

# Raw Materials Initiative

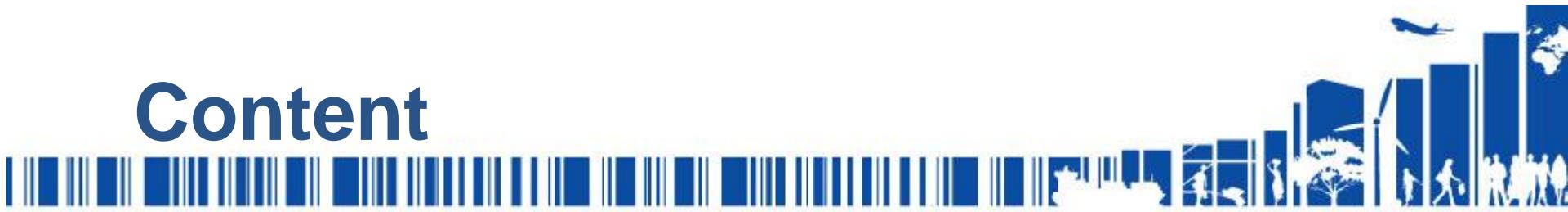
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# Content

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1. Raw Materials: what is at stake?
  2. EU “Raw Materials Initiative”
  3. RM diplomacy: undistorted access to global markets
  4. First results and State of Play



# Raw Materials: what at stake?

## 1. What are RM and why are they important?

- Energy, agricultural, industrial (metal, mineral, chemicals)
- Essential ingredients for economy and society
  - Emerging technologies and “green applications”
  - Renewable energy: solar cells, wind turbines
  - Energy efficiency: hybrid and electric cars, LED lighting, batteries
  - Electronics: flat-screens, mobile phones
  - Aerospace: light weight alloys



# Rare Earth Elements



# Raw Materials: what at stake?

## 2. What is the current global situation?

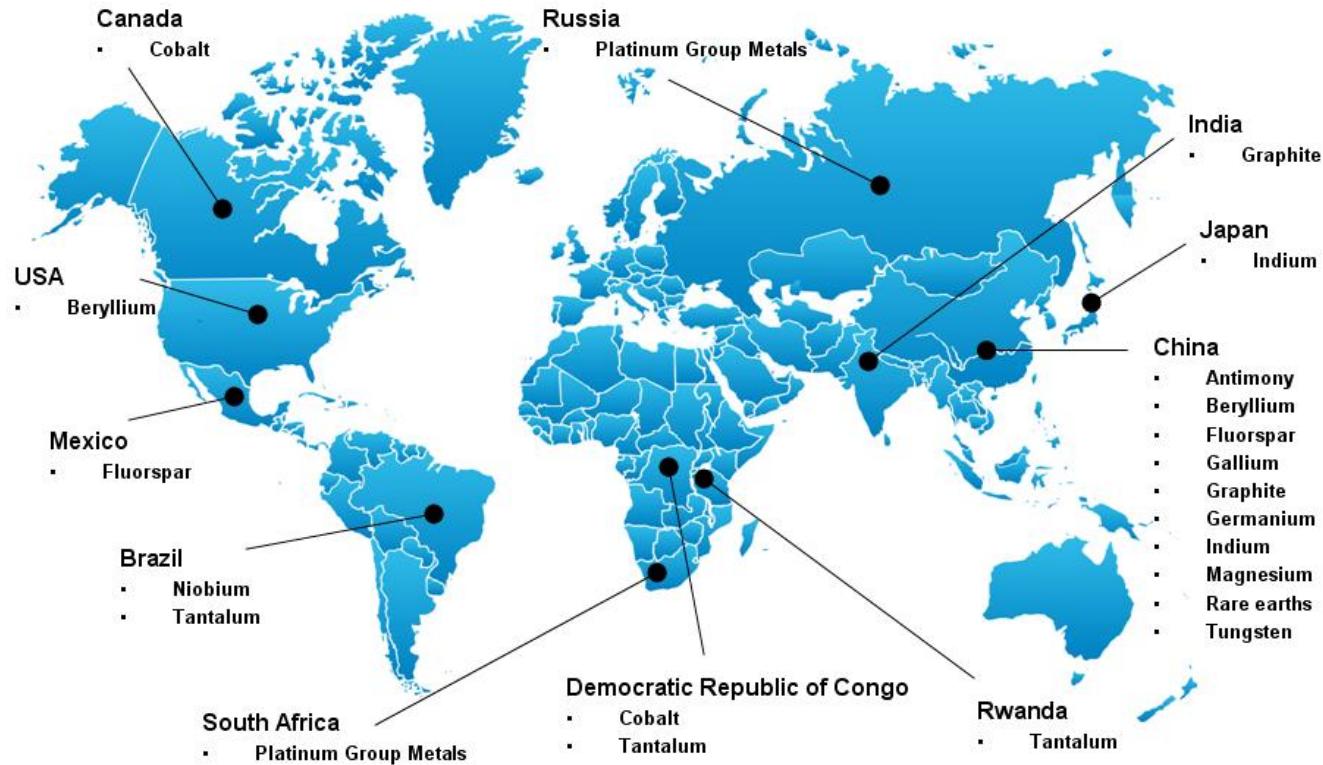
- Surging global demand mainly due to population growth, and rise of BRIC and other emerging economies
- Increasing demand for new technologies
- High inter-dependency of countries
- Protectionist tendencies by countries while WTO not catering for all export restrictions
- Rare earth “wake-up call”
- No quick-fix: requires mid and long term solutions



# Critical raw materials



## Production concentration of critical raw mineral materials



# EU “Raw Materials Initiative”

“Raw Materials Initiative” 2008 and updated in 2011

## Aim:

- securing sustainable supplies of raw materials
  - Integrated policy approach
1. Raw materials diplomacy: undistorted access to raw materials on global markets through strategic partnerships and dialogue
  2. Foster sustainable supply from EU sources
  3. Resource efficiency and recycling opportunity for EU industry



# Development policy and sustainable supply of RM

- Sustainable supply needs and development goals  
=> creating **win-win situations** to translate resource wealth into sustainable growth
- **Cooperation under Africa-EU Joint Strategy Union (2011-2013)** with focus on three areas:
  1. Governance
  2. Investment
  3. Geological knowledge/skills



# Undistorted access to global market



## 1. Bring the topic to the world stage !

- Strategic cooperation G20, OECD, and WTO:
  - Interdependency of countries
  - Export restrictions: not the best policy response

## 2. EU trade policy

- Promotion of new rules and agreements on sustainable access:
  - Multilateral: accession agreements to the WTO
  - Bilateral: Free Trade Agreements, Partnership Agreements
- Monitor export restrictions and enforce the rules of the game by tackling barriers through:
  - Bilateral consultations
  - WTO Dispute Settlement
  - Anti-Dumping measures (dual pricing)



# First results and state of play



## 1. Bring the topic to the world stage !

- EU-US : Transatlantic Economic Council
- OECD work programme for 2011-12 and beyond
- G20 agenda
- *arrive at a shared analysis of issue and identify possible responses*

## 2. Monitoring and reporting on export restrictions

- Annual update of inventory with assistance of EU Delegations around the world



# First results and state of play

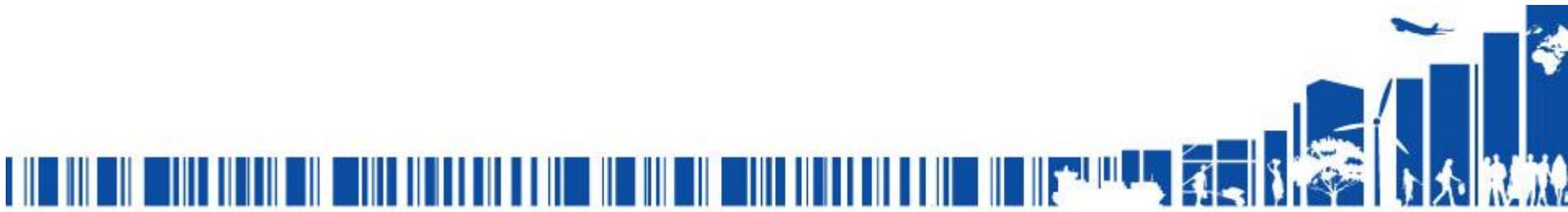
## 3. Trade negotiations

- Ban of export restrictions
  - WTO accession Russia, Kazakhstan, Uzbekistan
  - FTAs: Korea, Colombia, Peru, Central America
  - PCAs: Mongolia
- Ongoing discussions in FTAs with Canada, India, MERCOSUR, Malaysia, Ukraine

## 4. Enforcement in WTO

- India's restrictions on cotton yarn
- Dispute Settlement case against China



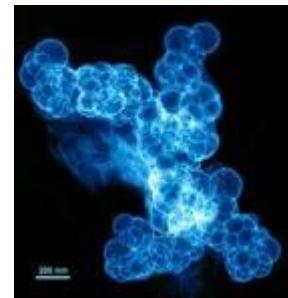


# Questions?



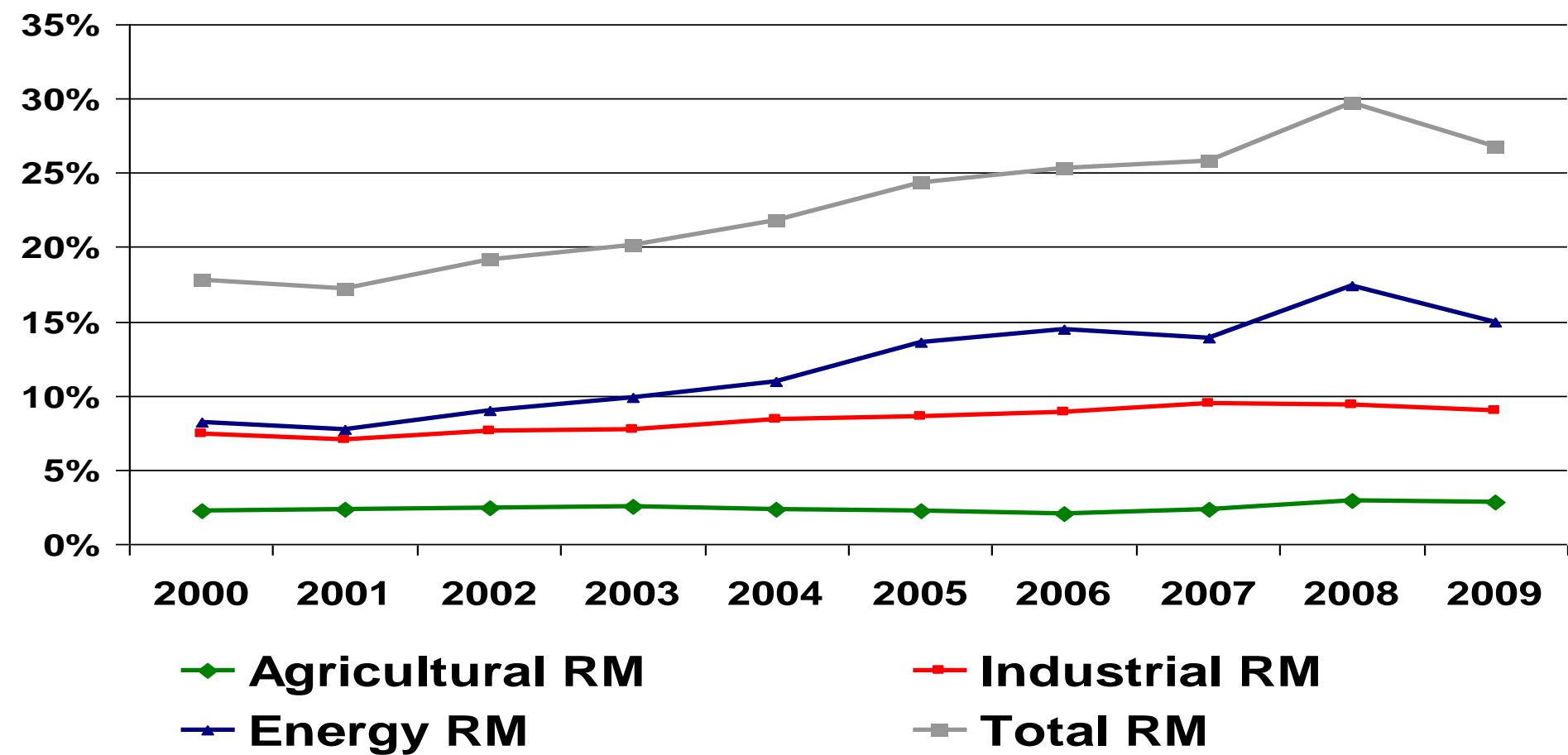
# Importance of Raw Materials

- Applications:



# Importance of Raw Materials

## Share of Raw Materials in world trade



# Importance of Raw Materials

Critical raw materials: nett imports as % of EU consumption

- Molybdenum: 100 %
- Nickel: 86 %
- Iron ore: 83 %
- Coke: XX %
- Chromium ore: 53%
- Graphite: 95%
- Cobalt: 100%
- Magnesium: 100%
- Platinum group metals: 100%
- Tantalum: 100%
- Copper: 50%

