

BELGIUM

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The minerals industry continued in 2002 to be a significant contributor to the Belgian economy. Trading of diamonds and metallic ores, and the processing of metals are the largest mineral industries in Belgium. The metal processing industry almost exclusively uses imported raw materials, whether ore, concentrates or scrap. Domestic mine output is limited to the production of construction materials and industrial minerals.

In 2002, non-ferrous raw material production continued to suffer from weaker global demand and lower metal prices. Belgium produced less copper (-11.5%), zinc (-2.7%), lead (-8.1%) and precious metals (-14.3%) as compared with 2001. The only increase recorded was output of zinc dust (+5.3%). Semi-fabricated metal production was, except for aluminium (+2.9%), also considerably lower in 2002: -12.3% for copper, -21.3% for zinc and -0.6% for lead products.

The Belgian non-ferrous metals industry is dominated by Umicore (formerly Union Minière), a world leader in the sector. Depressed treatment and refining charges, extremely low metal prices, a downturn in the telecommunications sector and a general slowdown in the world economy, caused a further decline in turnover in 2002, to €3.17 billion, about 10% down from €3.5 billion in 2001. Operating performances were significantly lower in three out of Umicore's four business areas, namely in the copper (-25% to €9.7 million), zinc (-59% to €21.2 million) and advanced materials (-46% to €17.8 million) sectors. Sustained performance and further improvement in process efficiency allowed for an increased operating performance in the Precious Metals business (+4% to €52.5 million). Despite adverse markets, Umicore posted an overall net consolidated profit (group share) of €48.4 million. In 2002, Umicore completed seven small- to medium-sized acquisitions in zinc and advanced materials, and in January 2003 it reached an agreement to purchase 40% of IEQ SA, South America's premier transformer of zinc products.

In January 2003, Sadaci NV of Belgium, a European leader in molybdenum roasting and ferro-molybdenum production, was bought by Molymet of Chile. Sadaci's facilities in Ghent, Flanders, roast molybdenum concentrates to produce technical molybdenum oxide, molybdenum oxide briquettes, ferro-molybdenum and sodium molybdate. Roasting capacity is 22 Mlb/y of molybdenum contained in concentrates (approximately 18,500 t of concentrates). The roasting plant is complemented by gas-cleaning systems, including scrubbing plant and sulphuric acid production plant. Products from this complex are mainly oriented towards the European steel industry. Molymet of Chile is the world's largest producer of rhenium, which it generates as a by-product of its molybdenum roasting.

Belgian steel production grew in 2002 by 5.4% compared with the previous year, which had, in fact, been curtailed by some technical problems. Crude steel production exceeded 11.3 Mt, nearing the 2000 production level (11.6 Mt). The labour force, however, decreased by some 8.5% to about 19,300 (down from about 21,100), and investments totalled €240 million, a decrease of more than 25% from the 1999-2001 average. The main producers are Cockerill Sambre and Sidmar, both part of the Arcelor Group, the global steelmaker.

Erachem Europe is a subsidiary of Comilog (Gabon) whose main shareholders are Eramet of France and the State of Gabon. Comilog is an integrated group specialising in mining, metallurgical and chemical activities related to manganese, and is among the world's leading producers. Based in Belgium, Erachem Europe produces chemical derivatives of manganese, copper and zinc, as well as conductive carbon blacks, and has commercial outlets throughout the world. In 2002, some 50,000-60,000 t of manganese ore were imported from Gabon and processed at the company's facilities in Tertre.

Belgium, specifically Antwerp, retained its position as the world's largest diamond-trading centre. In 2002, total turnover reached US\$26.3 billion, an increase of about 15% compared with 2001. The import and export of polished diamonds accounted for some US\$12.1 billion (+10.7%), and trading of rough diamonds accounted for US\$14.2 billion (+19%).

The Belgian Senate's Commission on the exploitation of natural resources in the Democratic Republic of the Congo (DRC) in Central Africa, continued its investigations during 2002 concerning the alleged involvement of Belgian and non-Belgian companies in the illegal trade of natural resources of the DRC. It also continued to explore measures to prevent such activities from fuelling war in the region. The commission was set up in late 2001 in the wake of the publication of reports by the UN panel on the illegal exploitation of the natural resources of the DRC. The commission has primarily focused on columbo-tantalite ('coltan'), gold, cobalt, copper, germanium, diamonds and timber. It concluded in early 2003 that no illegal acts were committed by the people and companies investigated.

Although Belgium is small, it is a relatively important producer of industrial minerals and building materials. Some 50-60 Mt/y of a wide variety of raw materials are extracted every year. They include: clays (about 6 Mt); silica and refractory sands (>4 Mt); construction sands (>15 Mt); gravel (>6 Mt); limestone and dolomite (24 Mt); sandstone (4 Mt); and quantities of porphyry, slate, chalk, kaolin and marble. Hard-rock materials are produced almost exclusively in the southern part of the country (Wallonia).

Belgium is also a significant producer of cement. According to Febelcem, the federation of the Belgian cement industry, cement production totalled some 7.24 Mt in 2001 (latest available figures), representing a €539 million turnover. Over 30% of the production was exported.

Belgian Metal Production ('000 t, unless stated otherwise)

Metals	2000	2001	2002	2002-2001 (%)
Copper (refined and alloys)	572.6	550.2	486.7	-11.5
Zinc	224.5	218.0	212.2	-2.7
Zinc dust	46.3	49.5	52.1	5.3
Lead	145.4	129.7	119.2	-8.1
Precious metals (t)	1.5	1.4	1.2	-14.3
Others	17.8	19.4	19.2	-1.0
Crude steel production	11,615	10,741	11,322	5.4
Aluminium	409.7	389.5	400.9	2.9
Copper	345.6	315.1	276.3	-12.3
Zinc	23.1	23.9	18.8	-21.3
Lead	41.8	31.0	30.8	-0.6
Others	1.5	1.6	1.2	-25.0