

European Scrutiny Committee

House of Commons, London, SW1A 0AA

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From: Sir William Cash MP

15 October 2020

Nadhim Zahawi MP

Minister for Business and Industry

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10435/20: Commission Communication — Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability (41515)

We have considered your Explanatory Memorandum on the above Communication.

We are not convinced by your assertion that there are no direct policy implications for the UK arising from the Communication and would welcome further elaboration on your position with specific reference to the points below.

First, would you not agree that there could be direct policy implications for the UK in the event that the EU were to propose a strategic partnership in this area with the UK, in line with the Commission's suggestion of that type of international engagement? In your EM, you note that such engagement could represent an opportunity for the UK. We ask you to set out more detail on those opportunities.

Second, the Commission makes a number of suggestions for research priorities in this area. Would you not agree that there could be direct policy implications for the UK in the event that — in line with the respective negotiating objectives — the UK and EU agree to cooperate in research and innovation?

Third, the Commission recalls its intention to propose a “Batteries Regulation” and, possibly, a horizontal act on due diligence. Given that the current Batteries Directive is applicable under the Ireland/Northern Ireland Protocol (“the Protocol”), we do not consider it wise for the Government to preclude future inclusion of any such new Regulation in the Protocol. Clearly, any inclusion

would be subject to the agreement of both the UK and the EU within the Joint Committee. The same principle applies, we consider, to a possible horizontal act on due diligence, affecting the goods' supply chain. Would you agree that there are at least potentially direct policy implications for part of the UK arising from that policy set out in the Communication?

Finally, the Commission draws attention to the EU Regulation on Conflict Minerals, which is included in the Protocol. While no amendments to it are suggested, it is the case that — for as long as the terms of the Protocol apply — the UK in respect of Northern Ireland would not be able to depart from the requirements of the Regulation. The UK's future approach to critical raw materials will need to take that limitation into account.

We request a response within ten working days.

I am copying this letter to Rt Hon. Hilary Benn MP, Chair of the Future Relationship with the EU Committee and Gordon Clarke, Clerk of the Committee; Angus MacNeil MP, Chair of the International Trade Committee and Joanna Welham, Clerk of the Committee; Simon Hoare MP, Chair of the Northern Ireland Affairs Committee and Nicholas Beech, Clerk of the Committee; Lord Kinnoull, Chair of the House of Lords European Union Committee, and Chris Johnson, Clerk of the Committee; Les Saunders at the Cabinet Office; and the EU scrutiny team in your Department.

CHAIR