



The EU ensuring a sustainable minerals trade

Paris, 2 May 2017

EU Trade Commissioner Cecilia Malmström

11th OECD Forum on responsible mineral supply chains

Ladies and gentlemen,

We are engaged today in a very serious and welcome discussion. What is going on in Central Africa has a very serious and – sometimes – tragic human cost. The work we do has the potential to bring hope to millions of lives.

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Trade can bring enormous benefits to people across the world. Opportunities for those in Europe. Progress to a better life for those in the developing world. In doing so it can and should be a vehicle for our values. Not in opposition to them. Trade can help development. Yet it must be sustainable.

Where regions of the world face instability or conflict, trade should not inflame tensions...
... but calm them. Setting countries back on the path to productive peace. Trade offers a powerful tool and a powerful incentive to do that.

When people in Europe buy a smartphone or a can of tomatoes, they don't expect it to have come from slave labour. They don't expect the money to go to help criminals buy Kalashnikovs.

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The EU is the world's leading development donor in the world, giving €68 billion in 2015 to help people move out of poverty, into lives of stability and opportunity. The trillion euros-worth of goods we buy each year from the developing world can go towards the same ends. Investing in schools, hospitals, and futures. Not towards hardship, horror, and human rights abuse.

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The regulation we have introduced – and now agreed, just one month ago – will make mineral supplies more sustainable. Any EU firm importing one of four major metals and minerals, will have to do their homework and take care that their materials are not financing conflict, or mined with forced labour.

It applies to minerals sourced from across the world but will particularly benefit the Great Lakes region of Africa, where millions have been killed, millions more injured, in a war stretching back decades. We have not just set a gold standard but a tin standard; a tungsten standard; a tantalum standard.

By following OECD guidance, the operational framework for consistent, effective implementation, we work in concert with others across the world. By focusing on importers to Europe, the neck of the hourglass, we minimise the number of new obligations, while maximising the impact on the supply chain across the world. By combining our measures with training and guidance to smaller EU businesses, and with a 20 million euro aid package – of assistance, training, and financial support via the OECD, the International Conference of the Great lakes and others, we choke off the demand for outlaw minerals, while helping the sustainable industry to grow.

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Our support on all sides – supply and demand, trade and development – will continue. Just as the UN, G8 and others have called for. This is at most a first step. Many more will be needed.

But by starting targeted and focused, we can ensure this movement keeps its momentum. Supporting the momentum towards sustainable, well-governed mining. Without cutting off the funding for the upstream legitimate industry, which could in itself endanger economic welfare, and perhaps stability.

The EU will sign this into law in just over 2 weeks' time. And it will be binding from 2021. But business should start taking steps now. Many of them are already showing the lead. And I congratulate you for it.

The EU is the largest trading bloc on the planet. We import 15 to 25% of world's total for these four metals. For ores and concentrates, we are the world's largest importer; the figure is 35%. And I hope EU leadership on this issue will be echoed around the world, to reach a critical mass.

The signals we are getting from Washington are not positive. But we are also taking it forward with other major players: making the case for the benefits of putting this OECD guidance into domestic law. We will continue these efforts.

We are working with the governments of the Great Lakes Region. Their commitment to "clean sourcing" is as vital as anything we can do. Only together we can promote change. And I hope OECD members, and European and global industry, will actively push forward and implement this agenda.

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Our approach on conflict minerals is part of a philosophy that pervades all our trade policy. A policy that is always based on values. It is one that we will apply across the field – always using the right tool for the right job.

For example: for materials used in torture, or the death penalty. We have long banned such goods from export from the EU. Last year we sharpened our rules so the law catches up with changing technology.

We also banned transit, technical assistance and marketing.

For clothing, we are working with Bangladesh and Myanmar – alongside the International Labour Organisation and others – to ensure factory work is sustainable and safe with decent conditions for workers.

To benefit from the system of trade preferences known as GSP+, developing countries also need to meet respect human rights and good governance, while protecting labour rights and the environment.

With our other trade agreements, we will continue to ensure trade and sustainable development go hand in hand. Our deal with Canada, for example, includes an obligation to promote corporate social responsibility. And that's something we'd like to develop.

And more generally, EU rules require banks and large listed companies to report on risks and policies relating to the environment, human rights and anti-corruption. Trade policy cannot solve all the problems of the world. I wish it could.

But, in protests over Europe, we have seen people's concern about the relationship between trade policy; and our values. The concern that trade might undermine the standards we enjoy here in Europe. It is a message I hear loud and clear.

Our new rules on conflict minerals show both how we can make trade the vehicle for our values and effect change across the world.

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Globalisation is not something we can stop, nor would we want to. It is not something we have to submit to. But it is something we can shape. And today we have a very good example of how to do so.

Thank you.