



European Commission

Enterprise Directorate-General

EU Raw Materials Initiative

**2nd Roundtable on Sustainable Production and Use of Platinum
Group Metals, Brussels, 12 December 2007**

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http://ec.europa.eu/enterprise/steel/index_en.htm



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**2nd Platinum Group Round table, Brussels,
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Structure of presentation

- 1) Introduction NEEI Sector
- 2) Political background raw materials initiative
- 3) Objectives initiative
- 4) Way forward



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Non-Energy Extractive Industry in the EU

- Turnover: ± 40 billion €
- Employment: ± 250,000
- Contribution to major downstream sectors
 - ..it's everywhere..!
 - > 30% EU GDP
- 3 sub-sectors
 - Construction minerals
 - Industrial minerals
 - Metallic ores



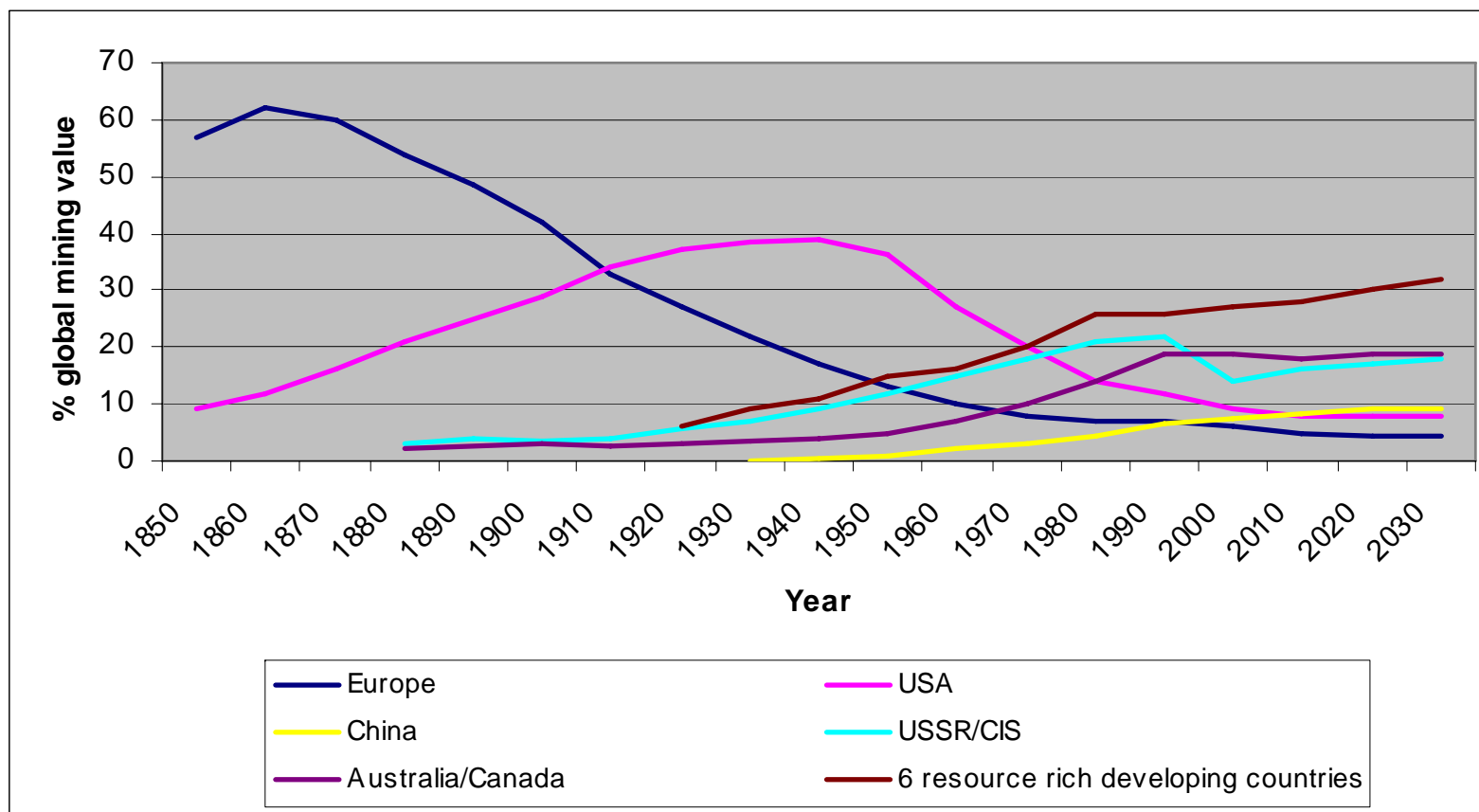
Analysis of the competitiveness of the non-energy extractive industry
in the EU; SEC(2007) 227 04-06-2007



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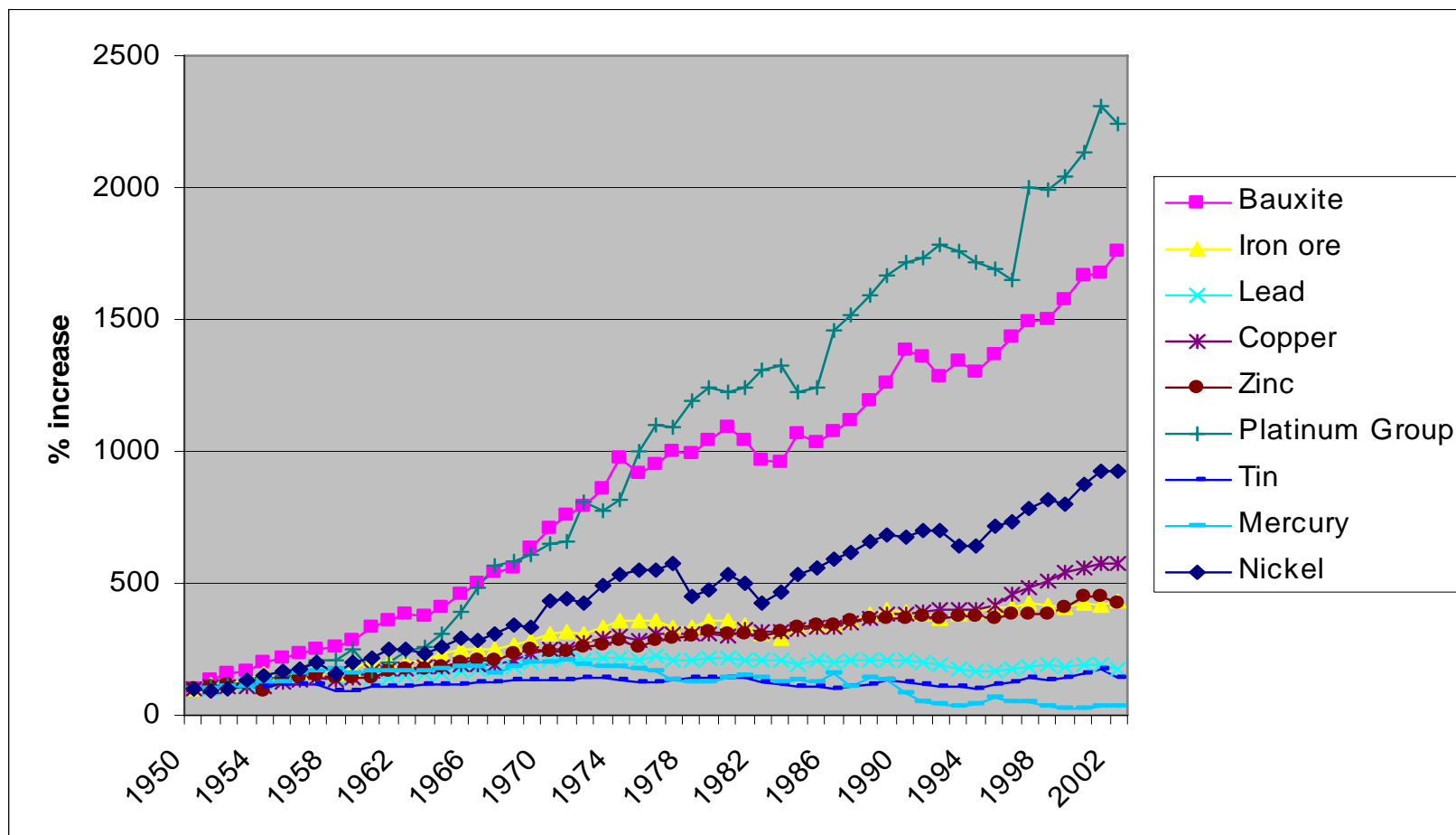
Trends in global mining



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



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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 | EU | 43% | Kyrgyzstan | 26% | China | 23% |
| Nickel | Russia | 24% | Australia | 14% | Canada | 14% |
| Silver | Mexico | 16% | Peru | 15% | Australia | 12% |
| Tungsten | China | 87% | Russia | 6% | EU | 4% |
| Zinc | China | 26% | Peru | 14% | Australia | 14% |

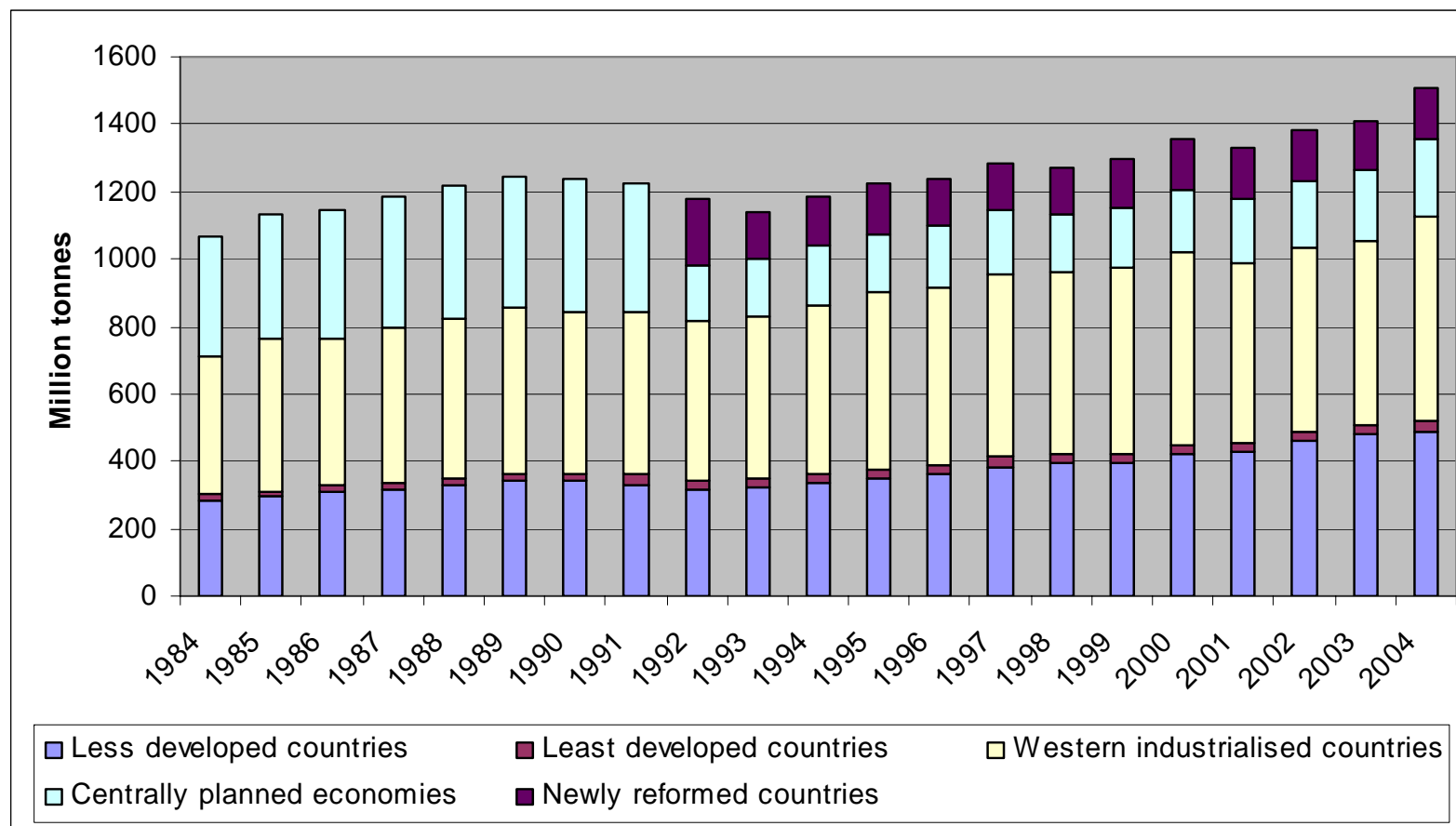


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World mine production –

based on developing status of producer country



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Recent phenomena

- Unprecedented price increases metal raw materials
 - Non-energy raw materials WTO index 2.65 (2000-2006)
 - Energy WTO index 2.23
- Notable influence of sovereign funds in mining
- Access to land within EU becoming increasingly difficult
-
-

- Industry rings the bell!



Political background

Raw Materials Initiative

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”*



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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.”*



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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...”*



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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



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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**



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Specific objectives - integrated approach

| | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Increase supply from European resources</p> <ul style="list-style-type: none">I. PrimaryII. SecondaryIII. Wastes | <p>Ensure more sustainable supply from other parts of the world</p> | <p>Make the use of resources more efficient</p> | <p>Capacity building in EU and third countries</p> |
| <p>Possible actions?:</p> <ul style="list-style-type: none">•From waste to resource•Focussed domestic exploration initiatives•Simplify, streamline permitting process• Improve Health & Safety performance through innovation•Stimulate continued availability of a skilled workforce•CSR | <p>Possible actions?:</p> <ul style="list-style-type: none">•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) | <p>Possible actions?:</p> <ul style="list-style-type: none">•Stimulate RTD and innovation•Encourage reuse and recycling•Design For Recycling•Monitor EL product Flows•Improve logistics waste/resource collection | <p>Possible actions?:</p> <ul style="list-style-type: none">•Support sustainable policy and institutional reforms in 3rd countries•Align aid with mining investments |
| <p>Strengthen the “EU Minerals Intelligence”</p> | | <p>Monitor and forecast strategic policy and market developments</p> | |

Raw Materials Initiative 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, Corporate Social Responsibility, Earth observation programme GMES, etc.)

- Public Consultation (Your Voice; early 2008; 8 weeks)

- TAIEX workshops (Knowledge Base, Capacity Building)



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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



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Corporate Social Responsibility

- Implementing the partnership for growth and jobs: making Europe a pole of excellence on Corporate Social Responsibility COM(2006)136; 22-3-2006
- CSR *“can play a key role in contributing to sustainable development while enhancing Europe’s innovative potential and competitiveness”*
- Commission called *“on the business leaders and other key stakeholders to engage in urgent reflection with political leaders on the medium- and long-term policies needed for sustainability and propose ambitious business responses which go beyond existing minimum legal requirements”*



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Corporate Social Responsibility

- CSR is not a panacea...
- It does not substitute for public policy, but it can contribute to a number of public policy objectives, such as:
 - Better innovation performance, especially with regard to innovations that address societal problems, as a result of more intensive interaction with external stakeholders and the creation of working environments more conducive for innovation;
 - A more rational use of natural resources and reduced levels of pollution, notably thanks to investments in eco-innovation and to the voluntary adoption of environmental management systems and labelling;
 - Greater respect for human rights, environmental protection and core labour standards, especially in developing countries;
 - ...



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Corporate Social Responsibility

- Proposed actions:
- Consumer information and transparency:
 - Consumers play an important role..
 - They are expected to exercise critical choice, encourage good products and good companies.
 - Consumers lack clear information on the social and environmental performance of goods and services, including information on the supply chain
 - Commission & stakeholders will examine need for further voluntary actions to achieve the objectives of transparency...



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Way forward

- Major objective of Communication: to give an adequate and coherent visibility to raw materials in the implementation of different policy agendas

- Need to identify policy measures for the:
 - Short term

 - Medium term

 - Long term

