

Cabinet Newsletter

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Dear Reader,

this week two key moments deserve our attention: the **Conference EU-Africa Partnership on raw material** and the **World Economic Forum** in Davos.



Antonio Preto
Head of Cabinet

Vice President Antonio Tajani opened the first EU-Africa conference on raw material since the launch of **the European Initiative on raw material** on February last year and the "**African Mining Vision**" adopted by the African Union.



Vice President Antonio Tajani key note speech at Hotel Métropole, Brussels

The conference was held on a crucial moment for the economy. Despite the deepening of the economic crisis, the world is facing an increasing demand for raw materials and Europe is particularly vulnerable as it is highly dependent on imports of many important raw materials from outside the EU.

Vice President Antonio Tajani recalled the need to find **win-win solutions** both from the supply and the demand sides so as to ensure that mining exploitation goes hand in hand with bilateral cooperation with regard to good governance, investment and infrastructures and geological and technological know how, as established in Addis Abeba in June 2010. Africa must be able to translate these opportunities into higher and sustainable growth rates.

The conference focused on good governance, geological knowledge and investments and infrastructures. With regard to **good governance** the Commission has been working to improve the role of European mining companies operating in the field. To this end the Commission has pushed forward the "**Transparency initiative on extracting companies**" applying appropriate fiscal regimes and involving relevant stakeholders including civil society. Last October, under the emphasis of Vice President Antonio Tajani, the Commission

presented a legislative proposal forcing European mining industries to increase revenue transparency.

With regard to **geological knowledge**, the Commission is already financing research to improve data quality on resources availability in order to increase national awareness, considered a key factor in mineral contracts negotiation. In addition to that, the GALILEO project will have positive externalities also in this field to discover new deposit. Vice President Antonio Tajani anticipated his intention to launch two new projects in this field to monitor the existence of new resources once **the Innovation Partnership in raw material** will be launched next month.

With regards to **investments and infrastructures**, the aim is to sustain job creation while reducing country risk for European industries willing to invest in these markets. Together with the European Investment Bank, the Commission is trying to evaluate the possibility of increasing the financing mechanisms for mining exploitation, refinement and post-extraction industries. Furthermore, in order to reduce investment risks, the Commission is evaluating risk sharing mechanisms through guarantees backed by the European Development Fund. The EU-Africa fiduciary fund could also be used to facilitate infrastructure to facilitate resources entry in European markets.



The salience of the topic is demonstrated by the **42nd Davos World Economic Forum** round table on **mining and metal policy**. Vice President Tajani indicated strategies to overcome Europe's dependence from foreign resources calling for further cooperation, illustrating what the Commission is already doing with Africa (above) but also with the US covering areas such as recycling, resource efficiency and RD, Japan and with Latin American countries. Vice President Antonio Tajani, was invited as a guest speaker in the round table entitled **freedom to travel**: travel flows as tools to enhance national competitiveness and job creation while maintaining the highest security levels.

Both with regarding raw materials and tourism, protectionist measures or economic nationalism have increased. The world crisis has not changed these trends and raw materials, despite their importance, are an illustration of the facts that global challenges require global responses and Davos seems the right forum to address this reflection.

This year, the Davos forum has set an ambitious target: to find new model for the world economy. Using **Polany's** expression, Davos has been reflecting on a "**Great Transformation**", on what sort of lessons has the world learned from the crisis. The direction seems to bring about the idea of a more social, less nationalistic and further integrated economy. As Vice President repeated several times, the economy has to focus on creating value and industries have to contribute to a sustainable and long term growth. A Great Transformation must then be based on these pillars, as Vice President concluded.