

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

POLICY AREA: DEFINING CRITICAL RAW MATERIALS

SveMin welcomes the initiative and the studies that the Commission has made. This focus on raw material supply to the EU economy based on the three pillars has to continue, if the ambition of a prosperous Europe in the global economy is to be realised.

Questions:

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

Mining resources and reserves are dynamic concepts depending on primarily metal prices and extraction costs. The prices vary with demand and availability and costs vary with technological development and scale in operations. With higher metal prices and/or lower production costs, a mineralisation can become economical. This makes any prognosis of shortages of any metal questionable and a need to clarify the uncertainties. One could instead ask any mining company how much reserves have you for the next ten years. Because that is normally the time frame needed to calculate the investments.

Metals are atoms or elements that constitutes most of planet earth and does not vanish when being used in one application.

Because of the shortcomings of the quantitative analyses and prognoses the qualitative analyses are missing.

The legislative risk for no access to the raw materials in member countries should be considered in the analyses.

General approaches are needed in the analyses of criticality and availability, especially actions that generally promotes availability through mining and reuse of scrap within EU should be first on the agenda.

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

Iron could be critical due importance to modern societies with growing demand.

3. Do you have any comments regarding the recommendations of the report? If

so, please specify.

Availability within EU should be examined before substitution is considered. Research on knowledge and techniques to find and extract the metal would dampen the criticality.

The potential of strengthening the EU raw material supply from the Baltic and Arctic regions must be appreciated in the future policies of EU. Several co-operations are already in place as a base for development. Relations with Russia are in this context vital.

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?

Better statistics on raw materials flow has to be considered, as well as on scrap.

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.

No, this is a wartime action. Better is a well functioning international market.

POLICY AREA: TRADE

Questions:

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

Yes a lot has been done by DG Trade and needs to be kept on a high level. But the regulatory costs imposed on production in EU is already a market distortion.

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?

The industry needs effective: rules on bi- and multilateral level, enforcement of rules, coherence of policies.

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

Free trade is important for EU and specifically exports oriented economies like the Swedish.

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.

The Swedish government has financed at least two initiatives focusing on Southern Africa. 1) "Meeting Points Mining", where the purpose is to provide an arena for the meetings of companies and organisations to develop business and cooperation. 2) "Mining for development – M4D", with purpose of capacity building in developing countries. The Swedish export council together with Swedish Mining and Tunnelling Group and SIDA has arrangements for this purpose.

POLICY AREA: DEVELOPMENT

Questions:

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

- Good governance;

Clear, realistic and reasonable regulations.

Ethical behaviour (rules) for companies (through associations)

- Infrastructure / investments;

Mining industry is a big transporter. The mining company LKAB for example transports 35% of the goods on the Swedish railroads (ton·km). Competitive bulk transport means, train, ships and harbours. The link over northern Sweden and Finland to northwest Russia and Norway for metals, minerals and wood is essential for EU to be able to benefit from the raw materials in the Baltic and Arctic regions.

- Geological knowledge / skills.

A comprehensive knowledge of the subsurface of EU is of utmost need for all kinds of future purposes, like infrastructure, cities, climate dependencies and resources from the ground, especially on depth (>500 m) for metals.

The Education of ore relevant geologists is of concern. Research on ore geology and geophysics for exploration are needed to use the resources of EU. The Luleå University of Technology (LTU) has a central role in this respect for the mining industry in the north of EU. The Swedish mining industry via MITU is focusing its efforts on LTU. This cluster is also strengthened by the globally strong manufacturers of mining equipment. The co-operation of demanding customers and competent manufacturers have resulted in competitive mining 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)?

International standards and national regulations on economic reporting should be fulfilling the needs. If there are problems in specific countries then capacity building in these countries is necessary and where EU and Memberstates can give support. There should not be a lot of different approaches to reporting platforms but rather one international standard, e g the IFRS.

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?

A win win situation must be the outcome with the long term and stable development of the partners.

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.

Wood and wood products are more internal EU issues. Trade with Russia is a special case.

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?

Se Q10 above.

POLICY AREA: IMPROVEMENT OF THE REGULATORY FRAMEWORK CONDITIONS INSIDE THE EU

Questions:

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

Yes, and that mineral potential always shall be considered before any decision on land use is made.

The Commission can not in other positions take a stand for no go areas defined by N2000 or accept that in UN Commission for Sustainable Development.

The EU regulation on national responsibility to preserve habitats and species should be overlooked in comparison with the existence of corresponding habitats and the same species in other parts of the union, maybe also in abundance.

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

Develop a minerals policy for EU to inspire the Member States.

Continue to address the need of raw materials/metals for the well being in EU and the ability to find and extract them.

In many occasion in EU it seems to be insufficient competence and experience to handle permitting processes in a swift and correct way. A supporting expert panel with relevant competence, provided on EU level could overcome this shortage. Maybe the Twinning programs can provide a forum.

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 one to be added. Please explain.

Yes, and that mineral potential always shall be considered before any decision on land use.

An annual conference under the Presidency is a practical way to keep theses issues on the political agenda in EU.

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

No an EU institution would bring a lot of bureaucracy. It is more effective to have cooperation between national services in specific areas, that would enhance resource management of e.g. metals, water, etc. The geology does not normally follow the country borders, so the knowledge of geological formations and their continuity is of necessity. The deep understanding of the geological procedures that have created the geology of EU is fundamental to know where to look for mineralisation's of interest.

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

The ecological effectiveness of transporting and burning for energy or reuse of fibres to different products should be overlooked.

POLICY AREA: PROMOTING SKILLS AND RESEARCH, DEVELOPMENT AND INNOVATION

Questions:

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.

Research, Development and Innovation:

Refer to reply from MITU and Bergforsk and Q11 above.

Adjust curriculums to the industrial needs. Provide industry practice and projects to students. All in both academic and lower grades.

The mining cluster in Sweden is vital for the mining companies, and is strengthened by the strong global companies of mining equipment. The cooperation of demanding customers and competent manufacturers have resulted in competitive mining industry both in advanced technology and scale with internationally high productivity.

Innovation is promoted by companies in the leading edge and high expectations of the customers. Many new products are developed and tested in cooperation.

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

Refer to reply from MITU and Bergforsk

NGO's supporting mining with members both of industry and authorities are Georange for the mineral provinces in the north of Sweden and Bergskraft in the more southern. Both engaged in mine waste and environmental R&D among other things.

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.

Refer to reply from MITU and Bergforsk

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.

Refer to reply from MITU and Bergforsk

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.

Refer to reply from MITU and Bergforsk

POLICY AREA: RESOURCE EFFICIENCY & RECYCLING

As metals are atoms or elements that can be reused over and over again without losing their properties, all metals that are extracted to day are of benefit for coming generations, who can use them with much lower energy

input - with the prerequisite of recycling. And as long as global demand is higher than recycling, mining will be needed.

Improve the knowledge in society on the use and need of metals in EU and the sustainable society to promote the awareness and importance of every day collection and with economical incitement's to achieve this.

Optimised logistics for collection and transport to reprocessing.

R&D for quality assurance and processing of recycled material. Like the Boliden Rönnskär smelter.

Acknowledge the life span of metal products in use when estimating recycling rates. For example copper wiring in buildings that lasts more than 50 years. Which means that probably all copper that was placed in society 50 to 100 years ago is recovered.

Questions:

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 comment.

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

No comment.