

Defining Critical Raw Materials

Q.1. Unfortunately the report fails to take into account that it is dealing with two different, if related, sectors; the exploration sector and the extractive sector. The two sectors differ greatly. The extractive sector is all about big companies with substantial capital costs, bank finance, projected cash flows, income, profits, markets, etc. Whereas the exploration sector is all about many small, entrepreneurial, companies acquiring high risk finance with a view to making a capital gain from selling a discovery to the extractive sector companies. One gets the impression that there is a lack of knowledge about the exploration sector and it has been sidelined while being casually included. Without a vibrant exploration sector, there will be no new discoveries and the extractive sector will wither away as it depletes its deposits.

Q.3. Five years for updating critical raw materials is far too long. The situation needs much shorter term monitoring with a yearly updating report because the market moves quickly and shortages need to be identified before damage is done to EU industries.

Q.6. A buffer stock of critical raw materials should be built up to cover some few years of projected industry demand to be used when the international price increases to a level causing damage to EU industry with the resultant loss of jobs. Such stocks should be warehoused in member states but under central Community control. Further, the need to create buffer stocks could be set off by the active promotion of exploration for the discovery of new deposits within the EU borders for mining companies to exploit when prices/demand rises.

Trade

Q.10. I am not aware of any initiatives, however, in view of the fact that countries like China are buying up sources of raw materials around the world, I think it is vital that EU exploration and/or mining companies are provided with support for competing with countries like China in the buying up of raw material sources around the world. Further, the EU should protect its own internal sources by preventing them being sold to countries outside the EU by way of financial support to promote the exploration and/or extraction for EU internal purposes.

Development

Q.11. This question is so broad as to prevent a full answer to deal with it adequately. Suffice to say that a detailed study should be carried out at EU level with a view to bringing all member countries into a unified form of governance with a very similar infrastructure for developing the exploration and mining of raw materials within the EU borders. There needs to be a study set up to identify how investment in exploration and mining sectors can be promoted and encouraged. Geology knows no man made boundaries and a central pool of EU funded geological data needs to be available to all interested parties to assist in the discovery of new deposits in a similar way that it is available to more advanced countries such as Canada.

Q.15. No and yes.

Improvement of the regulatory framework conditions inside the EU

Q.17. There appears to be no central EU direction and promotion of the exploration sector and yet, this is vital to the supply of raw materials be they critical or not. A separate initiative or study needs to be set up to identify the needs of the exploration sector. Without the knowledge that this should provide, it will not be possible to foster the sector and promote it.

Q.19. As mentioned at Q.11.above, the answer has to be yes. Exploration needs to be promoted within the EU borders and it vitally needs a centralised geological data base from which to find data to support its activities.

Promoting skills and research, development and innovation

Q.23. The EU is highly uncompetitive in the exploration sector when compared with such advanced countries as Canada and Australia. For example, I believe the Canadians invest some two billion dollars a year into exploration which is about C\$ 60 per head of population.

The EU population is fifteen times the size of the Canadian population but does not invest 30 billion dollars a year in exploration.

Q.24. An all out promotion of the exploration sector is what is urgently and vitally needed.

The EU should help its self before crying that it is short of raw materials. Without a massive investment in exploration using recent modern innovative techniques, the EU will not know if it does or does not have the raw materials within its borders.