



European Commission tables Critical Raw Materials Act

The European Commission's [proposed actions](#) are designed to ensure the EU's access to a secure, diversified, affordable and sustainable supply of critical raw materials needed across strategic sectors such as the 'net zero industry', aerospace and defence. The Regulation sets targets for EU domestic capacity and supply diversification by 2030. These include at least 10% of the EU's annual consumption for extraction, at least 40% of annual consumption for processing, and not more than 65% of annual consumption of each strategic raw material at any relevant stage of processing from a single third country. The EU's latest [list of critical minerals](#) contains both Nickel and Copper for the first time, some industry participants felt aluminium and zinc should have been included too (see Reuters story next page).

In an interview with [Reuters](#), Thomas Schmall, board member in charge of technology, indicated that Volkswagen wants its battery unit PowerCo to become a global supplier, with the capacity to meet half its own demand. It will provide battery cells to Ford for the 1.2 million vehicles that it is building on Volkswagen's electric MEB platform. Volkswagen is partnering on supply deals with mining companies in Canada, where it will build a gigafactory at St Thomas in Ontario with production slated to start in 2027. Separately, [PowerCo](#), announced that it had broken ground for the construction in Valencia of its second European gigafactory. It will come on line in 2026 with initial annual production capacity of 40 GWh. PowerCo is targeting annual sales of over €20 billion by 2030.

Rio Tinto [reported](#) that it had begun underground production at the Oyu Tolgoi (OT) copper mine in Mongolia. OT has been producing copper concentrate using the ore mined from the open pit since 2013. The mine is expected to produce around 500,000 tonnes of copper per year on average from 2028 to 2036 from the open pit and underground, enough to produce around 6 million electric vehicles annually, and an average of around 290,000 tonnes over the projected 30 year reserve life. Based on production from committed projects, it will be the world's fourth largest copper mine by 2030.

Spot copper (USD, 12 months to 17 March 2023)



Note: LOCADY = LME Cash Official Price Copper USD

Source: Bloomberg

Metal prices

Metal	Price USD (17 March)	Weekly change %	Year-to-date change %	Price vs 200 day moving average	Price vs 52 week high
Gold	1962.1	5.4%	8.2%	110.5%	99.3%
Silver	21.885	8.9%	-8.6%	104.6%	84.4%
Palladium	1389	0.0%	-21.7%	73.8%	54.5%
Platinum	979	2.7%	-5.0%	103.3%	89.0%
Cobalt	34665.3	1.8%	-19.8%	68.5%	39.6%
Copper	8621	-1.5%	2.8%	104.7%	82.7%
Nickel	23210	2.4%	-23.7%	94.4%	55.1%

Bloomberg codes: GOLDLNPM, SLVRLND, PLDMLNPM, PLTMLNPM, BYW1, LOCADY, LONIDY
Notes. All performance data to 17 March 2023. Past performance is not an indicator of future performance and the value of an investment may fall as well as rise. Investors take on currency risk when taking unhedged exposure to commodities.

The week ahead

20 March	China: Loan Prime Rate 1Y/5Y
21 March	Australia: RBA March minutes
22 March	UK: Feb CPI; US: Fed Funds Rate
23 March	Norway, Switzerland, Taiwan, UK: Rate decisions; US: Current Account, New Home Sales
24 March	Eurozone, UK, US: Composite, Manufacturing, Services PMIs; US: Durable Goods

Further reading

- Bloomberg [VW Shows \\$25,000 EV to Compete Where Tesla Has Left an Opening](#)
- Bloomberg [Billions Pumped Into Korea Battery City With China In its Sights](#)
- Bloomberg [Philippine Miners Not Keen on Indonesia Nickel Alliance Plan](#)
- Reuters [Study sees potential for huge North Sea hydrogen pipelines](#)
- Reuters [EU tags copper and nickel as strategic, but industry wants more](#)

Metal Research Major Exchanges Total Copper Inventories (MT)



Data: as 16 March 2023

Source: Bloomberg

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