

Industry says EU conflict minerals initiative should be voluntary

11 July 2013 / Europe

Industry trade bodies are objecting to the idea of EU legislation in the area of conflict minerals, responses to a European Commission consultation show. Instead, they are calling for a voluntary initiative and further support for existing schemes.

The consultation, launched by the European Commission's trade directorate, closed on 26 June and was designed to help the Commission decide whether, and how, to complement or continue current due diligence initiatives. It follows the introduction last year of US regulations, designed to help cut off funds to armed groups involved in the war in the Democratic Republic of Congo. They require US-listed companies to submit annual reports on whether they use tin, tungsten, tantalum or gold, and whether these minerals originate in the DRC or an adjoining country. The regulation, which implements section 1502 of the 2010 Dodd-Frank Act, is a key concern for chemical companies, because the huge range of products containing these metals includes catalysts used in manufacturing processes, and many additives ([CW 27 March 2013](#)).

European lobby group BusinessEurope says mandatory EU legislation would have a negative effect on the competitiveness of EU industry, as “burdensome and costly requirements will create trade embargoes” and lead to “disruption of security of supply of minerals in the EU.” In this light, it says, the EU should at least seek equivalence with the US regime in the framework of the Transatlantic Trade and Investment Partnership, a potential trade agreement currently under negotiation. The mandatory provisions in the US, it says, will actually create, rather than alleviate, socio-economic problems in the region ([GBB April 2013](#)).

Any EU initiative should avoid referring to specific end-products or downstream industry sectors, says the trade body. The EU should also “avoid opening up the coverage of minerals” beyond the four addressed by the US regulations.

Rather than mandatory legislation, trade bodies suggest a voluntary EU initiative, based on the OECD due diligence guidance. In its consultation response, the European Association of Metals, Eurometaux says the value of this scheme “lies in its flexibility, pragmatism and focus to the ultimate goal, which is delinking business activities from illegal practices without creating any trade embargoes.”

Both Eurometaux and BusinessEurope opposed the suggestion that an EU initiative should include a degree of obligation on business operators.

NGO Global Witness, on the other hand, said that an EU initiative should “ensure industry sectors reluctant to implement supply chain due diligence, ie tungsten smelters, the arms industry, are obligated to act.” If the EU does not introduce legislation, it says, businesses will continue the irresponsible sourcing of minerals. “Some companies will – wilfully or through ignorance – continue to source minerals that fund conflict and human rights abuses,” says the NGO. “A legal framework would require companies to take responsibility for their actions and the impact of exploitation of these minerals in the country of origin.”

The European Commission plans to publish a report on the consultation once it has assessed the responses.