

DÉBAT

Friedbert Pflüger, directeur du European Cluster for Climate, Energy and Resource Security (EUCERS) à l'Université de Bonn, associé fondateur de Strategic Minds Company GmbH

I would like to turn to the audience. I have two voices here. First, the lady in the second row, then the lady in the first row and then you. Please, Marie, and if you would briefly introduce yourself, please?

Marie-Roger Biloa, journaliste, productrice

Okay. I am Marie-Roger Biloa. I am a producer from Cameroon. Thank you for your very inspiring and fascinating panel.

After having listened to you, one of the major issues here is still environmental problems, and you alluded to that. I am sure you are aware of the controversy about the electric batteries not being that clean. All the kinds of problems it is posing to the environment and carbon footprint when you compare it to traditional batteries.

Why has the electric battery has been developed full-speed, despite that? Everyone is on that front. France has allowed for billions for development, etc. Why? How do you intend to solve all those problems? That is my first question.

The second one is how can you enforce the need to have a fair share in the value chain for the producing countries, like DRC, African countries or whoever they are? Because everybody knows that there is a huge problem. I like the reference to the Ogoni, but who can enforce that? Should we rely on the good will of the actors of the chain, or should we think of a governing body to enforce a better repartition?

Thank you.

Friedbert Pflüger

Thank you, Marie-Roger. I suggest that we collect a few voices, and then turn back to the panel. The lady in the first row, please?

Aminata Touré, ancien Premier ministre du Sénégal

Thank you very much. I appreciated the words of Mr. Cordero. Cell phones and all this very high-tech industry is happening because the minerals are coming from southern countries –



Africa, in particular. When I listen to you, you are saying the right thing, but why is it not happening in the field? Why is it a completely different story?

There is a responsibility from the African states who are overwhelmed by so many problems and sometimes it is difficult for them to enforce their own legislation. However, it does not even make sense to me from an economic point of view.

You rely on mining companies who are operating in a lawless environment – child workers, polluting the lakes – and no investment whatsoever within the community they are surrounded by. Therefore, for me, there is no logic because the next step is they are going to be kicked out of many places with the new generation of leaders coming in in Africa, because this is not going to last.

I think you guys who are at the end of the spectrum should talk to those companies that are your providers, because you might be running out very quickly. This is not going to end and this is the major outcry of the young generation of Africans, 'I'm being looted', because that is the word, 'and nothing is being done'.

When we are in forums, the right things are said but never done. What is your take on that? Unfortunately, a company invested in Niger and now there are going to be a lot of problems because the new military regime is focusing on them, but they should have prevented that. Had they done the right thing, I do not think it would have happened.

This is going to be a general trend in Africa, so your industries might quickly be at risk because you will not be having the product you need to develop your industries at the same cost, in the same condition. What is your take on that? The talk is there – that is what Marie-Roger was saying – but nothing has changed over six decades. It is going to stop because now it is really the hot topic and, if somebody like me is in power, I can tell you that that is going to be one of my priorities because it cannot last. It is impossible.

Thank you.

Friedbert Pflüger

Thank you. Thank you both for your comments. When I said we carefully balanced the panel, we have made at least one mistake. We should have had someone from the global south here on the panel on these issues. Therefore, I am particularly grateful that you raised your voice and that you did so quite forcefully.

I will take two more questions, and then turn to the panel for a final word. It is the gentleman here, and the gentleman in the fourth row over there.

Daniel Andler, professeur émérite de Sorbonne Université, membre de l'Académie des sciences morales et politiques, philosophe

Okay, I am Daniel Andler from Paris and I have a question which is a real question, an honest question, not an implicit reproach.

Everyone on the panel seemed to take for granted that demand was inelastic so that, by 2030-2080, there would be the need of so many billions of tons of this and that, as if it were a



law of nature. It is not a law of nature, it is, at most, a law of statistics with a little bit of implicit sociology. How are you going to take into account the fact that maybe, by 2030 or 2050, people will decide not to have an EV and have a bicycle instead?

Again, I am not being ethical or anything normative. I just want to know why you do not seem to want to take into account the fact that the demand is not rigid?

Friedbert Pflüger

Understood. Thank you so much, sir. Please, here. Arash?

Arash Duero, co-fondateur de Big Picture Strategy LLC

Thank you very much. Arash Duero here from Dubai. I think it was very clear from the discussions how critical these materials are for strategic industries like energy, renewables, AI, robotics – you name it.

What I was kind of missing is the financial aspect of it all. You mentioned Doctor Copper, one of the most critical materials and so on, but when you look at geopolitics, to me, the most significant and most critical metal that is not even on the EU list of critical materials was gold.

When Russia invaded Ukraine in March, the Ruble dropped almost to historic lows. Immediately following that, Putin came out and said he is going to pay RUB 5 000 per ounce of gold. Now, from March 2022 to June 2023, the Ruble appreciated 158%. There was an effective temporary gold standard for three months where he stabilized the currency and essentially negated the sanctions for a while.

That sent a message to China, especially after the freezing of the Russian funds, that they cannot rely on the US Dollar as a reserve currency going forward, if they have intentions of doing whatever they want to do.

The BRICS recently came out and said they want to come out with their currency perhaps backed by gold. There has been record buying by central banks, especially in Russia and China, of gold. I have not heard gold mentioned anywhere. I do not hear it mentioned anywhere in the EU. It is always about renewables, etc., but if you do not have the financial bedrock to finance all of these industries – let us be honest, the energy industry in Europe is highly subsidized and it relies on the primacy of Western financial institutions to actually finance these industries. Therefore, what about gold? Where do you see that?

Friedbert Pflüger

Great questions, great statements. You have now the difficult task of answering, and everyone has 30 seconds. Just take one question. There were many statements. Go ahead. We will start with Jonathan.

Jonathan Cordero, responsable du développement de l'entreprise chez Eurasian Resources Group (ERG)

Yes, let me maybe tackle a few topics that the ladies in the front mentioned. I think it is a very important topic that requires a lot more discussion and a lot more engagement. It is a very complex topic, so I will just pick a few of the things that you mentioned.

First of all, with regards to dirty mines and pollution, there is no ambiguity on understanding what a clean mine is and what a dirty mine is. There are very rigid global standards that need to be followed and there are many experts who go into the nitty gritty of doing this.

Now, whether this is done and followed is a different topic. Here, I totally agree. I must be enforced, it must be levelled and we need to have more balancing and more audits. However, you need to differentiate between industrial-scale mines and semi-industrial artisanal mines.

The second topic of yours was with regard to a fairer value distribution along the supply chain. This is what I mentioned in my brief speech. I fully agree. The answer to that is not a simple one. We see tendencies of politics to enforce more resource nationalism and increased taxes and tariffs, usually with quite the opposite effect.

I think what we need to do, as both individual companies and industry organizations, is to invest heavily in the communities themselves. It is about the creation of jobs. It is also the creation of alternative livelihoods, just to mention a few things.

Friedbert Pflüger

Thank you. Philippe?

Philippe Chalmin, fondateur du Cercle Cyclope, professeur émérite à Paris-Dauphine

Just about what Mr. Andler said – how do we forecast demand? I do perfectly agree with you. Paul Éluard said that you should not look at the past with today's eyes. It is wrong to look at the future with today's technologies. It is clear that we do not know.

What is on the market as far as forecasts for 2040-2050 is a concern, I do not know if my grandchildren will have cars. Maybe cars will disappear – you are right, we will all be cycling or we will try to walk and so on.

Well, the only thing I am pretty sure of is – there might be some batteries, whether they are lithium, nickel, cobalt or anything else – copper will be extremely important because I do not imagine a world without electricity. You are more scientific than I am, but it seems to me that you cannot escape copper.

By the way gold, we can get rid of it. It was Keynes who said it was a barbaric relic. Gold is nonsense. You know what Warren Buffet said, it was completely stupid to go so deep underground to get gold, and then to bury it in the vaults of central banks. Therefore, gold is completely stupid.

Right now, it is verging USD 2 000 an ounce because there are some troubles in the world, so it is a good indicator. However, it is the stupidest investment because, when you invest in gold, you freeze your money. Money has to circulate, money has to be invested, money has to create wealth. Gold destroys wealth.

Friedbert Pflüger

Understood. It is a good point.

Philippe Chalmin

We can have a private talk with my African friends about the fair share.

Friedbert Pflüger

Thank you. Christophe?

Christophe Poinssot, directeur général délégué et directeur scientifique du Bureau de recherches géologiques et minières (BRGM)

Thank you very much. I am going to go back to the environmental and social issues with regard to mining activity.

I fully agree with what you both mentioned, and thank you very much for your comments, which were very fruitful.

I want to say that, first, we aim to develop any new mine at the highest environmental standard as possible. It is not only a claim. We are developing the regulations, and the regulations will apply not only for mines in Europe, but for any material entering Europe. It is what we call, for instance, the battery passport, in which will be described the environmental footprint of the materials which are used. They will have to be at the highest standards, otherwise they will not be able to enter the European market. It is not the only way, but it is one way to try to develop the highest possible standards.

The fair share, which is also very important, regards any project that we are developing in a country, it is not only a mine. It is a mine with all the transformation industry around in order to relocate the highest part of the added value in the country. For instance, the agreement which has been signed in DRC some years ago is within this framework. We will build some plants in DRC, not only mining.

Friedbert Pflüger

Thank you. Nicolas?

Nicolas Piau, co-fondateur et président de Tilt Capital

I will speak to Daniel's point. I fully agree. I think that is what I was trying to say on stranded assets as we go forward, because of both innovation and, you are right, social behavior.

Therefore, I agree this is one of our concerns as energy players. There is not much we can do now, but you are absolutely right that we should be very careful to not lock in too big a position in this. I fully agree.

To the point of fairness, I will use Jeremy Irons's comment in *Margin Call*. We will have to pay – and I genuinely think so. I think, yesterday, when we talked about transfer from the rich



economies to developing economies, we need to pay the real price of this energy transition that we are fueling.

For that, I think it means higher royalties, potentially, that stay locally. It means that we need to probably subsidize in order for local populations to deal with the impact on electricity prices. It needs to be subsidized by the richer economies.

People will say, 'This is not acceptable from the Western point of view', but this is absolutely acceptable because this is exactly what we need in terms of international cooperation, in my view. Rather than just giving money, it is better to invest that money locally by remunerating the real price of what we are asking for the material.

Friedbert Pflüger

Thank you. I think this was a great panel with great speakers. One disadvantage, which you pointed out very clearly, with your remarks here from the first and second row – we are still too Euro-centric in what we are doing. We have fewer and fewer people, relatively less and less power in the world, but we believe that we are still the core of the world, and that is wrong.

Therefore, I think one message that we take, should we do this again, is I would definitely ask for an African or an Asian voice here – perhaps not only one, but two. That is what we have learned.

Thank you very much for your attendance and your interest.