

NETHERLANDS

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The Netherlands' Real GDP rose by 3.8% in 2000, a similar level to that of 1999 with the rate of inflation at 2.5%. During 2000, unemployment was relatively stable in the range of 2.6% to 2.9% of the working population. The Prime Minister Wim Kok's 'purple' coalition of Labour (PvdA), Liberal (VD) and D66 parties remains in power as it has done since 1994. However, elections are due in May 2002 and relations between the coalition parties are becoming strained. The main area of difference is over how to use the surplus in the budget for 2002. In 2000, there was a budget surplus of some US\$7.1 billion, compared with a forecast deficit of some US\$4.2 billion.

The raw materials extraction sector is dominated by gas and oil. Mining is confined to quarrying and, the extraction of salt in the east and north. In contrast, the Netherlands' downstream activities include several major metallurgical and chemical industries, which are largely based on imported ores and industrial minerals. These metallurgical and chemical industries have to cope with stringent environmental restrictions.

In the first half of 2000, natural gas production totalled some 39,000 million m³ compared with production of some 72,000 million m³ in the whole of 1999. Approximately 40% of the production is from offshore. Nederlandse Aardolie Maatschappij (NAM; owned equally by Shell and Esso) produces some 75% of the total, including over 95% of the onshore production. Other major producers included Total/Final/Elf with some 12% and BP Nederland with some 4% of the total respectively.

Crude oil production in the Netherlands continued the downward trend of recent years from a total of 2.58 Mt in 1999 to a total of 1.77 Mt for the first three quarters of 2000.

The major part is extracted from the Continental Shelf oilfields.

In November 1999, Hoogovens, the Dutch steel maker with plants in Belgium and France, merged with British Steel to form the Corus Group. However, Corus has been making substantial losses and is closing down some of its crude steel making and tinplate plants. Hoogovens had made a profit of some £68 million in the carbon steel sector over the first 15 months of Corus, while at the Dutch steel and tinplate plants at Ijmuiden and Trostre, the workers are protected by the European Union Social Charter. These plants are not as productive per man/hour as the Welsh plants at Llanwern and Ebbw Vale. However, these latter are the plants most likely to close. Ijmuiden has a crude steel making capacity of 6.5 Mt/y. Both it and Trostre may increase their tinplate production by up to 25% to offset the capacity lost by the closure of Llanwern.

In late 1999, the Budel Zink smelter of Pasminco converted to treating low-iron zinc concentrates from Pasminco's Century zinc mine in northern Queensland. In 2000, Budel Zink produced some 215,500 t of zinc and alloys and some 317,500 t of sulphuric acid plus some 710 t of cadmium and, in residues, 750 t of copper and 26 t of cobalt. This compares with the 1999 production of some 220,000 t of zinc and alloys and some 357,000 t of sulphuric acid. The smelter has an environmental programme, including effluent purification to eliminate gypsum waste.

Akzo Nobel Salt mined some 4.62 Mt of salt in 2000, up from 4.35 Mt in 1999. Frisia (formerly Frima) produced some 0.94 Mt salt in 2000, compared with 1.05 Mt in 1999. Nedmag Industries mined 225,000 t of

magnesium salts for the production of dead-burned magnesia.

Kemira Agro Oy of Finland closed its fertiliser plant at Pernis in 2000. The plant had treated raw materials, mainly supplied from Russia, to produce 220,000 t/y of phosphoric acid,

320,000 t/y of sulphuric acid and 240,000 t/y of mono- and di-ammonium sulphate fertilisers. The closure was in part due to new licensing conditions, which demanded that 90% of the gypsum present in the waste water from the phosphoric acid process must be removed.