



UNION EUROPÉENNE DES PRODUCTEURS DE GRANULATS
EUROPÄISCHER GESTEINSVERBAND
EUROPEAN AGGREGATES ASSOCIATION

UEPG

The European Aggregates Association

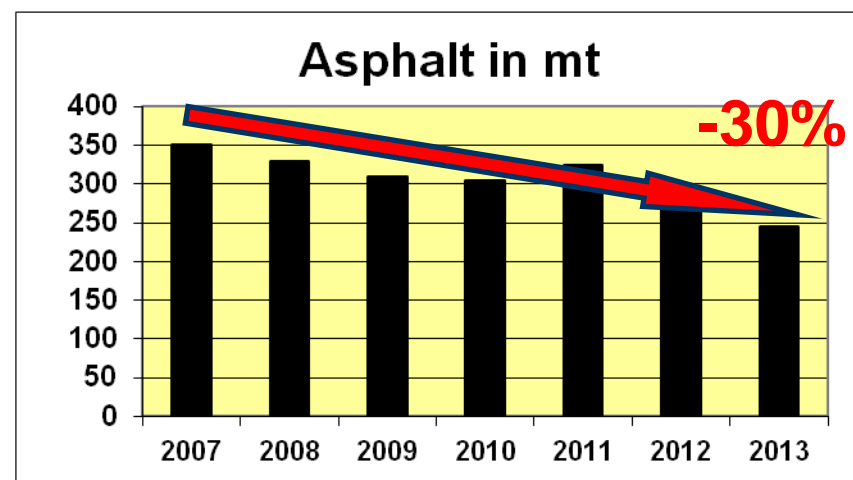
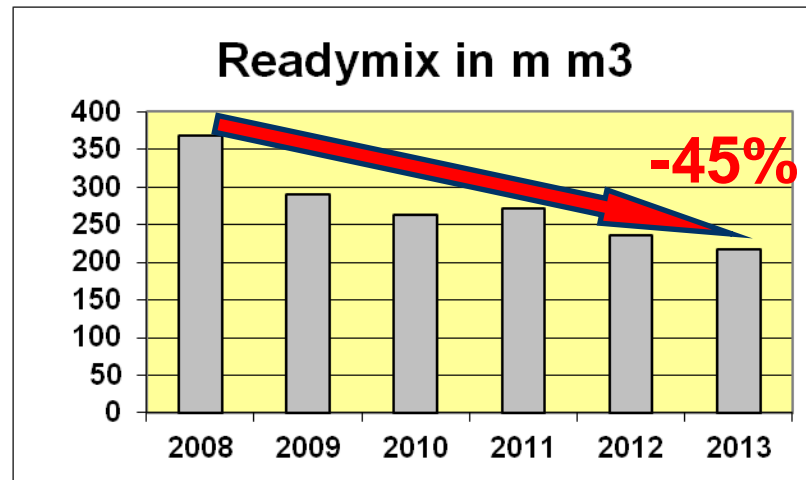
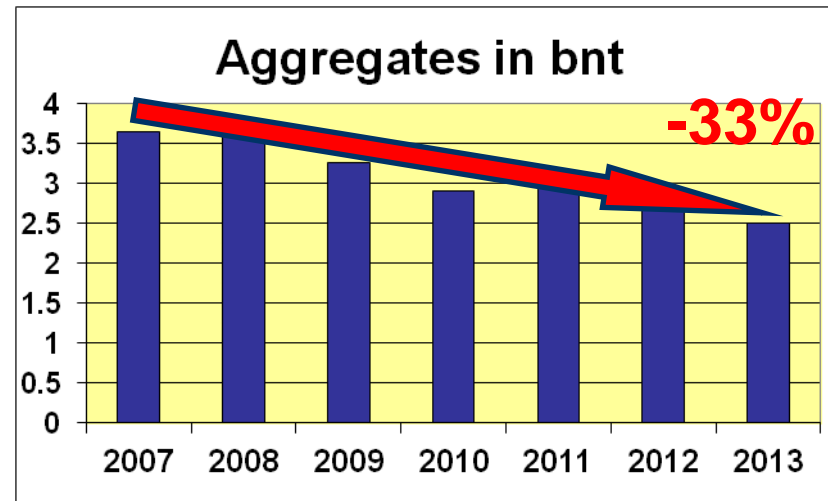
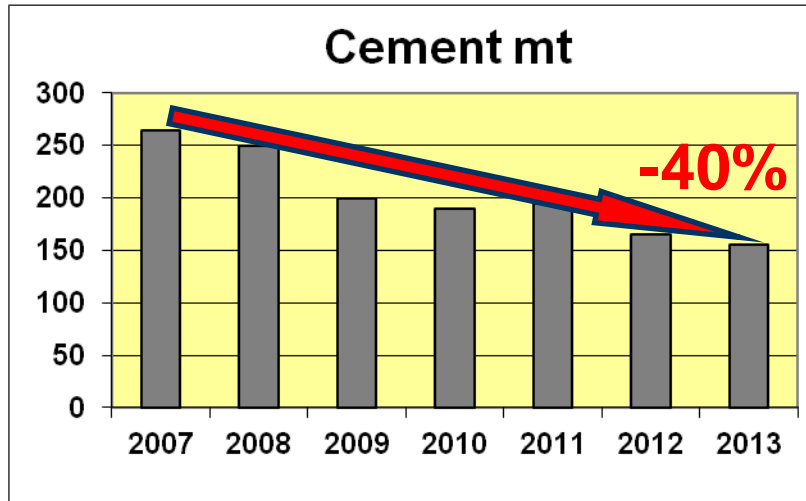
***European Economic
Developments in
The Aggregates Industry***

Jim O'Brien, Past-President

**SNAP-SEE Conference, Bled, Slovenia
October 23, 2014**

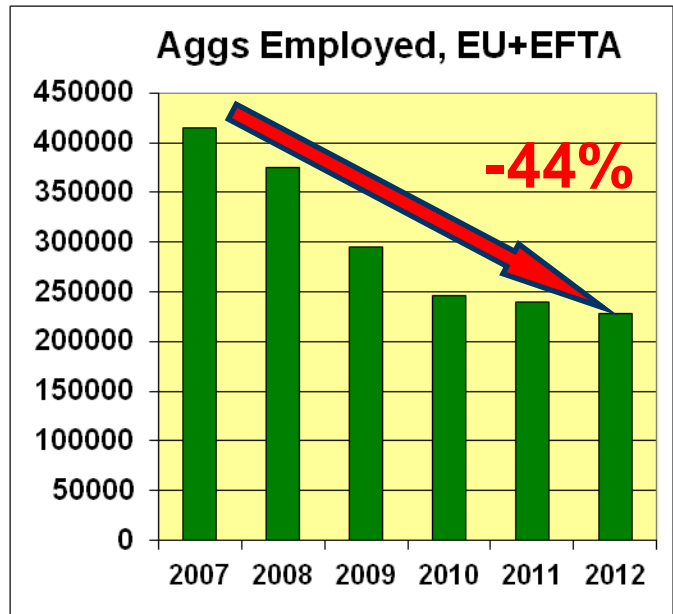
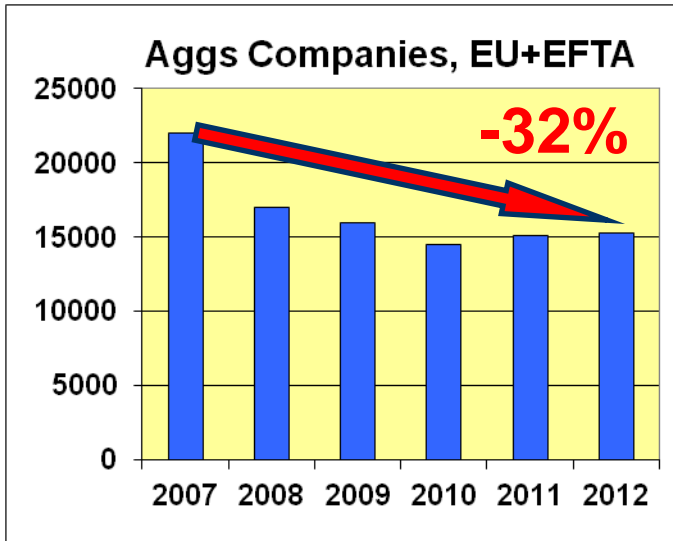


Europe – Seven Long Years of Recession!



- Production decreases of ~80% in “bail-out” countries!
- Will 2014 see the bottom of the cycle? What’s beyond?

Impacts of Recession & Consolidation



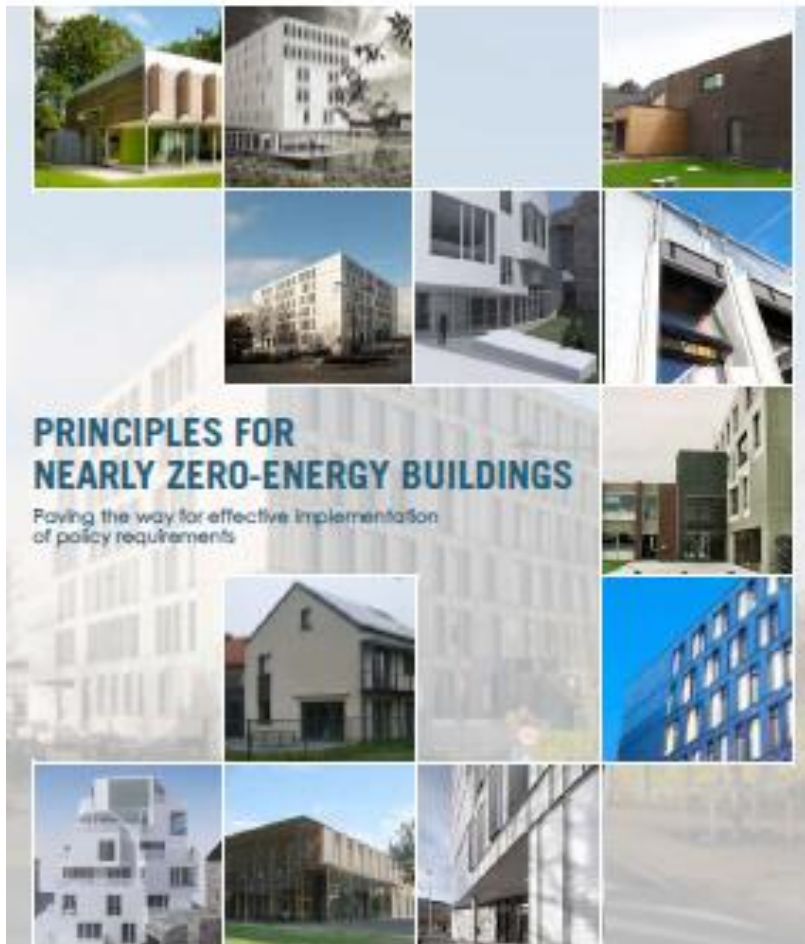
- Swathes of cost-cutting
- Layers removed in management structures, great people lost
- Increasing globalisation of cement, though aggregates, rmix and asphalt still very local
- Relentless downward pressures on pricing, despite rising costs
- New economic reality, will never return to the "boom times"
- But the sun does rise again – for the survivors!

Europe – Recent Political Developments



- We now have a new European Commission and Parliament
- The Euro is a great success, survived the crisis!
- 10% (50m!) unemployed, hence pressing need to move to growth policies
- External Impacts – Ukraine & Middle East - Energy Security
- Still committed to the European dream.....and (I hope) to Jobs and Growth!

Europe – Climate and Energy Policies



- Climate Change Strategy has actually failed with Carbon price ~€5/tonne
- EU “20-20-20” Targets have distorted the EU energy market
- Energy prices now uncompetitive, particularly compared to the US
- Regulation of Energy Efficiency has been best success story
- Politician must wake up to the real needs of Europe, and stop destroying its economy!

Campaigning for Access to Resources

Planning Policies and Permitting Procedures to Ensure the Sustainable Supply of Aggregates in Europe

Final Report

Commissioned by UEPG



Department of Mineral Resources and Petroleum Engineering

University of Leoben, Austria

June 4, 2010



- Access to Resources is becoming acute in many European Countries
- Highest-level lobbying/political campaigns since 2007 – a success
- Led to Raw Materials Initiative in 2010, followed by Raw Materials Strategy in 2012, now part of the Resource Efficiency Strategy 2020

The Widely-Varied Geology of Europe

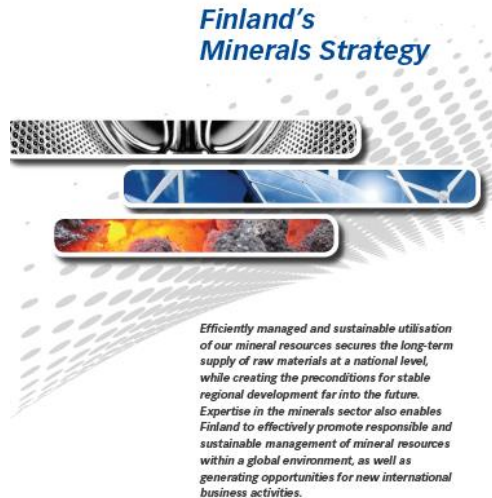


- Geology is widely-varied and complex
- Scandinavia is resource-rich, while Netherlands to Poland and parts of Central Europe resource-poor, other areas mixed
- SEE Region has good aggregates resources
- NIMBYs everywhere!
- So access to resources is a big challenge....

Many Countries now have 20-year Minerals Plans



**CARRIÈRES
& GRANULATS
À L'HORIZON
2030**



Strategy

Strategy for the Mineral Industry



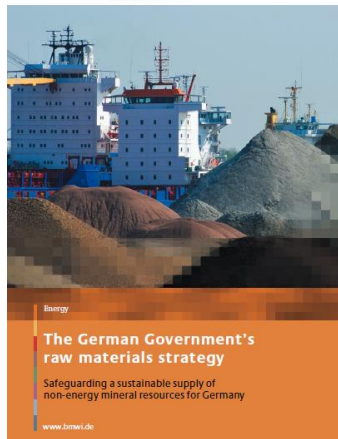
Sweden's Minerals Strategy

For sustainable use of Sweden's mineral resources that creates growth throughout the country

Denmark, Greenland and the Faroe Islands:

Kingdom of Denmark

Strategy for the Arctic 2011–2020



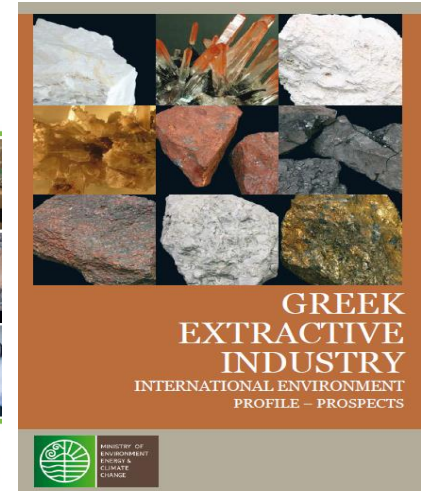
Ressourcennutzung in Österreich
Bericht 2011



Resource Security Action Plan:
Making the most of valuable materials



BIS | Department for Business Innovation & Skills



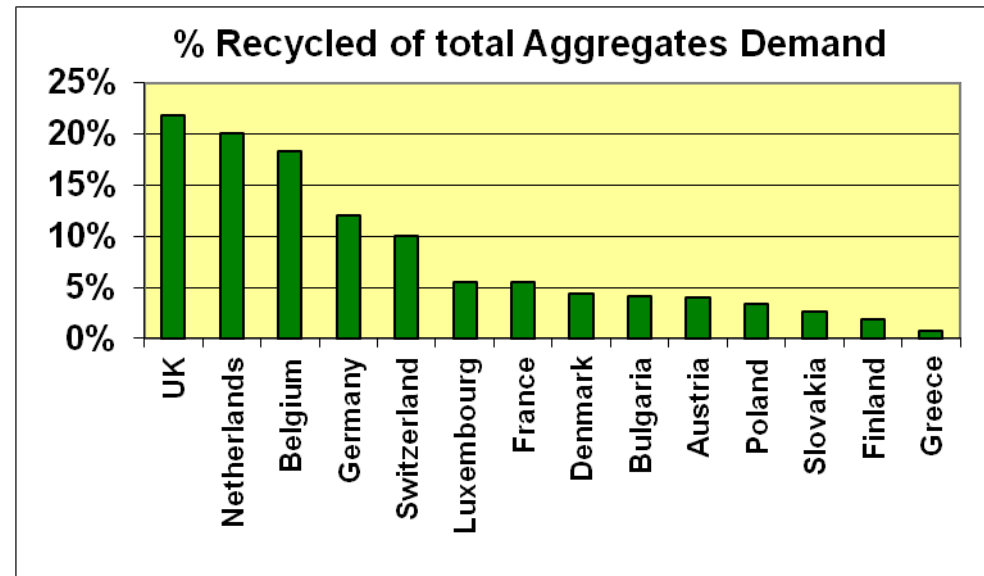
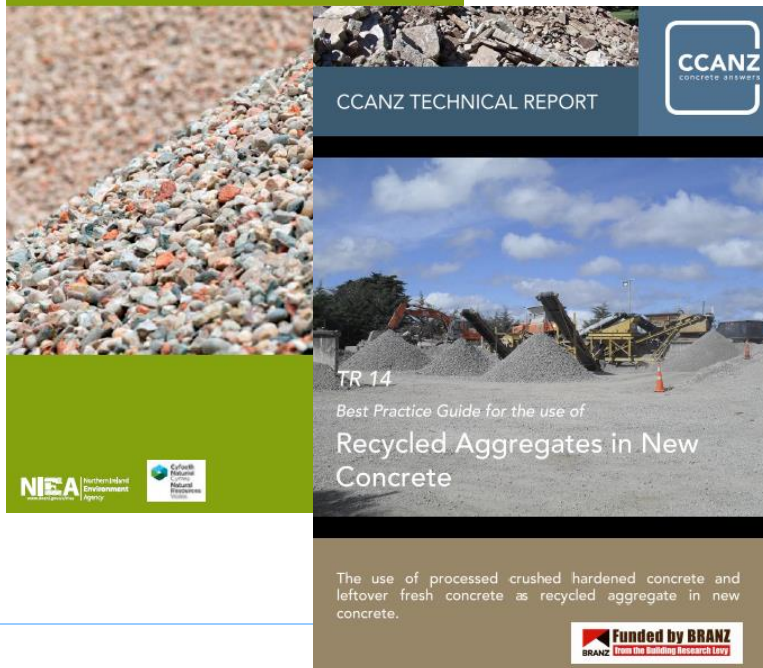
- These include F, UK, D, A, NL, DK, N, S, SF, E, P, GR.....

A word on Recycled Aggregates

- Recycled Aggregates can be an important part of aggregates supply
- However recycling is often economic only in urban areas
- Recycling requires good quality control to overcome market resistance
- Primary aggregates are still needed!

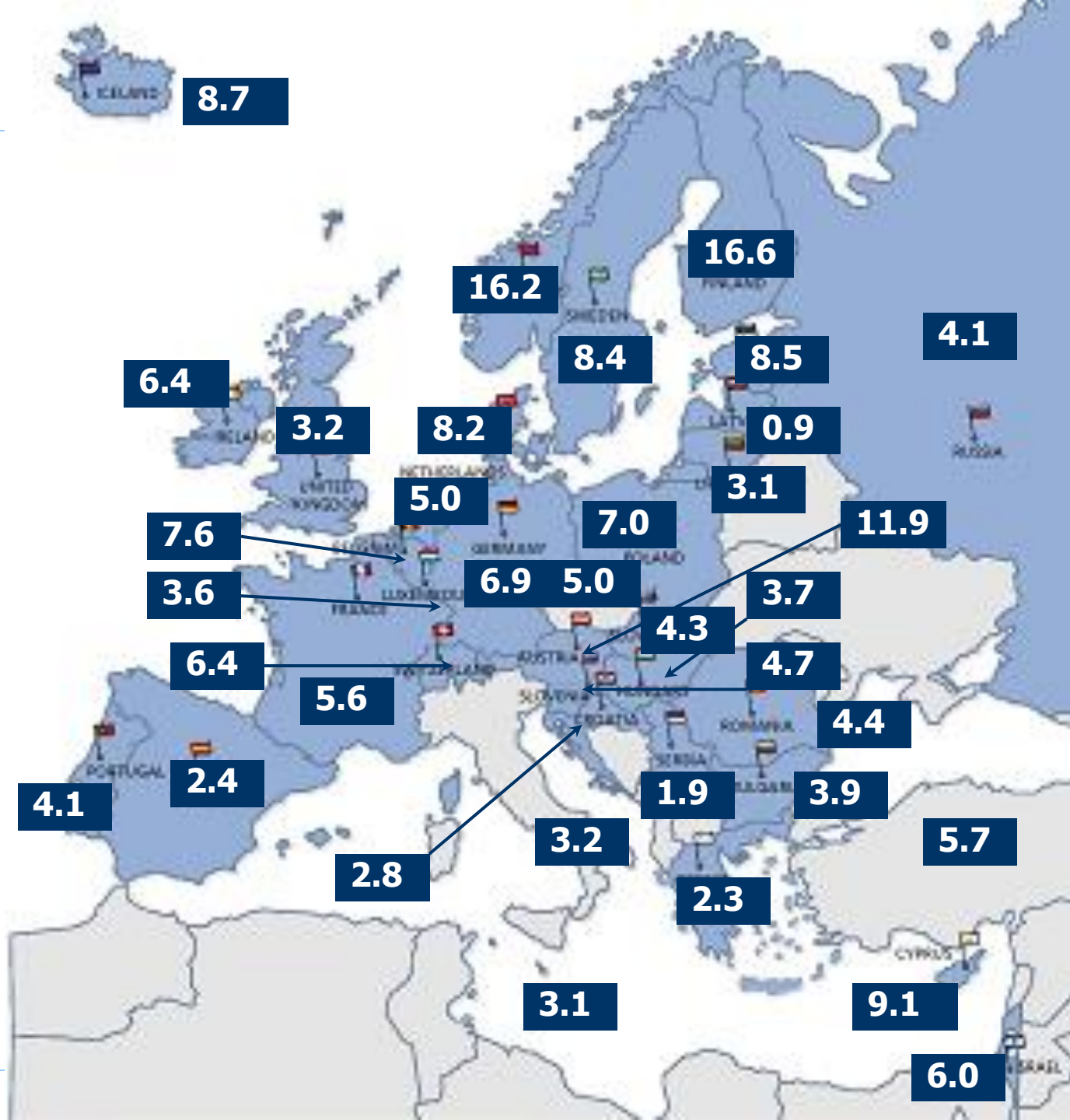


Access to Resources – Focus on Recycling



- Some 35% of all C&D materials are recycled – target is 70%+
- That would mean max 10-15% of EU demand supplied by recycling
- Best incentivised by building regulations – NOT taxes!

- National **2012** production tonnes/capita across Europe...
- Include exports (mainly N) and exclude imports (mainly NL)
- These vary by climate, state of economies, building traditions...



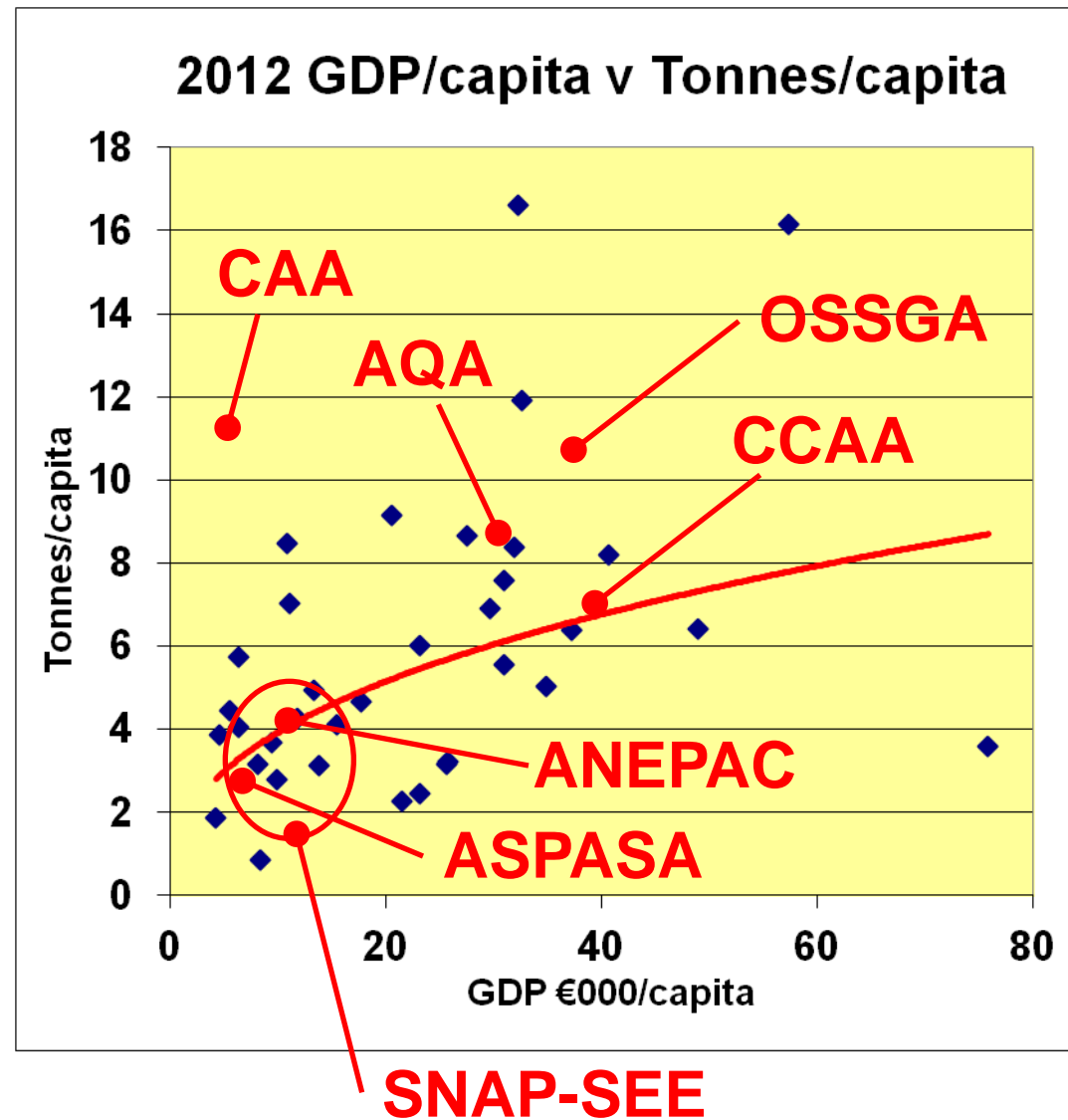
Estimated SEE Region Tonnages

	mt	pop (m)	t/c
Albania	10	3.2	3.1
Bosnia - Herz	12	3.8	3.2
Bulgaria	29	7.6	3.8
Croatia	13	4.4	3.0
Greece	25	11.3	2.2
Hungary	36	10.0	3.6
Mac (FYROM)	6	2.0	3.0
Montenegro	2	0.6	3.3
Romania	96	22.0	4.4
Serbia	17	7.3	2.3
Slovakia	23	5.4	4.3
Slovenia	9	2.0	4.5
Totals	278	79.6	3.5

- Around 280mt of aggregates produced in the SEE Region
- Which, for a population of just on 80m, gives an average production of 3.5 tonnes/capita
- Likely to grow to 5t/c by 2020, hence predict over 400mt aggregates demand.....

Aggregates Demand & Economic Growth

- There is a broad long-term relationship between GDP/capita and tonnes/capita
- More aggregates needed as an economy grows!
- Aggregates are essential to economic growth!
- Strong message for the aggregates industry in SEE – the future is bright!



Legal versus Illegal Quarrying

Legal Quarrying

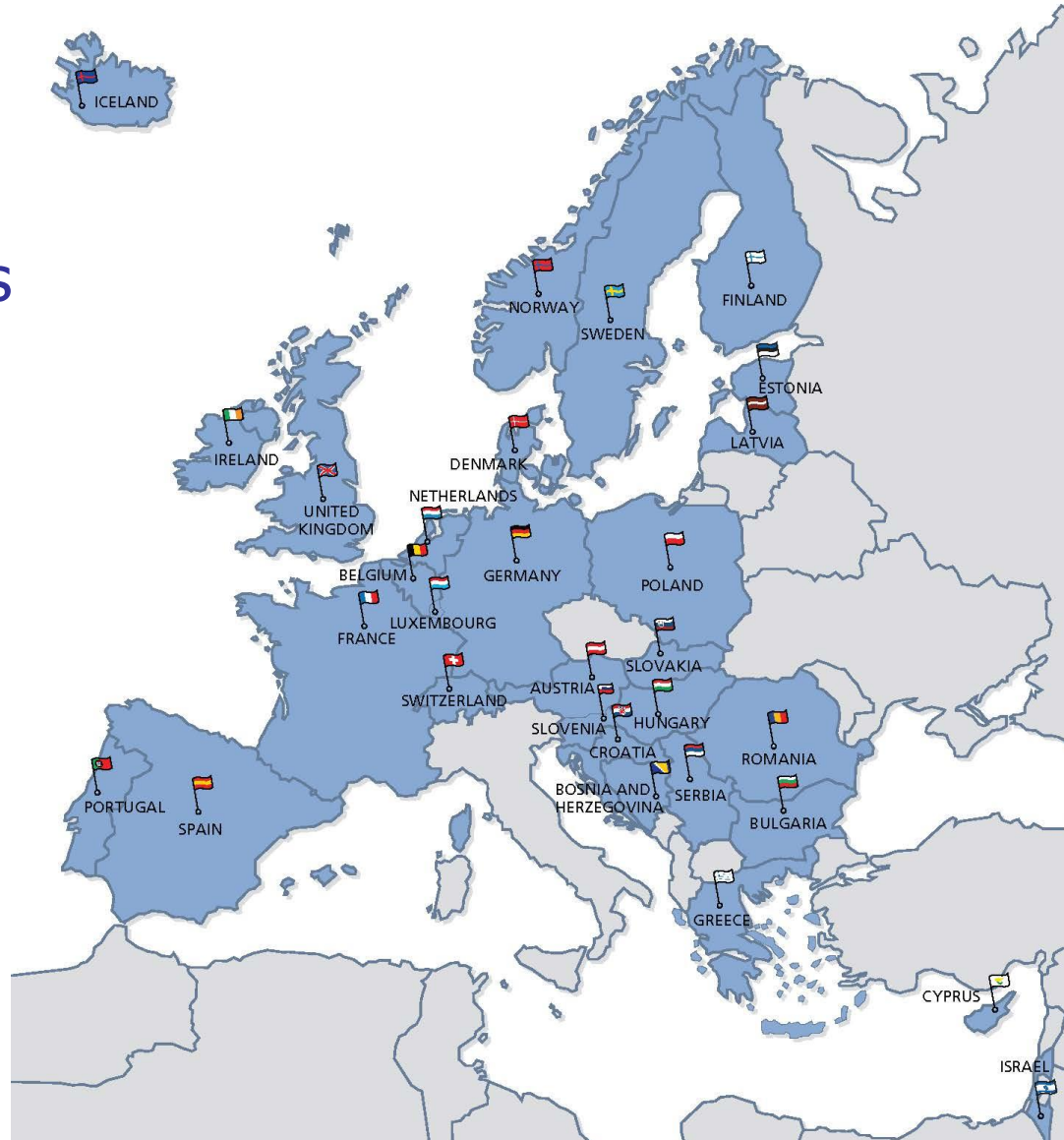
- Responsible
- Safe
- Compliant with Permits
- Pays Taxes
- Long Term Employer
- Good Operations
- Biodiversity & Restoration
- Quality Products
- Good Community Relations
- Supports Industry Initiatives & Association

Illegal Quarrying

- Irresponsible
- Unsafe
- Non-compliant with Permits
- Does not pay Taxes
- Temporary Employer
- Poor Operations
- No Biodiversity or Restoration
- Poor Quality Products
- Bad Community Relations
- "Cowboys"

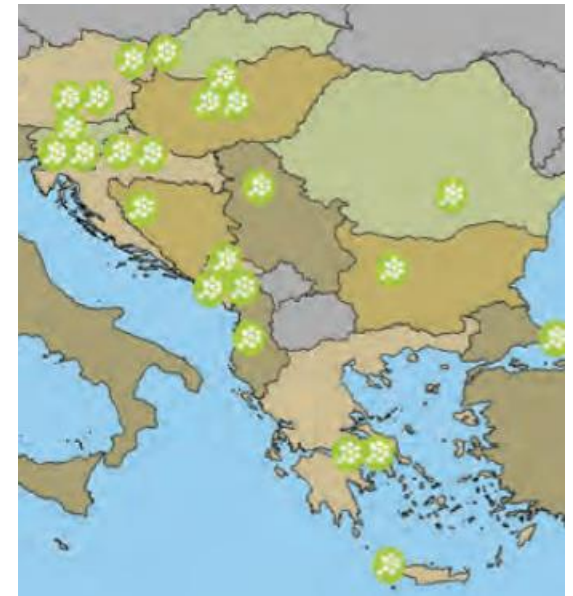
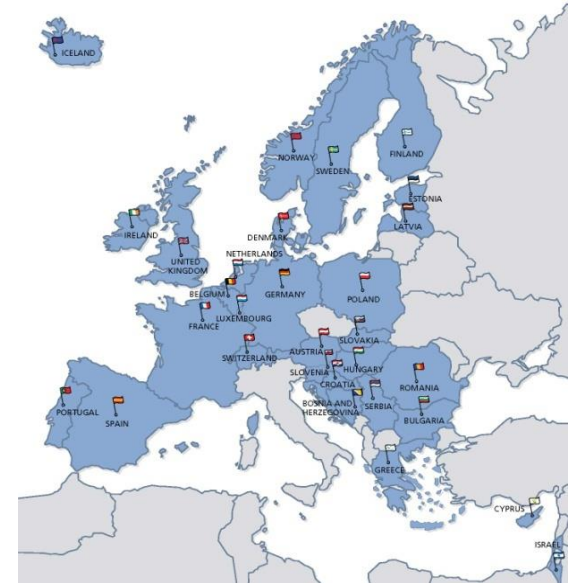
Comparing Maps - UEPG & SNAP-SEE

- UEPG created in 1987
- Brussels Office since 2003
- Now 30 Member Countries
- Represents Industry with:
 - 2.7 billion tonnes of aggregates per year
 - 25,000 quarries & pits
 - 15,000 companies
 - 238,000 employed (including contractors)



Conclusion – Let's Build Further Cooperation!

- SNAP-SEE Project has been highly successful
- Has developed wonderful friendships across the region
- Don't stop now!
- We must deepen cooperation , in particular with the Aggregates Industry
- UEPG Members (and future members) can be the driver of actually implementing SNAP-SEE!
- Let's work forward together!





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Thanks for your Attention!

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