

Tackling the challenges in commodity markets and on raw materials

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Structure of the Communication

- Introduction
- Developments on global commodities markets
- EU policy response to developments on commodities markets
- The European Raw Materials Initiative
- Future orientations of the EU RMI
- Way forward



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Commodity markets

- Commodity markets displayed increased price volatility in recent years
- At the heart lies a series of changes in global supply and demand + short term shock in key commodity and raw material markets
- Markets are experiencing the growing impact of finance
- The Commission has put forward an ambitious program to increase the integrity and transparency of commodity derivatives markets
- Further improvements in the transparency and accessibility of information on the physical commodity markets is necessary



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Raw materials

- In **2008**, the Commission adopted the **European Raw Materials Initiative (RMI)**: an integrated strategy in response to the different challenges related to access to non-energy / non-agricultural raw materials.
- This is based on **3 pillars**:
 1. Ensure a level playing field in access to resource in third countries
 2. Foster sustainable supply of raw materials from EU sources
 3. Boost resource efficiency and promote recycling



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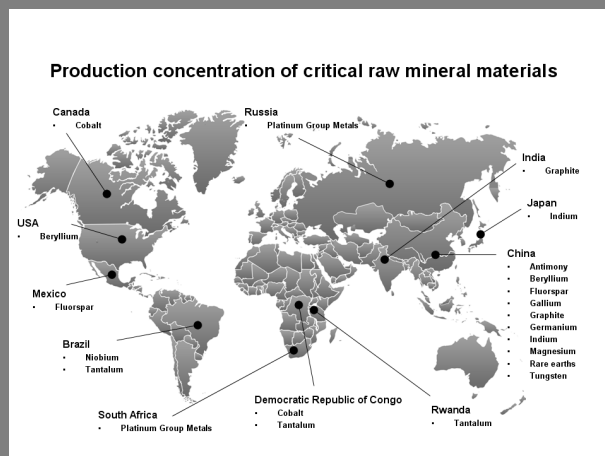
Since 2008, important achievements:

1. List of **14 critical raw materials**
2. **EU trade strategy**
3. Promotion of **development** instruments
4. New **research opportunities** (e.g. ProMine)
5. Guidelines on the implementation of **Natura 2000**
6. **End-of-waste criteria**



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Critical raw materials



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Critical raw materials

- **Monitor** issues of critical raw materials to identify priority actions
- **Update** list of critical raw materials at least every 3 years
- Policy actions not limited to critical raw materials exclusively



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Pillar 1 – fair and sustainable supply of raw materials from global markets



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Raw materials diplomacy

EU raw materials diplomacy with a view to securing access to raw materials through strategic partnerships and policy dialogues

Development policy and sustainable supply of raw materials

- 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

Development policy and sustainable supply of raw materials

- European Commission to:
 - ✓ assess feasibility of **increasing lending** to industry
 - ✓ investigate possibility of **promoting financial instruments** that reduce risk for operators on the basis of guarantees supported by EU
- Role for EIB and other European development financing institutions



Reinforce trade strategy

- Develop **bilateral dialogues** and strengthen ongoing debates (e.g. G20, UNCTAD, WTO, OECD)
- Include raw material issues in **trade negotiations**
- Continue to **tackle barriers** through dialogue, but dispute settlement where justified
- Analyse **priorities for raw materials** in relation to 3rd countries through autonomous measures, bilateral and multilateral frameworks



Pillar 2 – fostering sustainable supply within the EU



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Facilitating the exchange of best practices

Following **best practices** are particularly important:

- ✓ National Minerals Policy
- ✓ Land use planning policy
- ✓ Minerals exploration and extraction authorisation process that is clear, understandable, provides certainty and helps to streamline the administrative process

Commission proposes to assess with Member States, in full respect of subsidiarity, the feasibility of establishing a **mechanism to monitor actions** by Member States in this area



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Enhancing the EU's knowledge base

- In short term, Commission to assess with Member States, the scope for **increases synergies between national geological surveys** => increase potential for joint projects
- In medium term, any synergies should contribute to improved European raw materials knowledge base, taking into account GMES



Need for research and skills

Commission intends to:

- ✓ Continue the support of the creation of **sectoral skills' councils** at EU level following an initiative from stakeholders
- ✓ Promote **research and development** in the raw materials **value-chain** including extraction, processing and substitution



Pillar 3 – boosting resource efficiency and promoting recycling



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- Large potential of EU's Urban Mines
- Review of Thematic Strategy on waste prevention and recycling in 2012
- Develop **best practices** in collection and treatment of waste
- Analyse feasibility of developing **ecodesign instruments** to promote more efficient use of raw materials and ensure recyclability of products



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Strengthen **Waste Shipment Regulation**

- ✓ precise and workable inspection standards
- ✓ technologies for detection, tracking of illegal shipments
- ✓ examine feasibility of global certification scheme for recycling facilities
- ✓ assess feasibility of formal EU-level mechanism, building on IMPEL



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Way forward

- Assess whether to launch **an Innovation partnership on raw materials**
- Promote awareness through **annual thematic event**
- Need for **reinforced cooperation** with Member States



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Council and EP

- Council supports proposed approach in its Conclusions of 10 March 2011
- EP is preparing an own-initiative report.
- ITRE in the lead, MEP Bütikofer is rapporteur.
- Adoption by ITRE scheduled on 30 June, by EP Plenary in September 2011



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Thank you for your attention !

European Commission raw materials webpage:

<http://ec.europa.eu/enterprise/policies/raw-materials>



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