# Effective raw materials strategy for Europe

2011/2056(INI) - 09/03/2011

The Council examined a recent Commission communication on raw materials and commodity markets and adopted conclusions on the subject.

It highlights that **secure, open and affordable access to raw materials**, including renewable raw materials, commodities and energy at undistorted and equitable prices is crucial to the sustainable competitiveness and growth of European industry, including small and medium sized enterprise. It recalls the **importance of a competitive EU non-energy extractive industry**, both in terms of value creation and employment and as a means of reducing the vulnerability of the European economy.

Considering that the two main issues at stake are excessive price volatility on the one hand and the risk of interruptions or reductions of supplies on the other hand, the Council calls for a considered, market-based EU response to these challenges, based on a coherent approach that takes into account, where appropriate: (i) the Raw Materials Initiative; (ii) commodities and security in food markets; (iii) regulation of financial markets; (iv) energy policy; (v) external relations; (vi); competition; (vii) trade; (viii) development; (ix) industrial and environmental policies; (x) agriculture and forest policy.

Welcoming the communication from the Commission from 2 February 2011, the Council made the following recommendations:

**(1) Fair, sustainable and undistorted trade in raw materials**: the Council fully supports the intention of the Commission to reinforce it with the objective of ensuring the secure, sustainable and undistorted supply of raw materials in a manner that continues to integrate development objectives and thus takes into account, as appropriate, the level of development of individual developing trading partners, especially of LDCs.

The Commission is called upon to:

- to pursue firmly the inclusion of binding disciplines on trade and investment measures related to raw materials;
- to speed up the establishment of a monitoring mechanism for export restrictions;
- to increase efforts to tackle existing barriers distorting raw materials markets through all appropriate means, mechanisms and instruments, including the Market Access Strategy and, where justified, through dispute settlement;
- to intensify outreach and diplomatic activities on raw materials with all relevant partners and in all relevant international fora.

**(2) Sustainable supply of raw materials; relevant dialogues; partnerships; development policy**: the Council calls for:

- continued support to the **Extractive Industries Transparency Initiative**, the sharing of best practices with the World Bank, the International Monetary Fund and regional development banks, as well as promoting transparency, good governance and sustainability standards throughout the raw materials supply chain in, amongst other things, EU development instruments;

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- the Commission to come forward with initiatives on the disclosure of financial information by companies working in the extractive industry;

- the need for promoting the equal application of **high, sustainable standards** by both EU and non-EU companies operating in developing countries and the application of Best Available Technology Requirements, as well as the need to promote Corporate Social Responsibility and other relevant codes of conduct;

- the need for a "**raw materials diplomacy**" anchored in wider policies towards third countries.

**(3) Fostering sustainable supply within the EU**: the Council stresses the need for better coordination to improve the way in which Europe's own resources and raw materials are extracted, distributed, processed, re-used and recycled.

The Commission is encouraged to:

- act as a facilitator in the exchange of best practices and to continue to offer its support for: (a) defining a minerals policy in the Member States based on principles of sustainable development; (b) setting up a policy for land-use planning for minerals in the Member States; (c) putting in place a clear process for authorisation of minerals exploration and extraction
- in the Member States;
- further promote **innovation and research** and development efforts in the raw materials value chain, including exploration, extraction, processing, recycling, ecodesign, resource-efficient production and substitution;
- assess the case for launching a **European Innovation Partnership (EIP) on raw materials** and to come forward with proposals for this as appropriate, whilst fully respecting the principle of subsidiarity;
- take **coordinated action** across different policy areas to make the use of resources and materials, as well as the design and production of goods, within the EU more efficient and more sustainable.

**(4) Boosting resource efficiency and promoting recycling**: the Council looks forward to the forthcoming EU roadmap for a resource efficient Europe, the roadmap for the way towards a European low-carbon economy by 2050 of April 2010, the European Energy Efficiency Plan 2020 of November 2010, as well as other Commission initiatives to:

- address the main obstacles to efficiency and recycling,

- take effective action against the leakage of waste to sub-standard treatment within or outside the EU,

- encourage the retrieval (including recycling) of raw materials from mining waste,

- promote the development of the recycling industry across the entire value chain, for the benefit of European industry,

- stimulate innovation in resource-efficiency and design of recyclable products, and

- apply an integrated lifecycle approach in which consideration is given to the containing of hazardous substances resulting from recycling.

The Council encourages **eco-innovation** and looks forward to the forthcoming eco-innovation plan. It invites the Commission to ensure that its current and forthcoming initiatives and instruments promote **products with improved material efficiency**, **optimal lifetimes and improved recycling and re-use potential**. It calls for stronger cooperation in applied research in order to identify substitute solutions, including materials, that will **reduce the EU's dependence on raw materials**, including critical raw materials.

Lastly, the Council supports the Commission's plans for **promoting an annual public discussion** on the security of supply of raw materials and commodities by means of a regular thematic event, for promoting awareness of the challenges ahead and for taking stock of progress achieved in these areas.