

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

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The issue

- The world, at the **beginning of the XXI century**, is facing unprecedented challenges on the access and accessibility to raw materials
 - Energy
 - Non energy raw materials
- This is not a short term issue but a **structural** one linked to the emerging of the new economies.
Specific strategies by international players **to secure privileged access** to raw materials

The issue

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

Fundamental changes on global markets

- **450 export restrictions** on more than 400 different raw materials including **secondary raw materials**
- **The price of raw materials has been cyclical but that is not the real issue** as long as market forces can operate

- **Exploration and extraction in the EU** are facing **increased competition** for different land uses and a highly regulated environment **reducing the possibilities for investing and creation of jobs in Europe**

The Raw materials Initiative

- The European Response:

An integrated approach based on three pillars

The three 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.

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++).

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.

Promote sustainable access to raw materials in development policy (Pillar 1)

- 50% of major mineral reserves located in **low income countries**
- **Strengthening States**
 - Assist developing countries with **capacity building**
- Promote a **sound investment climate**
 - Level playing field for companies; transparency
- 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**
 - **streamlining** administrative conditions for exploration and extraction
- Increase the **involvement of national geological surveys** in land use planning within the Member States.
- Develop **guidelines** on reconciling extraction activities in or near **Natura 2000** areas with environmental protection.



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.



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
 - knowledge sharing and international action (2008-2011 Action Plan for the Lead Market Initiative on Recycling).



Way forward

- The Communication has been sent to the **Council of Ministers** and the **European Parliament**.
- **Council conclusions under the CZ Presidency** are expected on **29 May 2009**.
- Commission Report to the Council **in 2 years**.

Conclusions

1. A unique **window of opportunity** to put the extractive industries
 - in the **limelight**
 - on the **political agenda** both at European and National levels
2. **Full commitment** from governments, regional authorities, industry and other stakeholders is required



Thank you for your attention !

Further info:

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