

# Access to Mineral Resources in the EU and Latin America : Some Mineral Policies Comparison

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**FORAM**  
TOWARDS A WORLD FORUM  
ON RAW MATERIALS

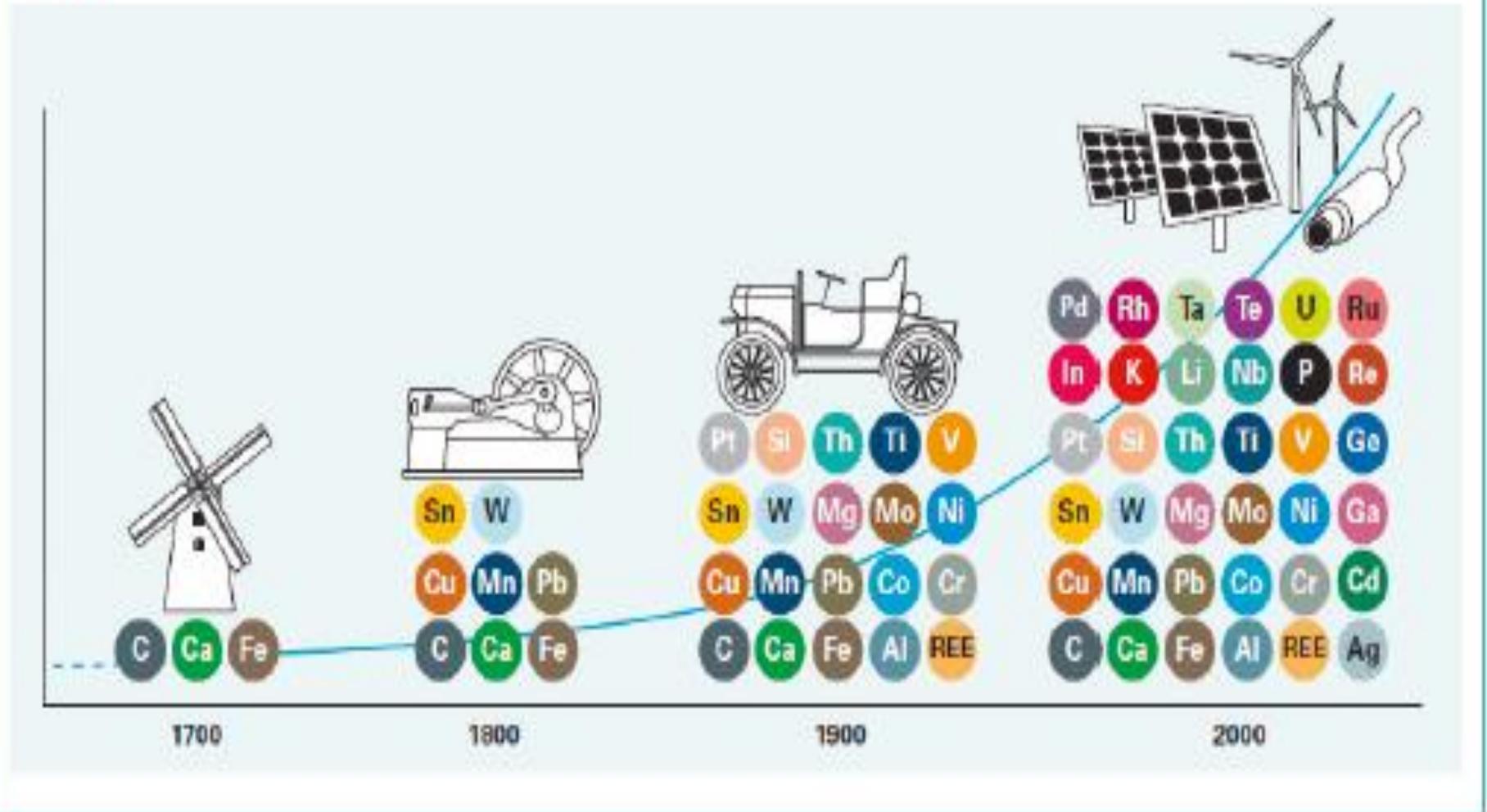
# Introduction

- Major factors **influencing the future** of the **global minerals and metals sector** are : **human population growth , economic development and environmental change .**
- **Modern Mineral Policy** , by facilitating **socially and environmentally acceptable** exploration, development, and production of mineral materials, helps **secure the societal benefits** of mineral production while **minimizing environmental harm and land-use optimization.**

# 2016, Raw Materials Scoreboard

## European Innovation Partnership on Raw Material

Figure 2: Materials widely used in energy technologies (1700-2000)<sup>1</sup>



# Introduction (cont.)

This presentation reflects MinPol participation in the **FORAM project** which helps the development of a **platform with international experts and stakeholders** that will enhance international cooperation on raw material policies and investments .

MinPol provided the deliverable **Global Mineral Policy approaches**.

In **METS 2018** , we are focussing on the **EU/LA level** as part of the FORAM project.

# EU/LA Regions At a Glance

- **28/32** Members States ( but a group of them are more relevant about mining : EU ( Sweden , Finland , Poland , Portugal, Ireland ,Spain ; LA( Chile, Peru , Brazil, Mexico, Colombia, Argentina)
- Population : **508/639** Mill.( 2015-16)
- Population Density : **143/54** p./ sq mile
- **24/10** official Languages
- Surface Area: **4.272.000/19.200.000** sq km
- GDP:US\$ Bill.**16.400/10.000** (2016)
- GDP per capita : US\$ **26.600/15.500**
- **LA** countries have deep historical, political , cultural liason with **the EU**.

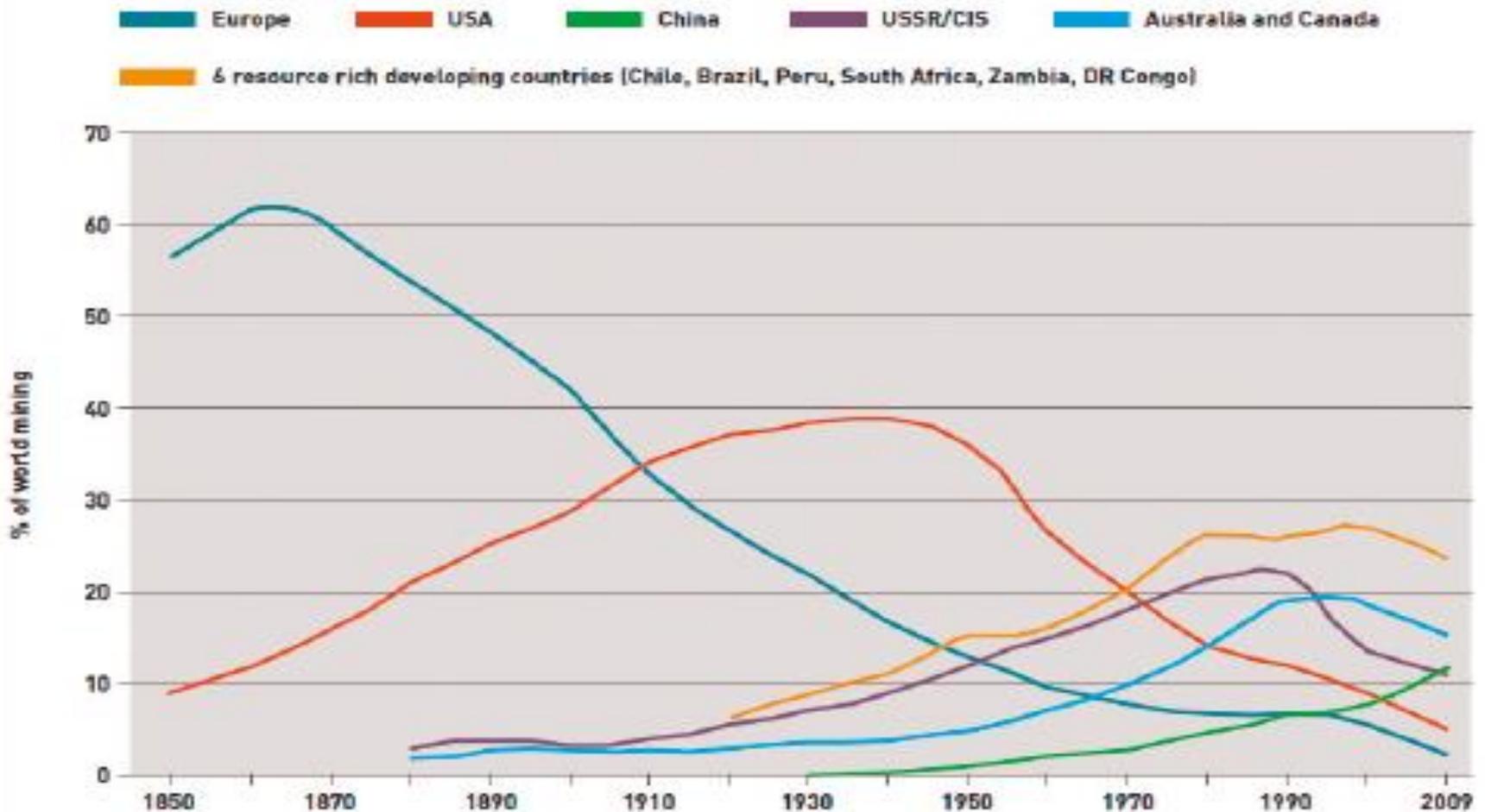
# EU Mining Facts

- EU mining industry was **very important** some 100 years ago but had a **strong declination**.
- It is relatively weak in many **metallic** products, and has a strong **industrial minerals** bias
- The EU is one of the **biggest consumer** of non-ferrous metals worldwide.
- **Exploration spending** is **relatively low**, but does have many **prospectively good** projects, even in metals.
- The access to mineral deposits has been **increasingly limited** for various reasons, such as **environmental** issues or competition for **land use**
- **Reliable Economic Framework.**

# 2016, Raw Materials Scoreboard

## European Innovation Partnership on Raw Material

Figure 9: Share of world metals mining by world region (1850-2009)<sup>28</sup>



# EU Mining Facts (cont.)

- For many metals, is **highly dependent** on imports .
- It is expected a considerable **increase in the demand** of mineral raw materials by the EU (e.g. metal) industries, which form an **important backbone** of the region economies .
- Consequences are **uncertainties** regarding minerals supply and potential problems with **availability** and **minerals sterilization**.
- Supply securities with focus on **Critical Raw Materials**.

# LA Mining Facts

- World's relevant production (2015) : 92% of **niobium** output, 44% of **copper** and **lithium**, 54% of **silver**, 32% of **molybdenum**, 22% of **zinc** and 20% of **gold** and **iron** output .
- Is the most popular **exploration** destination, attracting **28 %** of global spending. Six countries – Chile, Peru, Mexico, Brazil, Colombia and Argentina – accounted for most of the regional total (2017).
- **Mining investment** has grown **exponentially** over the past decade and the region continues to be a relevant jurisdiction.

# 2017 Exploration Investment (EU: 5% ; LA :30 %)

Nonferrous exploration budgets, 2017 (%)



Other locations account for 2%.

Data as of November 15, 2017.

Source: S&P Global Market Intelligence

# LA Mining Facts (cont.)

- Economic and political **variations** have characterized the region and played a role in the amount received, particularly in long-term activities such as mining.
- Some countries have a track record of **stronger institutions**, while others still show weak agencies .
- Nevertheless, it can be stated that the region has **improved substantially** evolving from economic instability to a more **reliable economic framework**.
- Nowadays, **environmental concerns**, and **community relationships** , are important issues on the agenda of any mining prospect or project in Latin America.

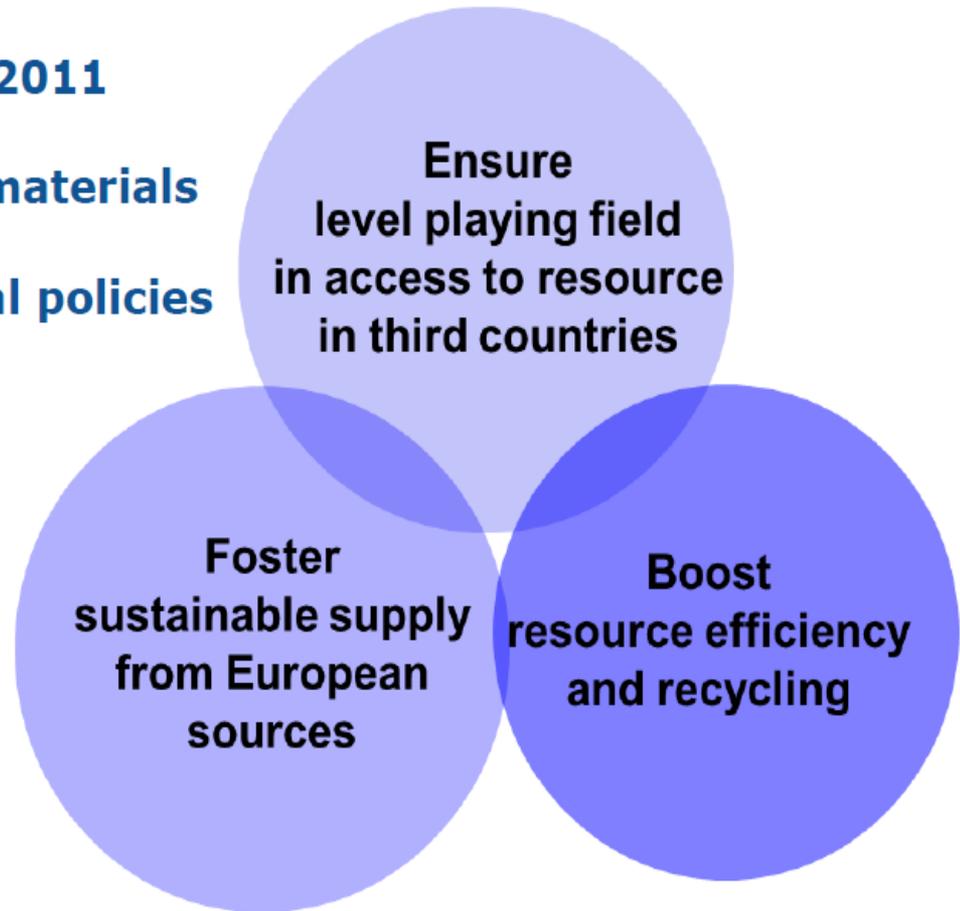
# LA Mining Facts (cont.)

- LA has a **long-standing tradition** of mining legislation in most of the countries, with a concession system regime based generally in the public utility of the activity.
- During the 1990s most countries **modernized** their legal frameworks, aimed to attract **long-term investments** in the sector.
- Recent development have seen **the rise of Asian countries participation** ( in particular **China**) in the LA mining industry .

# EU Minerals Policy : the Raw Materials Initiative (2008)

## EU “Raw Materials Initiative”

- **Aim:** securing sustainable supplies of raw materials
- **Launched in 2008, consolidated in 2011**
- **Non-energy, non-agricultural raw materials**
- **Connecting EU external and internal policies**
- **Integrated strategy (3 pillars)**
- **Introduced list of Critical Raw Materials (CRM) in 2010**



# EU Minerals Policies Issues

- **No single** European mining legislation
- The **EU sets objectives** and establishes the legal basis .
- But Member States (MSs) **set conditions** and are responsible for mining legislation
- **Administration** of the national mineral resources is the competence of **Member States** and mining law is based primarily on **national or regional law**
- **EU has shared competences with MSs** on environmental issues and establishes minimum standards (e.g. via relevant Directives)
- EU environmental legislation **impacts permitting** positively but also negatively from the industry perspective, e.g. via “overly restrictive” approaches in the implementation of some Directives (see MINLEX project results)

# EU Minerals Policies Issues (cont.)

## National Mineral Policies, Common Approaches.

(Euromines,2012)

- A horizontal approach (several ministries)
- Broad Consultation
- Sharing best practices (EU, National, Industry)
- Key themes to be addressed:
  - **Maximizing sustainable development**
  - **Accelerating permitting processes**
  - **Future mineral availability (skills and infrastructure)**
  - **Integration with land use planning policy**
  - **Geological research and innovation**

# LA Minerals Policies

- **Nothing equivalent** to the EU Raw Materials Initiative
- **Some countries** have some policies potentially to be considered as Mineral Policies
- The most relevant case is **ENAMI** in Chile : a national Agency to promote small and medium size copper, gold and silver mining.
- The legal handling of **Lithium** in Bolivia and Chile could also represent a National Mineral Policy.

# Concluding Remarks

- The EU and LA includes **similarities** and **differences** regarding access to minerals raw materials as well as their National Mineral Policies.
- The EU is highly **dependent** for many metals to feed it important and powerful integrated industrial framework.
- But at the same time **the need to secure** minerals raw materials **generated crucial modern mineral policies and institutions.**

# Concluding Remarks(cont.)

- One good example is the **EU Raw Materials Initiative** to foster sustainable supply from European sources, ensure access to additional resources in third countries and **boost resource efficiency and recycling**.
- The **EuroGeoSurvey** is a **key tool** to know and evaluate the EU mineral resources, and could potentially **improve the regional minerals industry position** towards resource sustainability and competitive growth.

# Concluding Remarks(cont.)

- Neither **mining or exploration** investment is relevant in the EU when compared with LA.
- LA can be classified as a rich territory **producing significant amount of minerals and metals at a global scale.**
- The LA mining industry is largely dedicated to **export mineral raw materials** to other more **industrialized regions** , including **the EU.**

# Concluding Remarks (cont.)

- LA institutionally is **clearly behind** the EU in relationship to **Mineral Policy** with the exception of **Chile's ENAMI** created to promote small & médium size mining of copper ,gold & silver .
- Based on the many **common aspects** of our both regions ( history , trade , culture) as well as in the main **differences** ( mineral raw materias **consumer** versus mineral raw material producer), a **complementation initiative** between the two is therefore proposed to secure mutual benefits.

# Concluding Remarks (cont.)

- Some **complementation initiatives** between the EU and LA can be:
- Create a **LA Mineral Raw Materials Initiative** .
- Initiate a **Critical Minerals Inventory** both in the EU and LA.
- Evaluate **re-treatment of tailings and dumps** in old districts mainly in LA but also in the EU.
- Consider the creation of an **Enami equivalent** for the main mining regions in the EU.

# Concluding Remarks (cont.)

- To enhance the **international cooperation on mineral policies** by developing a **World Forum on Raw Materials** is highly recommended.
- Related to this initiatives ,MinPol has established an office for Latin America in Chile and will be preparing this year a proposal - based on the EUREKA programme - **linking EU and LA minerals policies** and will coordinate invitations to interested partners from both regions.



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**Thanks /Gracias**



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