



Image courtesy of The St David's Hotel and Spa



Image courtesy of Mermaid Quay



The mineral products industry in Wales

A vital resource

Mineral products touch the lives of everyone in Wales and play a significant role in helping Welsh Government deliver its policies.

Without the essential raw materials our members produce we would not be able to build homes, schools, hospitals and factories. Crushed rock and sand & gravel are used to produce cement, concrete, asphalt, lime, bricks, blocks and mortar. Extensive use is also made of recycled aggregates and secondary materials, derived from the waste products of other industrial processes.

The Welsh road and transport network, energy infrastructure and water and sewage systems rely heavily on the raw materials we extract. Forty per cent of what our industry produces in Wales is used to maintain existing infrastructure. Other specialist products are used to produce glass and toothpaste – things we all take for granted.

The aggregates produced by our members represents more than 80 per cent of all the primary mineral resources produced in Wales each year.

This was recognised by the Welsh Government's First Minister Carwyn Jones who stated that the minerals sector was

one of the last heavy industries remaining in Wales. He acknowledged that the industry was vital to the Welsh economy by helping his government deliver growth and sustainable development through supporting key sectors such as construction, tourism and energy.

A recent report by the Welsh Economic Research Unit of Cardiff Business School has done much to emphasise the view that mineral products have a direct influence on the quality of people's lives in Wales.

The report highlights that the mineral products industry is a key employer in Wales – providing direct employment to around 3,800 people at more than 200 sites and generating sales of £650m. The majority of those jobs are in rural areas where there are limited opportunities for secure employment. It has been estimated that more than 2,000 people are indirectly employed supporting the sector, largely through the energy, transport and contracting services it requires.

While the industry is significant in its own right, it is important to recognise the vital role it plays in supporting the Welsh construction sector, which represents six per cent of the Welsh economy, has a turnover of £3 billion and provides 88,000 jobs. As an example the construction sector in South Wales is heavily reliant on sand dredged from the Bristol Channel which accounts for 90 per cent of all supplies of natural fine aggregate used in concrete and asphalt manufacture, and as building sand. Without marine aggregates the construction sector would not be able to function.

While most of our Welsh mineral products support local projects some high value minerals are exported further afield across the UK. These include high polished stone value (PSV) sandstone used in road surfacing because its skid resistance qualities offer significant road safety benefits. This reflects the importance of many of the minerals produced in Wales to the UK economy.



At a glance

22.6mt Welsh sales of aggregates and manufactured mineral products

£650m Annual turnover of the mineral products industry in Wales

3,800 People directly employed in our industry in Wales

£232m Annual turnover in other sectors of the economy supported by the mineral products industry in Wales

2,000 People employed in other sectors of the economy supported by the mineral products industry in Wales

£3bn Value of the Welsh construction sector - our main customer

88,000 Jobs supported through the Welsh construction sector

Production of minerals in Wales, 2013

Million tonnes (mt) or share of total (%)

	mt	%
Aggregates, limestone for cement & lime and silica sand	15.0	81.9
Coal	2.4	13.3
Other	0.9	4.9
Total	18.3	100.0

Total may not add up due to rounding

Sales of minerals and mineral products in Wales, 2014 (unless otherwise stated)

CONSTRUCTION USES

Aggregates			16.1	mt
of which:	Crushed rock		12.3	mt
	Sand & Gravel		1.7	mt
		Land-won	0.9	mt
		Marine	0.8	mt
	Recycled & Secondary		2.2	mt
Cementitious (including imports) ⁽¹⁾			0.5	mt
of which:	Cement		0.4	mt
	Other cementitious materials		0.1	mt
Ready-mixed concrete ⁽²⁾			2.38	mt
Asphalt			1.7	mt
Dimension stone ⁽³⁾			0.1	mt

NON - CONSTRUCTION USES

Rock			1.7	mt
of which:	Iron & steel / Cement		1.6	mt
	Agricultural use		0.2	mt
Industrial / silica sand ⁽³⁾			0.1	mt

⁽¹⁾ Point of delivery only. A large amount of cementitious materials produced in Wales is exported to other English regions.

⁽²⁾ Includes ready-mixed produced from site plants. (Conversion factor of 2.38 t/m³ employed).

⁽³⁾ 2012.

⁽⁴⁾ 2013.

Supporting local communities

Twice as many people per head of population are employed in the mineral sector in Wales than in the rest of GB, and more than 90 per cent of these jobs are full-time. By contrast, across the Welsh economy as a whole only 35 per cent of jobs are full-time. The mineral products sector provides an increasingly valuable commodity for Wales – full time employment opportunities.



Supporting local business

The industry also plays a vital role in supporting local businesses. An average size quarry can typically contribute more than £2 million to the local economy – through purchases from local suppliers – such as local shops, use of local contractors and the purchasing power of its employees through wages.



Image courtesy of the Welsh Government



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Aggregate levy fund

The industry pays a levy to the Treasury for every tonne of material extracted in Wales. Some of that money is returned to Wales to support the Aggregate Levy Fund. Since its creation in 2002 the fund has distributed more than £16m to benefit local communities, biodiversity or industrial heritage projects in areas where quarrying takes place.

