

LUXEMBOURG

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Luxembourg's mineral industry consists principally of raw materials processing and has been dominated since the middle of the 19th Century by the steel company Aciéries Réunies de Burbach-Eich-Dudelange SA (ARBED). This company is part of the ARBED Group, whose domestic and foreign subsidiaries have interests in steelmaking and steel products, cement, mining etc. With a labour force of about 8,000, Arbed remains the largest private employer in the Grand Duchy.

ARBED is involved in Luxembourg in steelmaking and steel products, all from imported material. In the recent years, the group has considerably improved its profitability, and achieved a record net profit in 2000 of €938.2 million (of which €443.6 was the group's share). Consolidated turnover reached €13.2 billion, compared with €10.65 billion in 1999, a 24.2% increase. Crude steel production increased to 24.14 Mt in 2000 (+8.9% compared with 1999) while rolled products shipped amounted to 22.87 Mt and wire products to 1.23 Mt, increases of 4.7% and 5.2%, respectively, compared with 1999.

The Belgo-Mineira Group had a key influence on the 2000 financial year. Its profitability increased strongly, notably as a result of the recent upgrading of some of its facilities, and, the disposal of its shareholding in Samitri (63%). The adoption of the Real as the operating currency also had a significant impact on the structure of the group's balance sheet.

In February 2001, ARBED and its partner Aceralia signed a Memorandum of Understanding with the French steel group Usinor concerning a plan to merge their industrial and commercial operations in a new company based in Luxembourg. The merger remains subject to anti-trust approval by the relevant authorities.

Mining and quarrying in Luxembourg is only represented by small industrial mineral operations that produce material for domestic consumption and cement production. These minerals include dolomite, limestone, sand and gravel. The sector employs some 300 people and is reported to generate an annual turnover of about €50 million.