

# Minerals in the national economy

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Britain is fortunate in being well endowed with a great variety of mineral resources, the nature and distribution of which are related to the complex geological history of the British Isles and its adjacent continental shelf. These resources are national assets and their extraction and, more importantly their use, make an essential contribution to wealth creation, the nation's infrastructure and the quality of life of its population.

Mining and quarrying, including the extraction of oil and gas, contributed £18 068 million, or 2.8 per cent, to Gross Domestic Product (GDP) in 1996. Expressed as sales of minerals, on an ex-mine or quarry basis, the total value is estimated at £21 796 million in 1996. Energy minerals, particularly oil and gas, dominate the value of minerals production (natural gas overtook oil to become the principal source of primary energy consumed in Britain for the first time in 1996), and most of this output is from the UK Continental Shelf. However, there is a very important onshore extractive industry producing coal and a wide range of construction and industrial minerals. In 1996 the minerals industry (exclusive of oil and gas) extracted some 360 million

# UK mineral production

tonnes of saleable minerals worth about £4 billion from over 2000 mineral sites.

The British coal industry has declined significantly since the 1960s, initially due to competition from oil but in recent years from increasing use of natural gas and coal imports in electricity generation. Deep mine coal production was about 30.4 million tonnes in 1997, with an additional 16.7 million tonnes being produced from opencast operations.

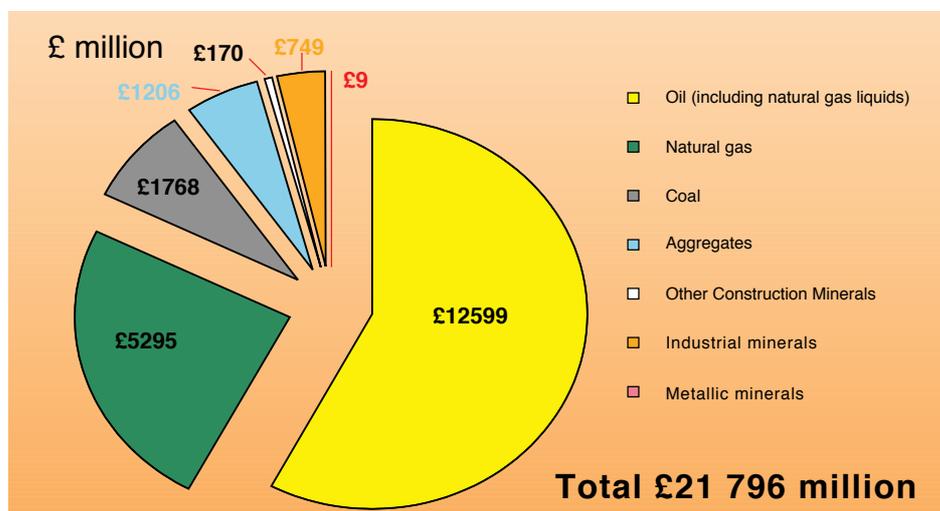
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The tonnage and value of construction and industrial minerals exceeds that of metals in most industrialised countries. This is particularly the case in Britain, where the last metal mine, the South Crofty tin mine, closed in March 1998. Production of metalliferous minerals is now confined to minor output of lead and zinc as by-products of the Pennines fluorspar operations. There is also a small production of gold in Wales.

Production of construction and industrial minerals has shown large increases since the Second World War. The continuing strong, albeit cyclical, demand for construction minerals, particularly

aggregates — sand and gravel, and crushed rock (limestone, igneous rock and sandstone) — is driven by a continuing need for new roads, commercial buildings, residential properties, schools and hospitals. Production of natural aggregates in Britain peaked at 300 million tonnes in 1989, but was some 215 million tonnes valued at £1206 million in 1996. The production of industrial minerals, such as china clay, ball clay, potash, baryte and salt, was worth some £749 million in 1996.

The value of minerals on an ex-quarry basis does not truly reflect their ultimate value to the national economy. The difference between the ex-quarry price of a mineral and its delivered price can be considerable for large-volume, low-value minerals, and transporting them to the market place supports an industry in its own right. Moreover, many minerals serve as essential raw materials for the manufacturing sector, where the value added may be many times the cost of the raw material. The economy gains not only from the value of mineral production but also from the much greater value of the downstream processing industries that depend upon it. The extractive industry also provides a market for a variety of goods and services, supports other sectors of the economy and reduces imports. Information on minerals production, consumption and trade are given in the BGS publication *United Kingdom Minerals Yearbook*.



Value of UK mineral production, 1996.