Orgalime statement on the proposed EU conflict minerals scheme

Dear Commissioner,

Orgalime, the European Engineering Industries Association, speaks for 41 trade federations representing some 130,000 companies in the mechanical, electrical, electronic, metalworking and metal articles industries of 23 European countries. The industry employs some 10 million people in Europe and in 2013 accounted for €1700 billion of output. The industry represents over a quarter the output of manufactured products but also a third of the manufactured exports of the European Union.

Minerals, after mining and transformation into metals, are a core input of the engineering supply chain forming the basis for most manufactured products. They are therefore vital for the European engineering industry. We are aware that in a few regions of the world, there is a risk that funds obtained from the extraction of raw materials could be used to finance armed conflicts. The European engineering industry unreservedly supports the aim to sever the connection between the mining of minerals and the funding of armed conflict. With regard to concrete political and regulatory measures supporting such an ambition, there are however numerous concerns in industry about the already existing and possible future initiatives.

Orgalime welcomes the Commission’s approach in the draft Regulation on setting up a EU system for supply chain due diligence based on the self-certification of responsible importers of the covered raw materials. This systemic approach, based on the OECD Due Diligence Guidelines is preferred over a product-based approach, as incurred by the US legislation on conflict minerals (Section 1502 of the Dodd-Frank Act).

Nevertheless, there are a number of ambiguities and concerns which we have in relation to the Commission proposal. Orgalime feels that these concerns, explained in detail in our position paper, demonstrate that regulatory action on conflict minerals will (naturally) entail serious difficulties in the implementation phase. This makes it essential that the underlying assumptions, the wording and definitions or any suggestions for new requirements for economic operators need to be very clear and reasonable, so as not to cause unnecessary burdens on industry. We moreover believe the Commission’s proposal for conflict resolution should be more precise in spelling out tangible activities. Emphasis should be put on promoting good governance and enhancing security in conflict-affected and crisis regions.

A similar letter has been sent to your colleagues High Representative Vice President Mogherini, Commissioner Bieńkowska and Commissioner Vella.

Yours sincerely,

Adrian Harris

Cc DG TRADE: Messrs Demarty, Petriccione, Baldwin, Garcia Bercero, Houben, Ms Gallina, Ms Hencsey, Mr A.C Jessen.
Cc Cabinet: Ms Åsenius, Mr Ceballos Baron

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