

**Question for oral answer O-000036/2011
to the Commission**

Rule 115

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on behalf of the PPE Group

Subject: Securing Europe's supply of rare earth elements

Rare earth elements (REE) are critical to hundreds of high-tech applications and key to the development of green technologies (such as wind-powered turbines, hybrid vehicles, etc.), and thus essential to the competitiveness of European industry. Although REE are rather abundant in the earth's crust, their economic exploitation is not easy. EU industry currently depends totally on REE imports from China, which holds a virtual monopoly by controlling 97 % of the world production. China has 36 % of the world's known economic REE reserves (and an estimated 59 % of the total reserves) and at the same time pursues bilateral agreements for securing known reserves worldwide. China combines a vertical organisation of its REE industry with strong research and development and has already achieved a significant competitive advantage in refining REE ores and producing alloys and end products, while EU industry lacks both access to REE raw materials and the industrial and scientific know-how for processing them. Furthermore, while global demand for REE is rising, China has already announced significant export restrictions.

Does the EU have a comprehensive strategy on REE? Has the Commission made an assessment of the criticality of REE supply for European industry? It is estimated that already in 2014 there will be a global production shortfall of 40 000 tonnes of REE, which may lead to significant problems for EU industry in particular, including a sharp rise in prices. What possible short-term measures is the Commission proposing to take regarding REE, in accordance with the pillars set out in the European Raw Materials Initiative (RMI)?

How does the Commission intend to deal with the sensitive REE issue in its regular dialogue with China? What is the state of play within the WTO? What steps has the EC taken, along with its partners, to establish alternative sources of REE and minimise the supply risk to European industry?

Given that REE are necessary not only for high-tech appliances and green technologies but also for critical medical and defence applications, is the Commission considering the possibility of setting up a European stockpiling scheme for these materials (following similar moves by the US, Japan and Korea) in order to ensure adequate REE supply and price stability? What are the prospects for REE recycling in the EU? Will REE substitution play an important role in the next research FP? How does the Commission plan to encourage EU REE companies to redevelop and exploit other sources within the EU, in Greenland or in the developing countries?

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