



EUROPEAN PARLIAMENT

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Committee on Foreign Affairs

2011/2056(INI)

31.5.2011

OPINION

of the Committee on Foreign Affairs

for the Committee on Industry, Research and Energy

on an effective raw materials strategy for Europe
(2011/2056(INI))

Rapporteur: Elmar Brok

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SUGGESTIONS

The Committee on Foreign Affairs calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas, in the context of a multipolar global order, Member States acting alone cannot secure sufficient access anymore to non-energy commodities, such as raw materials and rare earths; whereas only an EU-driven common approach can ensure a strategic and secure supply for European industries,
- B. whereas the supply of raw materials is fundamental for several industry applications; whereas export restrictions hinder the creation of open and transparent markets, can lead to a serious bottleneck in raw material supply and limit the innovation potential of European industries, and could create problems on the labour market,
- C. whereas around 50% of raw materials and rare earth resources worldwide, including critical raw materials, are located in fragile States or unstable regions,
 - 1. Welcomes the proposal for EU diplomacy on raw materials and rare earths with the aim of establishing an international regulatory platform, ensuring access to and supply of raw materials, especially those considered critical, ensuring open global markets and promoting international cooperation on sustainable extraction of raw materials and an efficient use of resources based on mutual interests; underlines, in this context, the need to establish a strong dialogue in the field of raw material diplomacy between industrialised, newly industrialising, and resource-rich developing countries, with a view also to promoting human rights, good governance, regional stability and preventing the risk of resource-based conflicts;
 - 2. Believes that placing a stronger emphasis at EU level on innovation and substitution in the raw materials strategy at all stages could also strengthen the European Union's negotiating position and avoid dependency on monopolistic suppliers;
 - 3. Calls on the Commission to promote Track-II diplomacy on raw materials by supporting exchanges between non-governmental organisations, academia and think tanks from the EU with those in other resource-relevant countries;
 - 4. Calls on the Commission to organise regular events on raw materials, such as JOGMEC's 'Metal Saloons', with other resource-relevant countries with a wide range of stakeholders participating;
 - 5. Notes that raw material policy, although independent, should be in synergy with other EU policies, and especially with policies aimed at non-mineral raw materials (for example agricultural goods) and energy supplies;
 - 6. Considers that raw material diplomacy, development policy and policies aimed at support for democratisation should be mutually beneficial and create synergies; calls therefore for human rights and democratisation conditionality to be included in future agreements with

partner countries;

7. Stresses that, as part of the EU's strategic cooperation with relevant key actors from industrial, emerging and developing countries, especially the USA, Russia, China, Japan and the Arctic Region, an early-warning mechanism for market distortion, supply shortages and resource-fuelled conflicts should be established and complemented by a monitoring group at EU level comprising representatives of the EU institutions, the Member States and relevant industry sectors;
8. Points out the role of relations with the BRICS countries (Brazil, Russia, India, China, South Africa), as they have vast raw material resources but will at the same time absorb more raw materials in the future, thus creating stronger competition for European companies;
9. Calls for international regulatory standards on recycling, sustainable mining and good governance, including social, labour and human rights, corporate social responsibility and environmental standards, which should be promoted through relevant fora, such as the G8 and the G20, the WTO, the OECD, UNCTAD, UNEP and its International Panel for Sustainable Resource Management, the international metals study groups, and other bodies that are active in promoting a sustainable global governance structure for the exploitation, production and trade of raw materials, based on the principle of non-infringement of other countries' right to development within the framework of international rules;
10. Welcomes the willingness of the G8 and G20 members to fight raw materials price volatility and calls for concrete measures to be developed to secure raw materials' supply and curb speculation on those commodities;
11. Calls on the WTO to monitor closely the impact of import and export restrictions and other barriers on the price of raw materials; in this respect supports the creation in the WTO of a tool to monitor tariff and non-tariff barriers to trade in raw materials and rare earths and the setting up in the G20 of a 'Raw Materials and Rare Earths Stability Board'; calls also on DG Trade to continue to monitor export restrictions on and other barriers to the price of raw materials;
12. Welcomes the inclusion of explicit guarantees on non-discriminatory market access to raw materials in EU trade agreements and as a prerequisite for membership of the WTO; calls for access to and sustainable governance of raw materials to be included in all EU agreements with relevant third countries, based on recognition of the growing interdependency between countries, but stresses the importance of raw materials diplomacy being differentiated to take into account the respective countries' situations;
13. Is of the opinion that the EU and relevant third countries should work together consensually, in the spirit of true partnership, for their mutual benefit regarding raw materials supply; calls therefore for support for developing countries, to include knowledge transfer in scientific and legal matters, so as to establish sustainable capacity building and further calls for common extraction and production standards, including human rights standards;

14. Outlines the importance of bilateral cooperation on raw materials, as demonstrated by the EU and the African Union in June 2010, and encourages further efforts in the context of the Joint Africa-EU Action Plan for 2011-2013; calls for similar cooperation to be developed with other countries that are major producers of critical raw materials; proposes, as one of the concrete targets of raw material diplomacy, source-diversification from South-East Asia towards Latin-America and Africa of certain raw materials on which the EU is import dependent;
15. Believes that the significant potential of the Arctic Region is linked to its natural resources and the industries based on them; underlines the need for fair access to raw materials in the Arctic Region, in line with its resolution of 20 January 2011 on a sustainable EU policy for the High North (P7_TA(2011)0024); stresses the importance of sustainable development and safe and controlled utilisation of natural resources in the Arctic Region in accordance with the precautionary principle;
16. Outlines the importance of transparency and reiterates its support for the Extractive Industries Transparency Initiative (EITI) and for Publish What You Pay (PWYP), as being good examples for international transparency standards, and calls on the Commission and the European External Action Service to adopt measures to improve transparency in the area of supply; believes that investments that receive support from the European Investment Bank should apply these standards in order to promote sustainable mining practices in relevant third countries;
17. Welcomes the preparatory work by the Commission on a legislative proposal for extractive industry disclosure requirements for companies listed on EU stock exchanges; encourages the Commission to build on the USA disclosure provisions in Section 1504 of the 'Dodd-Frank Act' and calls for reporting requirements at country-by-country level;
18. Calls on the Commission, when preparing the new external action instruments for the period after 2013, to include measures supporting good governance and sustainable mining in its programmes for the democratic and economic stability of fragile States that are suppliers of raw materials;
19. Believes that the responsibility for a coherent and effective EU diplomacy must lie with the EEAS and the relevant Commission services – and especially with DG Trade with regard to trade issues – acting in close coordination with the Council and Parliament; believes furthermore that the strategic relevance of raw materials should be reflected in the organisation of the EEAS and in the staffing of relevant EU delegations; stresses the importance of coordinating the foreign policy of the EU and of the Member States in the field of raw materials.
20. Believes that the EU should coordinate action with the USA and other partners in seeking diversification of rare earth sources and in decreasing dependence on major raw material and rare earth suppliers; takes the view that such issues should form part of the agenda of the forthcoming EU-US Summits;
21. Calls on the European Defence Agency to contribute, in accordance with Article 42(3) of the TEU, to the identification of measures to strengthen the industrial and technological base of the defence sector with regards to raw materials;

RESULT OF FINAL VOTE IN COMMITTEE

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| Date adopted | 24.5.2011 |
| Result of final vote | +: 58 -: 3 0: 0 |
| Members present for the final vote | Sir Robert Atkins, Dominique Baudis, Frieda Brepoels, Elmar Brok, Arnaud Danjean, Michael Gahler, Marietta Giannakou, Ana Gomes, Andrzej Grzyb, Heidi Hautala, Anna Ibrisagic, Anneli Jäätteenmäki, Jelko Kacin, Othmar Karas, Ioannis Kasoulides, Tunne Kelam, Nicole Kiil-Nielsen, Evgeni Kirilov, Andrey Kovatchev, Paweł Robert Kowal, Eduard Kukan, Alexander Graf Lambsdorff, Krzysztof Lisek, Sabine Lösing, Ulrike Lunacek, Mario Mauro, Kyriakos Mavronikolas, Willy Meyer, Francisco José Millán Mon, María Muñoz De Urquiza, Annemie Neyts-Uyttebroeck, Norica Nicolai, Raimon Obiols, Kristiina Ojuland, Ria Oomen-Ruijten, Cristian Dan Preda, Fiorello Provera, Libor Rouček, José Ignacio Salafranca Sánchez-Neyra, Nikolaos Salavrakos, Jacek Saryusz-Wolski, Werner Schulz, Hannes Swoboda, Charles Tannock, Inese Vaidere, Kristian Vigenin, Graham Watson, Boris Zala |
| Substitute(s) present for the final vote | Reinhard Bütikofer, Nikolaos Chountis, Véronique De Keyser, Tanja Fajon, Kinga Gál, Elisabeth Jeggle, Georgios Koumoutsakos, Norbert Neuser, Doris Pack, Vittorio Prodi, Dominique Vlasto, Luis Yáñez-Barnuevo García |
| Substitute(s) under Rule 187(2) present for the final vote | Joachim Zeller |