

Austrian Mining and Steel Association's Roman Stiftner on the Power of European Collective Voice

written by InvestorNews | March 22, 2024

In a comprehensive interview hosted by Stephen Lautens of the [Critical Minerals Institute](#) (CMI) with Roman Stiftner, Managing Director of the Austrian Mining and Steel Association during PDAC 2024, Stiftner shared valuable insights into the European Union's growing focus on the mining sector. Stiftner, who also serves as the vice president of Euromines, outlined the strategic efforts by these organizations to consolidate the industry's voice within Europe. Highlighting the importance of a united front, he remarked, "Coming from a small country, it's sometimes important to collect a bit more the strength of a common voice and be vocal in this way." This collective approach aims to enhance the visibility and impact of the mining, steel, and non-ferrous metals industries at an international level, particularly through advocating for the sector's interests to the European Commission, Parliament, and the wider public. Stiftner emphasized the importance of mining to achieving carbon neutrality across the continent and the planet, underscoring the sector's foundational significance in the transition towards a more sustainable future.

The discussion explored the evolving importance of Europe in global mining, influenced by recent crises such as the pandemic, geopolitical tensions, and the urgent need to combat climate change. Stiftner identified these challenges as catalysts for a paradigm shift towards securing local mining operations and raw

material supplies to bolster resilience and support the ecological transition. “We have to do something against climate change... Having mines in Europe and having the raw material side available for a more resilient supply of raw materials is key to make this transformation happen,” Stiftner explained, highlighting Europe’s active role in the green technology and electric vehicle revolutions. Furthermore, he advocated for stronger transatlantic cooperation based on shared ESG values, aiming to establish global standards for responsible sourcing. Recognizing Europe’s dependence on strategic partnerships for essential raw materials, Stiftner’s presence at PDAC underscored the Europe’s pursuit of collaboration with reliable partners like Canada, aiming to mutually enhance economic and environmental outcomes through mining.

To access the complete interview, [click here](#)

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Europe’s Strategic Transformation in Critical Raw Material Management

written by Tracy Weslosky | March 22, 2024

The [recent provisional agreement](#) by the Council and the European Parliament to bolster the supply of critical raw materials with the proposed Critical Raw Materials Act heralds a pivotal advancement in Europe’s raw material strategy. Awaiting formal

adoption, this agreement is a testament to the European Union's commitment to transforming its raw material dependency into a pillar of continental strength.

[Teresa Ribera Rodríguez](#), the acting Spanish third vice-president, underscores the significance of this initiative within Europe's broader ecological and demographic ambitions. The regulation ambitiously aims to enhance the EU's role in the extraction, processing, and recycling of 34 critical raw materials, with a special focus on 16 considered strategic. A key aspect of this agreement is the inclusion of aluminum in the strategic list and the emphasis on recycling, with benchmarks set to reach at least 25% of the EU's annual raw material consumption.

This paradigm shift towards sustainable raw material management extends beyond environmental objectives, aiming to fortify economic resilience. The regulation seeks to diversify critical raw material imports, capping the EU's reliance on any single third country to a maximum of 65% for each strategic raw material. This strategy is poised to spur innovation, as evidenced by the temporary classification of synthetic graphite as strategic and the provision for member states to veto projects within their jurisdiction.

Swiss mining giant Glencore PLC (LSE: GLEN | OTC: GLCNF | HK: 805) has aligned with these trends, announcing a pilot [electric vehicle \(EV\) battery recycling plant](#). Initially eyeing Sardinia, the company is now scouting other locations across Europe and North America. This move mirrors the wider shift in the decarbonization and EV sector towards recycling, a strategic response to market fluctuations and environmental considerations.

Melissa Sanderson, Director of the [Critical Minerals](#)

[Institute](#) (CMI), highlights that these developments are indicative of an overarching trend. The EU's legislative emphasis on recycling over primary mining resonates with the decarbonization and electric vehicle sectors' trajectory. Glencore's strategic pivot to recycling efforts is a response to these evolving market and legislative landscapes.

The new EU regulations may also significantly impact Glencore's broader initiatives. Should Italy ratify the proposed law, it could streamline the authorization process for Glencore's larger recycling project, potentially relocating it to mainland Italy due to opposition in Sardinia. Sanderson notes that the industry's exploration of alternative materials, beyond current focuses like lithium, signals a dynamic and evolving sector.

In conclusion, these developments indicate a major shift in the management of critical raw materials, steering towards a future where sustainability, economic resilience, and innovation are central to the EU's industrial strategy. The anticipated Critical Raw Materials Act, integral to the Green Deal Industrial Plan, may not yet be formally adopted, but its influence on industry and environmental policy is already evident. As corporations like Glencore adapt to these changes, we can anticipate a continued evolution in the landscape of raw material management and recycling

Will the EU Critical Raw

Materials Act be Too Little Too Late?

written by Matt Bohlsen | March 22, 2024

As [announced](#) on March 16, the European Commission released its proposal for the European Union's ("EU's") Critical Raw Materials Act. The response from investors in European battery metal stocks was underwhelming, to say the least. Many European lithium stocks have fallen in price, not risen as would have been expected. The question is why?

I think the answer is probably in the timeline and questions around enforcement. There are some positive incentives such as selected strategic projects getting "shorter permitting timeframes" and "support for access to finance".

Below is a brief snapshot of the key measures announced.

EU Critical Raw Materials Act proposal

The following is an excerpt from the EU's press release:

*"Setting clear priorities for action: In addition to an updated list of critical raw materials, the Act identifies a list of **strategic raw materials**, which are crucial to technologies important to Europe's green and digital ambitions and for defense and space applications, while being subject to potential supply risks in the future. The Regulation embeds both the critical and strategic raw materials lists in EU law. The Regulation sets clear benchmarks for domestic capacities along the strategic raw material supply chain and to diversify EU supply by 2030:*

- *At least 10% of the EU's annual consumption for*

- extraction,*
- *At least 40% of the EU's annual consumption for processing,*
- *At least 15% of the EU's annual consumption for recycling,*
- ***Not more than 65% of the Union's annual consumption of each strategic raw material at any relevant stage of processing from a single third country.***

Creating secure and resilient EU critical raw materials supply chains: The Act will reduce the administrative burden and simplify permitting procedures for critical raw materials projects in the EU. In addition, selected Strategic Projects will benefit from support for access to finance and shorter permitting timeframes (24 months for extraction permits and 12 months for processing and recycling permits). Member States will also have to develop national programs for exploring geological resources."

Next Steps

"The proposed Regulation will be discussed and agreed by the European Parliament and the Council of the European Union before its adoption and entry into force."

The EU's list of 34 critical (strategic) raw materials

CRM list as **strategic raw materials** in line with the Critical Raw Materials Act.

Aluminium/Bauxite	Coking Coal	Lithium	Phosphorus
Antimony	Feldspar	Light rare earth elements	Scandium
Arsenic	Fluorspar	Magnesium	Silicon metal
Baryte	Gallium	Manganese	Strontium
Beryllium	Germanium	Natural Graphite	Tantalum
Bismuth	Hafnium	Niobium	Titanium metal
Boron/Borate	Helium	Platinum group metals	Tungsten
Cobalt	Heavy rare earth elements	Phosphate Rock	Vanadium
		Copper	Nickel

Source: European Commission

Will the EU's Critical Raw Materials Act be too little too late?

The main concern with the current Critical Raw Materials Act proposal is the timeline with the measures to be implemented “by 2030”. By comparison to the U.S. policy, the Inflation Reduction Act (“IRA”) measures commence in some cases immediately and in terms of the supply chain “from 2024”. Little wonder investors were underwhelmed by the 2030 timeline.

By 2030, we should already be close to [60-70% market share](#) for global electric car sales. By 2030, the European car manufacturers may be bankrupt if they have not secured an adequate supply of EV and battery materials. China is already a decade ahead. The USA is moving fast to catch up. But Europe appears to think if they move in 2030 everything will be ok. But it will not be ok. China and other countries will already have taken control of the EV, energy storage, and renewable energy supply chains. Today China already holds a dominant position.

The U.S Inflation Reduction Act requires changes by 2024 in order to get the clean vehicle tax credit

Clean Vehicle Credit (30D)

- Maintains the existing \$7,500 consumer credit for the purchase of a qualified new clean vehicle, including electric vehicles, plug-in hybrids, and hydrogen fuel cell vehicles.
- Credit is reduced or eliminated if a certain percentage of the critical minerals utilized in battery components are not extracted or processed in the U.S. or a Free Trade Agreement country or recycled in North America. The percentage required increases from 40% in 2024 to 80% in 2026.
- Credit is reduced or eliminated if EV is not assembled in North America or if the majority of battery components are sourced outside of North America. The percentage increases from 50% in 2024 to 100% in 2028.

Source: [Bipartisan Policy Center](#)

Note: Red oval annotated by the author.

Closing remarks

The EU's plan is a significant positive move in the right direction. But with no targets or deadlines until 2030, I feel it will be "too little too late". By 2030, the automotive industry will look completely different from today, where German and Japanese manufacturers dominate.

Europe needs a 2025 deadline and it needs clear measures in place, similar to what President Biden has done with the IRA. If the EU fails to amend its Critical Raw Materials Act proposal then it will remain at the mercy of the China supply chain. And China will use that power to steadily take market share with China-made EVs selling into Europe.

Furthermore, Europe needs to build its own supply chains to help maintain full employment and security of supply. This includes directly down to the mining level, where Europe has a very small mining industry. For example, today Europe produces

insignificant amounts of lithium, yet lithium is a critical element needed in the green revolution. Perhaps we can discuss more on that topic in another article.

The European Parliament gets the final say and let's hope Europe can modify the proposal to bring in an earlier deadline and truly build up a European supply chain for EVs, energy storage, and renewable energy.

All are vitally important for the future of Europe's economy.

Critical Materials: A Root Cause of the Decline of American Manufacturing Pre-eminence

written by Jack Lifton | March 22, 2024

Why has China become the dominant player in manufactured goods requiring non-fuel natural resources? Has the American governing class set up China as a straw man for its own failure to secure the American economic dominance gifted to the country by World War II? I think the answer to the second question is "yes," and the answer to the first one is that China's economic planners think of the long term both for goals and what is physically necessary to achieve them.

The root cause, aka "the reason for...", the decline of American manufacturing pre-eminence is short-term thinking and planning by management. American OEM CEO's in the increasingly long-ago

pre-Sinocentric world delegated day-to-day management details to subordinates and looked at the “big picture,” aka, the long-term view. Today’s Chinese, and I think, many European, OEM CEO’s still do manage in this fashion.

Case-in-point: Securing long-term supplies of [critical raw materials](#). In America, this has now become a crisis to be managed as are all American crises as if it were only a political problem not as a problem of blind self-interest and stupidity to be rectified by opening the eyes and the mind to reality and taking action. Americans need someone to blame. Enter the Chinese, who using the attitude of wartime Americans have lifted their nation from poverty to near-preeminence in just a little more than a generation! The current fashion in America to blame “racism” as the root cause of all evil and failure doesn’t work with the Chinese who see their own race as the superior one and who point to their economic miracle as the proof of the superiority of their nation and their economic system, Socialism (Capitalism?) with [Chinese Characteristics](#).

China is now embarked officially on its “New Economy” program shifting emphasis from manufactured goods for export to domestic consumption and actively promoting domestic innovative technological development for the purpose of making China’s economy independent of the rest of the world and domestically self-sufficient. In other words, their new economy is the opposite of Capitalism with Global Characteristics, the current American system.

I am describing the American industrial economy as Capitalism with Global Characteristics to contrast it with China’s self-described overall economy as “Socialism with Chinese Characteristics” with its corollary, “Capitalism with Chinese Characteristics” used within China to describe its own industrial economy.

China has developed the world's pre-eminent domestic manufacturing economy with state overseen control of the production of domestic natural resources and the acquisition of a secure supply of necessary imported critical materials. Unlike America and Europe, though, it has cemented, rather than abandoned, its self-sufficient domestic manufacturing economy with secure supplies of the critical raw materials it needs and the domestic processing capability and capacity to maintain it.

China has outsourced some low-level consumer production to other countries, but these are countries that are economically dominated by China, such as Vietnam. China's importation of critical raw materials is more sophisticated. Its African suppliers are economically enthralled, and its American, Australian, and Canadian raw material suppliers are economically entangled by China's position as the world's largest importer of mineral ores. Without Chinese demand, the global mining industry would be an order of magnitude smaller.

With a secure self-sufficient manufacturing economy firmly in place, China is embarking the last stage of using Capitalism with Chinese characteristics to achieve Socialism with Chinese Characteristics, the development of an independent technology based economy consisting of semiconductor, computer manufacturing and programming, artificial intelligence, robotics, electrified transportation, space exploration, nuclear engineering, and chemical engineering all to achieve total independence and superiority and maintain both.

The Chinese Communist Party seems to have learned from the failure of Nazi Germany, Soviet Communism, and Maoism that industrial policy can be made to work without total control of industry by the state (fascism and Soviet communism). The United States seems not to have learned how to compete with China, and in the United States, only the [Defense Department](#) exercises a

loose form of industrial policy. If there is to be only one dominant industrial (and military[?])power in the world the game isn't over, but I think we're in the final quarter of that game.