

P R E S S R E L E A S E

EU Trade Policy Review: An opportunity for a bolder global Europe

Brussels, 18 February 2021: “Today’s Trade Policy Review must be a catalyst for Europe to be bolder on the global stage, to achieve its industrial goals. We actively support Europe’s ambition to be a green and digital technology leader, but supply chain investment will only be possible if the EU tackles global market distortions and prioritises free, fair, and rules-based trade”, said Guy Thiran, Director General of Eurometaux (European metals association) on the publication day of the EU’s Trade Policy Review.

“Europe’s post-COVID-19 ambition for ‘open strategic autonomy’ in areas like raw materials requires that we invest into domestic value chains wherever possible, while securing what we need from partner regions. China’s dominant global position in the metals sector looms large over both objectives. European producers are forced to compete with unfairly subsidised imports with a negative environmental and social footprint, and we are losing ground in the race to secure long-term global supply sources for critical inputs. We’re encouraged that today’s EU Trade Policy Review commits to taking more assertive action”.

Europe’s green and digital transitions will demand higher volumes of critical raw materials and base metals (up to 500% more globally by 2050 according to the World Bank). Their sustainable supply from mined and recycled sources has been prioritised through the EU’s new Raw Materials Alliance, which aims for new investment into European value chains for supplying batteries, renewable energy technologies, electric vehicle, zero-energy buildings, and more. Currently Europe has a high and increasing import reliance for almost all metals and minerals.

China has invested heavily in its strategic metals industry in the last decade, building a global advantage through industrial support and state subsidisation. It is now the dominant producer of almost all metals, producing around 50% of the world’s refined base metals and over 90% of critical metals like rare earths. It has also established its foothold in the global battery materials value chain, investing to control external mining resources where it does not have domestic capacity. In the last year, the European Commission has opened several anti-dumping cases focussed on aluminium downstream products, reflecting how China’s overcapacities have negatively impacted the European metals market.

Guy Thiran continued: “We’re pleased that today’s review recognises the rapid rise of China as one of the EU’s top challenges and commits to taking action. Alongside leadership in reforming the World Trade Organisation, it’s crucial that the EU establishes a level playing field for its domestic industry through addressing foreign subsidies, implementing strict rules of origin in its free trade agreements, and tackling uncontrolled leakage of recyclable waste. We are looking forward to working with the European Commission on these important actions. From a climate perspective however, we stress that a Carbon Border Adjustment Mechanism will not be effective for the non-ferrous metals sector compared with existing carbon leakage measures and other tools”.

“We must also recognise that Europe will always have a high import dependence on other areas of the world. In our sector the most competitive resources for several strategic metals are located elsewhere. Here we welcome the European Commission’s ambition to establish more strategic partnerships with Africa and other regions, where both security and sustainability of supply must be prioritised. Europe will now need workable due diligence rules for guaranteeing responsible sourcing across supply chains”.

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About Eurometaux: Eurometaux is a trade association representing the collective European non-ferrous metals industry, including miners, smelters, refiners, fabricators and recyclers. The industry employs 500,000 people across over 900 facilities, with an annual turnover of €120bn.

