

16th september 2010

RESPONSE from GEUS

## 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.*

A consequence of the methodology is that small elements such as gallium, germanium and indium with only few suppliers because of the limited demand will get in focus.

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

One could consider Lithium because it may be a key element in batteries for e.g. the automotive industry.

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

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

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*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.

The critical raw materials are mainly “specialty” or “high tech” for which the market works in a different way as compared to the “conventional” metals and minerals. Accordingly there is a need to describe and understand the market mechanisms:

- The “high tech” elements typically represent small tonnages with only few suppliers, which in turn results in high supply risk.
- For elements like REE the cost of production has shifted from exploration and mining to refining with very high capital costs if starting new production. Further, a producer must have a balanced market being able to sell all the different REE elements in the mineral he produces. This makes penetration into the market difficult for new players.
- “High tech” elements often occur as by products associated to other larger elements, and accordingly behaving differently on the marketplace.

*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.*

#### **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?*

*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?*

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

*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.*

**DEVELOPMENT**

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

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

Mineral resources are not always the source for growth and welfare in developing countries. Sometimes they are the cause for regional conflicts and sometimes they are not produced under sustainable conditions. Good governance is a key to improvement of these elements.

Institutional building and education is important for making it possible for developing countries to regulate and help the mineral industry.

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)?*

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?*

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.*

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?*

Danida is not supporting the Extractive Industry sector in developing countries.

Yes should definitely be coordinated from EuropeAid

**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.*

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

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.*

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

GEUS is an independent research organisation and GEUS answers can't be taken as the view of the ministry that GEUS belongs to.

GEUS support the idea that EU/EC strength its capacity in the field of raw materials specifically and geology in general. The form and scope of such an EU Geological service could be an office or an agency with sufficient competence to transform information from the network of State Geological services using the knowledge in these organisations. To this geological information the EU service needs to add other types of information and competences so it can fulfil the needs in the EU policy. As the EU service will be highly dependant on data and knowledge in the State Geological services as the source of information the State geological services - as a precondition - need to be kept fully operational, 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.*

## **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 environmental and socio-economical aspects in relation to local communities, regional planning etc. of Large Mining Operations in the developing countries would be a good entry point for cooperation between companies, local and EU universities and local authorities

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.*

The by far largest proportion of raw materials consumed in EU is used for construction and building materials. Research in optimised and complete use of the resource in ground will probably result in the most value for money impact the environment. Example: in some quartz sand pits they sort the heavy minerals out. They contain e.g. titanium and zirconium. Could that be used.

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.*

Improving the technology for extracting minerals. Better regulation of mining operations and reducing the tailing in the landscape.

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

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.*

#### **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?*

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

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