

BELGIUM

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The mineral industry is a significant contributor to the Belgian economy. It is primarily devoted to processing imported raw materials, with ferrous and non-ferrous metallurgy the principal activities. Domestic mine output is limited to the production of construction materials and, to a minor extent, industrial minerals.

In 2001, the raw metal production suffered in general the fall-out of weaker global demand and lower metal prices. Non-ferrous metal production was slightly down compared with 2000. Belgium produced less copper (-3.9%), zinc (-2.9%), lead (-11.8%) and precious metals (-6.7%) compared with 2000. Semi-fabricated metal production was also generally down: -4.9% for aluminium, -8.8% for copper and -25.8% for lead products. Zinc products were, however, higher (+3.5%).

The non-ferrous metal industry is dominated in Belgium by Union Minière SA which became Umicore in September 2001. Umicore's activities are centred on four business areas: zinc, copper, precious metals and advanced materials. Global economic slowdown and falling metal prices caused turnover to decline in 2001 to €3.5 billion, about 8% down from €3.8 billion in 2000. Nevertheless, Umicore continued to post healthy profits with net consolidated earnings of €135.5 million (Group share €116.0 million), only down 4% as compared with 2000 (€141.5 million).

Precious metals and advanced materials contributed, for the first time ever, to over 50% of the group's overall operating profit. The performance in these areas compensated to quite some extent for the reduced contribution of the more cyclical zinc and copper business areas. In 2001, Umicore increased its share in Padaeng Industry in Thailand, southeast Asia's sole zinc producer, to 46%; exchanged the De Beers shares held by the company against

cash and Anglo American shares that were subsequently sold (capital gain of €56.0 million, group share); and repurchased approximately two million of its own shares. Umicore currently employs some 9,000 people.

In a climate where the world economy moved into recession, the Belgian steel sector realised in 2001 a total turnover of about €6.0 billion, essentially comparable with 2000. The sector produced 10.7 Mt of crude steel, down from 11.6 Mt in 2000 (-7.5%), and imported an estimated 10.9 Mt of iron ore and 5.1 Mt of coal. It used 3.8 Mt of scrap. The sector employs some 21,000 people. Main producers are Cockerill Sambre and Sidmar. Sidmar NV (Gent, Belgium) is the core company of the Arbed group's flat steel products sector. Since early 2002 Arbed (see Luxembourg) is now part of the new Arcelor group, the global steelmaker.

Belgian metal production (‘000 t, except where stated)

Metal	1999	2000	2001	01-00
Copper	518.5	572.6	550.2	-3.9%
(refined and alloys)				
Zinc	201.5	224.5	218.0	-2.9 %
Zinc dust	41.8	46.3	49.5	+6.9%
Lead	135.6	145.4	128.3	-11.8%
Precious metals (t)	1.8	1.5	1.4	-6.7%
Others	17.2	17.8	19.4	+ 9.0%
Crude steel	10,910	11,615	10,741	-7.5%
production				

Semi-fabricated metal production

Aluminium	368.8	409.7	389.5	-4.9%
Copper	353.5	345.6	315.1	- 8.8%
Zinc	18.7	23.1	23.9	+3.5%
Lead	39.4	41.8	31.0	-25.8%
Others	1.7	1.5	1.6	+6.7%

Belgium, specifically Antwerp, retained its position as the world's largest diamond centre with a turnover in diamonds valued at about US\$23 billion.

Despite its small size, Belgium is a relatively important producer of industrial minerals and construction materials. Annually some 50-60 Mt of diversified raw mineral material are mined, amongst which the largest, by volume, are: clays (about 6 Mt), silica and refractory sands (4 Mt), construction sands (>15 Mt), gravel (>6 Mt), limestone and dolomite (24 Mt), sandstone (4.1 Mt), porphyries, slate (0.16 Mt), chalk (0.19 Mt),

kaolin and marble. Soft sedimentary materials are essentially extracted in the northern part of the country (Flanders), the production of hard-rock material is confined to the southern half (Wallonia). The sector provides direct employment for more than 3,500 people and generates an annual turnover of over €500 million.

Belgium is also a significant producer of cement. Annual output is about 7.5 Mt, of which some 2.2 Mt are exported, while the annual turnover generated by the sector amounts to about €555 million. The sector provides direct employment to more than 1,800 people.