

**//Interparliamentary Conference on the European Union's Strategic Economic  
Autonomy//**

**##Monday 14 March 2022##**

- Chaired by Ms Sophie Primas, Chair of the French Senate Economic Affairs Committee

=

*The meeting commenced at 9 AM.*

**Ms Sophie Primas, Chair of the French Senate Economic Affairs Committee,** welcomed all delegations to the French Senate chambers on behalf of President Gérard Larcher.

Ms Sophie Primas pointed out that the debates will take place under the watchful eyes of two great figures of French and European history, Charlemagne and Saint Louis, and eminent jurists who laid the foundations of French law.

She recalled the prophecy of committed poet, writer and politician Victor Hugo, who sat in this chamber: "In the 20<sup>th</sup> century, there will be an extraordinary nation... It will be called Europe." In his view, "war is the war of men, peace is the war of ideas". Thus, peace arises from debate and the confrontation of ideas.

At the International Peace Congress on 21 August 1849, Victor Hugo said, "A day will come when the only fields of battle will be markets opening up to trade and minds opening up to ideas. A day will come when the bullets and the bombs will be replaced by votes, by the universal suffrage of the peoples, by the venerable arbitration of a great sovereign senate" Today, it is up to the members of the parliaments of the European Union's Member States to prove Victor Hugo right by contributing to peace by confronting ideas. His

words have never resonated so deeply whilst war is at Europe's borders for the first time in decades.

Ms Sophie Primas requested a moment of silence to show the solidarity of the EU Member States' parliaments with Ukraine, its government, and its people. She reiterated Europeans' unfailing attachment to Ukraine's territorial integrity and expressed the EU's profound sadness over these men, women and children who are dying each day to bombs and gunfire, at these victims of a war they did not choose.

*(The European Commissioner and the members of the interparliamentary conference stood and observed a minute of silence.)*

The speaker returned to the reasons that led to "strategic economic autonomy" being chosen as the working topic. The Covid-19 pandemic and the war in Ukraine have reminded us of the extent to which the "capability of acting autonomously and of choosing when to act, in which domains and with which partners", in other words strategic autonomy, remains an imperative that cannot be ignored for our continent, which has always been a driver of globalisation.

Since 2020, the European Union has made strategic autonomy one of its guiding lines in rebuilding the post-Covid economy. The recovery plan, the revision of various strategies, the pending adoption of various European directives and regulations to secure our supplies and reduce our dependency on others: no one can doubt that strategic economic autonomy is on the agenda.

This is not a the latest trendy motto but a spectacular turning point that the war in Ukraine has no doubt made irreversible. In the future, after Covid-19 and after the invasion of Ukraine, we will need to reconcile strategic autonomy and globalisation.

Ms Sophie Primas pointed out us that the concept of strategic autonomy was initially perceived with the utmost reticence by certain Member States, who considered that the European Union's power relied mainly on its soft power: its market, its values, its ability to take part in globalisation, of which it saw itself as the driving force.

She also noted that sovereignty has long been a taboo notion in Europe, often associated with sovereignism, i.e., nationalist and anti-European movements that have prospered as a reaction to the effects of globalisation. Thus, for a long time no one would have even considered the notion of "European sovereignty". In this respect, the speaker noted that mentalities have shifted with incredible speed throughout the crises.

In her view, the Ukraine invasion will serve as yet another accelerator of the EU's necessary withdrawal from fossil fuels to reduce its dependency on Russian hydrocarbons.

Ms Sophie Primas recognised that there are still doubts on strategic autonomy and that its interaction with the consolidation of the internal market and an open trade policy is not self-evident.

She stressed that freedom of movement within Europe's borders and the free trade agreements with the European Union's partners are cornerstones of the European project, contributing to growth in European citizens' living standards and businesses' innovation. Consequently, the search for strategic economic autonomy has sometimes been accused of implying a limit to freedom of movement, and was initially seen as contrary to the EU's DNA and economic power.

Ms Sophie Primas insisted that strategic economic autonomy is not a return to protectionism, within EU or national borders, nor does it call into question globalisation or the ever-growing interdependency and links between people. It constitutes a justified protection

against the EU's vulnerabilities, whether related to an over-concentration of our suppliers or the supply of critical goods that our countries need to function. It is central to the European Union's resilience in the face of crises.

The speaker acknowledged that combining the terms "strategic autonomy" and "economic" might seem somewhat unusual, and some want to limit strategic autonomy to defence and security issues. But this would reflect a poor understanding of the wider, more global scope of strategic autonomy, which concerns all public policies, especially economic issues, as the war in Ukraine has so violently and painfully reminded us.

Ms Sophie Primas noted that the issues raised by trying to reconcile economic autonomy and other public policy objectives are not just theoretical. They are in fact quite real: in the energy field, for example, can the EU forego Russian gas and petrol in the winter without resorting to shale gas? Would a shift to full renewables make the EU dependent on countries that produce rare metals, whose environmental and labour rights standards are far from European's own? In this environment, should nuclear power play a greater role in Europe's energy mix?

Giving a reminder that the war in Ukraine risks causing a major food crisis in the Maghreb and Africa, Ms Sophie Primas asked how the goal of strategic economic sovereignty opposes or interacts with our environmental transition objectives, and whether we should suspend certain provisions of the Farm to Fork strategy or significantly increase our grain production.

It is not about opposing strategic economic autonomy and liberalism, but finding the right balance in each sector. Thus, to avoid working with concepts that are too general and are not relevant to the economic players' reality, the debates will focus on three sector-based

"case studies": developing the industries of the future, energy and rare metal supplies, and maintaining sovereignty over our food supply. These examples are not intended as a substitute for a more cross-cutting panorama of our vulnerabilities but should serve a substantiated diagnosis and help Europeans to make coherent choices.

Ms Sophie Primas welcomed to this first session Mr Thierry Breton, EU Commissioner for Internal Market, who has successfully supported strong and ambitious initiatives to reindustrialise the European Union.

French journalist Mr Guillaume Pitron, author of a notable essay in 2018 entitled *The Rare Metals War: The Dark Side of Clean Energy and Digital Technologies*, will deliver a documented point of view in the second session as an observer of emerging economic trends that pose many challenges to our strategic autonomy.

Mr Norbert Lins, Chair of the European Parliament Committee on Agriculture and Rural Development, will share his experience as a member of parliament in one of the EU's key competences in the third session.

Ms Sophie Primas invited all participants to remember Victor Hugo's words before the debates begin: peace and prosperity arise from the confrontation of ideas.  
*(Applause.)*

**Mr Roland Lescure, Chair of the French National Assembly Economic Affairs Committee**, welcomed all the delegations.

For Mr Roland Lescure, looking at the EU's strategic economic autonomy means looking at the future of the European Union and how the venerable nations that comprise it, at the edge of the immense Eurasian continent, see their place in the world of the future: an instable, multipolar world; a world driven by openness and globalisation but tormented by

tensions around identity; a multilateral world that sees the return of great powers to the international stage; a world that offers both threats and promises in equal measure.

For many years, we all thought that the world was inexhaustible and driven by a conquering technological progress, that the paths of prosperity and growth would be indefinitely open to both small and large countries, developed and less advanced countries alike, with no limits beyond the work and intelligence of its peoples.

The speaker gave a reminder that a report from the Club of Rome in 1972 already warned against these illusions: the world is finite, its resources exhaustible, the ability for the European Union to build a collective, prosperous and secure future for ourselves and future generations depends on controlling its resources, be these energy, minerals or food.

In this competition, which is as economic as it is ideological or military, Mr Roland Lescure noted the emergence of new players such as China, Brazil and India. These continent-spanning countries are seeking their own legitimate objectives, but these are not necessarily shared by Europe. In his view, we must therefore avoid being naive about our partners' motives, including our oldest friends and allies.

Here as well, raising the issue of the EU's strategic economic autonomy inevitably means raising the issue of its sovereignty, as the health crisis demonstrated so urgently and as Russia's invasion of Ukraine has so violently reminded us. If Europe is dependent on Russia for its gas supply and on China for its rare earth metals, if it is dependent on state or state-like players for lithium, cobalt, silicon and titanium, if it is not self-sufficient for its food, can it really claim to be sovereign?

In the words of jurist Louis Le Fur, sovereignty is "the ability of a State to only be obliged or make decisions based on its own will, within the limits of the higher principles of law and in accordance with the collective goal that it is called to realise".

How can we give substance to this Europe as a power, which is still only the greatest common denominator of its Member States and which must, on the contrary, become a multiple of them? As Sophie Primas highlighted, how can this autonomy link up with a deepening of the internal market and an open trade policy?

Mr Roland Lescure pointed out that EU Commissioner Paolo Gentiloni recently wondered about how to reconcile energy autonomy and climate ambitions. He noted that, to reduce our dependence on Russian gas, we would have to increase our purchases of liquified natural gas, increase our regasification capacity within our territory and, in certain cases and for certain countries, to resort more massively to coal. These are open questions, hard-to-reconcile and sometimes contradictory goals, and subjects that today's debates will seek to shed light on. He hoped these discussions will prove extremely fruitful and help to bring answers that EU citizens expect from their members of Parliament. (*Applause.*)

### **First session – Strategic autonomy in the industries of the future**

- Chaired by Ms Sophie Primas, Chair of the French Senate Economic Affairs Committee

=

**Ms Sophie Primas, Chair of the French Senate Economic Affairs Committee,** opened the first session, dedicated to strategic autonomy in promising industrial sectors.

Recalling that the birthplace of the Industrial Revolution was in the countries of the European Union and that it has left a mark on Europe's economies, lifestyles and

landscapes, she feels that these countries can be proud of having, some 300 years later, global industrial players and of developing new technologies each year. Yes, Europe is an industrial land.

She recognised that the changes of recent decades have deeply changed the relationship with production, disrupted the geographic distribution of the value chain and often led to a fall in industrial activity, but she considers that industry remains at the foundation of Europe's economies: it is what makes agricultural production, the energy supply and the digital economy possible. Ms Sophie Primas also welcomed the fact that industry is once again seen as an issue of common interest for European economies and that cooperation between Member States is developing around promising sectors and strategic products.

Given the health crisis's consequences on global trade and the organisation of value chains and the increase in geopolitical tensions, the speaker considered that an industrial policy based on ambition, cooperation, innovation and resilience is more imperative than ever.

Welcoming the EU's commitment to peace and the unprecedented sanctions taken against Russia's economy, she highlighted the need to limit Europe's dependence on Russian aluminium, palladium, titanium and copper for the car, aviation, renewable energy and electronics sectors. She also feels that the role of Russian gas in Europe's energy supply should be reassessed, since secure access to energy is the foundation for strategic industrial autonomy. The Ukraine conflict is an electric shock in favour of strategic autonomy and deeper European cooperation.

Finally, she thanked Mr Thierry Breton, the EU Commissioner for Internal Market for attending; his term has been marked by a renewal of Europe's industrial policy, particularly by recognising strategic autonomy as an objective, the initiation of work into



strategic industrial ecosystems, a mapping of Europe's strategic dependencies, and ambitious legislative proposals on batteries and semiconductors.

**Mr Roland Lescure, Chair of the French National Assembly Economic Affairs Committee**, stated that strengthening industry's strategic autonomy is a priority for France's presidency of the European Union (FPEU) and for the European Commission's industrial strategy, updated in May 2021 to respond to the health and geopolitical crises and the challenges of digitalisation and decarbonation. He pointed out that a ministerial conference was held in Paris this past 13 January on the topic of "A stronger industry for a more autonomous Europe", followed by one informal meeting of ministers for competitiveness and another, formal one on 24 February.

He considers that strategic autonomy in the industries of the future requires thinking about how to identify them, defining a strategy for them, and determining the resources to mobilise to make them successful.

As for how to define them, the European Commission has identified a heavy dependency on foreign suppliers for 137 products used by the 14 most sensitive industrial sectors, especially in healthcare and high-energy intensive industries; those for which there are few opportunities for diversification or substitution must receive special attention.

As to the strategy to implement in each promising industrial sector, Mr Roland Lescure considers that, while bringing back all or part of the procurement chain and increasing production capacity could be considered, it is not always wise or possible.

Furthermore, the allocated resources must match the level of ambition. Important Projects of Common European Interest (IPCEI) allow for public and private financing to be raised for strategic projects: two are under way in the microelectronics and batteries sectors,

and the French Presidency of the Council of the European Union should speed up the development of four additional IPCEIs in the sectors of hydrogen, healthcare, electronics and cloud computing.

Finally, he feels that European solidarity will be decisive in establishing a solid and sustainable industrial strategy. While the European Union has many advantages that can support strong intra-zone trade, it also needs to remain competitive with third countries – without falling into protectionism – through regulations that seek greater reciprocity in public procurement and in the fight against foreign subsidies that can distort the internal market.  
*(Applause.)*

**Mr Thierry Breton, European Commissioner for the internal market,** welcomed the members of Parliament present and thanked the French Senate, its president, and Ms Sophie Primas for holding an essential debate for the European continent. He underscored the very serious context in which this interparliamentary conference on economic resilience is being held, with Ukraine's invasion by Vladimir Putin's Russia, resulting in a cruel and savage war on the EU's doorstep. It will be a moment of truth and the occasion to further defend its founding values of democracy and solidarity. With the greatest set of sanctions ever adopted and the financial and military aid given unanimously to Ukraine and the triggering of a temporary protection mechanism for refugees, the European Union is assuming its responsibilities and acting decisively to bring peace and stability.

Faced with the disruption to the global order – the pandemic, the steep rise in energy prices, shortages and disruptions to the supply chain – which creates a new geopolitics of the value chain, the European Union must reassess its position, both as a political and an economic power. The course set by European leaders at Versailles last week – an assumed European sovereignty and the need to reduce dependencies – entails boosting defence

capabilities, reducing energy dependencies and building a more solid, pooled model of growth and investment. European unity is the foundation of its capability of establishing favourable balances of power, mastering value chains and securing supplies.

If anyone thought that supply chains were unshakeable, a consequence of a happy or blissful globalisation to the benefit of the “sovereign consumer”, this simplistic idea has gone out the window: you only need look at China's mask diplomacy at the start of the pandemic and Donald Trump's "America First" stance on vaccines as a signal for Europeans' need to maintain a favourable balance of power for its 445 million citizens.

The speaker considers that the green and digital industrial revolutions rely on two inseparable conditions: on the one hand, mastering breakthrough technologies in strategic domains such as batteries, hydrogen, semi-conductors, data and cybersecurity, and reducing strategic dependencies, on the other. The aim is not to live in autarchy, but rather to build a more assertive industrial policy that is capable of exportation, access to which relies on rules and conditions, particularly those set out by the Digital Services Act (DSA) and the Digital Markets Act (DMA).

Mr Thierry Breton explained that the fantasy of companies without factories has resulted in the loss of significant industrial and manufacturing capacity, even more significantly in the United States than in Europe, as demonstrated by our ability to increase vaccine production. His view is that supply chains must be made more resilient and production capacities increased, particularly regarding research and new digital and software technologies. He recognises that such a policy requires considerable additional investment into research and innovation in the amount of €650 billion per year until 2030, particularly for decarbonisation. In addition to the recovery plans funded through the Next Generation EU scheme, we must attract private investors to the continent.

To cope with the new energy market situation and as requested by the European Council gathered in Versailles, the European Commission will present the REPowerEU plan by the end of May to limit dependency on Russian imports of gas, petrol and coal. The goal is to go from a 9% to 3% share of Russian gas in Europe's energy mix by the end of 2022, while ensuring that reserves are 90% full in October and while helping the most dependent Member States.

Mr Thierry Breton recalled that the industrial alliances built in the last two years have already helped to pool efforts around structural projects for industries of the future. In batteries, for example, with around 70 major projects – especially 20 gigafactories – and investments three times the level of China, as well as the hydrogen sector with 750 projects to be rolled out by 2030.

He added that the European Union continues to promote strategic partnerships to diversify its supply, especially with Canada, Norway, Africa and Latin America, even though diversification is not a cure-all: the partnership with Ukraine on raw materials has tragically been put on standby.

In his view, it also remains necessary to increase local production – a mapping of strategic ores has been carried out on the European Commission's request – by attracting foreign partners and ensuring that extraction conditions respect the environment and local authorities.

Alliances and Important Projects of Common European Interest (IPCEI) will be established to help the EU increase its local production capabilities. The know-how built in this way could also benefit supplier countries, which could be outside Europe.

Also, to reduce dependency on Asia, especially Taiwan, in semiconductor production, the EU's objective is to produce 20% of its microprocessors on European soil by the end of the decade, compared to 9% currently. A plan has been put forward to this end along with a legislative proposal and significant funding of around €43 billion, which will generate hundreds of billions of additional private investment. The first announcements about this plan should be made this week about the extent of semiconductor production, the research into this subject – in which Europe is very impressive – and the production of packaging, i.e., the software specific to semiconductors depending on how they are used: healthcare, connected cars, telecommunications or the internet of things. The goal is to have more control over Europe's future in this critical domain.

As part of this initiative, called the Chips Act, €30 billion has been allocated through IPCEIs to accompany the necessary investments in the factories. Priority will be given to producing semiconductors for the future with ever smaller process technologies – under 5 nanometres, possibly even 2 nanometres.

As the EU heads of state and government gathered in Versailles on 10 and 11 March reminded us, the European Union must invest more and better in its defence capabilities and innovative technologies in a more pooled way to reinforce the collective security of its Member States and its friendly European neighbours. This reinforcement is also essential to making the European Union a good transatlantic partner and effective ally within the North Atlantic Treaty Organization (NATO). On the European Council's request, the European Commission will therefore work on increasing Europe's capabilities in security and defence.

Several Member States announced that they were boosting their defence spending to 2% of GDP, as requested by the European Union. If all Member States take action like this, European investment in this domain will increase by around €65 billion each year.

The European Commission has also proposed to implement a secure spatial connectivity system. As the recent cyberattacks against satellites above Ukraine have shown, secure communications are a part of sovereignty. Thus, a third sovereign European constellation is needed, alongside Galileo and Copernicus, dedicated to connectivity by satellite. This pursues three objectives: strengthening Europe's ability to encrypt communications, especially those between governments, using quantum technologies; developing satellite tools that could take over in case of cyberattack or a failure of land-based networks; and using a north-south constellation covering four or five time zones to offer connectivity to the African continent, for which it is important to benefit from Europe's information space. This last point was presented at the last EU-African Union summit. Efforts will be made to speed up the implementation of space companies' plans to support autonomous access to space.

European security and its strategic autonomy start with a competitive and innovative technological and industrial base that is incorporated into a controlled value chain network. *(Applause.)*

**Mr Mark Demesmaeker, representing the Belgian Senate,** began by expressing his support and solidarity to the Ukrainian people and offered his admiration for the Ukrainian parliament and Ukrainian President Volodymyr Zelensky. The discussions being held today are historic. The war in Ukraine has marked the end of the peace that everyone had thought well-established after the fall of the Berlin Wall in 1989: the idea by

which the world could focus on globalisation, the production of goods and services, individual development and cross-border communications, has been shaken.

The shortage of essential equipment that Europe suffered during the pandemic could happen again in future pandemics or conflicts, which could cut off certain supply chains. It is therefore very important to tackle this challenge. However, Europe must not cut itself off from the outside world, and its Member States must not withdraw into their national borders. Europe must work towards an open strategic autonomy. It must focus on producing vital equipment in healthcare, defence and raw materials and assume its place as a leader in this domain once again. The new legislation announced on the production of electronic chips is to be welcomed. However, we must also maintain the advantages of an open economy. An open strategic autonomy is the balance that we must achieve.

**Mr Celso Delgado, representing the Congress of Deputies of Spain,** highlighted the importance of industry to Europe's prosperity and development. We must develop a more sustainable, resilient and environmentally friendly European industrial policy. The problems that Europe is currently encountering, which the war in Ukraine has accentuated, are due to the pandemic that has caused major supply difficulties. An ambitious European policy is needed to counter this, and it must especially be oriented towards new, digital technologies. During the 2022 Mobile World Congress (MWC) held recently in Barcelona, we can clearly see the strengths that the United States and Asian countries have in this field. The European Union still has progress to make in all new technology sectors.

Mr Celso Delgado noted that his country supported the Versailles Declaration adopted on 11 March. We must take action on semi-conductor production and reduce Europe's dependency on Russian gas to 3%. The speaker asked Mr Thierry Breton if an

intervention is planned into energy prices to weather the consequences of their recent spike, particularly for the car sector. *(Applause.)*

**Mr Raoul Boucke, representing the House of Representatives of the Netherlands,** noted that the European Union has always used the crises it has faced to reinvent itself and come out stronger and more united. We must correct the problem of its heavy dependency on Russian energy and its inability to implement a strategy to this end since the 2005 Hampton Court informal Heads of State or Government meeting. The *REPowerEU* plan is a step in this direction.

We must also reduce Europe's dependency on fossil energies. In the Netherlands, the new coalition government has set an ambitious target to reduce the country's carbon emissions by 60% by 2030 and has announced the creation of a €35 billion climate fund. Industry is ready to tackle the challenge of reducing its carbon emissions. Agreements will be made along with investment into infrastructure – especially into offshore wind power – to facilitate this transition.

These two challenges are not just shared by the 27 Member States, but they must be tackled together, as a union. The European Union is an economic giant that can only defend its values if it is strong and independent. *(Applause.)*

**Mr Maximos Senetakis, representing the Greek Parliament,** highlighted that the Covid-19 pandemic and Russia's invasion of Ukraine have brought the EU into a historic moment. It must breathe new life into itself. The times have changed, and new geopolitical challenges have arisen. The European Union is faced with intense international competition. Reducing its strategic dependencies in the fields of healthcare, raw materials and essential technologies will help to boost European economies' resilience.



Greece is participating in the large-scale projects that have been set up to work towards the EU's strategic objectives, especially the IPCEIs in battery production and hydrogen, and is cooperating in the EU Industrial Forum. It has also contributed to creating the Single Market Emergency Instrument. Greece has included an ambitious investment scheme in its national resilience and recovery programme to boost electromobilities. It also has reserves of bauxite and crucial raw materials such as cobalt and nickel and uses national and European resources to fund research programmes to help identify other strategic raw materials. Greece is ready to contribute all its forces to Europe's strategic and industrial autonomy. (*Applause.*)

**Mr Franck Montaugé, representing the French Senate,** noted that both the Covid-19 pandemic and Russia's aggression against Ukraine invite the Member States to write a new chapter in the history of the European Union. Europe's market must be integrated into a model of power that serves peace, the climate and social progress. Strategic autonomy is one of the means to reaching this ambition. Diversifying the supply systems for vulnerable strategic inputs is necessary at the State level, and the EU must forge strategic supply alliances. If diversification is not possible, the EU must subsidise the storage of vulnerable strategic inputs.

Mr Franck Montaugé asked Mr Thierry Breton what actions he intends to take to secure Europe's capabilities in promising sectors, and whether he supports taking stakes in companies that produce raw materials outside Europe. He asked about his position on mining and drilling within the European Union. He also noted the need to foster innovation to be competitive in producing vulnerable strategic inputs.

The speaker asked whether the recent changes in doctrine, which have added integrated – even protected, given their stakes for Europe's general benefit – vertical industrial

approaches to the previously almost-exclusive principle of free, undistorted competition, are necessary to allow the European Union to become more autonomous in an international environment where competition is often skewed.

Finally, Mr Franck Montaugé asked Mr Thierry Breton's opinion on the need to take into account the fair value of carbon at the EU's borders and within its territory.

**Mr Andrius Vyšniauskas, representing the Lithuanian Parliament,** noted that the war in Ukraine has changed the geopolitical situation and poses serious problems for Europe's economies. Gas prices have increased, certain industries are threatened, not due to the severity of sanctions placed on Russia but due to the European continent's heavy dependencies in industrial goods, technologies and food products from other powers, as well as a certain naiveté that the EU has long held.

Now, we must turn our words into actions. The European Union's objective must be to reach economic independence from Russia and China, and complete independence from any regime that is not consistent with its values. Lithuania has gradually increased its energy independence from Russian gas and petrol and will soon be independent of Russian electricity. These steps were taken independently of Russia's actions. We must admit that there is something fundamentally bad in this part of the world: we can see it at work in Ukraine and Vladimir Putin. *(Applause.)*

**Ms Ana Maria Cătăuță, representing the Romanian Chamber of Deputies,** noted that in order to be autonomous, the European Union must start by investing in a toolbox that will allow it to reduce its strategic dependency. She states that we must encourage energy storage, diversify supply sources, develop more secure supply chains, and increase investment and production in Europe.

She added that, while the green transition is essential, we must take care not to increase social and economic inequalities between EU countries and regions.

She recalled that Romania is working with other Member States on the important project of common European interest (IPCEI) on microelectronics, a sector essential to the digital transition. She noted that recent investments have helped boost this historic production in her country. (*Applause.*)

**Mr Brian Leddin, representing the Irish National Assembly**, expressed his country's solidarity towards the Ukrainian people and to the European countries facing an influx of migrants, which is already noticeable in Ireland.

He noted that, while it does not have the industrial base that many European countries have, Ireland has an extremely clean energy resource off its western coast: wind power. With its enormous potential, Ireland can contribute to creating a clean hydrogen economy in the European Union.

Mr Brian Leddin noted the role that Ireland has played in Europe since the Roman Empire and added that Brexit has boosted his country's desire to turn towards the European Union.

He said that the European Union must look to Ireland for its energy supply and finally put an end to any dependency on despots like Mr Putin. It must bring industries back near to their energy sources and resist the temptation to return to old, polluting technologies. He notes that managing demand is a real challenge for energy: there is no point in building considerable infrastructure for meaningless uses, like expanding cryptocurrencies.

He considers that greenhouse gas emissions mainly come from the widespread use of cars and that, above all, we must call into question what we use energy for.

He concluded that it is essential to reduce our energy consumption. (*Applause.*)

**Mr Žarko Tušek, representing the Croatian Parliament**, noted that the Covid-19 crisis has highlighted the importance of the environmental, social and health risks of our energy dependency.

He added that the war in Ukraine has weakened several of our supply chains even further. He states that we must boost our strategic autonomy by using the best practices developed by our companies in the past two years as a basis while we build new supply chains to fulfil the dual green-digital transition.

He affirmed that Croatia supports industrial alliances that can help build Europe's resilience, attract private investment, and create new partnerships.

He said his country is in favour of building European industrial networks, especially for hydrogen. Moreover, Croatia has partnered with Italy in the North Adriatic Hydrogen Valley. Croatian carmaker Rimac Automobili is participating in one of the main IPCEIs, in batteries.

He stated that the Croatian Ministry Economy and Sustainable Environment is preparing an economic development plan based on clean energies. In conclusion, he welcomes the role France has played in the matter. (*Applause.*)

**Mr Klaus Ernst, representing the German *Bundestag***, wanted first to thank the French Senate for organising this essential conference with such talent at a time when war is returning to Europe.

The energy issue was a question even before this crisis. China has implemented a state-directed capitalism which, we must admit, is technically very effective. Meanwhile, the

United States conducts a policy of national preference. Above all, these two partners are defending their own interests. Also, as Mr Breton has highlighted, we must fight for our strategic autonomy.

Mr Klaus Ernst observed that the European aviation industry would not exist without State intervention. In his view, we should coordinate the work of individual economic players; otherwise, the continent risks being unable to take common and interdependent action. He feels that our own interests are at stake and wonders whether we should step a certain ways back from liberalisation, which has caused pernicious effects in the medical field, as the Covid-19 crisis has shown.

He concluded that, in the face of the Western and Eastern blocs' rearmament, we cannot stay behind. Not only should we increase our military budgets, but we must consider the deployment of our forces. (*Applause.*)

**Ms Denitsa Simeonova, representing the Bulgarian National Assembly,** stated that a rapid adjustment of Europe's industry is more necessary than ever to make the green and digital transition successfully in an environment of exacerbated political tensions.

She noted that we urgently need strategic action from Europe. Furthermore, Bulgaria's coalition government has recently created a Ministry of Innovation and Growth and has allocated considerable sums for innovation through various recovery instruments.

Ms Denitsa Simeonova considers that the European Parliament must now perform a detailed analysis of industries' and services' energy dependency. To reinforce its strategic autonomy and industries, the European Union must make more systematic use of IPCEIs; the speaker is thinking specifically of microelectronics.

She argued that we must pay special attention to raw materials to ensure that Europe's supplies are sustainable while noting that their extraction must meet a certain number of social criteria.

Finally, she said that a successful economic transformation for the EU requires access to primary and secondary raw materials that ensures technology is clean and respects our ecosystems. *(Applause.)*

**Mr Peter Kremský, representing the Slovakian National Council,** thanked the French Senate for organising this conference on such an important topic. He recalled that the European Union was founded after the Second World War in order to avoid future wars and build the continent's autonomy.

The war in Ukraine sounds the alarm for the European Union. Mr Peter Kremský says that nothing will ever be the same, and this crisis compels us to become stronger.

He is deeply concerned that the emissions trading system has become a tool for financial speculation. This situation is harmful to Europe's great plans, and it should be brought to an end.

The speaker expects that internal combustion engine cars will be banned in Europe in the medium term. He added that we cannot become technologically dependent on China or Russia.

Finally, he commented on the issues of competition between the various energy sources and wondered if coal's share in the German energy mix is really satisfactory. In his view, these questions call for real debate because we must stop greenwashing and being politically correct in order to truly build Europe's strategic autonomy. *(Applause.)*

**Mr Paulo Moniz, representing the Portuguese Assembly of the Republic,** reminded us that the future will be digital, especially for our industry. The European Union needs to look reality in the face and ensure its independence.

In this regard, the speaker noted that our European industries, in many strategic areas, use software developed by Russian companies.

He insisted on the need to think about the stakes of intellectual property in Europe. He regrets that investment into research and development has declined for many years, to the benefit of other countries. Similarly, our university research benefits others; we cannot squander the asset of intellectual property in this way, especially when it benefits our competitors.

Mr Paulo Moniz discussed one final issue: the ownership of the Cloud. The optical fibre network has strategic value for European defence and sovereignty. Since the future is digital, the Cloud must be physically located in Europe and protected from potential attacks. *(Applause.)*

**Ms Martina Nardi, representing the Italian Chamber of Deputies,** first thanked the French Senate for displaying the Ukrainian flag in its chambers. She is sure that all countries represented here can see themselves in it.

Like Mr Breton, she noted that we are currently at a turning point since, given the combination of the pandemic and the war in Ukraine, globalisation is going through a mutation.

In her view, without stronger autonomy the European Union risks falling apart: we need more Europe, more meetings like this to build a European policy. This is why, she

added, we must act quickly, because history is speeding up and the war in Ukraine is upending previous strategies and schedules.

She worries that, in a few days, the spike in petrol prices will lead to lorry drivers blocking the highways, paralysing all of Europe. She concluded by insisting on the need to bring our attention to a new policy that aids industry in its entirety. (*Applause.*)

**Mr Albert Vicaire, representing the Belgian Chamber of Representatives,** recommended reading the 2020 study from the European Parliament entitled “On the path to "strategic autonomy"”. He laments the fact that with the successive crises, governments have been chasing one emergency after another, although each crisis has at least served as an enlightener. In the health crisis, Europe discovered that it was not independent in masks and paracetamol. Now, with the war in Ukraine, it is being made aware of its energy dependence. The speaker calls on political leaders to shift from emergencies to planning.

He considers that autonomy in industrial sectors can only be considered from a European perspective and asks Europe to stop being naive about its trading partners. He invited everyone to read *The Rare Metals War* by Guillaume Pitron and calls for an expansion of wind turbine and telephone recycling, for example, to boost Europe's autonomy. For him, the objective is to reduce the price of raw materials in the internal market and to protect it through barriers to entry, as will be done for CO<sub>2</sub>, without harming competitiveness. Finally, Mr Albert Vicaire stressed the need to expand research and development. (*Applause.*)

**Mr Alexandros Charitsis, representing the Greek Parliament,** observed that Europe is at the heart of three intermingled crises: Covid-19, the invasion of Ukraine, and the economic crisis with energy price inflation. He asserted that the war has shaken how we view everything: the welfare state, inclusive growth. Since all the world's value chains have been



disrupted, we must reflect, plan and act more at the continental level and reinforce small and medium chains of value.

Mr Alexandros Charitsis called for a change in doctrine and to articulate the EU's action around four priorities: a reform of the budgetary rules of the stability pact to allow for greater investment, the creation of a permanent plan for recovery and resiliency facilities, an increase in the budget allocated to cohesion policies, and increased flexibility for state aid.

Recalling his experience as economy minister, he hoped that the solidarity and autonomy that everyone supports is made concrete, which is an essential condition for Europe to remain a leading international player and to continue to enjoy the support of the European people. He refuses any return to a policy of austerity that did so much harm to Europe's countries, particularly Greece. (*Applause.*)

**Mr Pablo Pérez Coronado, representing the Spanish Senate,** pointed out the need to reinforce Europe's value chains in the midst of the crises to boost strategic autonomy without falling into protectionism, which is not allowed by Europe's rules. He stated that this autonomy must flow from greater strength and cohesion between EU countries. Cooperating with others must be a priority to achieve industrial autonomy. Acting alone must be the last solution considered. To this end, we must better diversify and structure our value chains.

In the speaker's view, the first step seems to be to redefine what sectors are essential in the most detailed way possible, those that ensure that our societies function correctly, whether these sectors are disruptive or traditional. He called for a common project in which there are no winners or losers, for example through a favourable budgetary framework and investment incentives. He highlighted that energy autonomy entails expanding

nuclear and hydrogen power. He said that industrial policy is the most appropriate instrument to set investment priorities at the European level. (*Applause.*)

**Mr Michael Grosse-Brömer, representing the German Bundestag**, highlighted that the brutal crisis brought about by Putin has revealed Europe's weaknesses. He said that he agrees with the remarks from his colleague on the left in the *Bundestag*. He adds that we must be firmer with the Russian president and that Europe needs a defence capability, not to replace NATO but to complement it.

Quoting the famous phrase "*It's the economy, stupid!*", he stated that the economy is the foundation of peace and freedom in Europe, and it has been the internal market that has consolidated peace in the past. He thanked Commissioner Thierry Breton for having discussed Europe's various successes and for having rejected any isolationist tendencies: the solution is to reinforce the actions of the EU and Member States while overcoming bureaucratic obstacles, so that Europe can be an important player in international competition. To this end, he wished lots of success for REPowerEU. Finally, he was delighted to be seated at the same place as Victor Hugo so long ago. (*Applause.*)

**Mr Thierry Breton, European Commissioner for Internal Market**, thanked the speakers for their inspiring remarks.

In his view, Mr Mark Demesmaecker is right in saying we must be open but not naive: open but on Europeans' conditions, like the Americans, who are open as well but on their conditions. Mr Thierry Breton recalled the situation during the pandemic: European companies who were set up in the United States could not deliver us certain vaccine ingredients while American clients had yet to receive theirs because of the export ban. He

asked the College of Commissioners to declare reciprocity, which allowed the dialogue to be reopened.

He said to Mr Celso Delgado that the Commission has established a toolbox presenting Member States with the state aid that they can mobilise for the most impacted citizens and economic sectors, including the energy sector. He called on the members of parliament present to take action so that their governments make use of it.

He sided with Mr Raoul Boucke on the energy strategy. He absolutely agrees that common infrastructure is necessary. The energy mix is a sovereign competency of Member States and must continue to be so, but this does not prevent greater coordination in infrastructure or more pooling of purchases, as was done in healthcare, another national competency. He wants more joint purchases, more joint reserves. He said that the European Council held in Versailles a few days ago asked the Commission to present it with proposals to this end within fifteen days.

Mr Thierry Breton confirmed to Mr Maximos Senetakis that he is indeed aware of what Greece is doing in batteries and hydrogen as well as the constellation of satellites; the Commission is prepared to take action, including through an IPCEI.

He said to Mr Franck Montaugé that, like many, he agrees with his triptych "peace, climate, social". He pointed out that the purpose of industrial policy is strategic autonomy and securing value chains, whether big or small. Furthermore, the Commission proposed harmonising social conditions a few days ago. The speaker acknowledged that it is a change of doctrine from the time when the consumer was placed at the centre of everything: today, the Commission also wants to take care of companies and industries, because jobs,

innovation and social well-being depend on them. As for the climate, he reminded those present of the future Carbon Border Adjustment Mechanism (CBAM).

He informed Mr Andrius Vyšniauskas that he has met with his country's government. He shares his idea to trade with countries that share the same values but wants us to start by working well with the internal market. Everyone understood, he said, that there would be a before and an after in the relationship with Russia, and that China is a systemic rival. He recognised that the Americans remain our partners but called for us to do away with any naivete: it is because Europe is strong that the partnership will be frank. He reminded those present that we are only respected because we are strong.

Mr Thierry Breton confirmed to Ms Ana Maria Cătăuță that circularity is an essential element, especially for rare and expensive resources, and that it is important to be able to reuse them to have better control over our dependencies and damage on the environment. This is part of the Commission's plans. It has initiated a battery passport, as a start. He agreed with her in her call for vigilance over any discrepancies; this is justified by an approach based on ecosystems – cars, telecommunications, healthcare, tourism – at the European level. He said that these ecosystems must be harmonised without discrimination on location. He informed her that he has met with the Romanian government about the IPCEI dedicated to microelectronics, which that country has joined.

He replied to Mr Brian Leddin that Ireland is perfectly integrated into the Union. He visited an Intel plant near Dublin, which represents the most significant industrial investment in Europe, proving that Ireland not only knows how to attract capital, but industry as well. He reiterated that semiconductors and power electronics must allow for energy savings, but we nevertheless must learn to consume less and better, especially gas, in order to

reduce Europe's dependency on Russia. He added that the NextGenerationEU plan provides for detailed measures to control and reduce energy consumption for all EU countries.

He appreciated the remarks from Mr Žarko Tušek on industrial alliances, especially in the hydrogen and automobile sectors. The IPCEIs will be increasingly used to have better control over state aid while respecting competition.

He responded to Mr Klaus Ernst that Europe is closer to the United States than China, after all, although we must remain confident in our strengths. He recognised that China is a very large trading partner but, in the words of the previous Commission, it is a "systemic rival".

He reiterated that IPCEIs were devised to receive state aid and private investment in sectors such as semiconductors and healthcare, but for the arms industry, there is a specific fund, the European Defence Fund. He hopes that things will go in the right direction, but that presumes that everyone buys European, and not from other countries... He reiterated that his role is to promote the creation of industries and jobs in all Member States in a shared way.

Mr Thierry Breton reminded Ms Denitsa Simeonova that, during a recent meeting with Bulgarian Prime Minister Kiril Petkov, the need to carry out quick reforms was discussed; the analysis of the European economy's dependency in the services sector as well as technology is significant. He added that social sustainability must be one of the criteria for IPCEIs.

Responding to Mr Peter Kremšký, the speaker said that the Commission must remain very vigilant to avoid speculation on EU ETS. Financial authorities were called on to identify any manipulation.

The European Union is far ahead of its competitors in the production of internal combustion engines and hybrid propulsion. Mr Thierry Breton recalled that the goal of selling only electric cars in Europe in 2035 does not mean that car makers should stop building internal combustion or hybrid engines: the European population is only a small share of the world's population. These engines need to be produced for other markets on other continents, like Africa. Car makers must continue to innovate, because stricter standards will help to reduce these engines' damage to the planet.

As for diversifying energy sources, the zero-carbon target for 2050 cannot be reached without nuclear power, since this energy source represents 26% of electricity production in Europe. Electricity consumption is expected to double in the next thirty years. For Mr Thierry Breton, it is therefore imperative to develop cleaner nuclear power, and gas and nuclear continue to be included in the taxonomy.

To Mr Paulo Moniz, who recalled that the future is digital and that Europe must be independent in this domain, he states that the European Commission is proposing an alliance for a sovereign cloud so that data is processed in Europe and that no legislation other than European regulations can be applied to them. Certain data have strategic importance, especially in industry or healthcare. It is also important to monitor infrastructure, especially submarine cables. A new special fee should help to boost control capabilities.

To Ms Martina Nardi, who asks that we be attentive to increasing petrol prices, Mr Thierry Breton said that the French know the importance of the subject very well. A toolbox is in place. To her question on the value of a new NextGenerationEU plan, the speaker replied that the first plan is far from over. He did add, that, as President Macron has stated given the current situation, the issue is not taboo but that things will happen in good time.

To Mr Albert Vicaire, who said that the European Union was not independent in masks, paracetamol or vaccines, Mr Thierry Breton replied that the European Union successfully made itself independent in just a few weeks thanks to the hard work of businesses, to the extent that it became the world's leading pharmacy, providing vaccines to 150 countries. He said he agrees with Mr Vicaire's view on two of the four points he raised: reforming the stability pact and greater flexibility towards state aid reforms.

The speaker agreed with Mr Pablo Pérez Coronado, who recalled that strategic autonomy must not be synonymous with protectionism. We must invent ways to have control over dependencies in an open world, under European conditions. Europe must have alliances in the international balance of power. Strategic autonomy involves hydrogen as much as it does cleaner nuclear power.

Mr Thierry Breton shares the opinion of Michael Grosse-Brömer, who says that the crisis is revealing Europe's weaknesses. However, he reiterated that we cannot rewrite history. Some have abandoned nuclear power; others are too dependent on Russian gas. Europeans must arrive at solutions together despite their differences: we must help each other and work together. Europe is a fragile construction. The more united and stronger it is, the better partner it can be to NATO, and the better partner NATO can be to it.

Mr Thierry Breton thanked all participants for the richness of the exchanges.

*(Applause.)*

*The meeting was suspended at 11.40 a.m. It resumed at 12 p.m.*

**Session 2 - Strategic autonomy in the energy and mining sectors: the example of rare metals**

**- Chaired by Mr Roland Lescure, Chair of the French National Assembly Economic Affairs Committee**

**Mr Roland Lescure, Chair of the French National Assembly Economic Affairs Committee**, opened the second session by pointing out that in the current geopolitical context, the European Union's energy self-sufficiency has become more than a challenge to be met in the future, and is now being considered a vital objective. There is a pressing need to secure fossil fuel supplies and reduce our dependence on Russian gas. The European summit organised by President Macron during the previous week provided an opportunity to debate this strategic issue. The most effective and sustainable response for Europe is to diversify its energy sources and reduce fossil fuel consumption.

Mr Roland Lescure reiterated that at the next interparliamentary conference on 21 March, representatives would be discussing Europe's ambitions in terms of the energy transition. The decarbonisation of industry and transport and the production of renewable energy require the use of technologies that rely on rare metals. It is currently impossible to manufacture solar panels, develop charging and storage infrastructures or produce hydrogen by electrolysis without using copper, aluminium, lithium, cobalt, nickel or rare earths.

The speaker introduced Mr Guillaume Pitron, a journalist and the author of *The Rare Metals War: The Dark Side of Clean Energy and Digital Technologies*, which raises the alarm about the problems posed by this growing use of rare metals. While world demand is growing exponentially, the European Union relies mainly on Chinese and Russian supplies,



which are subject to geopolitical uncertainties. Moreover, the conditions under which these metals are mined do not always meet European environmental, health and social standards.

The French Presidency of the Council of the European Union provides an opportunity to raise the strategic issue of the Union's dependence on rare metals. Mr Roland Lescure pointed out that this issue is crucial to achieving the goal of carbon neutrality by 2050, and to bringing to fruition strategies on batteries, hydrogen and the integration of the EU energy system, while simultaneously ensuring that Europe does not become more dependent upon third countries likely to exploit international competitive pressures or use these minerals as weapons of economic warfare. This issue is also fundamental to ensure that Europeans do not cause further irreversible harm to the planet during the energy transition.

Collective reflection is required to assess Europe's future needs and possible responses, with a view to attaining self-sufficiency in this area.

To this end, Mr Roland Lescure stated that France aims to improve the recycling of strategic materials and increase the exploitation of its mining potential. These avenues must be explored at the EU level: what potential energy sources are available in Europe? How can we manage them intelligently, in compliance with the highest environmental, social and health standards? How should we develop a circular economy and optimise the European consumption of rare metals?

**Ms Sophie Primas, Chair of the French Senate Economic Affairs Committee,** reiterated that Russia's war in Ukraine had caused gas and oil prices to soar, raising questions about Europe's energy supplies.

While she welcomes the targets set by heads of state and government to reduce Europe's dependence on Russian fossil fuels, she noted that less attention has been paid to the

fact that this war has also caused a surge in the prices of three metals – aluminium, palladium and titanium – which are essential, especially for electric battery production, and for which a significant proportion of European supplies come from Russia. Europe intends to accelerate the energy transition, but this is creating new vulnerabilities in the supplies of critical metals.

Ms Sophie Primas believes that the "Fit for 55" package sets very ambitious decarbonisation targets for the Member States. These targets are essential for preserving the climate, reducing greenhouse gas emissions by 2030 and achieving carbon neutrality by 2050, but they are also one way to end the dependence on hydrocarbon imports from Russia. Ecological transition and strategic independence go hand in hand: both require Europe to increase its efforts to promote renewable energy sources.

The European Union, through the "Fit for 55" package, is planning to embark on a Copernican revolution in the energy sector, in terms of both production – employing renewable energies – and use, with the hydrogen-powered electrification of buildings, industry and transport, or even energy storage systems.

However, Ms Sophie Primas also pointed out that while the energy transition is necessary, mining dependence is often absent from the public debate, even though the production of solar panels, wind turbine blades, electric batteries or hydrogen electrolyzers requires rare, imported and expensive metals responsible for high levels of greenhouse gas emissions. One smartphone contains 15 grams of rare earths, one electric battery contains 5 kilograms, and one offshore wind turbine contains 600 kilograms.

In France, the national power transmission operator, Réseau de transport d'électricité (RTE), has published the following estimated annual mineral needs to ensure the operation of the electricity system: 17 kilotonnes of rare earths, 70 kilotonnes of copper, 150

kilotonnes of aluminium, and 1,700 kilotonnes of steel, while nuclear energy requires only 5 kilotonnes of uranium per year.

Ms Sophie Primas identified five challenges for the European Union. The first is price increases, as the use of rare metals is associated with an inflationary risk. In one year, the price of copper has risen by 20%, and that of aluminium by 70%, while lithium prices have tripled. The energy transition could transform this cyclical increase into a structural increase.

The second challenge is the risk of shortages caused by rising demand and competition for resources, which can have important geopolitical implications. Indeed, the quantities of copper required could double by 2042, with the amounts of nickel required tripling, and a forty-two-fold increase in lithium requirements. There are also risks of shortages for some rare metals such as copper, aluminium or nickel and for some rare earths, such as neodymium.

The third challenge concerns dependence on the producing countries, insofar as world production of rare metals is concentrated in countries that do not necessarily conform to the same economic, social or environmental standards as Europe. For example, 50% of the world's copper production comes from Chile and Peru. China produces 40% of the world's aluminium and 60% of the world's rare earths, while 50% of the world's cobalt comes from the Democratic Republic of Congo. Russia supplies Europe with strategic metals such as aluminium, nickel, palladium and titanium.

The fourth challenge concerns negative externalities, as the production of rare metals is a source of greenhouse gas emissions, environmental pollution and other nuisances

that impact populations. For example, worldwide aluminium production accounts for 1% of all greenhouse gas emissions.

The final challenge is a major undertaking, and concerns the development of a circular economy. Instead of importing rare metals, we need to promote their production in Europe, find innovative ways to reduce their consumption, and develop waste recycling, as only 10% of electric batteries are currently recycled.

While this situation is likely to cause major geopolitical upheavals, Ms Sophie Primas believes that paradoxically, Europe remains very slow out of the starting blocks. While Europe has set the world's most ambitious energy transition targets, European mining policy is in its infancy and is hardly debated in national parliaments. It is crucial to raise awareness and change policy. The speaker stated that in the French Law on tackling climate change and building resilience to counter its effects, adopted in France in 2021, the Senate Economic Affairs Committee introduced a "mining sovereignty" objective into the law.

In order to bring about a concrete and total change, and to identify and prevent the state of mining dependency into which the energy transition could plunge Europe, Ms Sophie Primas considered some changes that could be made.

Firstly, she believes that European and national strategies could be reinforced with a view to securing the supplies of strategic metals, in order to identify critical metals, their producing countries, their economic cost and their carbon impact.

She then advocates the provision of support for mining projects and the relocation of mining value chains, from the extraction and processing of metals through to the collection of waste. To this end, the budgetary or fiscal incentives for such projects could be ramped up. An EU-wide toolkit could also be developed for the Member States.

Finally, Ms Sophie Primas expressed her belief that mining should be enshrined as one of the key issues of the century; she is convinced of the need to adhere to sustainable development requirements and a sustainable economy- or territorial-ecosystem-based approach, and that European standards and labels should promote the "sustainable mining" concept.

She was honoured to give the floor to Mr Guillaume Pitron, whose publications, translated into several languages, highlight the economic and environmental challenges posed by the energy transition, and in particular, our dependence on rare metals. (*Applause.*)

**Mr Guillaume Pitron, a journalist and the author of *The Rare Metals War: The Dark Side of Clean Energy and Digital Technologies***, began by reminding us of the vital ecological, economic and geopolitical importance of rare metals, now and over the next thirty years. He pointed out that a carbon-free or "low-carbon" world – a world in which we will need less oil and coal – will be a world of metals. In particular, it will be a world of abundant metals: a great deal of copper will be required to achieve the energy transition: up to 16 tonnes for a wind turbine, and an electric car requires four times as much as an internal-combustion-powered car.

Mr Guillaume Pitron added that a low-carbon world is also a world of "rare" metals, so called because they are found in minute amounts in the earth's crust and are harder to extract than abundant metals. He also noted that more often than not, these metals are also "critical" metals, with their concentration in particular areas – South Africa, Chile, Bolivia, Argentina, China and Russia – creating a risk of supply shortages.

He referred to the list of just under thirty critical metals drawn up by the European Union since 2011: cobalt, lithium, palladium, indium, gallium, etc. As for "rare earths", he

explained that this is actually a category of rare metals, mentioning the example of neodymium, which is used in mobile phones and electric car engines. He also mentioned the United States' recent update of its own list of critical metals, which now contains fifty mineral commodities subject to supply risks, and complains that nowhere in the 27 pages of the Paris Agreement is there any mention of these metals; nor is there any mention of the words "metals", "mineral resources" or "mines": the question of where these metals will be found, and at what cost to the environment, is never asked, even though there are winners and losers on the rare and strategic metals game, just as there have been winners and losers on the oil game.

When focusing on the ecological issues inherent to the geographical distribution of these raw materials, Mr Guillaume Pitron described the spectacle of the rare earth and graphite mines he visited in China as "absolutely horrifying", with metals being refined in conditions that are totally disrespectful of human life and the environment, waste being discharged directly into the natural environment, "cancer-ridden villages", and high incidences of brittle bone disease. Echoing the words of a Chinese rare earth expert, he stated that China has sacrificed its environment to supply rare earths to the rest of the world, and argued that our geographical remoteness – the mines are located far from here – explains our ignorance of this phenomenon.

He noted that at one time there were rare earth mines and refineries in Europe, but the environmental costs of these activities led us to relocate the pollution – that associated with green technologies, and consequentially, the burden of the energy transition – to other countries. In this way, such pollution is kept out of sight and out of mind, dividing the world of energy transition into those who are dirty and those who pretend to be clean.

Mr Guillaume Pitron then raised the question of the underlying economic stakes as this transfer of production makes China – the leader in the production of these strategic raw materials – "the Saudi Arabia of rare and critical metals", while adding that China wants to move up the value chain and sell us magnets, batteries, electric cars, wind turbines and solar panels, products with high added value, in order to improve the country's trade balance. He described the dependence we are developing on China as "much more serious" than our dependence on Russian hydrocarbons, and called for "mineral diplomacy" in order to secure our supplies. He noted that China is fully aware of the importance of the geopolitical issues at stake, hence its strong presence in Africa, and particularly in the Democratic Republic of Congo, where cobalt is mined.

Outlining the geopolitics of a "greener world", Guillaume Pitron warned that instead of resolving the ecological, economic and geopolitical challenges of the thermo-industrial age, we may simply be shifting them from the oil fields to the mines of these strategic metals. He defends the idea of a "transition 2.0", with "transition 1.0" being that of the Paris Agreement, which ignores the increased demand for rare metals, and claims that the success of this transition 2.0 is dependent upon the general public's knowledge of the ecological truth of technologies: in other words, he explains, we need to carry out life-cycle analyses in order to translate this relocated and hidden pollution into figures and images. In this regard, Mr Guillaume Pitron mentioned the interest of "ethical supply chains", which are intended to guarantee the transparency of the origin of minerals.

He also advocates restructuring our industrial base to increase its capacity to reprocess resources, i.e. developing the circular economy. He argued that the real challenge of the 21<sup>st</sup> century is not to create a greener world, but rather a circular world, with the latter being much harder to implement than the former, because a green world is not automatically

circular. He defines the circular economy as an economy based on cooperation and solidarity in which the eco-designer of digital products, the metal collector, the recycler and all actors in the chain work together to optimise resources.

He observed that Europe is already engaged in developing mineral diplomacy via the European Union-Latin America dialogue on raw materials, a discussion forum that meets once a year to discuss the diversification of our supplies.

He also expressed his belief that we should be reopening mines in Europe rather than letting the Chinese extract rare earths on our behalf. Highlighting the concept of "environmental sovereignty", he pointed out that the adoption of this approach would make us sovereign in terms of supply, but above all sovereign on the ecological level: our ecological performance would no longer be indexed on that of the Chinese, Russians, South Africans or Bolivians.

Paraphrasing Einstein, Mr. Guillaume Pitron wondered whether we might be trying to solve the problem that we are facing by adopting the same mentality that initially created it, and suggested that reinventing our ways of thinking means talking about "supply sovereignty" – a newly coined expression in the public debate; it means defending sectoral processes, from the mine through to the finished product, and it means focusing on the long term. Time is not a problem for China; but do we even have the time, given the workings of our political and media worlds, to identify the long-term issues at stake, on a generational scale?

Mr. Guillaume Pitron urged everyone to accept that the true price of metals will have to be paid, taking account of the negative externalities generated by their production, adding that a greener world may be a more expensive world.



Concluding on a positive note, he reported the words of one manufacturer: "The main problem we face is not posed by the shortage of rare and critical materials but rather our shortage of brain power." (*Applause.*)

**Mr Costel Neculai Dunava, representing the Romanian Chamber of Deputies**, began with a few words about the totally unexpected situation we are facing, which requires us to react in a highly flexible and adaptable manner. Noting that critical raw materials are in short supply in Europe, he argued that the EU should ensure that its social and environmental standards are met while the guaranteeing security of its supplies and developing domestic production. He also advocates recycling to reduce consumption and welcomes the existing initiatives, strategic alliances and legislation on the use of parts originating from the circular economy, and task forces.

Mr Costel Neculai Dunava promoted the building of alliances that are as inclusive as possible, based on the strengths of each Member State, and mentioned that Romania's significant potential in critical resources, for example, should be exploited. He called for a reduction of the risks inherent to investment projects through specific support measures for small and medium-sized enterprises, noting that meeting European environmental standards can be prohibitively expensive for some small businesses. Referring to the frequent ignorance of existing standards, he concluded by reminding the audience that the priority for members of parliament is to ensure a predictable regulatory framework. (*Applause.*)

**Mr Albert Vicaire, representing the Belgian Chamber of Representatives**, referring to the motto "Plutôt pauvre que valet" ("Poverty rather than servitude"), inscribed on the pediment of the town hall of La Bresse, in the Vosges, reminded us that our society was built on cheap energy.

Citing the work of the non-profit association negaWatt, he listed the three ingredients we need to succeed in the transition: energy restraint, efficiency and renewable energy.

In terms of energy restraint, he invited us to take inspiration from Danish practices, in which heating networks, efficient public transport systems and demand are combined in line with production capacities; this is the path we must take in order to reduce our energy consumption by 30% to 40%.

In terms of efficiency, it is up to politicians to set standards in order to ensure that the products and energy we consume are carbon-neutral and exclusively European.

Displaying a "Nucléaire? Non merci!" ("Nuclear power? No thanks!") sticker on his computer, Mr Albert Vicaire invited the French Senate to listen to the Court of Auditors rather than influential pro-nuclear lobbyists, because renewable energy will be the key to our independence, as fissile energy is also fossil energy. (*Applause.*)

**Franck Montaugé, representing the French Senate**, deplored Europe's vulnerability in the energy and mining sectors and its aggravation by the war in Ukraine, which undermines our ability to attain carbon neutrality by 2050. Comparing the current situation to a new oil crisis, he acknowledged our low level of strategic autonomy and wondered whether a European strategy in this field even exists, regretting the absence of the European Commissioner for Energy.

Mr Franck Montaugé also expressed his reservations about nuclear energy being qualified in the "green taxonomy" as a transitional and unsustainable energy source. Referring to the "Fit for 55" package, he disapproved of the decision to refrain from applying the

principle of technological neutrality enjoyed by other decarbonised energy sources to nuclear energy and hydrogen production.

He also lamented the fact that little account is taken of alternatives to Russian gas, such as biogas or liquefied natural gas, and called for a revision of the European "gas package" to reinforce its energy supply security component.

Finally, he urged the completion of the revision of the "marginal cost" principle, which links electricity prices to those of gas, as a matter of urgency, without waiting for the submission of a report by the Agency for the Cooperation of Energy Regulators (ACER), scheduled for April. He hopes that the current crisis will provide an opportunity to take stock of the deregulation of the energy sector. Ensuring the security of our supplies at acceptable costs for our citizens, rather than dismantling our national energy companies and opening up our concessions to competition: this is what is at stake. (*Applause.*)

**Ms Lotta Olsson, representing the Swedish Parliament,** called for greater awareness of the EU's vulnerabilities in the procurement of rare metals, for the sake of European strategic autonomy – a crucial issue given their importance to the technologies on which the green transition will be based.

She reminded the audience that Swedish production accounts for 93% of the iron ore mined in Europe and praised the commitment of the country's state-owned enterprises, mentioning the example of the recycling of mining industry waste, which covers five times the national phosphorus needs. She also highlighted Sweden's significant contribution to the production of rare metals used in wind and solar power technologies.

Finally, she mentioned that she is looking forward to Sweden hosting World Environment Day 2022 next June, before it assumes the Presidency of the Council of the European Union in the first half of 2023. *(Applause.)*

**Mr Silvio Erkens, representing the House of Representatives of the Netherlands,** noted that our cruel dependence on Russia for critical resources, highlighted by the invasion of Ukraine, makes us vulnerable and therefore politically weak. He urged us to seize this historic opportunity to rid ourselves of this self-inflicted vulnerability: our strategic autonomy depends on our ability to become a hotbed of innovation. The energy transition requires real political leadership to enable us to take risks and act quickly, by investing in nuclear, geothermal, solar and wind energy.

Calling rare metals "key ingredients for the transition", Mr Silvio Erkens stated that there is an urgent need to move away from our dependence on Russia and China. He implores Europeans to overcome their reservations about mining: these resources can and should be extracted in the EU under conditions that meet our social, environmental and safety standards.

Mentioning the need to invest in the circular economy, he calls for lithium from recycled batteries to be reused rather than imported, and for an end to exports of our high-value-added waste. It is generally a question of showing our rivals that we are strong. *(Applause.)*

**Mr Alexandros Charitsis, representing the Greek Parliament,** said that this interesting discussion on waste processing raises the international issue of the green transition, in which Greece is a leading light. However, he called on the assembly not to overlook the issue of energy prices, which poses an existential threat to the European

economy, regretted the lack of a strategy on this issue, and asked the European Commission to respond. The last EU-27 summit meeting led to a discussion on Eurobonds; a strategy needs to emerge, and prices must be controlled. (*Applause.*)

**Mr Paulo Moniz, representing the Portuguese Assembly of the Republic,** addressed the issue of energy independence for the islands and remote areas of Europe. This is difficult to achieve because grids cannot always be connected and because locally produced renewable energy is intermittent. It is therefore important to counteract these pitfalls by investing in storage capacity.

He added that islands also face an environmental problem, even though deep-water areas contain the largest reserves of precious metals in Europe. He therefore proposed reflecting on the conditions required for the extraction of these resources. Finally, he deplores the fact that Europe is ignoring this issue: islands must be taken into account in strategic discussions if the European Union is to fully deserve its name. (*Applause.*)

**Mr Brian Leddin, representing the Irish National Assembly,** underlined the human and economic impact of the demand for rare metals since the electrification of our economies, while the current crisis is also increasing Europe's dependence on gas. He recalled that Mr Thierry Breton had urged the assembly to make savings and regretted that Europe did not take sufficient account of the importance of demand management, as a large proportion of the energy consumed is relatively unproductive.

While opting for electric vehicles, for example, we must also encourage the most economical modes of transport and move away from the individual model; failing to do so would be wasteful, making the green transition all the more difficult to achieve. In this

respect, the speaker disagrees with the EU taxonomy: energy must be used more efficiently to facilitate decarbonisation and reduce our strategic dependencies. *(Applause.)*

**Mr Željko Pavić, representing the Croatian Parliament**, noted that Croatia has not extracted any critical minerals since the 1960s, even though the country benefits from potentially significant reserves of baryte and natural graphite. He called for investment in the revitalisation of mining, exploitation and processing in Croatia, given the importance of diversifying domestic and external energy sources, and supports strategic advances in this area, as well as research on recycling. In the case of semiconductors, he views the strengthening of the partnership with South Korea and Taiwan as useful.

In addition, Željko Pavić proposed the consolidation of European capacities and recommended research on potential alternative sources that do not depend upon the mining of rare metals, such as the use of hemp for batteries. *(Applause.)*

**Mr Radoslav Ribarski, representing the Bulgarian National Assembly**, referred to recent studies which show that electric vehicles and solar energy technologies require far more minerals than their combustion-powered counterparts. Green technologies lead to a significant increase in demand for copper, cobalt and lithium. However, the economies of some of the countries that supply rare earths are reliant on these resources, which are traded on poorly regulated markets and mined under poor working conditions.

Bulgaria, a member of the Black Sea Exclusive Economic Zone, is the fourth-largest exporter of refined copper. The transition to clean energy sources will require significant resources, especially rare earths, which exist within the European Union and should be targeted in order to secure supplies. Mining must therefore be developed, with

appropriate European regulation. To this end, Radoslav Ribarski advocates a coordinated approach at European level. *(Applause.)*

**Ms Susana Sumelzo, representing the Congress of Deputies of Spain,** argued that efforts to address the energy question were being affected by the invasion of Ukraine. Europe must act to protect businesses and citizens from the energy problems caused by rising gas and electricity prices. She lamented the lack of a collective European response, while Member States try to mitigate these effects on their own.

In her view, three assumptions were wrong: Europe believed that the crisis would be short, that the market would regulate itself and that national budgets could withstand the crisis. However, competitiveness is declining, inflation is rising, and the green agenda faces the threat of marginalisation. Citizens are wondering where the extra money they are paying for their gas or electricity is going.

Ms Susana Sumelzo advocates a dispassionate European debate on energy agreements in order to avoid distortions of the market. Such discussions could lead to the separation of gas from electricity in the definition of prices and the establishment of a central purchasing mechanism. The ecological transition must certainly be accelerated, but it must also be fair. It must combine decarbonisation and energy price reduction, because citizens must be at the heart of the policies implemented. *(Applause.)*

**Ms Martina Nardi, representing the Italian Chamber of Deputies,** sees hypocrisy in Europe's claim to be moving towards a greener, less polluted world, in light of the associated difficulties: inflation, shortages, dependency, pollution in other countries; these issues must be resolved by the circular economy. She stressed that Italy is highly advanced in its processing of end-of-life vehicles, sources of waste whose exportation outside Europe

should be limited by promoting a local recycling chain, and identifies the need to act on two fronts: in the short term, gas prices need to be separated from electricity prices and the storage of purchases; in the medium term, policies to promote conscious energy use need to be put in place. A super bonus to finance building improvements has been introduced in Italy, for example. *(Applause.)*

**Mr Janne Sankelo, representing the Finnish Parliament,** called for the European Union's independence in terms of energy, as well as rare metals. Europe will need nuclear power, renewable energy sources and new technologies to achieve this goal, and will therefore need to assess the resources available in its different regions. In the North, it can rely on energy from biomass and responsibly managed forest energy.

Finland has developed specialised expertise in thermal energy, which is also important for food production. Mr Janne Sankelo had been opposed to changes in the country's means of energy production, but the war in Ukraine has changed everything. Today, each country must consider all the existing possibilities, including the use of peat.

He concluded by calling for unity and a return to the fundamentals of energy and food security. *(Applause.)*

**Mr Georgios Arvanitidis, representing the Greek Parliament,** recalled that the European Union's initial development had revolved around coal and steel, whereas decarbonisation is now the central concern. The aim is to prioritise renewable energy in order to reduce prices and increase self-sufficiency. Rare metals will be needed to do this, and efforts must therefore be made to ensure that they are exploited responsibly. Given that a solar panel remains in place for a quarter of a century, this transition will release less carbon, save money and lead to a more democratic world.



Mr Georgios Arvanitidis is in favour of Eurobonds, which Greece had called for in vain during the financial crisis, and welcomes the fact that the taboo has been broken. In his view, this is an existential issue, mapping out a pathway to meeting the challenges of the future. *(Applause.)*

**Mr Ștefan-Radu Oprea, representing the Romanian Senate**, spoke of Europe's surprise at discovering the fragility of its supply chains during the pandemic. It is important to prevent such troubles from arising with rare metals. Romania has deposits of graphite and rare metals, but mining processes must be improved in order to meet the climate challenge without forsaking European values.

Europe has since been surprised by the inflation of energy prices; dipping into taxes does not solve the problem, because budgets are not unlimited. The European Union must implement courageous solutions. Romanians are worried about their energy bills, and the national budget is under pressure: the country is helping its population, but it will be unable to keep doing so until the end of the year. As the war at our borders makes it impossible to predict prices, each Member State's energy mix must be reviewed. In Romania, 20% of electricity comes from coal-fired power plants. The use of this energy should be authorised while new nuclear and gas capacity is being developed, wisely, alongside investments in energy efficiency in order to reduce waste.

Finally, Mr Ștefan-Radu Oprea called for the exclusion of energy investments from the calculation of the budget deficit. *(Applause.)*

**Mr Mark Demesmaeker, representing the Belgian Senate**, stressed that Europe has become aware that energy can be used as a geopolitical weapon, and claimed that the crisis it was experiencing marked a radical change. Europe needs to rapidly abandon fossil

fuels from Russia and invest in renewable energy sources and nuclear power. He asserted that Belgium has a world-class research centre in this field and that the results should be shared. With regard to rare metals, he called for the funding of research into alternatives, some of which is already producing results, while also stressing the importance of circularity. Belgium is at the forefront of urban mining, with the collection of batteries from phones and electrical appliances being funded by consumers. However, many Member States have long been reluctant to take action in this area. (*Applause.*)

**Ms Alice Mary Higgins, representing the Irish Senate**, stressed that this meeting provided a reminder of the importance of the climate and critical materials, and that the only way forward is to develop a circular economy based on renewable energy: it is not a question of replacing oil and gas with other fossil fuels.

Before the crisis in Ukraine, Europeans were already calling for energy independence and green energy in addition to new, more ethical and social, supply rules. However, the speaker considers the draft European regulation on due diligence to be lacking in ambition and unlikely to achieve results. She therefore called for better decisions to be made for Europe, and for the rejection of trade dispute mechanisms that could impede these efforts. (*Applause.*)

**Mr Heikki Autto, representing the Finnish Parliament** and a native of Lapland, explained that his region is known for its magnificent natural beauty and the Northern Lights, but perhaps less so for its mining industry and natural resources, which make essential and strategic contributions to the European economy. The northern regions of the European Union provide opportunities to strengthen the EU's industrial base, accelerate the transformation of economies and increase its independence vis-à-vis Russia and China. Mr Heikki Autto is therefore calling for measures to encourage the competitiveness of these

areas. He urged the EU not to limit the consumption of local natural resources and to respect the principle of subsidiarity, as the Finns will be perfectly able to develop their mining industry while preserving the climate and biodiversity.

He added that it is important to develop greater European security and that the time was right for Finland to join NATO. He called on everyone to show unity in order to lead the way towards democracy, respect for human rights and sustainable development.  
*(Applause.)*

**Mr Jorge Paulo Oliveira, representing the Portuguese Assembly of the Republic**, stressed that the war in Ukraine had exposed Europeans' extreme dependence on Russia, which was undermining the continent's energy security. Portugal and Spain are part of the solution, he said, because they can receive gas supplied by African countries and the United States. However, solutions will need to be found in order to improve the interconnections between countries and enable the transportation of these resources to France and the rest of Europe. Mr Jorge Paulo Oliveira stressed that is a long-standing issue and that it is time to take it very seriously. This is the task facing Europeans.

**Mr Roland Lescure, Chair of the French National Assembly Economic Affairs Committee**, thanked all the members of parliament for adhering to their allotted speaking times and the French Senate for organising these debates, expressing particular gratitude towards Ms Sophie Primas, Chair of the French Senate Economic Affairs Committee. To conclude the proceedings, he gave the floor to Mr Guillaume Pitron.  
*(Applause.)*

**Mr Guillaume Pitron, a journalist and the author of *The Rare Metals War: The Dark Side of Clean Energy and Digital Technologies***, concluded the debate by thanking

all members of parliament for their participation and by summarising the different topics they had addressed.

Expressing his opposition to the idea that we should continue to exploit fossil fuels, he reminded us that the energy transition is necessary: while a world powered by green energy sources poses immense challenges, it remains preferable to a world dependent on oil and coal.

The ecological cost of the electric car is not zero: an electric car is only as clean as the metals it contains and the electricity it consumes. The speaker raised the question of future sources of pollution: mining, soil and water pollution. He reminded us that formal knowledge of these subjects is very sketchy and that acquiring perfectly reliable knowledge about the ecological truth of technologies is a major challenge.

Dependence on Russia concerns strategic metals such as palladium and nickel, in addition to gas and oil. Ukraine is also a potential producer of lithium. In the Donbass, an Australian company, European Lithium, had already been manoeuvring to exploit a huge deposit. With Ukraine being a rich source of raw materials, Mr Guillaume Pitron regrets that Europeans cannot currently benefit from its lithium.

He then mentioned the current social tensions, which remind us of the need for a fairer energy transition. He recalled that the "yellow vests" were primarily protesting about the soaring price of petrol due to the financing of the energy transition, and he interprets this movement as the first social crisis of the energy transition. The risk of an unbalanced energy transition, leading to new social tensions, is real, but solutions do exist.

Europe has a substantial mining potential. Mr Guillaume Pitron called for the development of more responsible mines. Europe would be perfectly capable of mining copper

and rare earths, but the question of the social acceptability of such mines arises. He recalled that a lithium deposit had been discovered in Finistère (France), but that no one wanted to exploit it. The chief executive of Anglo American Plc mining group recently reminded him that social acceptability by the local population was the central issue. The resources exist, but reforms of the mining regulations are crucial to ensure more sustainable exploitation, and therefore better social acceptability.

Guillaume Pitron then moved on to the recycling of rare metals, which is a very complex and expensive undertaking. The colossal investments required in this field require long-term strategies. However, disruption is an impediment to innovation, because how can we know whether the lithium, cobalt or a given rare earth will be competitive in ten or fifteen years? Profitably exploiting secondary rather than primary raw material is also very difficult, due to fluctuations in the commodity market. Long-term policies require artificial increases in the value of secondary minerals in order to make them more competitive. This is the role that the state must play.

Finally, Mr Guillaume Pitron mentioned that the mining of metals from the oceans is an exciting issue and that substantial reserves exist. France has the world's second-largest exclusive economic zone and Portugal is fully aware of the ocean's potential. However, on a personal level, the speaker is opposed to offshore mining as it would break a symbolic taboo for all citizens, related to the promise to limit humankind's ecological footprint, asserting that the mining of polymetallic nodules to power SUVs (Sport Utility Vehicles) runs counter to the spirit of the Paris Agreement. This prevention is symbolic: we must meet the requirement to live better with less. (*Applause.*)

*The meeting was suspended at 1.30 p.m. It resumed at 3.05 p.m.*

### **Third session – The challenges of European food sovereignty**

- Chaired by Ms Sophie Primas, Chair of the French Senate Economic Affairs Committee

=

**Ms Sophie Primas, Chair of the French Senate Economic Affairs Committee,** introduced the third session on European food sovereignty by reiterating her concerns over the underlying trends. Every day, European consumers are witnessing a growing dependence on food imports against a backdrop of declining agricultural competitiveness. Concrete examples demonstrate the difficulty of ensuring compliance with the minimum production standards required in Europe for many foodstuffs imported from third countries. This unfair competition is perpetuating the phenomenon of agricultural decline in many European territories, which ultimately jeopardises European sovereignty. At the same time, the European Union's agricultural position on international markets is threatened by the very aggressive policies adopted by many players, particularly Russia.

Ms Sophie Primas explained that the war in Ukraine involves the world's biggest and fifth-largest exporters of common wheat, accounting for almost 30% of global exports. In addition, while Ukraine supplies almost 45% of the maize imported into Europe, its production area has been seriously affected by the fighting. She explained that this war will have major impacts all over the world, because of the soaring prices of cereals, especially in African countries and in the Middle East, but also due to the increase in energy costs, which will be detrimental to farmers' competitiveness. While the European Union benefits from a substantial production capacity, which protects it from critical threats to the continent's food security, its exposure is increasing, and its global export positions are under threat.

For Ms Sophie Primas, the events currently unfolding are making agriculture even more of a geostrategic priority for the European continent. The question is how to reconcile production requirements with the environmental priorities? She concluded by wondering whether the "Farm to Fork" strategy, which is based on assumptions of declining agricultural production in the coming years on the continent, is indeed perfectly adapted to the world ahead. (*Applause.*)

**Mr Julien Dive, Vice-Chair of the French National Assembly Economic Affairs Committee**, insisted that the issue of food sovereignty is a major concern of our time. The COVID-19 crisis and the war in Ukraine have underlined its essential nature. In this context, the extraordinary meeting of EU agriculture ministers on 2 March concluded that there was an "urgent need" for European agriculture to return to its mission of meeting food needs.

Mr Julien Dive pointed out that the continent's food sovereignty may have been taken for granted for a time, largely due to the success of the Common Agricultural Policy (CAP), which was primarily designed to increase agricultural productivity and to secure food supplies for European citizens. By supporting the changes in agricultural models, the CAP has enabled the European Union to become a leading agri-food power – now the world's largest exporter and third-largest importer of agri-food products.

Behind the €60 billion agri-food trade surplus in 2020, Mr Julien Dive deplors the existence of grave issues, as highlighted by current events. The COVID-19 crisis has revived long-standing fears of food shortages, which everyone had consigned to the past. While the food chain has proven to be resilient, structural weaknesses and dependencies have become apparent. The speaker mentioned the example of plant proteins: 90% of European needs are imported, which constitutes a major risk for the sovereignty of livestock farms. In

addition, 57% of maize is supplied by Ukraine and one third of fertilisers come from Russia. While he does not equate food sovereignty with self-sufficiency, he believes that a more aggressive approach is required to guarantee Europe's agricultural and food security, independence and model.

Regarding the current crisis, Mr Julien Dive urged the European Union to support agriculture; in this respect, the use of the reserve for crises in the agricultural sector and the exceptional measures to offset market imbalances are a step in the right direction.

The speaker then turned to more structural considerations: ensuring Europe's food sovereignty requires a level playing field and measures to counter distortions of competition. The EU claims to apply the world's highest standards at every stage of the food chain, ensuring that consumers have access to safe, high-quality products. Mr Julien Dive regretted that 10 to 25% of imported products do not comply with European environmental and health standards and that the rate of physical checks is no higher than between 3 and 7%. The issues of control and reciprocity must therefore be at the heart of European actions. In his view, the French Presidency of the Council of the European Union should be an opportunity to make these issues a major priority. The question of systematically including "mirror clauses" in trade agreements, called for by several European countries, is vital to prevent unfair competition that is detrimental to environmental and public health objectives as well as to farmers.

This reinforcement of reciprocity is essential at a time when the environmental dimension has assumed paramount importance. Our food system must evolve towards a sustainable and resilient model in order to cope with climate change and meet the new demands of European consumers, who want more local, healthier and less energy-consuming food. The CAP reform introduces eco-schemes. The "Farm to Fork" strategy encourages a



50% reduction in the use of plant protection products by 2030 and a shift to 25% of land devoted to organic farming, i.e. a tripling of surface areas in ten years. Some question the realism of such targets. These goals are very ambitious and therefore make work on the harmonisation and reciprocity of standards all the more essential. They also require strong support to help farmers make these transitions. This is necessary to avoid any conflict between environmental and sovereignty-related objectives.

Ensuring the European Union's food sovereignty is a major geostrategic, economic and ecological imperative. The EU must be able to provide local, healthy, sustainable and affordable food to all European citizens; these challenges are more relevant than ever.

The speaker hoped that the discussions would help to further the thinking on this subject. (*Applause.*)

**Mr Norbert Lins, Chair of the European Parliament's Committee on Agriculture and Rural Development**, stressed the importance of food sovereignty and self-sufficiency in the context of the Russian invasion of Ukraine. He welcomed the initiatives of Mr Julien Denormandie in this area and is pleased that the Heads of State and Government have made this a priority.

The question of raw material independence also arises. The war has consequences for the food supply in Europe, but also in the rest of the world. Ukraine is one of the world's largest exporters of wheat and other grains, including vegetable proteins. It is also the world's largest exporter of sunflower products.

The conflict will inevitably lead to higher prices for these commodities, as well as disruptions to supply chains in Asia and Africa, triggering food problems. The longer it lasts, the more problematic the food supply will be, not only in Ukraine, but also worldwide.

Even if it is self-sufficient, the European Union, a major producer and exporter of wheat and oil seeds, will face challenges in terms of food prices. Food security does not depend on just one country or one region. The war is taking place in Europe, but it is affecting the entire global food system.

Food sovereignty means not being dependent on other regions, but also not turning inwards on ourselves. The European Union must be more resilient and defend the principle of strategic autonomy. It must take three risks into account: firstly, the dependence on countries which are fragile for political reasons; secondly, international partnerships, which can also generate economic and social benefits; and thirdly, climate change, which is damaging the planet.

The European Union must focus on its resilience, its capacity to resist. In June 2021, the EU Commissioner for the Environment explained that conventional approaches to the priority of food security were being challenged by the emergence of new challenges: protecting biodiversity, tackling obesity, managing food waste, minimising ecological footprints, etc.

The European Parliament's Committee on Agriculture and Rural Development, whose priority concern is food security, welcomes the proposal for an emergency plan to cover food security needs. A common European approach is required to avoid panic on the markets. The Commission has therefore developed a series of measures.

Firstly, the concept of food security must be reviewed and dependence on agricultural raw materials, particularly cereals and oleaginous crops, must be reduced. Proposals for a European regulation should be made in this regard.

Secondly, Europe needs to strengthen its strategic independence. This implies the use of fertilisers to improve production, greater flexibility, and CAP strategic plans improving the cultivable areas. Fallow land should be used for agricultural purposes, especially for plant proteins. Every ton produced will not only be an extra ton for food security; it will also be a ton against Putin, for peace and democracy.

A €500-million reserve fund must be mobilised in a targeted manner, in favour of those most affected by the crisis. The Commission has recently launched the crisis response system. It has discussed the consequences of the crisis in Ukraine on food security.

The speaker hopes that these three sets of measures will form the basis for future discussions. *(Applause.)*

**Mr Andrius Vyšniauskas, representing the Lithuanian Parliament,** outlined the current debates on the green transition and on how to make Europe cleaner and more sustainable. The objectives defined in this context remain vital for the good of humanity and the planet. The people who called for the suspension of the Green Deal, just a few hours after Putin's invasion of Ukraine, are mistaken. The promises of a green transition must be honoured, even though the war and the economic and food crisis must be taken into account.

Ukraine, which produces 11% of the world's wheat, could be the breadbasket of Europe. It also produces barley, maize, rapeseed and sunflower oil. Without this war, it could produce even more and meet the European continent's needs.

Solving the problems of food shortages in some European countries means helping Ukraine to counter the invader. The Ukrainians will fight until their very last breath. Europeans must give them the means to fight back. During the Orange Revolution, people died because they wanted Ukraine to join the European Union. At the time, there were hundreds of deaths; today, there are thousands.

The European Union, which needs Ukraine – as the food crisis shows – must welcome it into its fold. The countries blocking its integration must change their minds. This would be a solution for Europe, which has a chance to save its breadbasket. *(Applause.)*

**Mr Franck Montaugé, representing the French Senate,** stressed that European food sovereignty has become a major concern. The pandemic and the Russian war against Ukraine have reminded us of the geopolitical importance of European agriculture as a factor of peace and solidarity between Member States and throughout the world. The CAP is at the heart of many key issues that will shape tomorrow's world: food safety and quality, the environment, regional affairs, energy, health, etc. Europeans have developed a successful and diversified agriculture, which is constantly evolving but faces difficulties: low incomes, high costs, misunderstandings between citizens and producers, between city dwellers and rural residents, etc.

Immediate action must be taken to address the difficulties generated by the war in Ukraine. We face the risk of a major food crisis. Would it be beneficial to redirect CAP aid into the cereal sector for a while? Decisions must also be made on whether to prioritise food or energy production. Strong measures with regard to strategic food stocks are required. What negotiating position has the European Commission adopted on the World Trade Organisation (WTO)? What type of food aid policy is in place to support the most disadvantaged European

citizens? What type of European budgetary policy is required to implement the essential "Farm to Fork" strategy?

How is the European Commission planning to ensure that its agricultural policy provides a strong response to farmers' structural and cyclical problems while increasing the European Union's strategic autonomy? European agriculture must be a geopolitical priority for tomorrow. *(Applause.)*

**Ms Fulvia Michela Caligiuri, representing the Italian Senate,** stressed that during an extremely difficult period, the agricultural sector has shown great resilience. It faces new challenges: ecological transition, CAP, etc. Despite an improvement in the health situation, the tensions remain. The political instability generated by the rising prices of energy and raw materials could paralyse the agri-food production system, and possibly scupper the unprecedented efforts made to implement the European Union's plans.

The speaker proposed exceptional measures to support the sector, such as prioritising producers of cereal crops in which Member States are not self-sufficient, in line with the principles of subsidiarity and solidarity. The crisis has led us to rediscover the strategic nature of the agricultural sector. *(Applause.)*

**Mr Siniša Jenkač, representing the Croatian Parliament,** stressed that the two-year health crisis and the threats posed by rising energy and food prices require a united European response. The Green Deal, the "Farm to Fork" strategy and the European Biodiversity Strategy have set ambitious targets that require the transformation of the agri-food sector.

Producers' concerns about the effects of these green targets on food security and supply must be taken seriously. All available tools must be used to reconcile the needs of

actors in the production chain with the European Union's stringent food safety standards. Farmers should not be the only ones required to pay the price of the transition to sustainable production.

In response to rising prices and climate change, crisis-management measures are required to support the food sector. The Agriculture Fund cannot bear the burden alone. Other European funds must also be mobilised.

Establishing a framework to ensure the application of reciprocal standards and rules for agricultural producers in Europe and elsewhere will prevent unfair trade practices in the food production chain and improve the visibility of European products. Increasing consumer confidence in European products will necessarily require joint action by all stakeholders in the sector. Short supply chains, with the smallest environmental footprint, should be favoured, and producers should be encouraged to join forces with each other. *(Applause.)*

**Mr Andreas Minnich, representing the Austrian National Council,** emphasised that Europe has the safest food products, but regrets that their production costs are rising because of the war in Ukraine – Europe's breadbasket – which has raised the prices of agricultural inputs and energy. He fears that this war will have very serious impacts on our supplies.

In response to this crisis, he stressed the importance of suspending the implementation of the Green Deal in order to focus on food supplies, and prevent the outbreak of conflicts in other regions due to hunger and shortages. In his view, this is a moral obligation that Europe must not shirk. *(Applause.)*

**Mr Celso Delgado, representing the Congress of Deputies of Spain,** also noted that the war in Ukraine is having a serious impact on the food sector, which was already strained by continuous rises in energy prices. Problems with supplies of maize, wheat, sunflower and fertilisers are having a detrimental impact on agriculture and livestock farming in the European Union. Acknowledging that the EU has had to adopt extraordinary measures in response to a situation that is itself exceptional, the speaker reiterated the need to work collectively to attain European self-sufficiency in the food sector, with Spain intending to make an active contribution.

Stressing the importance of rethinking EU agri-food strategies, he insisted on the need to relax import standards while maintaining food safety and security, and stated that he considers it essential to have more land available for cultivation in the EU in order to avoid any breakdown in supply chains. Finally, Mr Celso Delgado stressed the urgent need to provide financial support to the most seriously affected sectors by adapting direct CAP subsidies. We certainly need to think about developing countries, but we must first and foremost consider European agriculture and fisheries. He concluded by expressing concern that European fishermen are being prevented from fishing by the prohibitive cost of fuel. *(Applause.)*

**Brian Leddin, representing the Irish National Assembly,** declared that the war in Ukraine is a wake-up call for the European Union to rethink its food supply system. He underlined the environmental price that was paid for the development of European agriculture in the past. While he accepts that biofuels could be part of the solution, he is concerned about the risks of sacrificing land currently used for food production. Drawing on older examples, he emphasised the advantages of short supply chains over the systems that have been in place

for decades, recognising that such a transformation would be a massive challenge for Ireland, which exports 95% of its agricultural production. *(Applause.)*

**Mr Lorenzo Viviani, representing the Italian Chamber of Deputies**, agreed that the Ukrainian tragedy had exposed the weaknesses in the European supply system, which needs to be addressed in the Green Deal and the "Farm to Fork" strategy. He remains convinced that Europe is capable of producing enough food to meet its needs while protecting the environment. He believes that this is the ideal time to draw lessons for European fishermen, livestock breeders and farmers – all stakeholders in a sector of excellence in Europe. Mr Lorenzo Viviani welcomed what he had heard previously about the principle of reciprocity in standards, which should always guide European decisions.

He also emphasised the importance of reviewing the decisions made about set-aside land, and insisted on the pooling of agricultural production within the European area to guarantee the sustainability of farms. He reminded us of the importance of producing while protecting the environment.

In conclusion, he predicted difficult times ahead, given the complexity of reorganising the system in such a short time. *(Applause.)*

**Mr Norbert Lins, Chair of the European Parliament's Committee on Agriculture and Rural Development**, stressed the importance of the EU making the right decisions quickly in light of the current risks to agricultural markets. He considers that nothing should be ruled out over the coming weeks if prices – especially of fertilisers – continue to rise. It is therefore conceivable that States could intervene directly to introduce State guarantees or even oblige companies to produce fertilisers to ensure good harvests. In his view, Europe has never experienced such a situation since the start of the CAP. He hopes



that as early as this week or otherwise at the Agriculture and Fisheries Council meeting to be held during the following week, the Commission will be able to propose a relatively comprehensive package. This is the desire expressed by the majority of the European Parliament's Committee on Agriculture.

In response to Ms Fulvia Michela Caligiuri, who has mentioned labelling and the Nutri-score scheme, which is being criticised in Italy, he acknowledged that adaptations must be considered. The current situation requires rapid responses and, where necessary, direct state intervention in the markets.

In response to Mr Siniša Jenkač, who has urged European authorities to review the Green Deal, he states that there are undoubtedly problems with the distribution of livestock farming between European regions, some of which are below 20% or 30% of essential production. He believes that the right balance needs to be struck.

Like Brian Leddin, he believes that short supply chains in agriculture are preferable, even if this is not always possible. Taking the example of his home region, he deplores that there have been too many closures of small slaughterhouses in favour of large structures, which leads to animals being transported over long distances.

Like Mr Lorenzo Viviani, he believes that the principle of reciprocity is important. He believes that norms and standards must be raised in order to keep improving quality and safety.

In response to Mr Franck Montaugé, he pointed out that the members of his committee hold widely differing views on changes to the CAP, and stressed the importance of direct payments, especially for investments in agriculture. While the key climate-related,

environmental and animal welfare issues are of paramount importance, the first pillar of the CAP must remain indispensable: there should be no conflict between these issues.

Personally, and in response to Mr Andreas Minnich, he considers it is necessary to re-evaluate certain elements of the CAP, such as the 4% set-aside rate.

With regard to the impact of standards on international trade, which is one of Mr Celso Delgado's concerns, he reiterated the need to strike the right balance in order to prevent retaliatory sanctions from affecting other economic sectors. (*Applause.*)

Concluding the conference, **Mr Julien Dive, Vice-Chairman of the French National Assembly Economic Affairs Committee**, welcomed the quality of the work carried out on the European Union's strategic economic autonomy.

Looking back at the speakers' contributions during the first session of the day, devoted to strategic autonomy in the industries of the future, he observed that the procurement problems encountered for certain materials and components, triggered by the COVID-19 pandemic in particular, had contributed to making strategic economic autonomy – especially in the industrial sector – a major objective for the European Union. Its economic sanctions in response to the Russian attack on Ukraine make the European economy's resilience to external shocks a question of the utmost importance.

He affirmed that this awareness should lead the Member States to reflect urgently and collectively on the best ways to secure their value chains and supplies. Mr Julien Dive was confident that this would be a central issue for the French Presidency of the European Union.

The second session, focusing on strategic autonomy in the energy sector, convinced him that the conflict raging on Europe's doorstep makes it necessary to speed up the energy transition in order to reduce Europe's dependence on Russian hydrocarbons and ensure the Union's security. Ecological transition and strategic independence go hand in hand.

However, he stressed that the energy transition hinges on an unforeseen factor: its reliance on rare metals. Indeed, these metals – essential components of renewable energies, electric batteries and hydrogen electrolyzers – must be imported. As the French President emphasised at the Versailles summit on the previous Friday, the European Union must rapidly adopt a strategy to secure the supplies of strategic metals for the energy transition, included in the "Fit for 55" strategy, while reducing its dependence on imports of hydrocarbons and strategic metals from Russia as a matter of urgency.

Finally, on the question of strategic autonomy in the agricultural sector, which was the subject of the third session, Mr Julien Dive considered that in addition to climate change, the outbreak of war in Ukraine, whose theatre of operations covers a major area of cereal, sunflower and rapeseed production, is a reminder that self-sufficiency in agriculture and food is a strategic imperative. This war will have lasting impacts on the international agri-food landscape.

In response, he believes that this crisis calls for far-reaching measures to preserve Europe's productive potential, stabilise world markets and ensure adequate supplies for countries that are heavily dependent on agricultural imports. Food sovereignty must once again be a top political priority for all Member States and become a cornerstone of the Union's strategic economic autonomy. This is an economic imperative, but also and above all an ecological requirement, insofar as food sovereignty is likely to reduce the environmental footprint of the European food sector by reducing the greenhouse gas emissions generated by

the transportation of food while promoting more local food that conforms to globally recognised high environmental standards.

The speaker concluded his speech by reminding us that the international crisis which had permeated all aspects of the day's proceedings is forcing Europeans to face up to the world of tomorrow, which promises to be filled with hope and threats in equal measure, and in which the members of parliament of European Member States will be responsible for instigating the "European power" that is looking increasingly necessary each day. (*Applause.*)

**Ms Sophie Primas, Chair of the French Senate Economic Affairs Committee,** concluded by expressing her satisfaction that this day of productive exchanges had opened up avenues, particularly in the European electricity market and agriculture, which should be explored over the coming months. She sees these debates as a sign of the vitality of European parliamentarianism. The maintenance of such fora for discussion is to the credit of the European Union and its members, all the more so in a context of war on our doorstep, because peace is born of the confrontation of ideas and faith in collective intelligence. To counter the myth of the effectiveness of authoritarianism, the superiority of parliamentary deliberation and processes must be affirmed.

Ms Sophie Primas considers that national parliaments should have a say in defining strategic economic autonomy and in translating it into practice. It is essential to keep interparliamentary cooperation alive, through joint visits to industrial, agricultural and energy production sites, for example. Greater use should also be made of European comparisons before legislating. National parliaments should see European law as less of a constraint and more as a tool to be jointly developed. Conversely, European institutions and Member States should not regard the principle of subsidiarity and the involvement of national parliaments as

an impediment: their discussions are not dilatory; they guarantee better acceptance of standards.

For the speaker, this conference proves that these issues should not be approached in an ideological manner. Europe is facing an age-old dilemma: the choice between freedom and security. Should we take full advantage of globalisation and expose ourselves to crises with serious consequences, or seek to avoid these upheavals and pay the price in terms of slower growth and innovation? Wisdom and relevance are the sole responses to this dilemma, even if it means breaking away from existing doctrines and strategies. In this respect, dialogue with economic stakeholders guarantees the adoption of a pragmatic and balanced approach.

Rather than scrapping trade integration and the international division of production processes – policies which have been patiently developed over many years – for the sake of obtaining an illusory self-sufficiency or the systematic relocation of production, Ms Sophie Primas defended the concept of "open strategic autonomy", a common-sense compromise that, in her view, offers a more lasting solution than the lure of protectionist policies, which would condemn Europe to damaging retaliatory measures. This objective remains ambitious, however, as the European Union has not yet acquired sufficient economic autonomy to start speaking the language of power.

Ms Sophie Primas therefore believes that the European strategies and standards proposed by the Commission in recent months will be decisive in the years to come; the Union has a date with its destiny. During the French Presidency of the Council of the European Union, the French Senate and National Assembly will be seeking to influence the approaches implemented vis-à-vis strategic economic autonomy, drawing on the work carried out during this conference.

Finally, Ms Sophie Primas expressed her hope that rather than marking the end of these exchanges, the conclusions of the conference, which will be published at the end of these discussions, will in fact serve as a starting point for shared and evolving reflections on strategic economic autonomy. (*Applause.*)

*The meeting was declared closed at 4.15 p.m.*