THE RAW MATERIALS INITIATIVE: MEETING OUR CRITICAL NEEDS FOR GROWTH AND JOBS IN EUROPE

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Introduction

• The EU is highly dependent on imports of strategically important raw materials which are increasingly affected by market distortions.

• Exploration and extraction are facing increased competition for different land uses and a highly regulated environment.

• Need for an integrated response, as suggested by Council in May 2007.

• Analysis & proposed measures apply in a high degree to other non-energy raw materials.
Analysis of supply and demand

- From self-sufficiency to **high import dependence**
- Need for primary and secondary raw materials
- Certain materials particularly **critical**

- **Fundamental changes** on global markets
  - 450 export restrictions on more than 400 different raw materials
  - Strategies to secure privileged access to raw materials
- 50% of major mineral reserves located in **low income countries**
An integrated strategy based on 3 Pillars

1. Ensure **access to raw materials** from **international markets** under the same conditions as other industrial competitors;

2. Set the right **framework conditions** within the EU in order to foster sustainable supply of raw materials from **European sources**;

3. Boost overall **resource efficiency and promote recycling** to **reduce the EU’s consumption of primary raw materials** and decrease the relative import dependence.
Define critical raw materials

- identify - in close cooperation with Member States and stakeholders - a methodology and list of potentially critical raw materials.
Launch of EU strategic raw materials diplomacy (pillar 1)

- Ensure **better and more effective coordination** and coherence among EU external policies at various levels:
  - e.g. management of EU strategic partnerships;
  - policy dialogues with third countries (Africa, emerging economies, developed countries).

- Promote **enhanced international cooperation** (e.g. G8, OECD, UNCTAD, World Bank, etc.)
  - Dialogues on Arctic, deep sea mining and international trade routes;
  - Support of international initiatives (e.g. Kimberley Process, EITI, EITI++).
Include provisions on raw materials in trade agreements (pillar 1)

• Include, as appropriate, provisions on access to and sustainable management of raw materials in:
  ▪ bilateral and multilateral trade agreements;
  ▪ regulatory dialogues.
Challenge trade distortion measures using all available instruments (pillar 1)

- **Identify and challenge trade distortion measures taken by third countries using all available mechanisms and instruments, e.g.**:
  - WTO negotiations;
  - dispute settlement;
  - Market Access Partnerships.

- Prioritising those which undermine open international markets to the disadvantage of the EU most.
Promote sustainable access to raw materials in development policy (pillar 1)

• **Strengthening States**
  - Assist developing countries with *capacity building* to manage public finances, sustainable management of natural resources; negotiations with mining companies.
  - Increase the use of EU *budget support* as instrument to deliver aid contributing to sound public finances.

• **Promote a sound investment climate**
  - Level playing field for companies;
  - Transparency of mining deals;
  - Sound taxation systems.

• **Promote sustainable management of raw materials**
  - Improve social and environmental standards;
  - Improve human rights conditions;
  - Combating child labour.
Improve the regulatory framework related to access to land (pillar 2)

- Promote the **exchange of best practices** in the area of land use planning and administrative conditions for exploration and extraction.

- Increase the **involvement of national geological surveys** in land use planning within the Member States.

- Develop a strategy for integrating sub-surface components into GMES.

- Develop **guidelines** on reconciling extraction activities in or near **Natura 2000** areas with environmental protection.
Encourage better networking between national geological surveys to increase EU’s knowledge base (pillar 2)

- Improve the knowledge base of mineral deposits within the EU.

- Encourage better networking between the national geological surveys to:
  - facilitate the exchange of information;
  - improve the interoperability and dissemination of data;
  - particular attention to the needs of SMEs.
Promote skills and research (pillar 2)

• Promote **skills** through **effective partnerships** between universities, geological surveys and industry

• Promote **research** on:
  - innovative exploration and extraction technologies;
  - Recycling;
  - materials substitution;
  - resource efficiency.
Increase resource efficiency and foster substitution of raw materials (pillar 3)

- Give impetus to resource efficiency and eco-innovative production processes:
  - in context of Action Plan on Sustainable Consumption and production and Sustainable Industrial Policy.

- Promote research projects on resource-efficient products and production; development of substitutes.
Promote recycling and facilitate the use of secondary raw materials (pillar 3)

- **Commission & Member States** should:
  - Ensure sound and harmonised enforcement of the **Waste Shipment Regulation**;
  - Release information on illegal shipment flows.

- **Encourage recycling markets** through the following measures:
  - Legislation, standards and labelling;
  - Public procurement; Financing;
Way forward

• The Communication has been sent to the Council of Ministers and the European Parliament.

• Council conclusions are expected in May.

• Implementation work with Member States and stakeholders.

• Report to Council in 2 years.
Thank you for your attention!

Further info:

http://ec.europa.eu/enterprise/non_energy_extractive_industries/raw_materials.htm