

Business, Innovation and Skills Committee Inquiry into the Extractive Industries Sector

Evidence and submission - September 2013

Executive Summary

The UK has an active domestic minerals extraction industry providing national wealth, employment and resource security to the construction industry and to a wide spectrum of consumer and manufacturing industries. The UK also has abundant reserves and the sector could grow and provide additional employment and resource security.

In addition the industry has an enviable and world-leading reputation for the highest level of restoration and after-care following mineral extraction (generally over and above planning requirements) with respect to landscape, tree planting, environment and to biodiversity and geodiversity.

The sector would benefit from

- a better understanding of its value to the national economy, environment and well-being by decision makers and the general public
- improved access to mineral resources
- improved incentives for future investment in the industry, and reverse this year's UK slip in World Economic Forum's *most competitive economies* [list](#) from 8th to 10th position.
- broader based education opportunities to introduce extraction in school curriculums and offer relevant higher level courses for the industry
- a common government department with responsibility for ensuring that the domestic mineral industry is enabled to thrive and grow, and to be responsible for UK mineral resources overall; and also joined-up department for the industry's associated environmental, and planning responsibilities
- reduced interference by regulators once any planning permission has been granted

The publicly listed mining houses on the UK Stock Market and with London HQs generally have little direct involvement in any of the UK domestic mining industry.

The UK minerals extraction industry is represented through the CBI Minerals Group. The broader stakeholder interests for the industry sector including national, regional and local government and NGOs is through the UK National Minerals Forum established for this purpose in 2007. In addition the industry engage with Westminster through the Associate Parliamentary Minerals Group (APMG).

The UK minerals extraction industry has not been involved with the EITI initiative which appears to be of little consequence to our sector. However, we do note that HMG reiterated its economic and growth policy objectives in item (8) of its notes to the EITI launch [Press Release](#) dated 9th July which we do fully support. We trust that the EITI initiative will not make any additional impositions on an already overburdened and regulated domestic minerals industry compared to our colleagues in other countries; and particularly not to SMEs.

Introduction and Background

This response is on behalf of the [British Aggregates Association](#) (BAA) as well as for [The Barytes Association](#) (TBA) of which I am Director; and also various other interests in the minerals industry in the UK, Europe and globally gained in over 40 years experience mainly at the sharp end of industry.

BAA represents the interests of some 110 members of which some 70 are independent and privately-owned SME quarry companies throughout the UK with some 13% of national output and who operate out of some 300 sites.

TBA members provide globally two-thirds of the barytes consumed in the oil and gas drilling, TV and PC glass, and automotive industries. There are three UK members who mine and produce barytes and fluorspar domestically, one of whom operates in a National Park.

I am an active member of the CBI Minerals Group and also of the UK National Minerals Forum which includes central, devolved and local government officials, planners, heritage groups and NGOs as well as industry representatives. I also belong to the Mining Association of the UK; and am a member of two professional associations for the industry - IOM3 (Institute of Materials, Minerals and Mining) and IOQ (Institute of Quarrying). I am involved with the activities of [Euromines](#) and through them an EU Commission Expert Group the [Raw Materials Supply Group](#) which includes industry, the Commission and member state representatives.

Submission

We have restricted our comments to only the first of the questions laid out in your submission of evidence dated 3rd July 2013.

What is the contribution to the UK economy of extractive industries in the UK?

The UK has an active domestic industry producing well over 200Mt of minerals annually in addition to oil and gas, and provide both employment and resource security. (Further detail is included in the submission by the CBI Minerals Group).

A high proportion of the tonnage is land-won aggregates for the construction industry, and extracted material only travels short distances (under 30km average) to the next customer meeting local requirements and which minimises environmental footprint and transportation - and which meet proximity principles .

Many industrial minerals feed the wider economy and key industries like the chemical, metals and electronics, high tech industries and the manufacturing sector more generally such as barytes, fluorspar, industrial high-purity limestone, metallurgical coke and silica sands.

Minerals extraction is a rural industry and individual companies live in and engage with the local community and all stakeholders. The level of restoration and aftercare is of high standards and generally over that required in the planning permission. BAA is part of the [Nature After Minerals](#) programme a partnership between Nat6ural England, RSPB and industry.

There is considerable potential for a higher level of extraction which provide a greater proportion of national need and reduce import dependence and potential future supply risk. This is fully endorsed in the Government's [Resource Security Action Plan](#) of March 2012, paragraph 21.

This also provides growth for both our sector and any manufacturing renaissance, and reduces the cost of purchasing materials from outside the UK and the sterling area .

The EU recognised in 2008 the increasing need for indigenous supply and to improve the planning access to, and the investment potential for, domestic sourcing in their [Raw Material Initiative](#). This also identified specific strategic minerals that were at particular risk, many of which are geologically available in the UK and which included fluorspar and barytes which are already extracted here.

The British Geological Survey (BGS) and Camborne School of Mines (Exeter University) have also highlighted similar [concerns](#) for UK supply and security.

Peter Huxtable MA(Cantab), CEng, FIMMM, FIQ
Secretary, British Aggregates Association

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