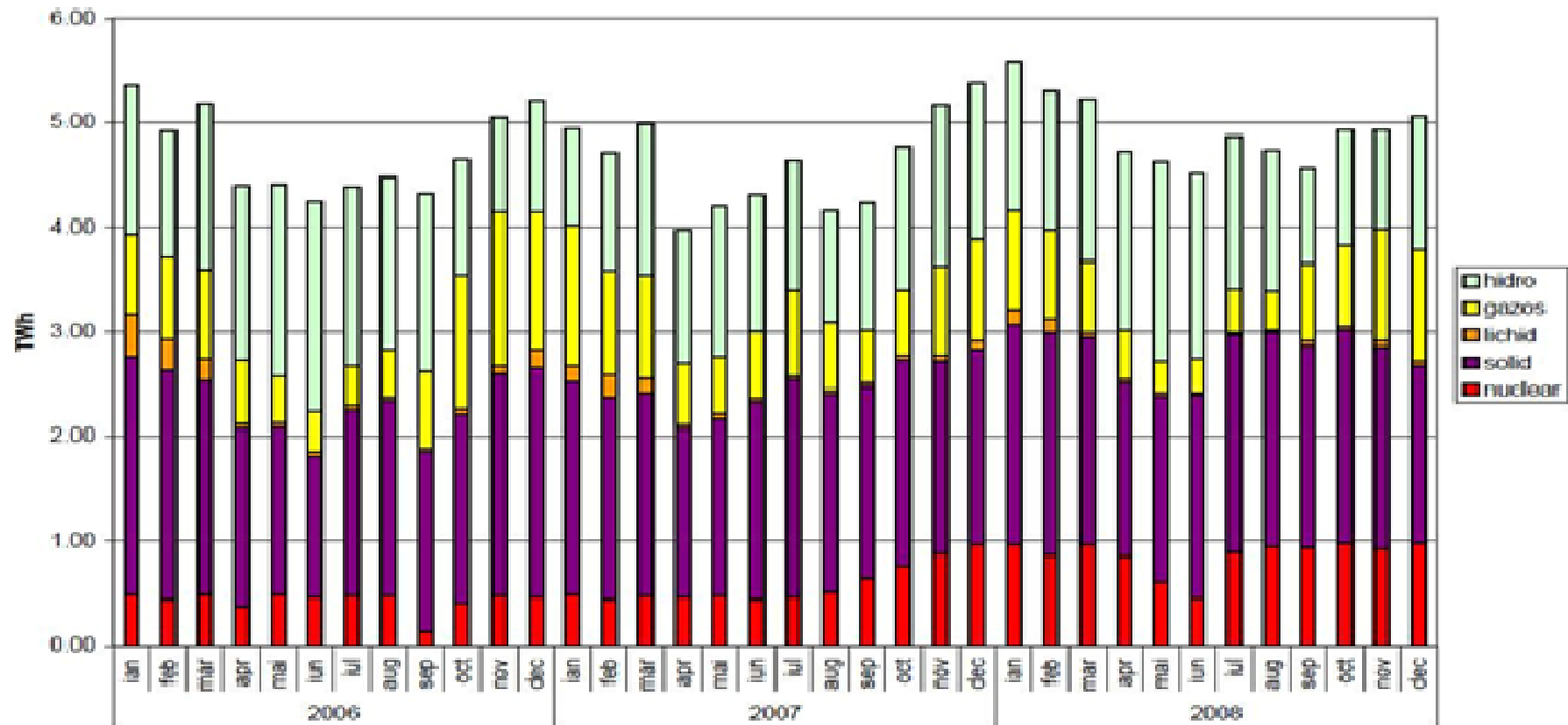
Other energy sources

- approx. 150 mil. cube meters of **natural gas**, estimated period of supply according to current consumption of approx. 12 years;
- approx. 70 mil. tons **crude oil**, estimated period of supply according to current consumption of approx. 11 years;
- National potential of **renewable sources**: for solar energy - 1,2 TWh, for wind power – theoretical potential of 23 TWh, hydro power 36 TWh. The potential of other power sources is insignificant.
- The structure according to types of electric energy resources delivered in the networks by producers with dispatch units in 2008 was as follows: coal 39,50%, gas fuel 13,50 %, liquid fuel 1,1%, hydro 28,4%, nuclear 17,5%, wind, insignificant, approx. 0,02%

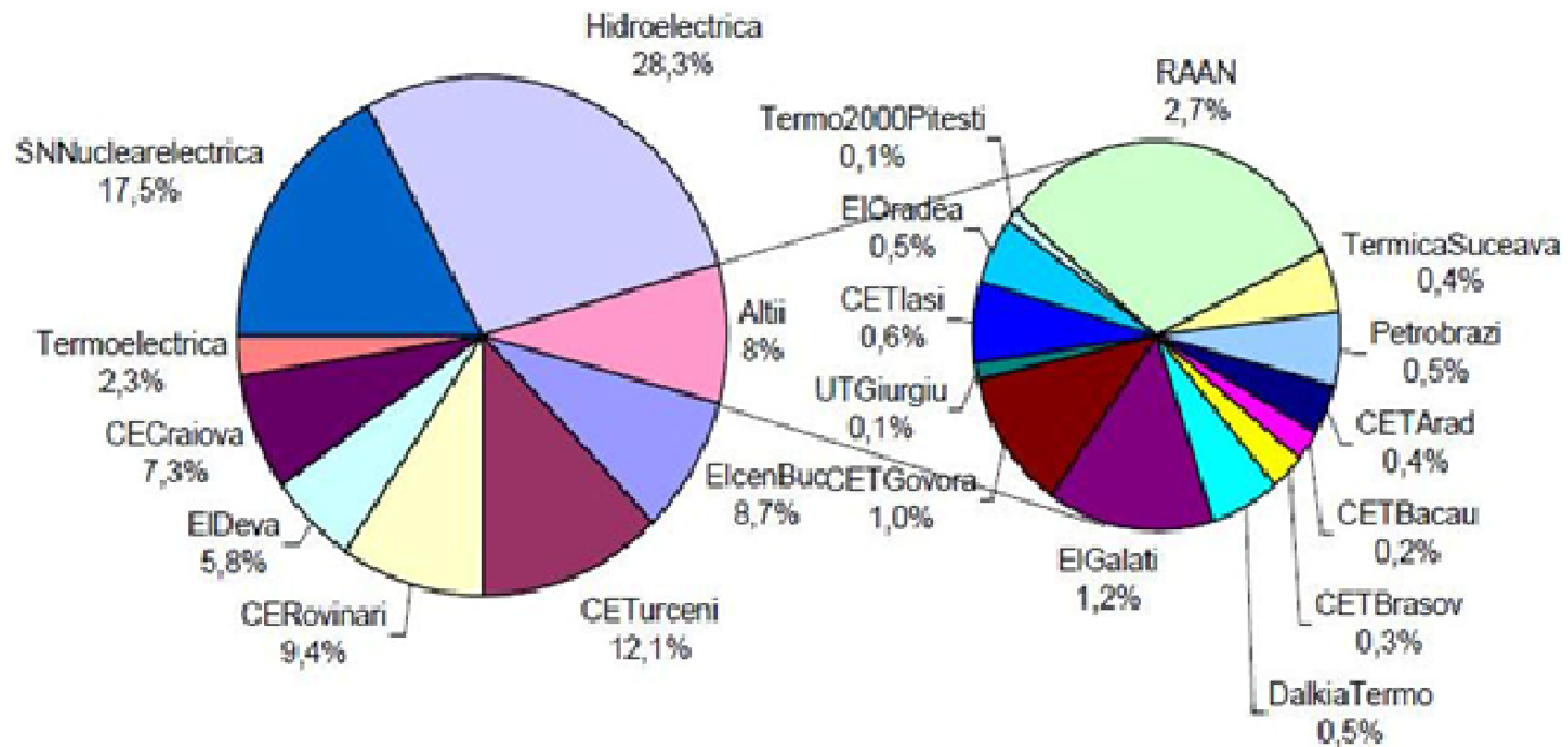
Structure according to types of electric energy resources delivered in the networks by producers with dispatch units in 2008



Evolution of structure according to types of electric energy resources delivered in the networks by producers with dispatch units



The participation quota to the electric energy delivered to the networks of producers with dispatch units



Nuclear energy: investments and programs for new nuclear power stations

- According to the Energy Strategy, the percentage of nuclear energy in the year 2020 will be of 21,6%, as 4 units will be operational as opposed to 2 in the present.
- The construction of units 3 and 4 with an installed capacity of 706 Mw each (600 Mw available for commercial use) is envisaged for 2017 at the Cernavoda Nuclear Plant.
- The construction of a second nuclear plant is under analysis at governmental level; however, not even the location is set.

New technologies and environment requirements

- Romania ratified the **United Nations Framework Convention on Climate Change** and, by signing the **Kyoto Protocol**, has undertaken to reduce greenhouse gas emissions by 8% compared to 1989.
- For the implementation of the LCP Directive, the **Government of Romania issued Government Decision no. 541/2001** on the limitation of emissions from large plants with a rated thermal input equal to or greater than 50 MW (dust, SO₂ and NO_x emissions).
- These limits are mandatory for all new units. For operational units, **by 2012 the required limits are to be reached through a gradual program**, so that the new emission standards are met through the implementation of significant investments. Emission standards for powders will be met as a consequence of a comprehensive program for the rehabilitation of electric filters in energetic boilers.
- Each company owning one or more thermo plants has drafted concrete investments plans in order to comply with the following requirements. Ex – **Craiova or Turceni energetic complexes**.

Reducing the impact on surface and underground waters

- qualitative and quantitative monitoring of trapped and evacuated water;
- reducing the water consumption and implicitly the produced/evacuated waste water flow;
- optimizing the water pre-treatment and treatment;
- improving performance of fuel oil separators;
- recirculation of cinder/ash hydro-transport waters;
- increasing the degree of water recirculation in cooling circuits;
- drafting the intervention plan in case of accidental contaminations.

Reducing the impact of the activity on soil

- monitoring soil quality;
- reducing residual powder emissions;
- preventing reagents and hydrocarbon leaks in the discharge/deposit areas;
- preventing losses of liquid, suspension, pipe-carried slimes;
- eliminating infiltrations or leaks from waste deposits;
- optimal usage of lands occupied by waste deposits, through the reduction of waste quantities and their capitalization;
- decontamination of soil polluted by accident.

Development perspectives of the mining industry

- Coal reserves (Annex 6) which may be exploited using current mining technologies represent approx. **1400 mil tons lignite and approx. 745 mil tons bituminous coal**. By capitalizing coal reserves, in the context of the increase of electrical energy quantities from 60.337 Gwh in 2008 to approx. 85.000 Gwh in 2020, an input of approx. 35% is brought to the national energetic system.
- The consumption of natural gas and crude oil and the fact that these reserves are limited and undergoing extinction lead to **Romania's dependence on imports**.
- Coal imports are used by thermo plants which consume the entire amount of bituminous coal for Iasi and Suceava, and partially for Mintia. For lignite, (approx. 1,5% of consumption) there is a partial import from the Oradea and Halanga thermo plants.
- After 2020, it is estimated that the **electrical energy export will increase from approx. 3.5 TWh in 2009 to approx. 15TWh**, so that it will exceed the production from imported liquid and gas fuels.

Closure of mines.

Managing restructuring measures.

- During 1997-2009, the mining sector in Romania was profoundly restructured through the closure of most inefficient mines, as well as through a focus on mining perimeters with important resources and acceptable costs, so that **the number of direct jobs was reduced from approx. 132000 to aprox 28000.**
- Negative influences were detected largely at economic operators producing and supplying works and services for the coal exploitation activity. This phenomenon will continue in the following period.
- Although restructuring programs and agreements concluded with the government provided for these measures to be accompanied by programs for the creation of economic alternatives for employment, they were never put into practice. Thus, in mining regions the **unemployment level is way above the country average, with poor living conditions.**

Role of social partners.
Social dialogue.

Information, consultation and cooperation

- At micro level, social partners participate in the drafting of collective labor contracts, internal regulations of organizations, and function according to the principle of co-decision. At macro level, this principle is many times only a formal provision.
- Social partners have participated in the elaboration and implementation of restructuring programs according to their attributions and competencies, but without the capacity to administer funds.
- For the restructuring of the mining sector, social partners have negotiated with representatives of the government and employers a set of measures, included in the restructuring programs and meant to reduce the social impact of restructuring and reorganization processes, for the social protection of persons laid off and, at the same time, for the post-lay-off acceptance of activities necessary for the closure and maintenance of mines, according to GEO 116/2006.

Activity of social partners

- Liaisons and relations with the national, regional and local administration are carried out through **organizational structures such as trade unions, federations, confederations and unions**. Each level of administration has a corresponding level of representation for social partners.
- Social partners were constantly tuned into the realities and issues in the mining sector, which were then analyzed and discussed together with government representatives, resulting in the **signing of various protocols** between the two parties.

Structure

- **Social and Economic Council:** autonomous public institution of national interest, created with the purpose of carrying out social dialogue at national level between the employers, trade unions and the government and to achieve a climate of social peace and stability. It has a consultative role in determining social and economic strategies and policies and in reconciling disputes at branch or national level among social partners, as well as triggering, promoting and developing social dialogue and social solidarity.
- **Social dialogue commissions at central and territorial administrative level.** The activity of social dialogue commissions has a consultative character and aims to:
 - **a)** ensure social partnership relations among the administration, employers and trade unions, allowing for a permanent and mutual flow of information on relevant issues, in order to ensure a climate of social stability and peace;
 - **b)** mandatory consultation of social partners on legislative initiatives with economic and social character;
 - **c)** other issues related to the activity of local or central public administration on which social partners deem adequate to discuss.

Representativity

- Social dialogue commissions organized at ministry and territorial level are composed of trade union representatives appointed by trade union confederations. At national level, there are the following confederations: **BNS, Cartel Alfa, CNSLR Frăția, CNS Meridian, CSDR.**
- Mining trade unions are mostly affiliated to Cartel Alfa, one of the signatories to the national collective labor contract valid for the period 2007-2010.
- For the geology and mining industry sector a new collective labor contract was signed in 2008, valid for 2008-2012. The signatories to this contract, which was registered at the Ministry of Labor in February 2008, were PATROMIN, an employers' organization representing private and state-owned companies with a number of aprox. 29.500 employees, and representative mining trade unions, out of which the most significant is the National Federation Mines and Energy (FNME)
- PATROMIN is affiliated to the national employers' organization – the Confederation of Employers in Industry, Services and Commerce (CPISC) and, at European level, to the European Steel and Coal Community.

FNME

- FNME is a representative organization for workers' interests in the geology and mining industry sector. It represents the interests of approx. 21.500 workers in mining, geology and energy.
- FNME is organized in unions:
 - USM Oltenia – 33 trade unions, 15.772 unionists
 - USM Energie Jilt Turceni - 5 trade unions, 2060 unionists
 - US in Uranium – 6 unions, 1388 unionists
 - Trade unions in salt, non-metalliferous, metalliferous, etc – 18 unions, 1200 unionists (organized in small unions or unorganized)
 - Large trade unions: CNE Cernavoda trade union – 779 unionists
- FNME is founding member of CNS Cartel Alfa, to which it became affiliated in 1990.
- FNME is affiliated to the European Federation of Mines, Chemistry and Energy and International Federation of Mines, Chemistry and Energy.
- Employees working in bituminous coal exploitation are organized and represented by the following trade unions:
 - Jiu Valley Trade Union League - 7044 unionists
 - Jiu Valley Trade Union Federation - 434 unionists

Objectives

- F.N.M.E. militates for and promotes joint administration and partnership between the public administration and trade unions.
- Social partners in the mining and energy sectors are concerned with the adoption and implementation of community legislation in Romania, and with its monitoring and observance by the empowered institutions and private companies. They are also concerned with:
 - Maintaining current jobs and decent pay
 - Creating economic alternatives and new jobs in mining areas
 - Safety of jobs and work conditions in order to avoid professional illness and accidents
 - New investments and modernization of equipment.

Thank you!



FEDERAȚIA NAȚIONALĂ MINE ENERGIE

*MEMBRU FONDATOR AL CNS "CARTEL ALFA"
AFILIATĂ LA: FEDERAȚIA EUROPEANĂ MINE-CHIMIE-ENERGIE
FEDERAȚIA MONDIALĂ A LUCRĂTORILOR DIN INDUSTRIE*

Str. Ion Câmpineanu nr. 20, București, Sector 1, etaj 6; www.fumero; e-mail: secretariat@fume.ro
Td: 021 3127412; 031 4022254; 0723 802 559; Fax: 021 3100254
