

## LUXEMBOURG

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Luxembourg's mineral industry consists principally of raw-materials processing and mineral trading. The iron and steel sector are the dominant activities in the industry; steel is the country's main export commodity. Mining is represented by small industrial operations that produce industrial minerals and building materials, mainly for domestic consumption.

The mineral industry of Luxembourg is largely dominated by the Arcelor Group, a world leader in the sector. Arcelor, with corporate seat in Luxembourg, was created through the merger of Aceralia, Arbed and Usinor in early 2001. The merger became effective in February 2002, when Arcelor was listed on several European stock exchanges. The Arcelor Group has four core businesses: it is the world's largest producer of flat carbon steels and long carbon steel, is among the leaders in stainless steel production, and among the largest firms in Europe for steel distribution, transformation and trading. The group has approximately 104,000 employees in over 60 countries.

In 2002, the group's annual production was 44 Mt of steel, about 5% of the world total. It recorded a modest 3.3% decline in turnover (pro-forma), which totalled €26.6 billion for 2002 against €27.5 billion in 2001.

In Luxembourg, Arcelor produced 2.73 Mt of crude steel, a slight increase versus 2001 (2.73 Mt) and the highest output since 1995. The group employs some 7,600 people in its consolidated (affiliated/subsidiary) companies located throughout the country. The number of employees in the steel factories totalled 4,658 on an annual average, about 5% down from 2001 (4,890 employees). Investments in Luxembourg amounted to €91 million in 2002, versus €76 million in 2001.

Mining operations in Luxembourg include the extraction of dolomite, limestone, sand, gravel and slate. Limestone is the main mineral commodity, and its extraction is dominated by Ciments Luxembourgeois SA. Created in 1920, Ciments Luxem-bourgeois is the parent company of a group of producers and distributors of construction materials carrying its name. The main shareholders of the group are Dyckerhoff AG (68.4%) of Germany and CBR (24.9%) of Belgium. The group produces nine qualities of Portland cement at Esch-sur-Alzette. Portland clinker is produced at Rumelange by the group's affiliate, Intermoselle Sarl. Intermoselle was created in 1973 and exploits limestone and marl from its own quarry lying astride the French-Luxembourg border near Ottange (France). Intermoselle has an annual production capacity of 1 Mt of clinker and feeds essentially the group's cement factory at Esch-sur-Alzette and the grinding facilities at Neuwied (Germany).

Besides the extraction of building materials, the mineral industry of Luxembourg also comprises processing of building materials and the manufacturing of glass and porcelain, predominantly from imported raw materials. All these sectors posted reduced output in 2002 although their respective turnovers showed significant increases, partly explained by sales from stocks. The reduced activities resulted in a reduction in employment.