



Hellenic Federation of Enterprises

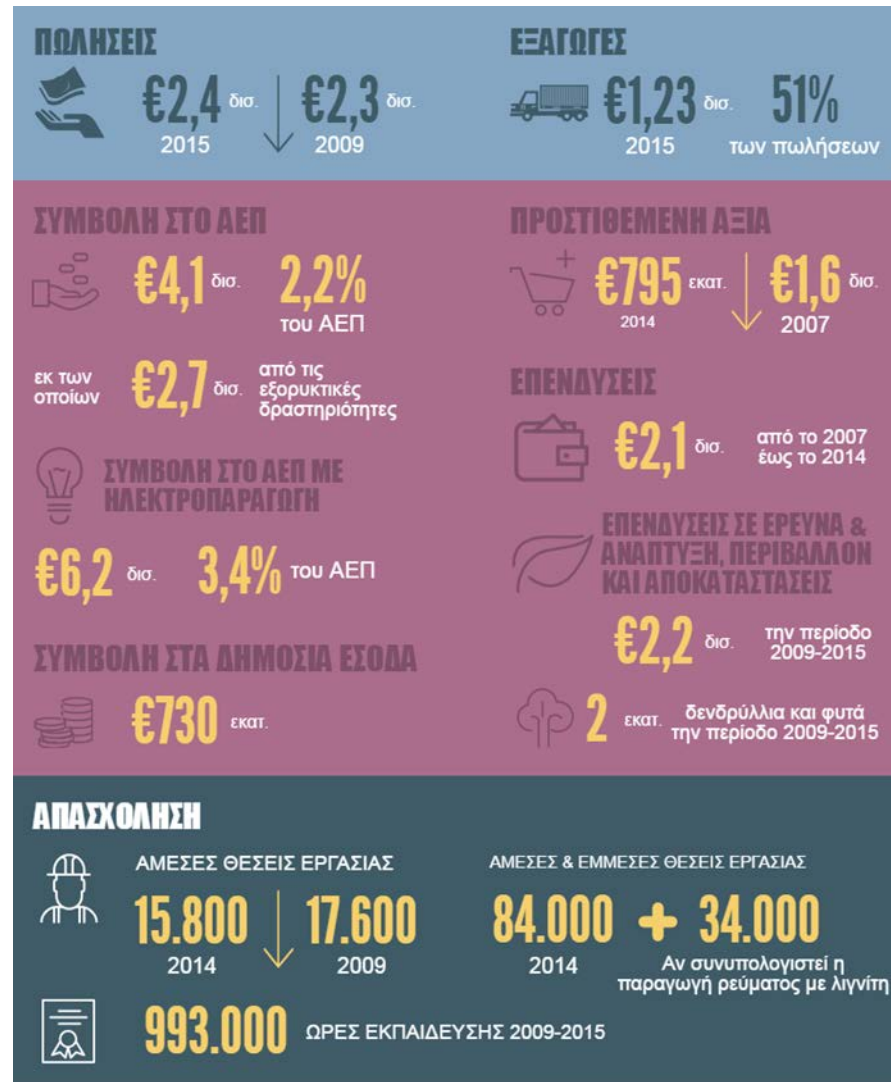
SEV Special Report on RM. RM Sector as a Pillar of Sustainable National Development

Presentation held at
EIT Raw Materials: 2nd Greek
Raw Materials Community Dialogue
October 2017



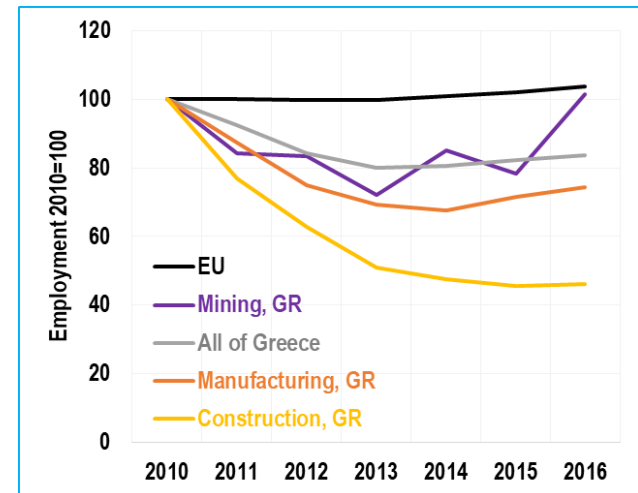
The importance raw materials have for Greece

- Significant contribution to GDP formation
- Significant contribution to government's revenues
- Significant contribution to employment
- Resilience during the crisis



How come this resilience;

- Because activities that are based on raw materials extraction HAVE to be based in the country, they cannot migrate!
- Because Greece has noteworthy RMs and their geographic distribution increases their economic value (eg closeness to share lines).
- Because the companies of the sector export, are part of international value and knowledge chains and are well connected in international markets. All this increases their resilience.
- Because these activities are aiming for the LONG TERM, both in their planning and execution.



Resilience of employment in the Greek mining sector and in other manufacturing sectors. (Eurostat)

Mining and communities

«Dialogue and trust between the state, industry and communities is a necessary ingredient of effective policies»

- Because activities are mostly located, by default, in regional areas, the sector offers a unique opportunity to enrich the local production space and to offer more diverse centers of economic growth.
- **Especially more isolated regional communities have a unique opportunity to enrich the options for employment and to keep the younger generations close to them.**
- New technologies and the circular economy ensure that extraction, reclamation and post extraction economic activities can be planned in ways that overall benefit much more communities.
- Fears and doubts raised by residents and local communities are justified.
- **Therefore it is crucial to discuss and to be well informed.**
- Rules regarding sustainable development need to be the only rule governing the projects in a consistent and highly transparent way.
- **Pilot programs are very useful in this sense (seeing is believing).**
- Being informed means understanding that extraction is a temporary state, and that reclamation can also ensure the emergence of new economic opportunities for the communities.

The true opportunity RMs offer to local communities:

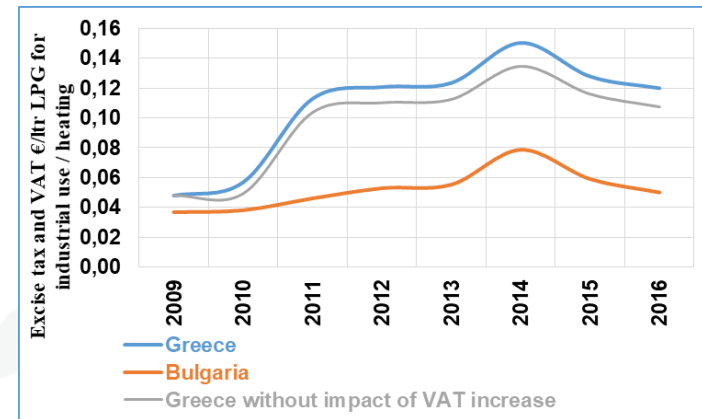
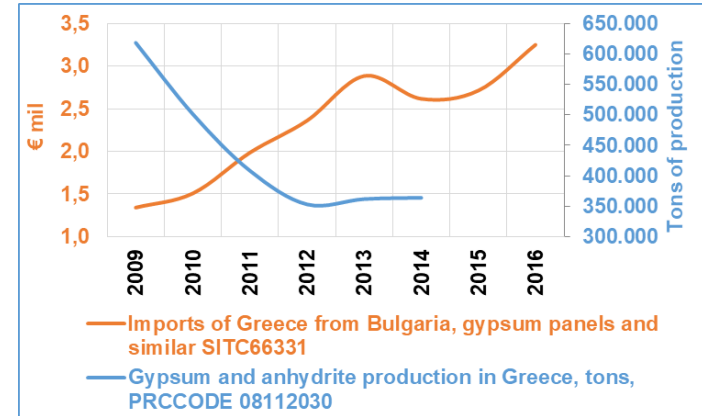
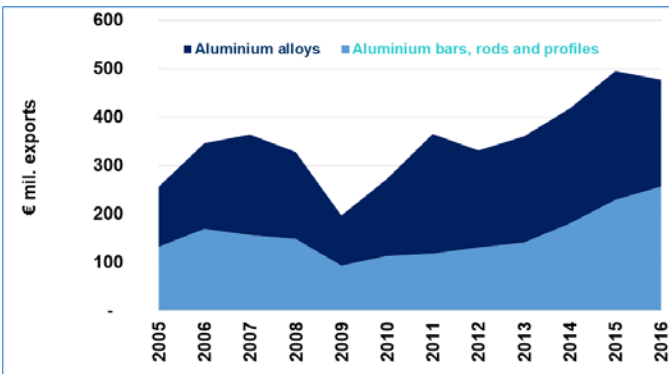
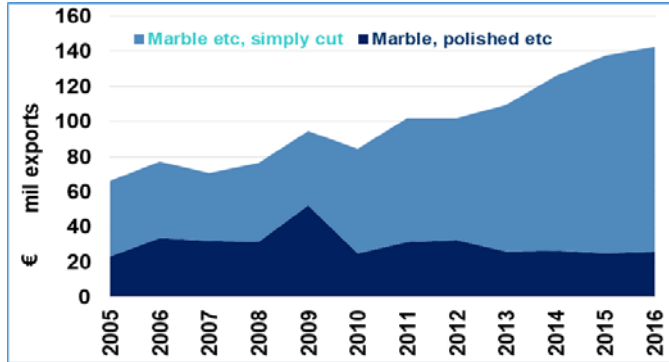
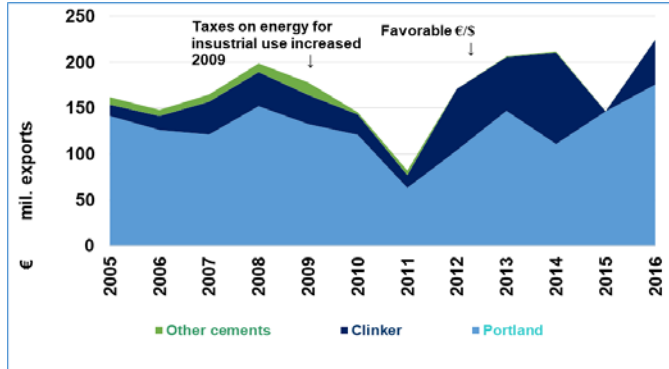
- By default economic activity will be located in their vicinity. Jobs will be local.
- As any large economic activity, it attracts very diverse skills and support needs enriching the local production space.
- Therefore local economies have the opportunity to become more complex, to include a larger variety of activities and skills.
- If favorable preconditions exist (rule of law, regulations, infrastructure etc) these ecosystems can jump-start their own, independent, dynamics.

This is also true for the whole country! It needs more complex economic ecosystems and the skills they develop!

Problems the RM sector faces in Greece

- Weak Rule of Law, low consistency, transparency and use of evidence in policymaking.
- **Critical weaknesses in the framework that governs prospecting and exploration** (eg, licenses for exploration are identical to the licenses issued for the actual development of the mine, and the licensing process still has major weaknesses)
- **The competent authorities have been weakened and undermined over time.** (eg even the renewal of existing licences already runs into major problems as competent staff is not any more available, a MD foreseen by a 2014 law regarding outsourcing of audits, that can support the authorities, has not been issues).
- **Auditing mechanisms need to be shored up!– Communities need to trust them in order to accept MR activities!**
- **There is no National Policy for MRs.** That has many implications, from the inability to support prospecting, weak infrastructure etc. Prospecting and evaluation of the results is not even a priority. Spatial planning IGNORES COMPLETELY RMs. So does national planning for infrastructure.
- **There is no constructive cooperation between the state and businesses. Therefore many large and minor practical issues remain unresolved:** A new quarrying draft law retains critical weaknesses, irrational licencing process and fees for the construction of port facilities, weaknesses in the licencing process, lack of any measures against illegal quarrying and the commercialization of its products.

Taxation, policy inconsistency, international demand, manufacturing after mining



Επιβάρυνση ενέργειας που χρησιμοποιείται στην παραγωγή γύψου και εισαγωγές γύψου. Ελλάδα και Βουλγαρία (Eurostat, European Commission Taxes Database, excise taxes on energy, υπολογισμός επί τιμής αγοράς του καυσίμου, με αποτέλεσμα ο ΦΠΑ να εξελίσσεται ανάλογα με τις διεθνείς τιμές του καυσίμου)

SEV members are the key corporate leaders in Greece

- **Sectors:** Energy, transport, manufacturing, pharma, metals, food, financial, constructions, technology, chemicals, wholesale, services etc
- **Registry:** 3,500 corporates, including members of 43 sectoral & regional associations.

SEV direct members account for 50% of the business activity

