



ACCESS TO RAW MATERIALS

KEY MESSAGES

- 1** Access to raw materials from European sources and international markets is crucial for the functioning of the European economy.
- 2** The supply of raw materials is increasingly constrained by the growing demand for raw materials in emerging economies as well as by measures by competitors to safeguard access to raw materials in third countries.
- 3** The 2008 Communication of the European Commission entitled the “Raw Materials Initiative” sets a cross-cutting strategy to address these pressures and should be implemented.

BACKGROUND

The 2008 Communication of the European Commission entitled the “Raw Materials Initiative” recognised that access to raw materials from European sources and international markets is crucial for the functioning of the European economy. The EU is highly dependent on the import of raw materials from global markets which are increasingly affected by supply scarcities and market distortions. Uncertainties in the supply of raw materials pose a significant threat to the competitiveness of European industries. While the economic downturn has temporarily dampened the demand for raw materials in global markets, protectionist measures and unsustainable management of natural resources in resource-holding countries remain a source of concern.

Particularly critical are so-called high-tech raw materials such as rare earths, gallium and tungsten that are subject to high export dependency in Europe and currently lack substitutes. These raw materials are integral in the production of sophisticated technologies and are notably crucial in the development of technological solutions for the low-carbon economy.

The Raw Materials Initiative sets out an initial strategy for guaranteeing access to raw materials. A follow-up Communication is expected towards the end of 2010, which will refine the actions to be taken.

WHAT DOES BUSINESSEUROPE AIM FOR?

To reduce supply uncertainties of raw materials and safeguard European competitiveness, the EU should:

- Secure a reliable and undistorted access to raw materials in global markets through cooperation in different international fora and enhanced dialogue/bilateral relations with third countries.
- Improve conditions and remove existing obstacles for sustainable raw material extraction in Europe.
- Promote new rules and agreements on access to raw materials in bilateral and international agreements.
- Remove existing distortions to raw materials trade through trade policy instruments and dispute settlement.
- Use EU development policy to strengthen the management of natural resources in resource-holding countries.
- Lower import restrictions for raw materials in line with the demand from industry.
- Promote resource efficiency and the use of secondary raw materials.