Resolution on the opening of negotiations of an agreement with the United States of America on strengthening international supply chains of critical minerals

2023/2772(RSP) - 14/09/2023 - Text adopted by Parliament, single reading

The European Parliament adopted the resolution on the opening of negotiations of an agreement with the United States of America on strengthening international supply chains of critical minerals.

The resolution stated that the EU has some of the highest standards in the world when it comes to climate and environmental provisions and that these should allow EU products to qualify for the benefits provided for under the US Inflation Reduction Act (IRA).

Parliament welcomed the opening of negotiations on the agreement with the US on strengthening international supply chains for critical minerals, to the extent that these negotiations will achieve a balanced result that is compatible with WTO rules and improve mutually beneficial cooperation.

Members support the agreement's stated objective of strengthening international supply chains for critical minerals, thus providing for **reciprocal trade, labour and environmental commitments**, and of **promoting the adoption of electric vehicle battery technologies** by formalising the shared commitment of the EU and the US to facilitating trade and reducing uncertainty for businesses.

In the interests of **clarity and transparency**, Parliament stressed that the agreement should lead to clarity with respect to relevant definitions, and called on both parties to agree on all minerals listed in the IRA that are to be covered under the agreement and to define the list of sectors related to the critical minerals that are the subject of the agreement.

Moreover, Parliament underlined the importance of the inclusion of a transparency mechanism for the reciprocal sharing of information about public support provided to the critical minerals sector, as well as of an early warning system for critical mineral supply chain disruptions.

The resolution called for the agreement to cover critical minerals obtained through **recycling**. While welcoming the reference in the draft negotiating directives to the need to promote **circularity**, Parliament regretted the fact that they do not explicitly include recycled raw materials in the scope of the negotiations.

Noting the ambitious timeline for the conclusion of the negotiations with the US, the resolution recalled the importance of immediately and fully involving and informing Parliament at every stage of the negotiations in order to ensure democratic scrutiny. Any formal agreement resulting from such negotiations will require Parliament's **consent**.

Lastly, the Commission is called on to:

- continue to assess the potential impact of the IRA on European industry and its competitiveness, including trade and investment distortions, taking into consideration the current challenges for supply chains and the high costs of energy, transport and raw materials, and to continue its dialogue with the US with regard to addressing these issues;

- carry out an ex-post impact assessment on the agreement and to analyse the extent to which it is achieving its stated objectives, at the latest two years after its ratification;

- convey to the US Government that an agreement on critical minerals should be considered just one of the first steps towards addressing all of the EU's concerns – both about the IRA, without prejudice to possible action at WTO level, and more widely about outstanding trade frictions in EU-US relations.