

MINING BACK IN FASHION - LENER

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Attitudes to mining in Spain have changed considerably, according to Lener director associate Antonio García.

"From the late 1990s until the start of the economic crisis, there had been a lot of opposition to mining because of the perception that it was an industry that was harmful to the environment," he says. García adds that this was largely due to the 1998 accident at the Los Frailes lead-zinc mine at Aznalcóllar near Seville, Spain, when toxic waste threatened the Doñana National Park, a UN World Heritage Area. "However, while there are environmental risks associated with mining, there is also an understanding on the part of regional administrations that – at a time of high unemployment in Spain – the mining sector creates jobs," he says.

Consequently, many administrations in Spain are altering their stance and trying to attract mining investment. However, there are still many barriers investors must overcome to capitalise on potential mining opportunities. "For example, you need to be granted between 50 to 200 permits before you can start mining," says García, who, prior to joining Lener, worked as general counsel at a mining company. And there is no way around this requirement, he adds. "If you try to take a shortcut,

you run the risk of jeopardising the whole project," he says.

Another challenge for investors is the large number of health and safety regulations affecting the industry. "Meeting the demands of these regulations can be very costly and time consuming for investors but it is the only way to mine in Spain," García says. Mining companies must also comply with environmental regulations if they want their project to be a success. If investors do meet these requirements, the Spanish mining sector offers considerable potential. García says: "It is expected that prices in the mining industry will maintain the same level for the next five years at least."