

Commission Call for Evidence on Upgrading the EU-Gulf Region Bilateral Strategic Partnerships

Eurometaux's feedback

Introduction

Eurometaux, the non-ferrous metal association ([link](#)), welcomes the opportunity to provide feedback on this Commission's Call for evidence to enhance the EU-Gulf Region bilateral strategic partnership negotiations.

Eurometaux supports the objectives included in the EU Critical Raw Material Act to diversify supply chains of critical raw materials and develop local raw materials supply chains. These two objectives are both needed to secure access to essential critical raw materials for the EU green and digital transition.

Our key messages

In the context of bilateral strategic partnerships with the Gulf region, we call on the EU Commission to build on the following points when negotiating new trade agreements with the Gulf countries:

- Ensure a tailored approach to tariff liberalisation of critical raw materials.** It is of high importance to pay careful attention to the EU's existing industrial capacity for critical raw materials when negotiating new partnerships with third countries. Specifically, the EU Commission should distinguish those critical raw materials for which the priority is to preserve the European manufacturing industry (i.e. aluminium, silicon, base metal mining), and those for which there is a lack of industrial capacity in Europe.

In the specific case of aluminium, for which there is already an established production in Europe, the EU must avoid unjustified tariff liberalisation on Chapter 76 (aluminium). The aluminium industry has a robust value chain in place in Europe that includes primary production, semi-production, and recycling.

In addition, the competitiveness of the European aluminium industry is still suffering from the energy crisis and the overcapacities of some third countries (i.e. China) that dominate the supply chain of critical raw materials. Therefore, the removal of import duties on aluminium (i.e. primary aluminium) would impair the European aluminium industry operations and resilience.

Differently, for all those raw materials that the EU does not have an adequate production system, the liberalisation of existing trade tariffs may in a case-by-case approach be necessary to secure a stable and diversified supply chain and reduce EU critical raw materials dependencies (for example, certain battery raw materials).

- Include clear environmental and human rights standards.** The EU Commission should take the European sustainability standards and practices as the benchmark in the negotiations of future strategic partnerships and trade agreements with the Gulf Region.

The high carbon footprint related to the production of some raw materials (i.e. aluminium) in the region makes it crucial to include clear sustainability provisions and binding clauses on climate, chemicals, and



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circularity objectives in these bilateral partnerships with the Gulf States. This will safeguard the EU's climate objectives and support EU companies' efforts to decarbonize.

The inclusion of human rights and environmental standards should be guided by internationally recognized human rights and environmental standards, including those contained in the OECD MNE Guidelines, the UN Guiding Principles, the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work (Core Labor Standards).

- **Promote fair competition for EU companies.** A level playing field should be ensured between the EU and the Gulf region to allow EU businesses to benefit from these potential partnerships.

The competitiveness of the EU companies still faces several challenges due to high energy costs worldwide and unfair trade practices such as illegal subsidies and export restrictions. The low energy prices and widespread use of government subsidies in the Gulf region may further jeopardise the EU industry since they give the Gulf countries a competitive advantage.

In order to guarantee that European industry fully benefits from these initiatives, EU authorities should take necessary measures to ensure that European companies can compete on equal footing with businesses from the Gulf Region. This will allow the EU industry to expand its exports to the Gulf states and increase investment opportunities through strategic projects in critical raw materials.

Eurometaux would like to take this opportunity to ask for a constructive engagement with the EU Commission and relevant authorities during the whole process of negotiations of any strategic partnership with the Gulf region to ensure that the interests of the combined non-ferrous metals industry in Europe are taken into account.

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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.

