

AUSTRIA

By Dr S. Polegeg

The Austrian mining industry continues to shrink for various reasons, including a lack of commercial viability for some operations, depleting reserves at others and, in general, a dearth of new economic orebodies. At the Lassing talc mine, where an inflow of mud and water into the underground workings in 1998 cost 11 lives, it has now been decided not to recover the bodies of the miners because of the high risk for the salvage team, and to erect instead a memorial above the former mining area. Lassing, which began production in 1901 and was producing some 30,000 t/y of talc, will not be re-opened.

The Mittersill scheelite mine in the province of Salzburg is one of the few remaining operating underground mines in Austria. It remains profitable and has reserves sufficient to last for at least another ten years, and can probably continue for much longer as the reserves are estimated step-by-step.

The only mine producing large quantities of iron-rich mica (as a basis for paints) is the underground operation in Waldenstein, in the province of Carinthia. The measured reserves are reported to be some 50,000 t, and at annual production rate of 5,000 t there is a minimum lifetime of ten years. Probable reserves are estimated at more than 70,000 t.

Although the refractory minerals business, worldwide, is quite successful, Radex Heraklith Industries (RHI), formed through the merger of Austrian American Magnesite (ÖAMAG) and Veitscher Magnesite (VMAG), has serious financial problems. The reported losses are in excess of €1.0 billion, making RHI the biggest financial disaster for an Austrian company since the Second World War. The situation is attributed largely to ill-advised corporate acquisitions during the past few years in the US, where some of RHI's subsidiaries face huge claims running to billions of dollars for asbestos-related damages.

Raw Material Production (t unless stated)

	1999	2000	2001
Lignite coal	1,137,388	1,254,605	1,193,970
Iron ore and Iron mica	1,751,946	1,859,449	1,843,275
Tungsten ore	410,136	416,456	465,868
Gypsum	898,830	825,077	790,478
Anhydrite	100,374	120,967	138,745
Graphite	2,635	669	116
Talc & Talc schist	129,576	133,060	137,776
Kaolin	152,457	118,508	89,632
Oil schist	496	440	408
Magnesite	748,635	725,832	680,534
Dolomite	7,968,072	7,152,245	6,171,999
Clay	1,994,598	1,416,201	1,734,964
Expanding clay	190,311	305,389	196,244
Quartz sand & Quartz gravel	6,851,292	6,984,557	5,045,387
Quartz & Quartzite	409,919	372,062	401,538
Limestone & Marble	26,408,576	23,823,529	23,799,657
Marl	1,422,684	1,558,742	1,568,508
Gneiss	-	-	2,152
Sulphur (by-product of crude oil)	9,468	9,646	10,912
Rock salt	1,481	1,280	1,384
Salt brine (m³)	2,691,968	3,129,653	2,986,153
Crude oil	962,393	970,513	957,472
Natural gas (1,000 m³n)	1,740,652	1,804,736	1,954,423
Diabase	5,200,771	4,933,202	4,689,785

Source: Ministry for Labour and Economy.

RHI's Austrian shareholders, largely unaware of these liabilities, have been shocked by the scale of the losses because, in Austria, RHI's refractory minerals operations are very successful. For example, the underground magnesite mine in Breitenau (Styria) is highly profitable and has benefited from the strict quality control programme introduced in the mine some ten years ago. There are sufficient reserves to last at least a further 20 years. RHI's other Austrian magnesite operations are Radenthein in Carinthia and Hochfilzen in Salzburg. RHI's magnesite mine in Hohentauern (Styria) was closed down two years ago because of the closure the refractory plant in Trieben to which it delivered its magnesite by cable car.

Meanwhile, the chairman and the vice chairman of RHI's supervisory board have stepped down and a new management team is now in control led by Helmut Draxler, the former director general of the Austrian railways (ÖBB). Mr Draxler is well known in Austria for his company reconstructions but RHI could prove his greatest challenge to

date. He has to convince 16 banks plus RHI's disaffected shareholders that his rescue plan, requiring a loan of €144 million, is necessary.

Knauf GesmbH a German plaster-board manufacturer, operates two gypsum mines in Styria. One is based on the deposit at Pyhrn, near the border between Styria and Upper Austria, and has been operated by Knauf for decades. In the past it has had to grapple with quality problems because of a high lime content. The second mine is based on the gypsum deposit in Tragöß, acquired by Knauf from Siegfried Saf, a private Austrian entrepreneur. Prior to its acquisition by Knauf, Tragöß delivered its gypsum exclusively to cement factories in Styria and Carinthia. Now, however, all production is destined for Knauf's plaster-board manufacturing plant in Weissenbach near Liezen in Styria. Tragöß and Pyhrn are each providing the plant with 140,000 t/y. Measured reserves at the Tragöß open-pit operation amount to 3.5 Mt. At this stage, it is not envisaged that the anhydrite core of the deposit will be mined. It has been explored by a 120 m adit to a depth of 80 m.