

Need of a coherent minerals policy in Europe. Present discussions and approaches (Discussion)

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INTRODUCCTION

In June 2007 a working paper from the services of the European Commission "Commission Staff Working Document – Analysis of the competitiveness of the non-energy extractive industry in the EU" (SEC (2007) 771) was published. It indicates the need of minerals in the EU member states and herewith the importance of the European minerals industry for the European society. The document gives also a comprehensive picture of the current situation of EU industry's access to raw materials which is affected by the unprecedented demand for minerals mainly as a result of the rapid industrialization of emerging countries, such as Brazil, China and India. The paper summarizes some of the relevant (mineral policy) issues of the Commission Staff Working Document. It underlines the necessary for developing and promoting of a coherent EU-level minerals policy framework within the Commission and the member states can work. As many stakeholders in Europe consider the access to land (i.e. minerals) as the key challenge for the European extractive industry this issue will be mainly discussed.

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MINERAL PRODUCTION, USES AND MARKETS IN EU - OVERVIEW[†]

In 2004 (latest year for which complete statistics are available) the non-energy extractive industry in the EU generated a turnover of about 40 billion € and provided employment to about 250,000 people. The data on production and use markets for minerals in the EU underline the importance of the industry as a supplier of high quality raw materials to much larger downstream sectors, most of which are consumed within the EU.

For metallic minerals, despite the presence of an active metal mining industry in the EU, however, there is significant import dependency for most metallic minerals. The EU had net imports of 203 billion tonnes of minerals in 2004 with a trade deficit of 11 billion €; metallic minerals accounted for 90% of the deficit. Many metallic minerals are being extracted in relatively small volumes compared with global production, e.g. copper (5%), iron ore (2%), nickel (1.7%) and zinc (8.5%). The underlying reasons for this concern the EU's geology, the absence of some mineral types, the emergence of new players such as China and the exhaustion of deposits in the past. Nevertheless, there is potential to optimise exploration, production in the EU through for instance modern exploration, extraction and processing techniques.

The EU produces a wide range of industrial minerals, and for mineral types such as feldspar, kaolin, magnesite, perlite and salt, the EU is either the largest or second largest producer in the world. Overall, EU production of most industrial minerals has remained stable over the last 10 years, and for some, increases of over 20% were recorded. These minerals are traded globally, but most are processed and used in manufacturing within the

[†] Data and information provided by: Commission Staff Working Document – Analysis of the competitiveness of the non-energy extractive industry in the EU" (SEC (2007) 771).

EU, supplying a very wide range of industrial sectors. One of the main strengths seems to be the close working relationship between the industrial minerals sector and the companies it supplies.

The situation is quite different for construction minerals (in particular aggregates) which is the largest sub-sector in terms of value and volume. There are many suitable resources in the EU and despite the large quantities used (3 billion tonnes annually), industry is able to meet demand. Transport costs dominate the price of aggregates which means that most markets are local or regional and there is relatively little international trade.

RELEVANT MINERALS POLITICAL ISSUES REFERRING TO ACCESS TO MINERALS

As a result of rising global demand, prices for many metals have reached record levels and Europe's capacity to provide raw materials is limited. The global dimension of this problem is being increasingly recognized: Access to raw materials was on the agenda of the forthcoming G8 Summit on 6-8 June 2007. On that occasion a Declaration on "Responsibility for raw materials: transparency and sustainable growth" was expected to be adopted, which will address the key priorities for a sustainable and transparent approach to this question. In addition the Competitiveness Council meeting on 21 May 2007 has invited the Commission to develop a coherent political approach to the issues arising. The Vice President of the Commission, Günter Verheugen, responsible for enterprise and industry policy, said:

"European industries need predictability in the flow of raw materials and stable prices to remain competitive. We are committed to improve the conditions of access to raw materials, be it within Europe or by creating a level playing field in accessing such materials from abroad."

Section 3 of the paper is mainly referring to the "Commission Staff Working Document – Analysis of the competitiveness of the non-energy extractive industry in the EU", as this document was the basis for the statement of Mr. Verheugen. The document is specially focussed on the competitiveness of the non energy extractive industry. Different factors that are considered to have the biggest potential impact on the competitiveness of the non-energy extractive industry are exploration, investment and operating costs, the regulatory framework, access to resources within the EU, the availability of a skilled workforce, research and innovation and health & safety requirements.

Many stakeholders in Europe consider the access to land as the key challenge for the industry: It has to be recognised that, in contrast to other industrial sectors, the non-energy extractive industry is confined to locations which possess known and commercially viable deposits of minerals. Its need to develop new mines and quarries to replace exhausted deposits brings it into conflict with other land uses. Therefore the question of availability and efficient use of raw materials arises - which should encompass the international dimension, including trade and development aims, as well as internal policies within the framework of a coherent approach to raw materials. The question arises also whether there is a strategy in Europe primarily developed for minerals and implemented in EU-policies. As Mr Verheugen noticed "the present situation calls for an integrated approach through which relevant EU policies work in concert with the aim of ensuring availability of raw materials", it seems to be realistic that presently there exists no minerals policy framework respectively strategy on EU-level, directly developed for minerals.

However, the commission staff working document is pointing at the Communication on "Thematic Strategy on the Sustainable Use of Natural Resources" (COM 670/2005). The Communication on the strategy recognises:

- The importance of raw materials such as minerals for the functioning of the European economy and quality of life.
- It also recognises that the EU is highly dependent on resources from outside Europe, with the environmental impact of resource use by the EU and other major economies being felt globally.
- With emerging economies such as China and India using natural resources at an accelerating rate, it estimates that global material use would quadruple within 20 years, if traditional patterns of consumption were maintained.

The overall objective of the strategy is to reduce the environmental impact of resource use in a growing economy while at the same time improving resource productivity overall across the EU economy. The strategy therefore focuses on gaining a better understanding of the use of resources within the EU and the consequent environmental effects. The Communication therefore proposes that for the long-term prosperity of the EU (and globally) it is necessary to develop a long-term strategy which integrates the environmental impact of using natural resources into policy-making. The strategy is particularly relevant to the extractive industry because, depending on how it is developed and implemented, it will influence demand in the medium to long term for raw materials produced both within the EU and elsewhere. The aim would appear to be to reduce demand per capita and to change the types of material used and the way they are produced. This will have long-term effects on the extractive industry, but they are difficult to predict[†].

Sustainability of the extractive industry

Any consideration of the sustainability of the extractive industry needs to recognise that the industry differs from other industrial

[†] SEC (2007) 771.

sectors in a number of fundamental aspects. The most important of these is that the industry can only operate where suitable minerals have been found. While a manufacturing company might seek to operate either in locations close to supplies of suitable raw materials the extractive industry is confined to locations with known and commercially viable deposits of minerals. The occurrence of minerals is determined by past geological activity, and knowledge of their distribution is very much a function of the level of investment in geological mapping, prospecting and exploration. The industry cannot therefore necessarily seek to operate only in areas where there would be no conflict with other land uses, the general public or areas of conservation, landscape or visual importance. Conversely, the uneven distribution of different minerals both within the EU and globally can also limit or slow down the loss of the sector in Member States with higher labour costs as many low-cost countries will not possess equivalent types of mineral. The second important consideration is that, as minerals are natural materials, their characteristics and quality can vary considerably both within a particular ore body and between similar ore bodies in different parts of the world[†].

Because minerals are finite, the industry is required to identify and work new resources to replace those that have become exhausted or are of such a low grade that they are no longer economically viable to extract. Access to new resources requires knowledge through exploration. Exploration expenditure in Europe is low compared with major mining countries such as Canada and Australia. The document (SEC (2007) 771) is pointing at the importance of achieving improvements in exploration technology for new discoveries of deeply buried resources. It is also highlighting a number of approaches in Europe and elsewhere to encourage exploration activities. The

[†] The physical and chemical characteristics of a mineral are fundamental to its suitability for particular uses, while its depth, the hardness of the surrounding and overlying rock and the amount of waste rock requiring management can all differ significantly, affecting extraction and processing costs and, therefore, the economic viability of working particular deposits (SEC (2007) 771).

need to develop new mines and quarries brings the industry into repeated conflict with other land uses: The document considered those EU legislative provisions that potentially affect its ability to gain access to land and operational costs, in particular those of the Habitats Directive and its requirement to designate areas of land as Sites of Community Importance and form a network of protected areas. Besides that the industry's "footprint" appears to be in the region of only 0.05% to 0.5% of the total land surface across Member States. However, despite developments in recent decades to improve the environmental performance of the industry it continues to face the "not in my back yard" or "NIMBY" syndrome.

Regulatory framework

Concerns have been raised about the impact of the regulatory framework on the competitiveness of the industry (i.e. determining access to minerals). Good legislation should enable all companies to operate on a level playing field and to a high standard. Where there are difficulties, companies often consider them to be the result of legislation unnecessarily imposing working restrictions and/or costs on the industry, although this comment should be tempered by the need to protect the environment and human health. The need for proportionality to ensure that the benefits of regulation warrant the costs is therefore paramount.

Research needs

The non-energy extractive industry is becoming increasingly innovative in order to remain competitive in a global market. Recently (2006) the industry launched a European Technology Platform on Sustainable Mineral Resources, which aims to provide a focal point for the industry's research efforts. Of the five focus areas identified in the Strategic Research Agenda, focus area 1 is referring to exploration, extraction, mine closure and reclamation. Developments in exploration techniques help to find new resources, modern rehabilitation techniques enable sites to be returned to other beneficial uses. Its aim is "to secure

the future supply and sustainable processing of mineral resources for Europe through R&D-based technology leadership to implement best practices, innovative and sustainable production technologies and to continue to increase the competitive position at global level" [†].

ACCESS TO MINERALS: CRITICAL ISSUES FOR THE SUSTAINABILITY OF THE EXTRACTIVE INDUSTRY IN EU

Critical issues are:

- The geographic location of mineral deposits - conflicts with other land uses.
- Unnecessary sterilisation of important mineral resources.
- Exploration expenditure is low – less knowledge of mineral deposits.
- Complex administrative procedures (administrative burden).
- A lack of understanding of the importance of minerals for the economy.

The report by Leoben University concluded that most Member States consider the provision of minerals to be a low priority and only a small number has clearly defined national minerals policies. As land-use planning usually involves considering different options for the use of particular parcels of land and coming to a decision on the basis of policy priorities, the low importance often given to non-energy minerals is seen as a clear disadvantage for the sector. In particular, as most decisions about land use are taken at regional or local level within a Member State, the absence of a national policy can result in inconsistent decision-making. The problem is thought to be exacerbated in many cases by lack of information on the occurrence of mineral deposits in land-use databases. This can result in the presence of important mineral resources not being

[†] As some minerals are not geologically present within the EU, the industry has stated its desire to be a trade-marker and exporter of competitive ethical exploration and extraction and has stated that by being the world leader in research and education, the European minerals industry will be in a position to export knowledge and ethics to the rest of the world, and share research and education facilities with overseas students and researchers (SEC (2007). 771).

taken into account when decisions are made about other forms of development. This has led to unnecessary sterilisation of resources. Without a better knowledge of the mineral resource base of the EU and, in particular, the overlap between the most important deposits and land-use constraints such as conservation areas, it is not possible to make a judgment about the real long-term implications for the extractive industry (i.e. access to minerals)[†].

The licensing system, which can involve obtaining numerous permits from different government institutions to operate a single site, can be a slow and expensive process. This also can deter companies from investing in some areas. More generally, the question is whether it is possible to develop a policy framework which would make[†]:

- existing operations more competitive and sustainable;
- extending existing operations more straightforward;
- investments in smaller deposits in the EU viable;
- the administrative burden lighter; and access to new resources simpler and more attractive to investors by providing a reliable and cost- and time-efficient permitting procedure which enhances environmental protection and social acceptability.

NEED OF A COHERENT MINERALS POLICY IN EUROPE

A coherent minerals policy on European level is needed to provide a policy framework for the member states within commission and the member states can work, i.e. develop and implement their minerals policies (i.e. minerals programme and/or policy guidelines on European/national/regional level). The challenge for a sustainable minerals policy is to find a balance between securing minerals supply, protecting the environment and achieving social progress. The point of balance

[†] SEC (2007) 771.

depends very much on the range of policies adopted by the European Commission and the governments.

European level

The analysis of the "Commission Staff Working Document" has shown that presently there exists no coherent minerals policy on European level. This is a marked change from the situation some years ago when minerals played a focal role in Europe as reflected by the European Coal and Steel Community, the original predecessor of the European Community. The Rome Treaty (1951) declared among its objectives "to promote a policy of using natural resources rationally and avoiding their unconsidered exhaustion". This statement was ahead of its time, by presenting a major element of the sustainability concept. The Euratom Treaty (1957) established specific provisions concerning raw material supplies providing that "supply of ores, source materials and special fissile materials shall be ensured ... by means of a common supply policy on the principle of equal access" to sources of supply. It prohibited "all practices designed to secure a privileged position for certain users" and established a supply Agency with a "right of option on ores, source materials and special fissile materials produced in the territories of Member States and an exclusive right to conclude contracts relating to the supply of ores, source materials and special fissile materials coming from inside the Community or from outside"[†].

However, presently there exist some approaches, ideas (i.e. opinions, suggestions, comments and recommendations) how to develop and implement minerals policies on EU-level. Some are listed below:

[†] Hámor, T. "Sustainable mining in the European Union: The legislative aspect." *Environmental Management*, Vol. 33, No. 2, pp. 252-261.

Thematic Strategy on the Sustainable Use of Natural Resources (COM 670/2005): Limiting the supply of minerals from EU mines and quarries

The Thematic Strategy on the Sustainable Use of Natural Resources is primarily focussed on limiting the supply of minerals from EU mines and quarries. Reducing the demand of minerals is one of the key issues of a minerals policy (as mentioned below).

However, to influence demand for raw materials by limiting the supply of minerals from EU mines and quarries is unlikely to decrease demand but will further increase import dependence[†]. More minerals would have to travel further, with the associated environmental effects, while unnecessarily sourcing minerals from regions of the world which operate to lower environmental standards would have an even greater overall effect on the environment, which would be contrary to the aims of the resource strategy. It is therefore clear that if the extractive industry is to continue to supply other EU industries with raw materials in a sustainable way into the future, despite increasing global competition from low-cost economies, it is vital that new resources are identified and opened up, that productivity continues to increase and that the industry works with its stakeholders and, particularly, local communities to develop its "social licence to operate".

Comments of representative European minerals association: Promoting exploration and an effective legal framework (2004)

As far as minerals policies are concerned comments have been made concerning the draft of the final report "Minerals Planning Policies and Supply Practices in EU (2004)" [‡] by representative European minerals association. These comments indicate the

[†] SEC (2007) 771 .

[‡] Commissioned by the European Commission Enterprise Directorate General under Contract n° ETD/FIF 2003 0781.

importance of high level minerals policies on European level for the sustainable supply of minerals to the European society. Euromines and the Industrial Minerals Association (IMA) stated that in order to guarantee sustainable supply for the sustainable development of Europe, the EU needs to:

- Identify its own mineral resources and, where necessary, the absence.
- Optimise the use of the resources considering sustainable development criteria.
- Provide an effective and stable legal framework characterised by:
 - ◊ Competent authorities.
 - ◊ Efficient and time conscious bureaucracy.
 - ◊ Simplified processes.
 - ◊ Stakeholder processes that are carried out on an informed, scientific basis.
 - ◊ Decision making processes that are free from party politics but are based on the needs of society.

Table 1: Principles for an effective and workable Mineral Planning System (UEPG, 2004)

	European	National	Regional / Local
Planning		Consider minerals as a key resource Incorporate minerals in land-use planning	Identify and protect reserves of mineral resources
Provide a level playing field based on secure access to mineral resources		Consider Public Interest Have a long-term vision Clarify which authority is in charge	Autonomy from local political pressures Indicate time length to obtain a permit, or extension of existing permits
Include proportionality	Monitor best practices across Europe	Promote flexibility by considering local conditions and the specific nature of each project	Give certainty to operators
Evaluation	Assess the results of the transposed directives impacting the minerals industry	Assess reserves of authorised available resources	Number of permit applications Number of refusals

Network of European Mining Regions: Development and promotion of an EU-level mineral policy and raw materials supply strategy (2006)

The network of European Mining Regions (ENMR) was conceived to create a platform for information exchange amongst regions strongly dependent on mining operations and with their industrial partners. At the end of 2006 the network summarised its activities and findings during a conference in Brussels. All of its activities culminated in recommendations to the EU through the ENMR Roadmap document. Besides others it was recommended that the European Commission should undertake the development and promotion of an EU-level mineral policy and raw materials supply strategy. One of the objectives should be:

- Increased exploration and mine development within European mining regions to improve the security of the raw materials supply for European manufacturing industries
- Increased European Union support for the formation and development of mining clusters in European mining regions

European Economic and Social Committee: Opinion on “Risks and problems associated with the supply of raw materials to European industry” (2006)

The European Economic and Social Committee published an Opinion on “Risks and problems associated with the supply of raw materials to European industry” which recognised the importance of raw materials supply to European industry and recommended that achieving the Lisbon objectives requires an innovative industrial policy which involves making the value-added process more mineral-efficient, making sparing use of all resources and progressively replacing finite resources by renewable ones[†].

[†] http://eescopinions.eesc.europa.eu/EESCopinionDocument.aspx?identifier=ces\ccmi\ccmi028\ces964-2006_ac.doc&language=EN.

European Economic and Social Committee: Need of a strategy which will promote access to minerals (COM 374 / 2007) [†].

Access to natural resources and raw materials is essential to European industry. Measures contributing to ensuring sustainable and safe access should be developed, including improving the resource efficiency and access to domestic raw materials, opening up the EU market for renewable raw materials, supporting the development of exploration technologies and ensuring the availability of skilled staff. In addition, multilateral and bilateral trade agreements must ensure that third countries support open and undistorted markets, and ensure security and diversity of feedstock supplies, taking into account the Commission's Thematic Strategy on the sustainable use of natural resources. The request to the Commission from the Competitiveness Council of 21 May 2007 to develop a coherent political approach to raw materials supply for industry, encompassing all relevant internal and external Community policies, will be actively followed up (see table 4 listed below).

Mineral policy issues on national level

Government decisions concerning matters of national importance are usually taken on the basis of established policies. Examples are economic issues, labour issues, environmental issues, foreign matters. Policies define objectives and goals and constitute the framework within which decisions are made. It seems to be clear that first at all an EU-level mineral policy should provide a level playing field based on secure access to mineral resources within member states can develop and implement their (national) mineral policies.

[†] Communication from the commission to the European parliament, the council, the European economic and social committee and the committee of the regions: Mid-term review of industrial policy: A contribution to the EU's Growth and Jobs Strategy (COM(2007) 374).

The report by Leoben University has shown that only very few of the Member States have specific and clearly defined national mineral policies. Most Member states had mineral policies. Characteristically, these tended to be reviewed following supply crises: The Austrian Government for example published in 1981 a concept for the supply of Austria with minerals and raw materials this was in the wake of the two energy crises in the 1970's. Besides that questions are being asked concerning important objectives, elements, mechanism of a (national) minerals policy. Some of them are listed in table 2 and 3:

Table 2: Elements of a minerals policy

<i>General</i>
Reducing the demand for minerals
Use of alternative materials
Recycling
Changed construction methods employing renewable materials
<i>Minerals specific</i>
Demand situation
Local demand for minerals
Supply situation
How can the demand be met?
From local sources
Through imports
How secure is the supply?
National resource situation
Knowledge of mineral resources
Protection of mineral resources
Legislation of minerals industry
Administration of minerals industry
Mineral rights
Access to minerals
Health and safety of work force
Environment protection

Depending on circumstances all or some of the listed policy elements form the national minerals policy. The details of the national minerals policy can give an indication of the importance which a government attaches to the role of minerals for society. It is in the nature of minerals production that these are long-term decisions and as such should not be changed frequently.

Table 3: Key objectives and elements of a national minerals policy

- Promoting the importance of minerals for the national economy and infrastructure development, i.e. policy statements by the national government concerning minerals issues, recognition that minerals are essential for the economic development of a country.
- Strategies to meet the mineral requirements of the national economy in the short, medium and long term, i.e. defining strategies to meet the national, regional and local requirements for minerals, through local supply and/or imports. Concerning the following aspects:
 - ◊ Promotion of mineral exploration.
 - ◊ Protection of mineral deposits from sterilisation due to other land uses.
 - ◊ Access to deposits.
 - ◊ Land development planning.
 - ◊ Appropriate environmental standards.
 - ◊ Efficient administrative and legislative structures.
- Determining demand for minerals: Reduction of minerals consumption, through the promotion of economic and responsible use of minerals, and through the promotion of recycling of minerals and the substitution of minerals with renewable materials.
- Promotion of use of local mineral resources to reduce dependence on minerals imports and to minimise transport.

Conclusions

Presently there exists no official EU-level mineral policy. However due to the fact that Europe's capacity to provide raw materials is limited the (global) dimension of this problem is being increasingly recognized. The present situation, as Commission Vice President Verheugen was pointing out, calls for an integrated policy approach through which relevant EU policies and instruments work in concert with the aim of ensuring availability of essential raw materials, and sustainability in their extraction and use. A successful EU-level mineral policy therefore should be soon as possible developed and create such a political environment which is necessary to ensure the supply of minerals to society within the framework of

sustainable development. The challenge is to achieve a balance between securing minerals and protecting the environment, which is consistent with the principles of sustainable development.

Furthermore based on a coherent EU minerals policy a (EU) legal framework should be created and the standards which are attached to minerals production could be defined and set. It is therefore recommended that in addition to the environmental initiatives at the EU-level initiatives which address the sustainable supply of Europe with natural resources and in particular mineral resources are also being considered [†].

[†] Final report, Minerals Planning Policies and Supply Practices in EU, "Leoben recommendation, Issue No. 6".

Table 4: COM (2007) 374: Mid-term review of industrial policy: A contribution to the EU's Growth and Jobs Strategy: Existing and Envisaged Initiatives

Industry	KNOWLEDGE				BETTER REGULATION			ENVIRONMENT AND ENERGY ²⁾					TRADE			STRUCTURAL CHANGE		SECTOR SPECIFICITIES	SECTORAL ACTIONS 2005-2009						
	R&D – Innovation	IPR – Counterfeiting	Skills	Access to finance for SMEs	Admin Burden - Complexity of sectoral Regulation	Internal Market	Health and Safety	Tech Standards	Climate Change ⁶⁾	Waste	Water	Air	Intensive energy use	Access to markets	Access to raw materials	Trade distortions, subsidies, dumping	Regulatory Issues		Anticipation	Tertiarisation ³⁾	2005	2006	2007	2008	2009
Food and Life Science Industries	Food, drink and tobacco	x				x				x	x			x	x			x	x					Food initiative	
	Cosmetics	x					x	x						x			x		x						
	Pharmaceuticals	x	x	x	x		x	x						x			x		x					Pharmaceutical Forum Pharma Communication	
	Biotech	x	x		x	x		x											x					MTR Strategy "Life sciences and Biotechnology"	
	Medical Devices	x			x		x	x									x		x						
Machine and System Industries	ICT ⁴⁾	x	x	x	x	x			x					x					x					ICT Task Force	
	Mechanical Engineering	x	x		x		x ¹⁰⁾							x					x					Dialogue for mechanical engineering	
	Electrical Engineering	x	x	x	x		x ¹⁰⁾							x					x					Electra	
	Motor vehicles	x	x	x		x	x		x	x		x		x			x	x						CARS 21 HLG Review of automotive legislation	
	Aerospace	x														x			x					European Space Programme/GMES	
	Defence Industries	x					x												x					HLG Defence Defence Package	
	Shipbuilding	x	x	x												x		x		x ⁷⁾					HLG LeaderSHIP 2015
Fashion and Design Industries	Textiles	x	x	x										x				x							
	Leather and leather goods	x	x	x										x	x			x							
	Footwear	x	x	x										x				x							
	Furniture	x	x	x										x				x							
Basic and intermediate goods Industries	Non-energy extractive industries	x		x			x		x	x														x ⁸⁾	
	Non-ferrous metals			x				x	x			x		x											
	Cement and lime							x	x		x	x													
	Ceramics		x					x	x		x	x	x			x		x							
	Glass		x					x	x		x	x	x												
	Wood and products of wood	x		x				x	x		x		x	x											
	Pulp, paper and paper products	x						x	x	x		x		x	x										
	Printing and publishing	x		x					x	x	x							x	x						
	Steel	x		x				x	x	x	x	x		x	x			x							
	Chemicals, rubber and plastics	x						x	x	x	x	x				x			x					x ⁹⁾	HLG Chemicals
	Construction	x		x		x	x	x	x											x					
HORIZONTAL ACTIONS 2005-2009					R&I Monitoring Lead Markets Clusters	- New Legislative Simplification Programme - Better Regulation Strategy - Reducing the Administrative Burden	Standards Action Programme	HLG on Competitiveness, Energy and Environment Action Plan for sustainable Industrial Policy	External Aspects of Competitiveness and Market Access	Structural Change Industry and Services	Footnotes 1) With regard to installations belonging to energy activities, all sectors fall under the ETS provided the installation in question is above the capacity threshold indicated in Annex 1 of the Emissions Trading Directive 2003(87)EC. The sectors marked in this Table are included in the ETS for their process related CO2 emissions. 2) The new legal framework for chemicals (REACH) will also effect many sectors. 3) Based on the input-output tables (use of services) contained in EC (2007) EU Ind. Structure. 4) ICT: challenges are sector specific; ICT uptake is a general challenge for the industry 5) GMO 6) Energy Using Products (EUP) 7) Financial instrument 8) Access to land 9) Energy and feedstock costs, logistics 10) Market surveillance														

EU and National Lisbon Reform Programmes

The table indicates with crosses the cases in which a policy challenge is considered of the highest priority for each sector amongst the many relevant policy challenges. Hence, the absence of a cross does not therefore necessarily denote that the challenge is unimportant to a sector, only that it is not considered as an issue of greatest priority.