

RESPONSE TO

Public Consultation on the preparation of a new Communication on Raw Materials

DEFINING CRITICAL RAW MATERIALS

1. Do you have any comments on the methodological approach, including the scope, to determine criticality at EU level? If so, please specify.

It seems that the methodology used was heavily dependent on data and the outcomes may have been more robust if more/better data were available. For example, separate uses for particular minerals are often not resolved by available statistics (e.g. some uses of magnesite are critical, some are not). The scope of materials considered should have been wider (for example, phosphate and potash were not addressed).

Establishing a formal list of 14 minerals deemed as critical at EU level, may lead stakeholders such as policy makers, programme officers, NGOs, banks and the general public to think that there are no important criticality in relation with many of the other minerals needed to make the EU economies tick and click, whose production chain linking geological deposits to end uses may be disrupted by criticality issues. It would be better to name the 14 minerals list as the list of minerals with the highest criticality issues, just to make above point clear.

Moreover, it must be stressed that several of the listed 14 minerals are essentially by-products of "main" metals, as shown by fig. 4 of the report. Their production is highly dependent on the production of main mineral substances such as aluminium, chromium, copper, nickel, tin or zinc, whose production and markets therefore need to be monitored as well, as there may be related criticality issues.

2. Do you see any additional raw material that should be considered as critical? If so, please explain.

As additional raw materials we suggest to consider also Potassium, Phosphate, and Tin. Potassium and phosphate are essential raw materials for the agricultural sector (fertilizers). This sector has not been included in the EU methodology on critical raw materials. Given the high importance of

food production, especially for the developing countries, analysing the raw materials needed in this sector should be included.

3. Do you have any comments regarding the recommendations of the report? If so, please specify.

The recommendations of the report are valid; however when they are going to be implemented additional discussions should take place.

4. Are you aware of any initiatives in your country that aim to assess the criticality of raw materials? If so, please describe briefly.

No.

5. The functioning of raw materials markets has not been dealt with. Do you think that further analysis of their functioning should be carried out? What actions should be proposed to increase their transparency?

Yes, this is a very important research topic that should bring together industry, international metals study groups, EuroStat, national statistical bodies and geological surveys.

Actions that would increase transparency should include topics such as: (a) trade restrictions, (b) speculation, (c) financial instruments in the raw materials markets, and (d) investment into new projects. The development of exploration budgets and targets under changing economic and political conditions should be analysed in detail, as well as aspects on good governance in developing countries and education.

6. Do you think that the EU should propose a system of stockpiling for the critical raw materials? If so, please indicate whether you consider it more appropriate to do this at Community or alternatively at Member States level.

EU should propose monitoring and analysing the production, trade, consumption, recycling; t.i. supply & demand of the critical raw materials, while stockpiling could be done by industry, not at member state level.

TRADE

7. Do you think that the importance of trade is adequately reflected in the work carried out so far in the Raw Materials Initiative?

Trade was not adequately reflected in past work; with Raw materials Initiative trade is getting proper importance, especially trade distortions (subsidies, export quotas etc.) can have a great influence on the EU raw material supply. There is a need for more precise Import statistics for mineral raw materials regarding the country of origin. Trade flows need to be clarified.

8. Do you have any comment regarding the main findings of DG Trade activity report? What activities should be prioritised? Are there, in your opinion, additional activities not mentioned in the report which should be pursued in this strategy?

Continuous monitoring system for global trade distortions on the mineral sector shall be developed.

9. Please identify trade distortive measures (i.e. export restrictions) concerning raw materials that in your view should be tackled.

No answer

10. Are you aware of any initiatives in your country that have one of the above goals in mind such as, for example, developing a raw materials diplomacy, or supporting companies to invest in third countries in the raw materials sector? If so, please describe briefly.

No

DEVELOPMENT

11. What specific actions would you consider most relevant needed in the following areas:

- *Good governance;*
- *Infrastructure / investments;*
- *Geological knowledge / skills.*

All three areas are important, good governance and geological knowledge / skills are within the domain of EU or Member states, while infrastructure / investment is responsibility of the industry. Good governance and, in particular, the establishment and maintenance of a stable and democratic system is prerequisite for any other action. Actions aimed at both increasing transparency, and decreasing corruption are most desirable.

12. Regarding transparency, what measures do you believe the EU should take to foster revenue transparency in the mining industry in raw material resource rich countries? What are your views regarding existing initiatives currently being taken in this area, namely by the Extractive Industries Transparency Initiative (EITI6)?

Transparency, corporate social responsibility, observance of sustainable development ethics are needed to avoid potentially damaging consequences of unregulated international competition driven solely by national and/or corporate interest. EU should be actively involved in existing initiatives (including EITI) related to transparency, stability and democracy in resource rich countries.

13. Concerning the recent agreement between the European Commission and the African Union Commission, in your view, what concrete objectives, targets and deliverables should be included in such a partnership?

Mineral resources issues should be included in partnership agreements to allow development of common strategies and allow Europe to pass on expertise and technological support to the sustainable development of the mining sector in African countries. Agreements should include the following objectives: (a) good governance, (b) more focus on resource efficiency in the mining and processing sector and (c) sustainable development in the small-scale and artisanal mining sectors.

14. Do you consider that wood should be addressed in the framework of development policy? If yes, please specify what are the main issues to be analysed.

No.

15. Are you aware of any initiatives in your country that contribute to promoting exploration and exploitation of mines in developing countries? Should such initiatives be better coordinated or promoted at the EU level?

Cyprus has no initiatives that contribute to promoting exploration and exploitation of mines in developing countries

Yes, such initiatives should be better coordinated and promoted at the EU level.

IMPROVEMENT OF THE REGULATORY FRAMEWORK CONDITIONS INSIDE THE EU

16. Do you agree that these topics correspond to the major challenges in this policy area? If not, please specify.

Cyprus Geological Survey agrees that these topics correspond to challenges of raw materials sector in EU.

17. Do you think of any other avenues which should be followed by the Commission? If yes, please specify.

Two additional avenues are recommended:

- A requirement for a more consistent (harmonised) approach to reporting mineral statistics across Member States.
- More focus on resource efficiency in the mining and processing sector.

18. Do you agree with the recommendations made in the report on "Exchanging Best Practice on Land Use Planning, Permitting and Geological Knowledge Sharing" or do you have any specific ones to be added. Please explain.

Yes. The best practice examples presented in the report of the working group are very useful by highlighting potential improvements Member States may wish to consider with regard to their own minerals policy and associated land use planning policy, along with necessary geological data (the knowledge base) enhancements required in order to enhance this policy area area. More effort is, however, now needed to further address the challenges listed in this policy.

19. Do you consider it useful to establish an EU geological service based on a network of Member State geological services?

YES, it would be extremely useful to establish an EU geological service based on a network of Member State geological services according to EGS proposal for many reasons; the main one is to collect, store and share EU mineral information of and for Member states, industry and other stakeholders in order provide EU mineral intelligence, public data and information for policy making, facilitate mineral investment in exploration and extraction and achieve synergies in information flow among all EU minerals stakeholders (members states, industry, research community, NGO's..).

This service this should be expanded to other areas where there is a need for coordinated geological information to be delivered to the EU. The EU service will be highly dependent on data and knowledge as the source of information, and the State Geological Surveys need to be kept fully operational and strongly connected to the EU geological service, otherwise the EU mission will fail.

20. Do you consider that EU regulatory framework conditions for wood and/or recovered paper need to be further analysed? If yes, please specify.

No answer.

PROMOTING SKILLS AND RESEARCH, DEVELOPMENT AND INNOVATION

Skills:

21. What type of actions would you propose to provide better cooperation between companies, universities and public authorities in order to promote skills and in the extractive or other raw materials sectors? Please specify.

The EU could provide fellowships to make it possible for students from developing countries to attend mineral resources and geology related training programmes in EU universities and Mining Schools.

Research, Development and Innovation:

22. Are you aware of any research, development and innovation programme(s) at national, regional or local level? Please specify.

No

23. Where do you see the major gap / the urgent need for the raw materials sector related research, development and innovation at EU level? Please provide details.

Major gaps in technical mining issues are:

- Development of new exploration techniques
- Development of new drilling techniques
- Applied mining methods to increase resource efficiency
- Applied small scale mining methods for developing countries.

Priorities related to the raw materials sector concerning research, development and innovation:

- The development of an EU digital knowledge base on the 3D deep geology and mineral resources potential, from surface down to – deep seated ore bodies, focused on areas known for their above average mineral potential;
- The development of an EU minerals intelligence capacity, based on existing national-level capacities (in geological surveys and other public institutions), EuroStat, the mineral industry associations and others.
- The further development of research in ore deposits genesis and the understanding of the controls determining their locations;
- The further development of exploration concepts and tools, of eco-efficient mining, mineral processing and metallurgical hard- and software;

- The development of technologies and organisational systems for recycling and re-use of minerals and metals, especially of the rarer ones, from their diverse high-technology applications.

24. What is your idea of a major research and innovation action that would have the highest positive impact on the security of raw materials supply for the EU industries? Please specify.

The European Technology Platform on Sustainable Mineral Resources Vision Document and Strategic Research Agenda provides detailed information on this.

The Cyprus Geological Survey suggests research on the following topics – (a) 3D modelling, (b) research of (deep seated) deposits, (c) EU mineral deposit data base, (d) better, harmonised statistics and information to underpin research, and (e) development of new exploration techniques. Beside that the old dumps may still constitute an important source for some metals because the new technologies may allow the recover that was not possible in the past or they may contain certain metals that were not valued in the past.

25. Are you aware of innovative exploration and extraction technologies, where project partners on a European level are needed to develop and implement the new technologies and which are the innovative technologies which need to be developed further? Please provide details.

No answer

26. Are there any other aspects related to skills, R&D and innovation for other raw materials, such as wood, that need to be further promoted? Please, specify.

No answer

RESOURCE EFFICIENCY & RECYCLING

27. In your view, and beyond measures already being taken (e.g. the recast of the WEEE Directive), what practical measures can be taken by the EU and by Member States to prevent the illegal shipment of obsolete end-of-life vehicles and electronic equipment?

No answer

28. In what ways should statistics on trade in, and recycling of, products containing secondary raw materials be improved?

Fundamental data on recycling are lacking across Europe. Research is required urgently to improve level of data gathering and interpretation. This is needed to ensure that this important potential source of supply is not lost to European industry.

29. Have you identified major problems with recovered paper? What are the main issues that need to be further analysed?

NO ANSWER.