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THE FIRST PORTUGUESE NATIONAL STRATEGY FOR THE GEOLOGICAL AND MINING SECTOR

On September 11 the Portuguese Council of Ministers Resolution n. 78/2012, which had been awaited since the beginning of the year and that approves the “National Strategy for Geological and Mineral Resources” (designated as Strategy hereon in), was published.

This Strategy represents an innovative move on the Portuguese legislative and political scene, since it is evidence of the value placed by the current Government on the geological resources sector, and especially on the mineral sector, as an important tool for Portugal’s economic growth. The Strategy sets out an Action Plan for the geological resources sector in Portugal, focusing on the next eight years (until 2020) and directed mainly at the metal ores subsector, known to correspond to the segment with the highest profitability worldwide, and consequently, with the biggest value.

The Government states that the Strategy “represents the benchmark for all public interventions that focus on geological resources”, this meaning that the Strategy is the cardinal axis for the future of the sector in Portugal, hence its importance and the need to understand it better.



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One cannot expect a strategic document to itself introduce the changes it advocates, but rather that it proposes guidelines and measures to orientate policy makers towards its implementation.

The Portuguese Government's eight-year strategic vision for the sector is founded on four *pillars*, developed in further *measures*, which in turn are concretized in about 74 *specific* actions (Action Plan ENRG-RM 2020). For obvious reasons, it is not possible to describe here all the planned actions included in the Strategy, nor is that our objective, although a brief reference to some of them is called for.

The Portuguese Government proposes to start a revision of the sector-related legislation, which dates back to the 90s and has remained practically unaltered. In spite of the Strategy putting forward some guidelines on the issues to be reviewed, it naturally remains to be seen which direction the announced amendments will take, it being true, however, that without a legal framework that is adequate, clear and simplified it will be very difficult to fulfill the Government's objectives of attracting foreign investment and promoting economic development of the sector.

Another message that can be clearly inferred from the Strategy relates to the aim of attracting investment to the sector, evidenced by the establishment of the *Mining Investment Support Office (Gabinete de Apoio ao Investidor Mineiro)* - which might be an important tool in helping investors potentially interested in the Portuguese mining market with getting to grips with national sector legislation and administrative requirements - and by the Government admitting to supporting the search for investors with the purpose of attributing new concessions for the areas that are still available as well as evaluating the launch of potential incentives for attracting investment.



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Finally, noteworthy is also the fact that the Strategy denotes a clear focus on the development and research of the sector's potential in Portugal, particularly in what relates to the sea, something that seems absolutely essential to its success. Given that the areas with known potential are already *grosso modo* contracted, the focus on developing the sector inevitably touches upon researching the country's resources.

Considering that the ambitious nature of the Action Plan outlined in this Strategy seems to be in contradiction with the human resources made available for its implementation (the Government states that the necessary support will be provided by the various public entities with ties to the sector, albeit not taking into account any related increase to public spending) and given the absence of an immediate prediction of a specific schedule, it is hoped that the Actions set out by the Strategy do not remain just words on a page and that the Government has the ability to put said words into real action, not only before the deadline in 8 years' time, but by following a phased and realistic timetable that will be established in the meantime.

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