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Industry news : March 2007

Corus shareholders approve Tata takeover

Molten metal being prepared for casting
Photo Copyright: Getty Images

Shareholders in the UK- and Dutch-owned steel makers Corus overwhelmingly approved the takeover bid by Indian-owned Tata Steel. At the general meeting held on March the 7 th more then 97% of shareholders voted to accept Tata's proposed 608p per share. Tata Steel, state that “the acquisition is not about job losses” and that they are now trying to align themselves with Corus by buying into coal and iron ore producers to meet their new needs. There is some speculation, however, that parts of the Corus business could be sold off to pay for the acquisition; a contender for this being the Scunthorpe rail and section works. Corus is a major manufacturer, employing 24 000 in the UK with operations in Port Talbot, Scunthorpe, Newport , Corby, Redcar, York , Deeside, Wolverhampton and Rotherham . The takeover will make Tata Steel the 5 th largest steel group in the world, increasing Tata's production to 25 million tonnes a year.

Sources: http://news.bbc.co.uk/1/hi/business/6428411.stm and Metal Bulletin 12/3/07

Scottish coal mine launches Europe 's largest conveyor belt

A UK open cast coal quarry
Photo Copyright: BGS©NERC

A 13 km long conveyor belt has been built from the Glenmuckloch open cast coal mine, Dumfriesshire, to a link with the rail network in New Cumnock, Ayrshire. The belt, which is the largest of its kind in Europe , cost nearly £10 million to build and can transport 500 tonnes coal an hour from colliery to rail depot, the journey taking 73 minutes. This new development will save 50 000 lorry journeys a year (2 million road miles) greatly benefiting local towns which will no longer be affected by coal lorries passing through.

Source: http://news.bbc.co.uk/1/hi/scotland/south_of_scotland/6455669.stm

Power station demand boosts coal profits

Ratcliffe-on-Soar coal powered power station
Photo Copyright: BGS©NERC

UK Coal recently announced that 2006 saw the highest levels of coal burnt in the production of electricity in the last 10 years. This greatly aided UK Coal, the UK 's largest producer, to return to profit in 2006; UK coal reported a pre-tax profit of £17.6 million compared to a loss of £32.8 million in 2005. Coal is now responsible for 41% of energy generation in the UK . This consumed 58 million tonnes last year, 8.8 million tonnes of which is supplied by UK coal, 90% of its total output. The closure of two deep mines and the sale of Maltby colliery, North Yorkshire , have also aided UK Coal's financial position.

Source : http://news.bbc.co.uk/1/hi/business/6407535.stm

Return of deep coal mining in South Wales

Colliery headgear
Photo Copyright: BGS©NERC

The Unity Mine at Cwmgwrach in the Neath Valley is due to begin production within 8 weeks and will be the first deep coal mine to open in South Wales for 30 years. This mine will create 60 new jobs and, coupled with the expansion of the nearby Aberpergwm mine creating 200 new jobs, marks a major increase in deep coal mining in the region. Unity Power, the owners of the Unity mine, hope to increase production to one million tonnes a year but in order to do so many foreign workers may have to be employed due to a mining skills shortage in Wales. This increase in coal mining is being attributed by the mine owners to the rising price of coal and an “energy gap” in Europe .

The expansion of the Aberpergwm mine comes after a decade of development work to potentially access the biggest reserve of anthracite in Europe . The owners Energy Build Holdings, report they are within 500 m of the seam. It is hoped by the local community that some of the jobs created will replace those being lost in the imminent closure of nearby Tower colliery.

Source : http://news.bbc.co.uk/1/hi/wales/6496775.stm

Local opposition to new coal developments

A UK open cast coal quarry
Photo Copyright: BGS©NERC

Several new planning applications for open cast coal mining have been announced this month, but with strong opposition from local groups. Developers H.J. Banks and Co. recently submitted an application to extract a million tonnes of coal over five years from a site near Castleford, North Yorkshire , stating that it will provide “a local source of coal for local power stations." However, villagers and local councils have called for a stop to the development. They state that the mine will bring extra traffic and noise to the countryside as well as potentially damage the neighbouring Fairburn Ings RSPB nature reserve.

A similar situation is seen with UK Coal's impending planning application to develop a 900 000 tonne coal mine at a site near Telford . This would have a four-year life. UK Coal propose to return the countryside to its natural state after the mining has finished but local groups and MPs strongly oppose the development. They cite damage to the environment and wildlife as well as traffic increase as reasons against development. If the application is successful this will be the first coal mining in Shropshire for nearly 30 years.

Sources : http://news.bbc.co.uk/1/hi/programmes/politics_show/6446529.stm and

http://news.bbc.co.uk/1/hi/england/west_yorkshire/6446269.stm

New budget increases taxation on the aggregates industry

Aggregate quarrying in the UK
Photo Copyright: BGS©NERC

The new budget on the 21 st of March announced that the Aggregates Levy would rise to £1.95 a tonne, a 22% increase on the previous £1.65 a tonne. This, combined with the rise in gas oil duty by 26%, a 16% rise on small business tax and a rise of 25% on inert landfill taxation, means that the aggregates industry could be paying an extra £1.9 billion in tax during 2008/2009. Both the Quarry Products Association (QPA) and the British Aggregates Association (BAA) have spoken out against these tax rises as unfair and damaging to the industry; the Aggregates Levy in particular is seen by the industry as "difficult to justify" and "a massive financial burden". The government however sees it as necessary to promote more environmentally friendly and sustainable quarrying.

Both the QPA and the BAA have stated that the increase will adversely affect public sector infrastructure developments, such as the London Olympic project.

Sources : http://www.qpa.org/07-release003.htm and http://www.british-aggregates.com/news/doc72.pdf

British cement suppliers to be investigated

UK cement manufacture
Photo Copyright: BGS©NERC

Claims by many independent companies that the UK cement market is not operating properly have lead the British Aggregates Association (BAA) to bring in a specialist firm to investigate. The Brussels-based Cartel Damage Claims (CDC) have been asked to investigate allegations that the supply of ordinary Portland cement is being unfairly controlled by several major companies. The UK cement industry is dominated by four manufacturers: Buxton Lime Industry, Castle Cement, Cemex UK Cement and Lafarge Cement. These companies have suffered several recent cement shortages due to technical issues although problems with the supply and price of UK cement are longstanding.

CDC have recently won a successful state prosecution of a German cement manufacturing cartel and is claiming over €200 million in compensation. It is hoped the investigation into the UK industry will end the history of high cement prices and shortages in supply.

Sources: http://www.british-aggregates.com/news/doc71.PDF and http://www.british-aggregates.com/news/doc70.pdf

Government's renewable energy target "very likely to be missed"

Wind turbine
Photo Copyright: BGS©NERC

According to the research group Cambridge Econometrics the Government is going to miss its target of renewable energy accounting for 10% of the electricity supply by 2010. Their report concluded the figure would more likely be around 8%. The government attributes this to planning delays for wind farms but indicate the 2010 target could still be met.

The report also predicts that the Government's targets will nearly be met by 2015 with 14.5%, as opposed to the desired 15%, of energy coming from renewable sources and that by 2020 the target figure of 20% will be reached. These figures are based on increasing electricity demand and high fossil fuel prices. The UK is also predicted to easily meet the Kyoto targets for greenhouse gases with potential reductions of greenhouse gas of 17.5% from 1990-2012 (the target being 12.5%).

Sources : http://www.camecon.com/press_releases/uk_energy_environment.htm and http://news.bbc.co.uk/1/hi/sci/tech/6433089.stm

New wind farms in Scotland and Wales

Wind farm in Scotland
Photo Copyright: BGS©NERC

Approval has been given this month by council planners in Carmarthenshire to build a new 10 turbine wind farm. The Scottish Executive will also allow significant expansion of a wind farm in Dumfries and Galloway , increasing the already installed 36 turbines to 66.

The approval for the Carmarthenshire development comes after several years of planning applications and mixed reactions from local residents. Some see the turbines as an eyesore and others as a valuable new source of revenue.

The Dumfries and Galloway extension will bring the output of the wind farm to 100 megawatts, enough to almost meet the power needs of all the homes in the county. This expansion comes at a time of significant developments in renewable energy for Scotland . A £13 million grant to support wave and tidal energy projects was announced last month. The Scottish Executive also recently stated that it has met its target of 18% of Scottish electricity consumption from renewable sources.

Sources : http://news.bbc.co.uk/1/hi/wales/south_west/6498549.stm and http://news.bbc.co.uk/1/hi/scotland/south_of_scotland/6445361.stm