

**Budapest Declaration**  
**of the**  
**Social partners in the European mining industry**

Participants of the conference within the frame of the EU project "The future of minders - the role of the social partners" (VS/2009/0459) passed a joint position on the basis of the discussions at the conference held in Budapest on 12. June 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 environment-friendly production structure." This is the core idea of the economic policy of four European sectoral union federations, EMCEF, EMF, EFFAT and ETUF:TCL, and was fully supported by the conference participants too.

The expansion of employment and the creation of new and sustainable jobs is impossible without the use of European natural resources and raw materials. According to the Raw material initiative of the European Commission "the current impact of the financial crises may slow down the increase of the global demand for raw materials, the growth levels of the emerging countries will presumably exert a great pressure on the demand for raw materials in the future, as well. With the financing possibilities of the cohesion policy, especially within the frame of the European Regional Development Fund, different research, innovation and enterprise support measures can be initiated in the area of the research and extraction of raw materials."

Europe needs to develop its added value economic 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 mineral raw materials is of critical importance for stable operations of the EU economy.

Europe has been leading in the coal application technologies for a very long time. This advantage however, seems to decrease now as hardly any 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 at least on the medium term 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 must act jointly for the sustainability, security and competitiveness of energy supply. With this Europe will turn back to its roots. The founding member states of the treaty of the European Coal and Steel Community (ECSC - 1952) and the Euratom-Treaty (1957) recognised the need for the development of a common energy

strategy. The energy policy and geopolitical conditions have changed, but the need for joint action is more urgent for the EU than ever." - says the energy policy communication of the European Commission. "Measures that have been taken until now in the internal energy market are important developments, but they lack the coherence that could result in sustainability, secure supply and competitiveness. The different strategy elements must comprise a unity." The participants 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 national resources including the clearly environment friendly renewable energies, as well.

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. State-of-the-art 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 Ready (CCR). We are convinced that the CO<sub>2</sub> emission of the raw material and fuel types has to be assessed on life cycle otherwise Europe, as a leading environmental power 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 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 national 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.

The decision makers must concentrate on the processes of the real economy. The current threat of the economic crisis that was caused by the financial markets and not by the economy demand a major change in the economic and social strategy of Europe. This must be considered in the energy roadmap 2050. Against this background, a 30% decrease of the CO<sub>2</sub> 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 raising 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 could be a major element in this.