





European Commission

Enterprise Directorate-General

# **The EU Raw Materials Initiative – Establishment of a knowledge base**

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# Structure of presentation

- 1) Relevant EU policy frameworks
- 2) Introduction NEEI Sector
- 3) Political background raw materials initiative
- 4) Objectives initiative
- 5) Focus on knowledge base (“minerals intelligence”)
- 6) Way forward
- 7) Q & A

# EU POLICY FRAMEWORK

## Sustainable Development Strategy (SDS)

- continuous improvement of quality of life
  - creation of sustainable communities
  - manage and use resources efficiently
  - ensuring prosperity, environmental protection and social cohesion
- 
- .....development that "meets the needs of the present without compromising the ability of future generations to meet their own needs" .....
  - relates to the continuity of economic, social, institutional and environmental aspects of human society, as well as the non-human environment

# “Lisbon Strategy”

“...engine of a dynamic economy...”

- Complementary to the EU SDS
- Secure the framework conditions which are favourable to industrial competitiveness
- Take account of the specific needs and characteristics of individual sectors
- Better regulation
- Coherence of policies

# Communication “Promoting sustainable development in the EU non-energy extractive industry” (2000)

- Objective: promoting SD by reconciling the need for more secure and less polluting extractive activities while maintaining the competitiveness of the industry
- [http://ec.europa.eu/enterprise/steel/index\\_en.htm](http://ec.europa.eu/enterprise/steel/index_en.htm)



# Non-Energy Extractive Industry in the EU

- Turnover: ± 40 billion €
- Employment: ± 250,000
- Contribution to major downstream sectors
  - ..it's everywhere..!
- 3 sub-sectors
  - Construction minerals
  - Industrial minerals
  - Metallic ores

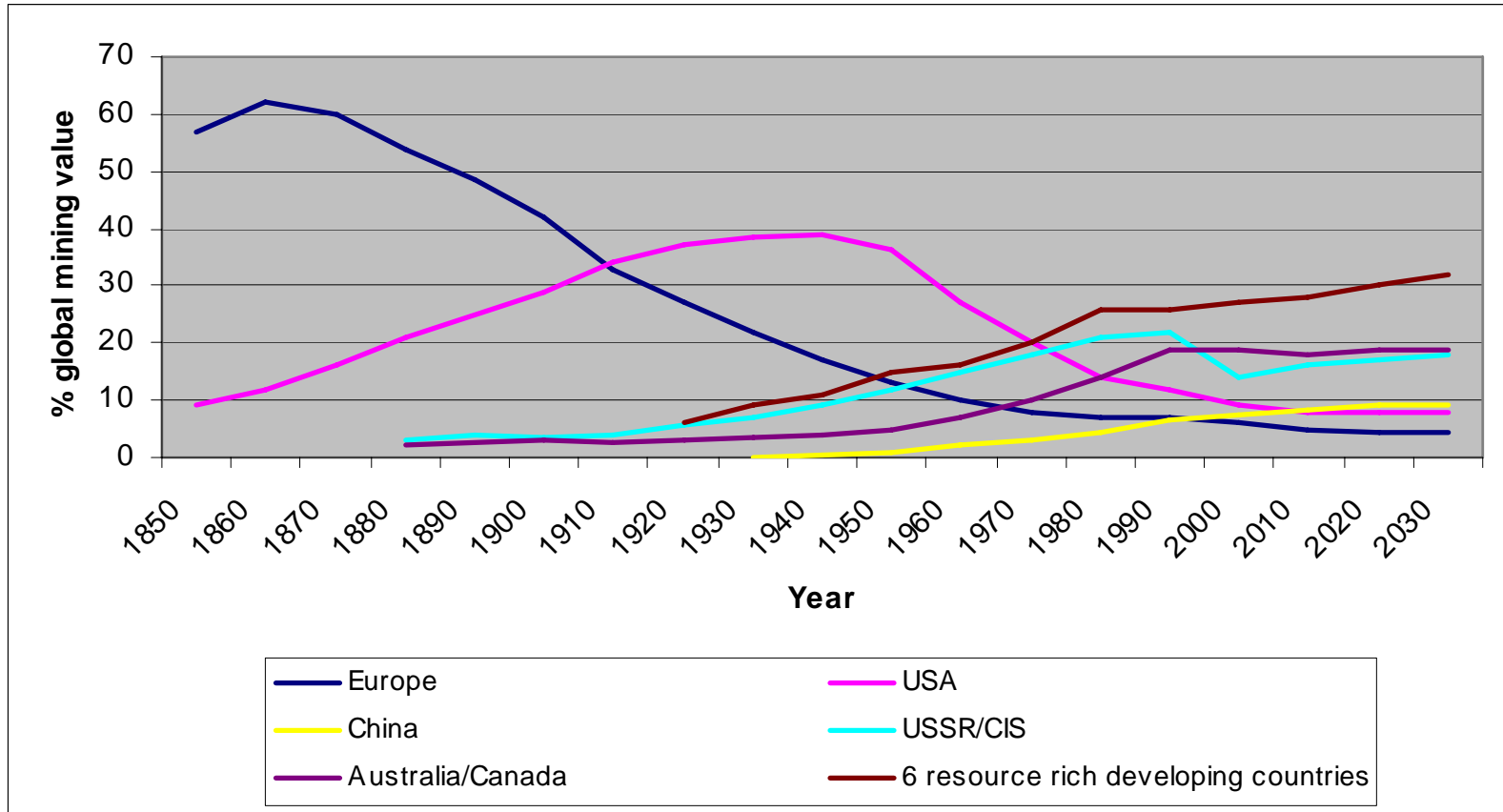


# Raw Materials Supply Group

- Raw Materials Supply Group is a stakeholder group comprising industry, environmental NGOs, trade unions, Member States, candidate countries and the Commission
  - Established in the Eighties to discuss the issue of the supply of raw materials
  - In 1993, the Council, invited the Commission to continue its work to reinforce the competitiveness of the sector
- Expert group: consultation, discussion

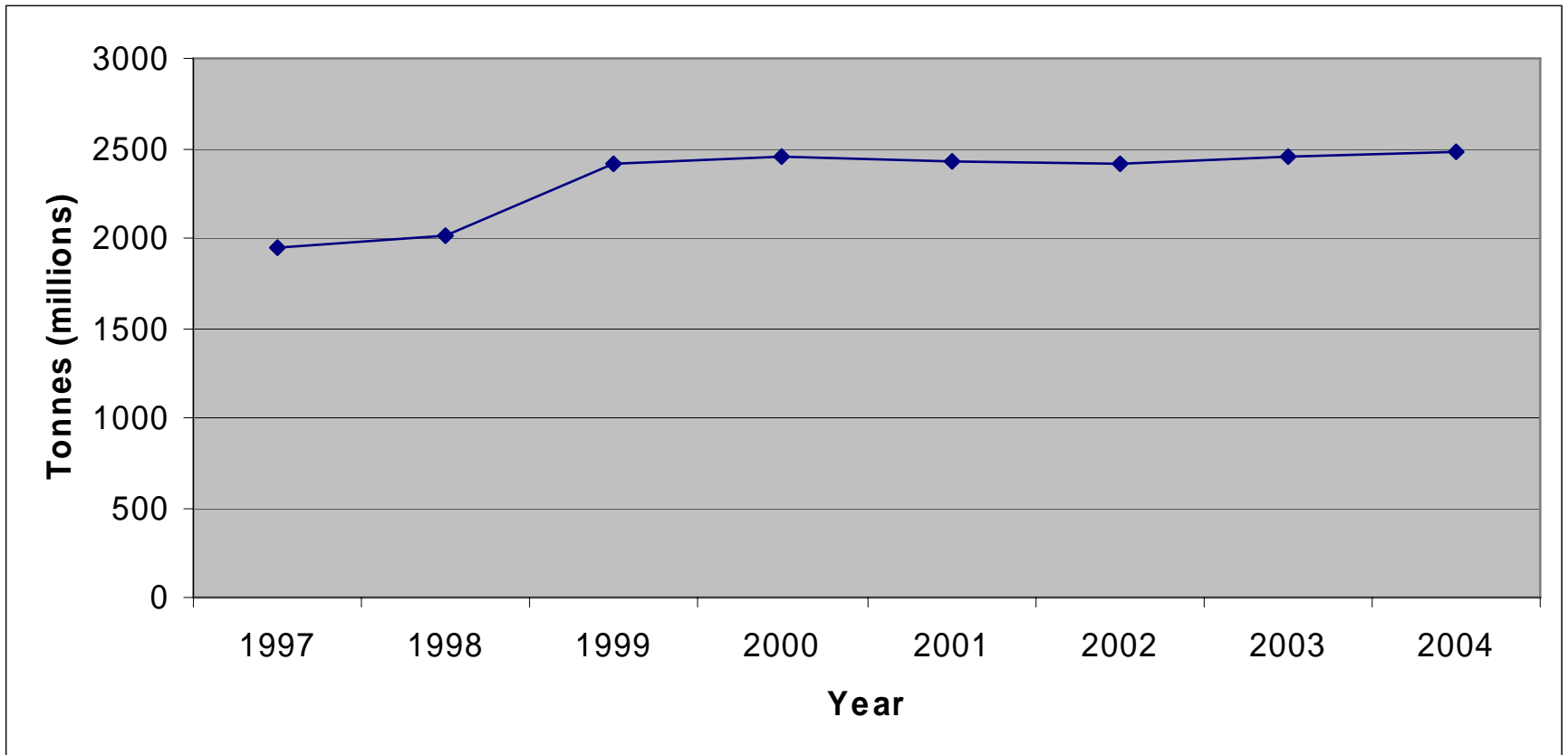


# Trends in global mining

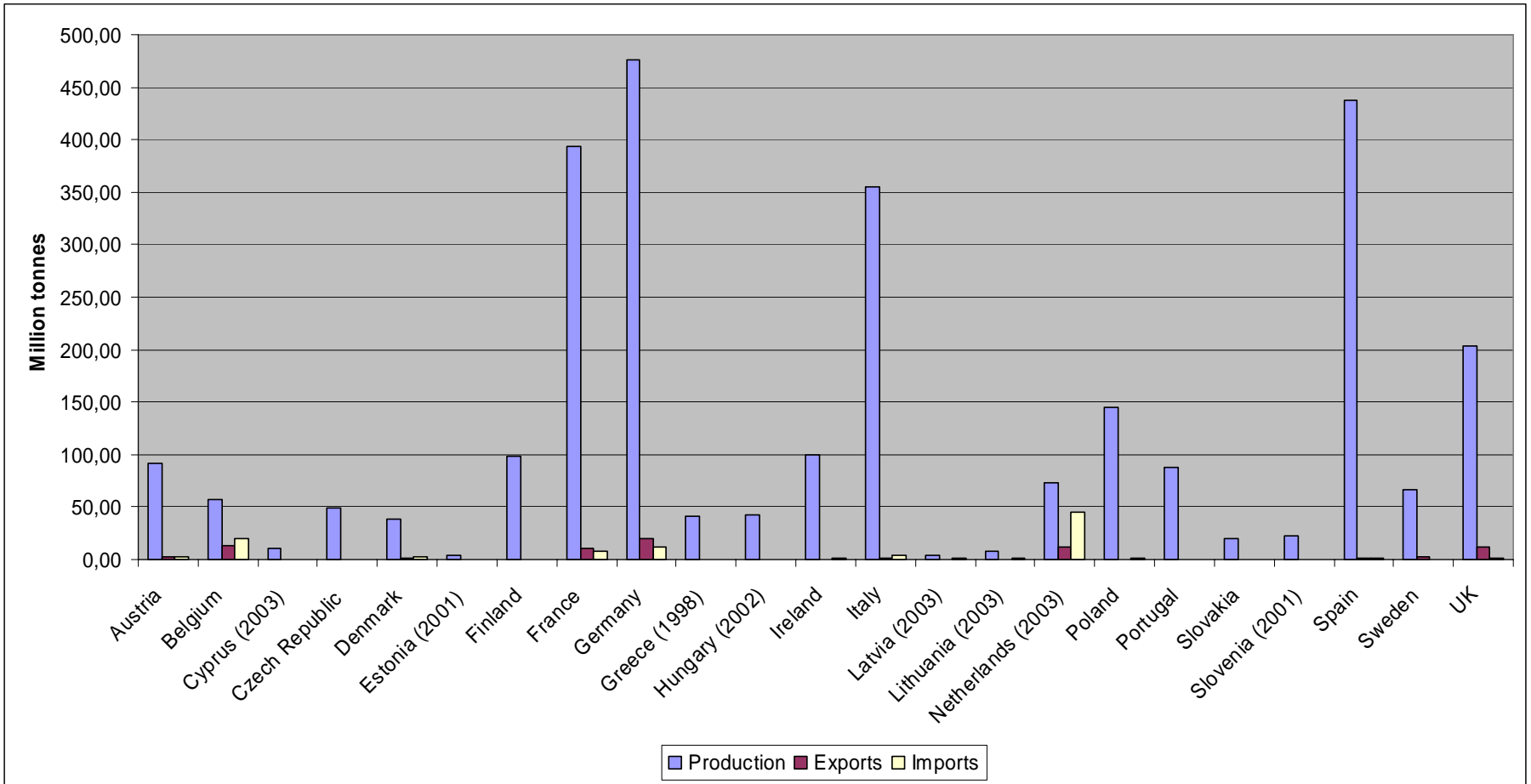


# Construction Minerals Sector - EU25

$\pm 3$  billion tonnes/year

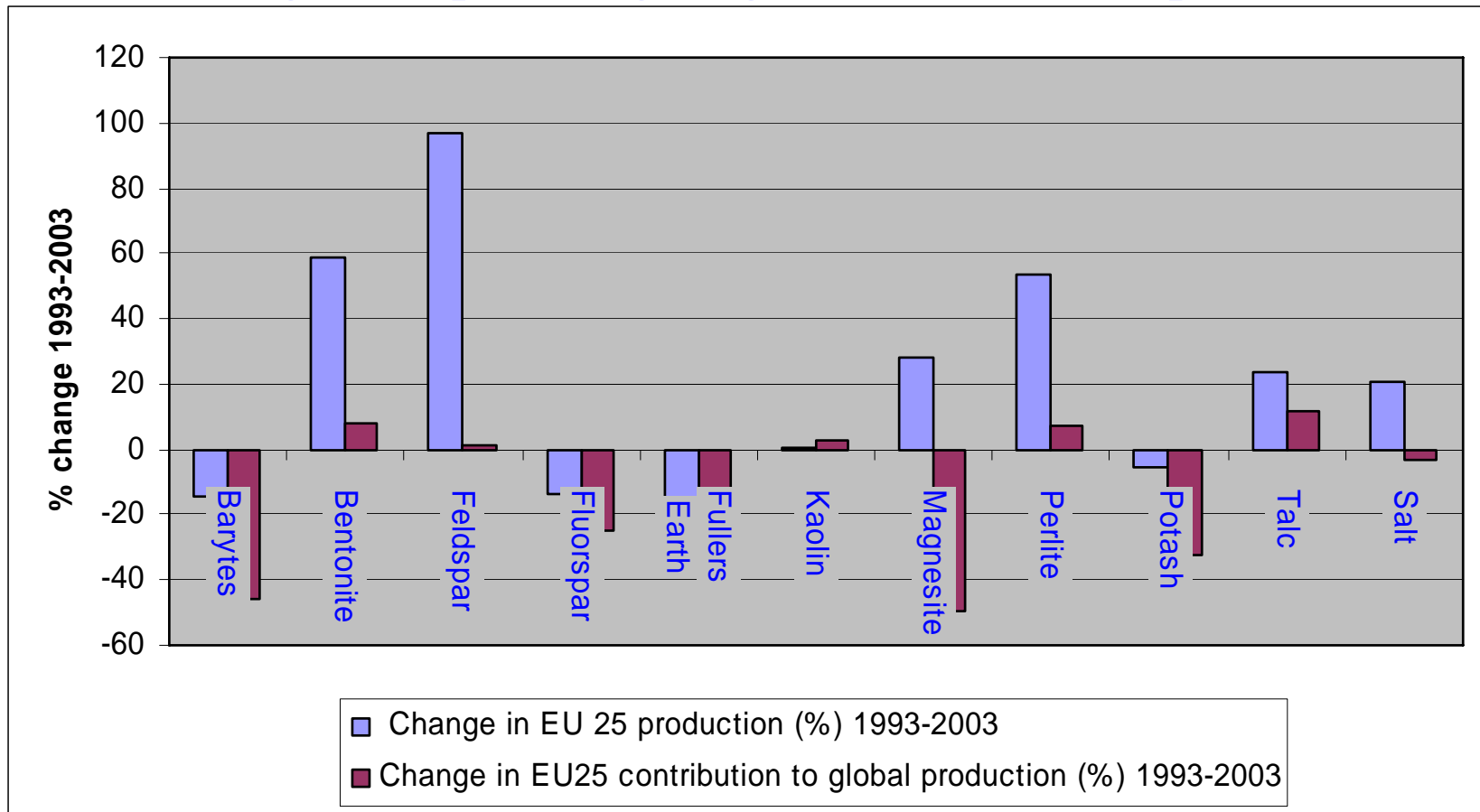


# Production, import & export of aggregates



# Industrial Minerals – Change EU production (%; 1993 – 2003);

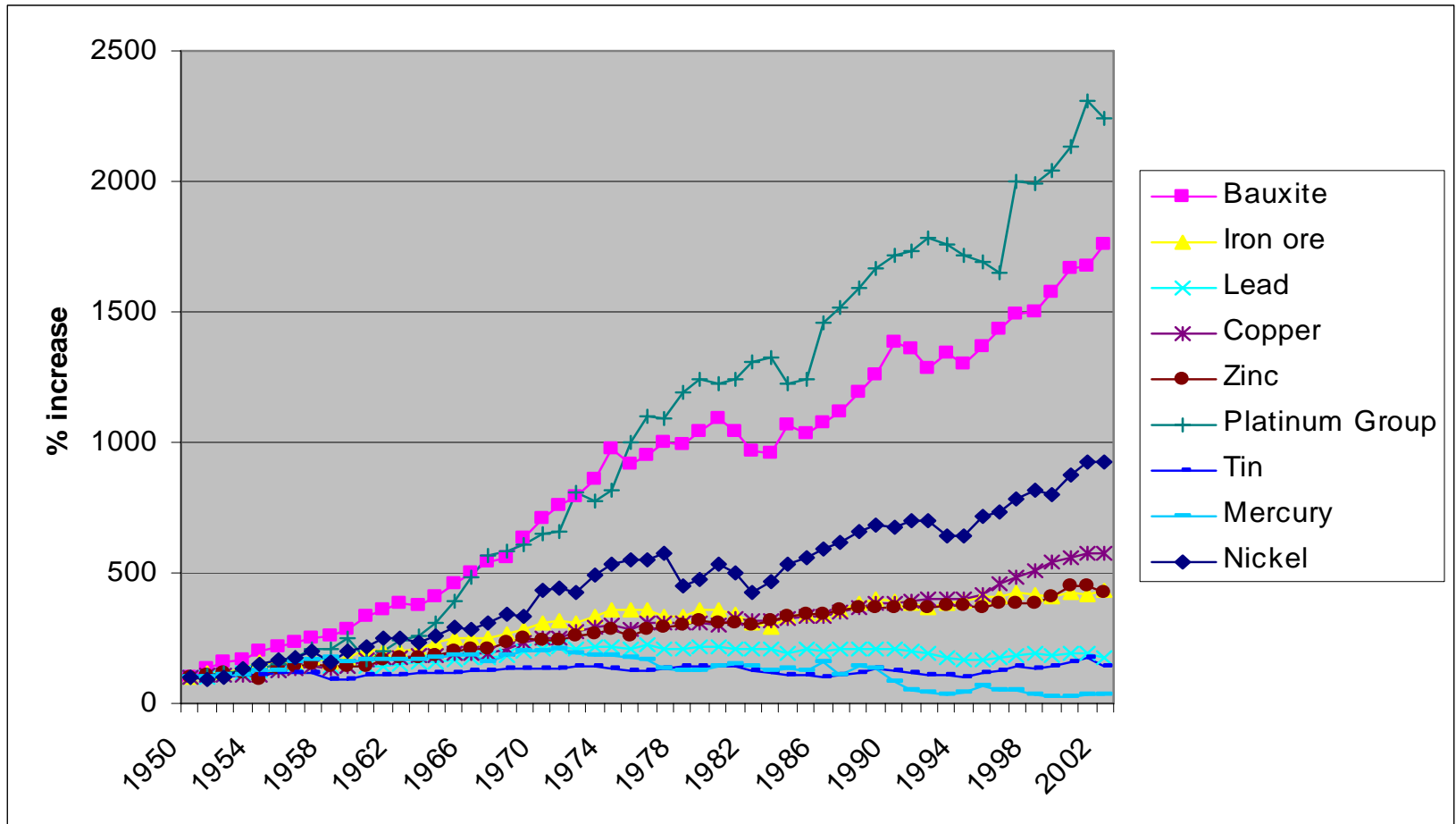
## Change EU's percentage of global share of mine production



# Industrial Minerals - world ranking

	First		Second		Third	
Bentonite	USA	32%	<b>EU</b>	<b>19%</b>	Turkey	7%
Feldspar	<b>EU</b>	<b>36%</b>	China	13%	Turkey	12%
Fluorspar	China	52%	Mexico	17%	<b>EU</b>	<b>8%</b>
Fullers Earth	USA	72%	<b>EU</b>	<b>12%</b>	Senegal	4%
Gypsum	<b>EU</b>	<b>24%</b>	USA	16%	Iran	12%
Kaolin	USA	34%	<b>EU</b>	<b>23%</b>	Brazil	19%
Magnesite	China	47%	<b>EU</b>	<b>17%</b>	Turkey	15%
Perlite	<b>EU</b>	<b>39%</b>	China	20%	USA	15%
Potash	Canada	32%	<b>EU</b>	<b>16%</b>	Russia	16%
Talc	China	46%	<b>EU</b>	<b>20%</b>	USA	13%
Salt	<b>EU</b>	<b>21%</b>	USA	20%	China	16%

# Relative change global production of metallic minerals 1950 -2002 (1950=100)

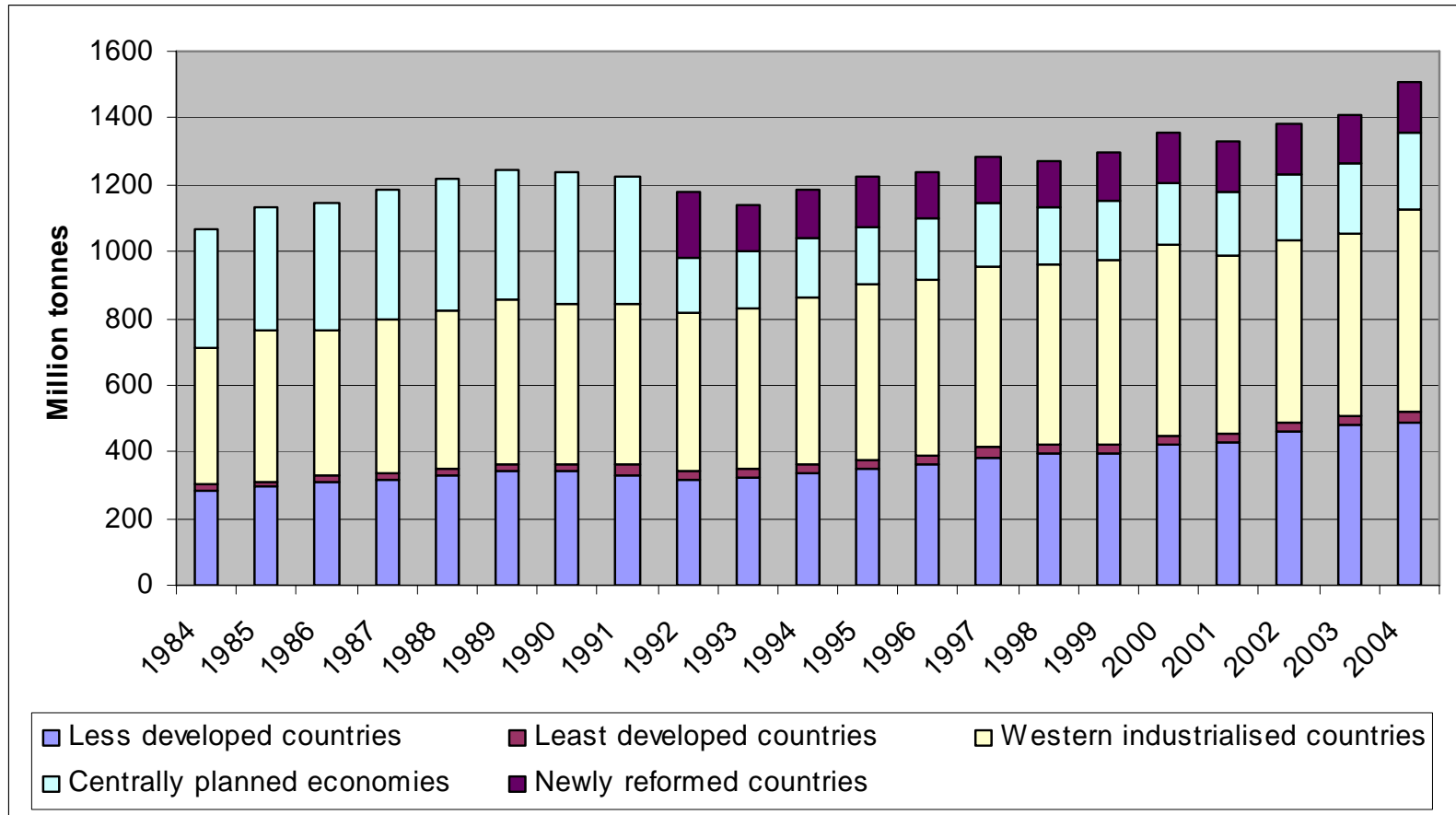


# Ranking three main producing regions for selected metallic minerals (2004)

	First		Second		Third	
Bauxite	Australia	40%	Guinea	12%	Jamaica	10%
Cadmium	Japan	22%	China	20%	Mexico	12%
Chromium	South Africa	53%	Kazakhstan	18%	India	8%
Copper	Chile	37%	USA	8%	Peru	7%
Iron ore	Brazil	23%	Australia	20%	China	14%
Lead	China	30%	Australia	21%	USA	14%
Manganese	China	24%	Gabon	17%	South Africa	13%
Mercury	<b>EU</b>	43%	Kyrgyzstan	26%	China	23%
Nickel	Russia	24%	Australia	14%	Canada	14%
Silver	Mexico	16%	Peru	15%	Australia	12%
Tungsten	China	87%	Russia	6%	<b>EU</b>	4%
Zinc	China	26%	Peru	14%	Australia	14%

# World mine production –

based on developing status of producer country





# Recent phenomena

- Unprecedented price increases metal raw materials
  - Non-energy raw materials 2.65 (2000-2006)
  - Energy 2.23
- Notable influence of sovereign funds in mining
- Access to land becoming increasingly difficult
  
- Industry rings the bell!

# Political background

Competitiveness Council, 21 May 2007

- “to develop a coherent political approach with regard to raw materials supplies for industry, including all relevant areas of policy (foreign affairs, trade, environmental, development and research and innovation policy) and
- to identify appropriate measures for cost-effective, reliable and environmentally friendly access to and exploitation of natural resources, secondary raw materials and recyclable waste, especially concerning third-country markets”

# Political background

G8 Summit, Heiligendamm, 8 June 2007

- *“Raw materials are a key factor for sustainable growth in industrialised, emerging and developing countries.”*
- *“Free, transparent and open markets are fundamental to global growth, stability and sustainable development.”*
- *“Increased transparency in the extractive sector is of crucial importance for achieving accountability, good governance and sustainable economic growth worldwide.”*

# Political background

4th HLG Report , 11 June 2007

- ❑ *“EU and Member States to support the development of a raw materials policy, built on a well operating free and fair global market for raw materials...*
- ❑ *using trade policy in particular international multilateral and bilateral agreements to ensure that EU and third countries support open and undistorted markets...”*

# DG-Entr. initiatives

- Press conference Vice-President Verheugen, 5 June: announcement of a Commission raw materials initiative
- Future adoption of a Communication on the competitiveness of the metals industries

# Raw Materials Initiative

## General objectives

- To examine the factors that affect the long term sustainable supply of non-energy raw materials to the EU economy
  - To ensure a coherent political approach to the questions arising → Communication & actions
- 1. Increase the sustainable supply of materials from European sources**
  - 2. Ensure a sustainable and more transparent supply from 3rd countries**
  - 3. Encourage capacity building in developing countries**
  - 4. Encourage greater efficiency in the use of resources**
  - 5. Establish an adequate knowledge base on raw materials**

# Specific objectives - integrated approach

**Increase supply from European resources**

- I. Primary**
- II. Secondary**
- III. Wastes**

**Possible actions:**

- Focussed domestic exploration initiatives
- Simplify, streamline permitting process
- Improve Health & Safety performance through innovation
- Stimulate continued availability of a skilled workforce

**Ensure more sustainable supply from other parts of the world**

**Possible actions:**

- Use international and bilateral trade agreements to ensure global level playing field
- Support good governance and anti-corruption initiatives (e.g. Extractive Industry Transparency Initiative, EITI)

**Make the use of resources more efficient**

**Possible actions:**

- Stimulate RTD and innovation
- Encourage reuse and recycling
- Design For Recycling

**Capacity building in EU and third countries**

**Possible actions:**

- Support sustainable policy and institutional reforms in 3rd countries

**Establish an "EU Minerals Intelligence"**

- monitor and forecast strategic policy and market developments

# Raw Materials Initiative

## The Process

- RMSG consultation (begin – end)
- Meetings with International Organisations (Worldbank, etc.)
- Specific requests for information (non-paper fiches)
- Interservice Consultation Group (DEV, EMPL, ENTR, ENV, RELEX, TRADE)
- Various internal discussions (better regulation, biodiversity, GMES, etc.)
- Public Consultation (Your Voice; early 2008; 8 weeks)
- TAIEX workshops (Knowledge Base, Capacity Building)



# 1. Increase the sustainable supply of materials from European sources

## Issue

- ❑ Factors affecting competitiveness of extractive industry: access to land, exploration, RTD, H&S, skills shortages

## Policy options

- ❑ Exchange of best practices, guidelines (including Natura 2000), one-stop-shop approach (better regulation)?
- ❑ Support exploration initiatives, enhance RTD and innovation (e.g. ETP SMR), improve H&S performance, support skills initiatives?

## 2. Ensure a sustainable and more transparent supply from 3<sup>rd</sup> countries

### Issue

- ❑ Proliferation of measures by 3<sup>rd</sup> countries which cause trade distortions
- ❑ Lack of transparency in relation to production and trade of raw materials

### Policy options

- ❑ Increased use of trade policy instruments?
- ❑ Support of voluntary initiatives aimed at certification, transparency, standards (e.g. EITI)?

# 3. Encourage capacity building in developing countries

## Issue

- ❑ Building capacity for good governance of mineral resources (technological and financial assistance)

## Policy options

- ❑ Make full use of instruments available under current EU development policy framework?
- ❑ Align instruments with ongoing international initiatives taken by Worldbank, UNCTAD, Intergovernmental Forum on Mining, etc.?
- ❑ Align initiatives with mining investments?

# 4. Encourage greater efficiency in the use of resources

## Issue

- ❑ Need to further reduce the raw materials content in final products, stimulate the application of recycled products, make better use of resources embedded in waste
- ❑ Need for a mix of different policies that support technological improvements

## Policy options

- ❑ Link to Thematic Strategy Sustainable Use of Natural Resources & expected Action Plans Sustainable Production & Consumption, Sustainable Industrial Policy etc.?
- ❑ Promote RTD and innovation (FP7)?

# 5. Establish an adequate knowledge base on raw materials

## Issue

- ❑ Lack of integrated geological knowledge on mineral deposits in the EU
- ❑ Need to improve the availability of relevant data at the level of policy – and decision makers (planning)

## Policy options

- ❑ Explore possibilities to better coordinate / integrate different data sources, reporting and policy analysis various levels (EU, MS, industry, geological surveys, etc)?
- ❑ Examine possibilities to make use of GMES?

# Knowledge Base

- No data = no policy
- Which Data?
  - Staff Working Doc
    - » Eurostat
    - » MS reports
    - » Geol. survey reports (USGS-MIT, BGS, etc.)
    - » Policy assessments (Industry, RWI-Essen, ..., etc.)
    - » Commercial databases
    - » Metal study groups
    - » UNCTAD, UNEP, Intergovernmental Forum on Mining, etc.
    - » .....
- How?
  - Data centre on Nat. Resources – strengthening initiative
  - Indicators (Key Statistics, Minerals Criticality, Mass Flow Analysis, etc.)
- Where/by whom?
  - Private or Public (or both)?

# Way forward

- Major objective of Communication: to give adequate visibility to raw materials in the implementation of different policy agendas
  
- Need to identify policy measures for the:
  - Short term
  
  - Medium term
  
  - Long term

# Q & A