



RESOURCE ALLIANCE  
Value Chains in Focus



# RA Rohstoffallianz GmbH

## ► Policies for the XXIst Century

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# Securing Long-Term Access to Critical Raw Materials: A Strategic Challenge for the Industry

**Raw material cycles** are becoming shorter, **price volatility** increases

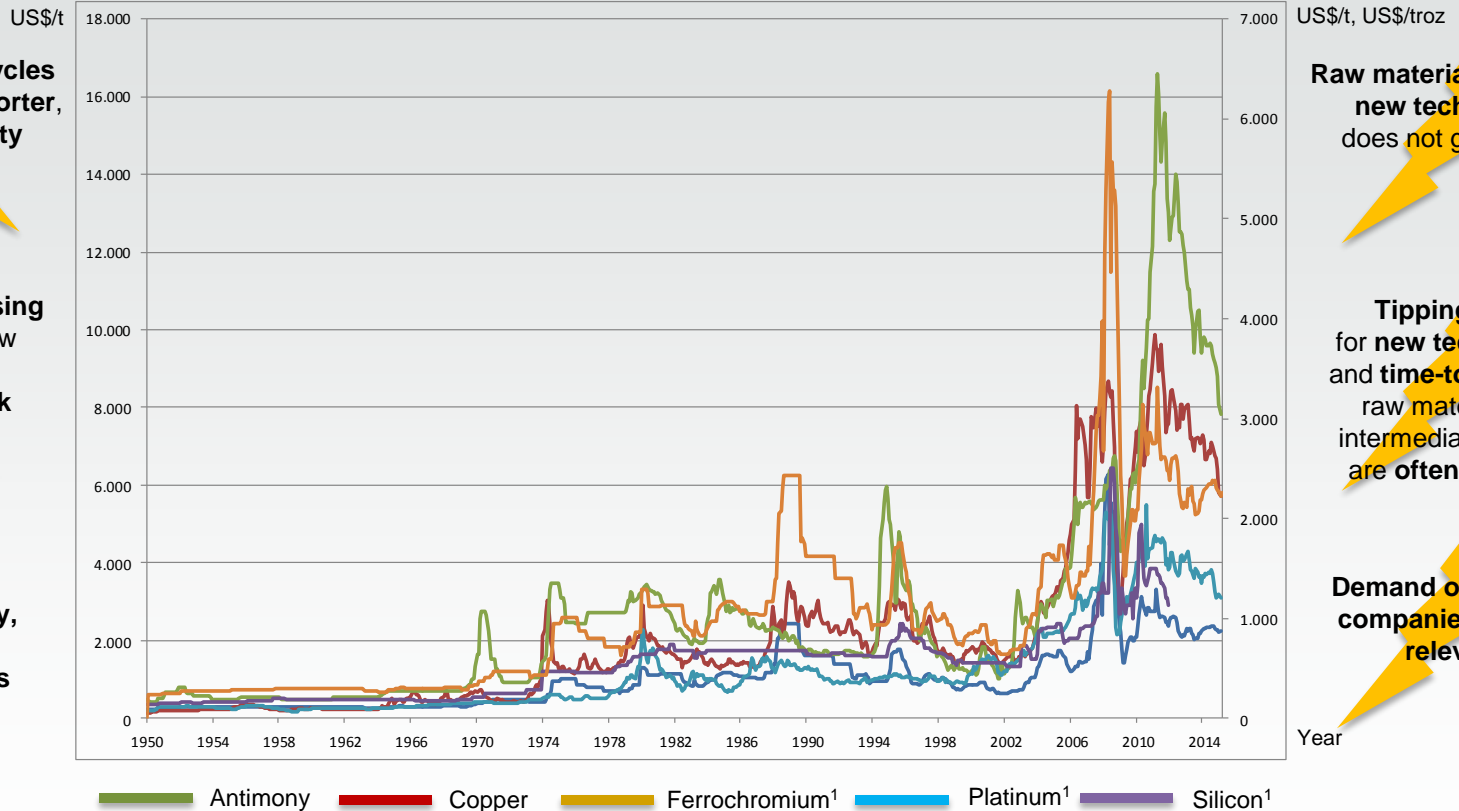
**Mining and processing steps** of critical raw materials often focus on **risk countries**

**China** often dominates supply, demand and processing steps

**Raw material demand** for new technologies does not grow linearly

**Tipping points** for new technologies and **time-to-market** for raw materials and intermediate products are often unknown

**Demand of individual companies** is of little relevance

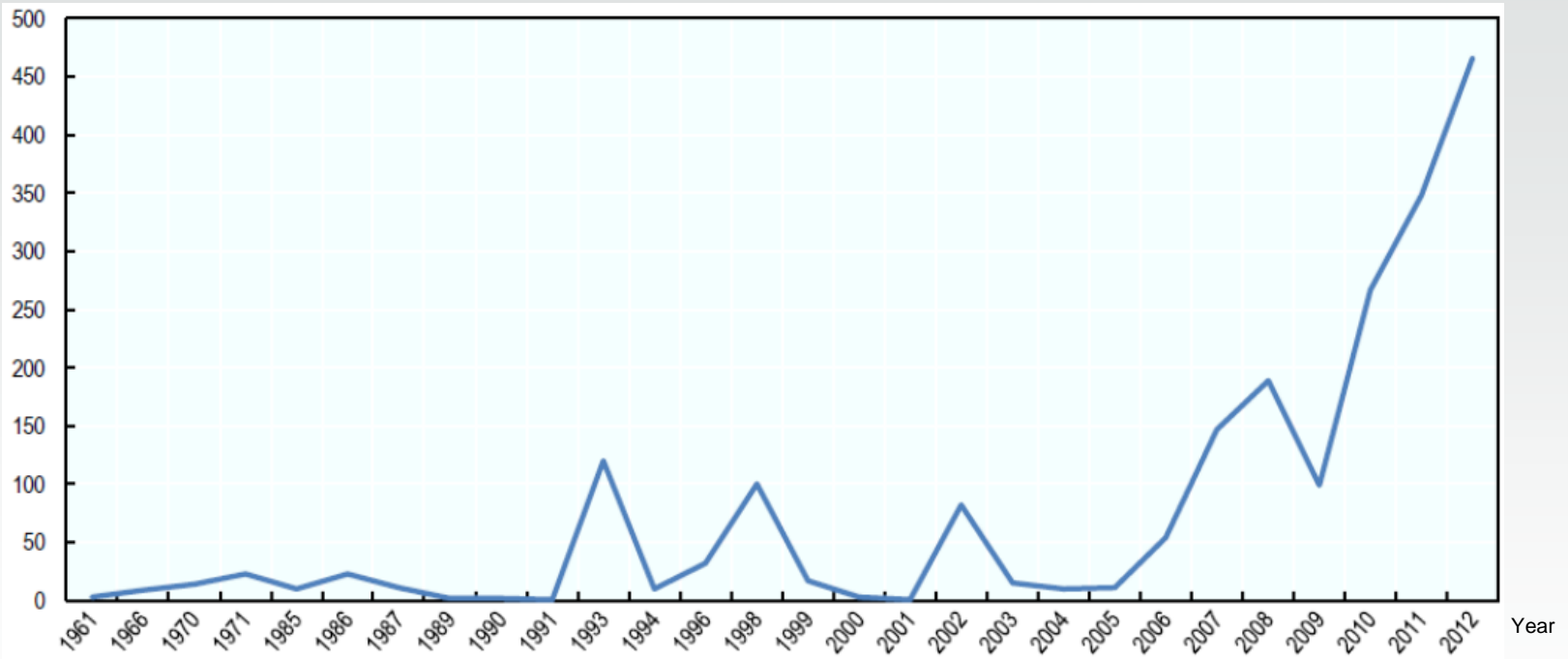


**Predictability of Raw Material Supply for Manufacturing Industry is becoming increasingly difficult**

Source (price data): DERA/BGR  
1: right hand axis

## Challenges in Accessing Raw Materials for Industry: All in All More than 2.000 Export Barriers Are Setting the Rules

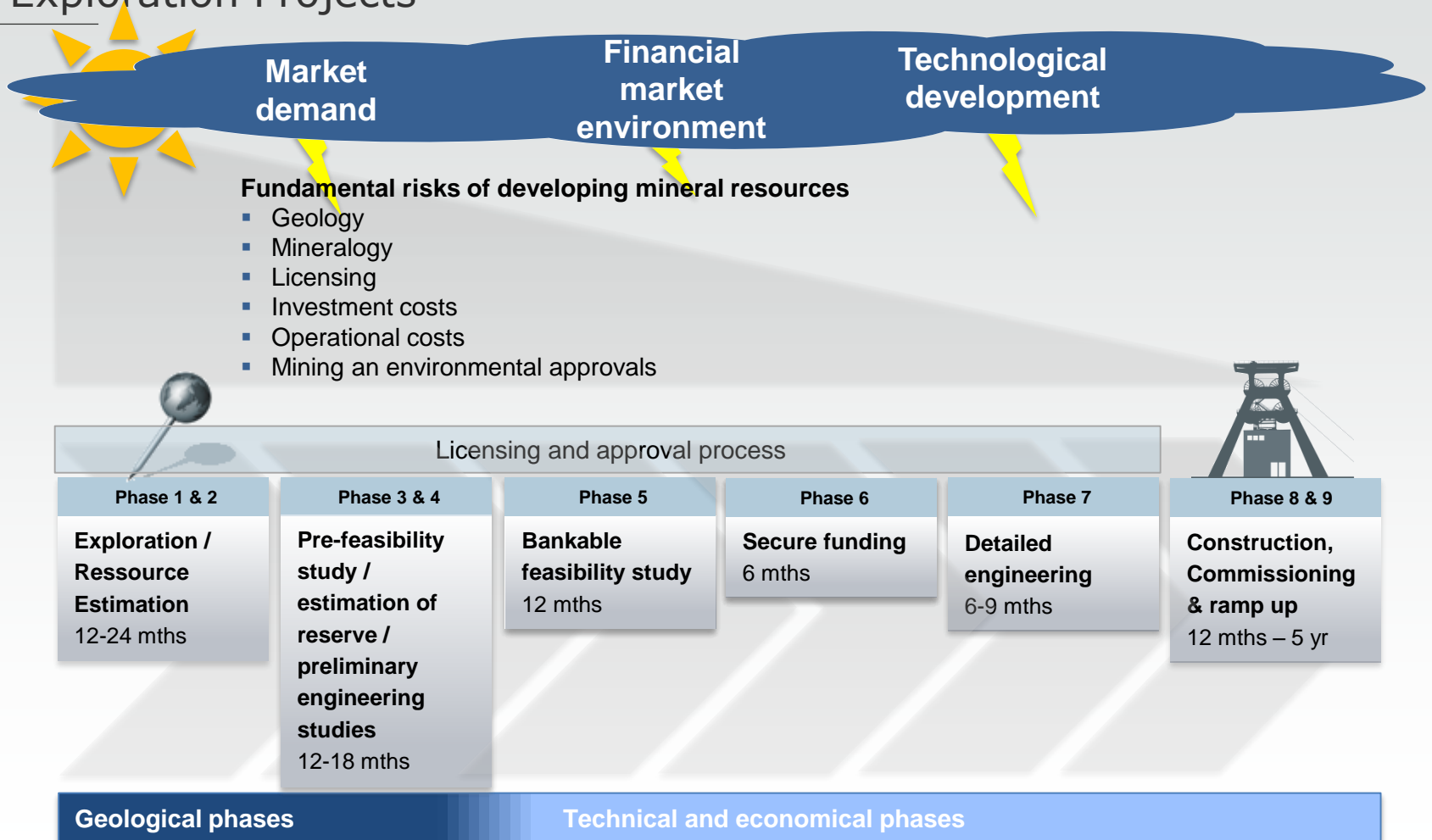
Number of  
new export  
measures  
introduced



Source: OECD

Europe`s strong believe in functioning raw material markets  
is contradicted and somehow naive

# Raw Material Project Development: High Complexity and High Risk of Exploration Projects



Sources: PINCOCK; Lynas Corporation Ltd.; DERA/BGR; Own illustration

# Securing Industrial Value Creation for New Technologies in Europe: Need for Action on Behalf of Industry

## 1. What do we need and when?

Raw material demand for future technologies and time to market for different applications to be specified

## 2. Who should be involved?

Improve exchange of information between up- and downstream sector in order to reduce risks of supply shortages and price volatility

## 3. Who is going to deliver?

Alternative sources of supply for critical minerals need to be developed

▶ Cooperation between upstream and downstream sector as well as within the industrial value chain need to be intensified

# Objective RA: Establishment of an Early Warning System for Disturbances within Industrial Value Chains (Time Frame of 5 – 10 Years)

## Application-oriented approach – focus is on technologies

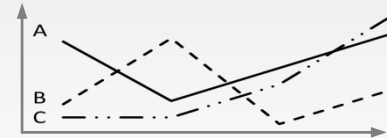
### Value chain analysis – identify existing disturbances and risks

Providing transparency on existing disturbances and future risks along the entire value chain



### Market analysis – determine future needs and weak points

Determination of probable development of supply and demand as well as identification of potential bottlenecks by scenario and sensitivity analysis



### Options for action – development of strategic supply options

Development of strategic supply options in order to strengthen industrial value chains



Application specific approaches – Case specific solutions

## Securing Industrial Value Creation in Europe: Resource Alliance Will Support De-Risking of Upstream Projects

### ▶ Reduce strategic risk

Contribute to minimizing strategic risk by providing market intelligence on demand side

### ▶ Reduce project development risk

Contribute to minimizing project development risk by providing engineering, processing and environmental expertise

### ▶ Reduce market and business risks

Contribute to minimizing market and business risks by bundling demand of downstream players and structuring long-term off take contracts

### ▶ Reduce project funding risk

Contribute to minimizing funding risks by mobilizing equity participation and by facilitating debt funding, particularly with German government-backed import financing on the basis of long-term off take contracts

### ▶ Reduce political risk

Contribute to minimizing political risk by mobilizing political support and facilitate use of political instruments



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# Thank you for your attention!

# We are looking forward to working with you!

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