



THE EESC AND THE NEW MEDITERRANEAN PACT

The Mediterranean region is a strategic area for the European Union, not only for geopolitical reasons, but also because of the considerable economic, cultural and development opportunities it offers in terms of cooperation and mutual benefits for citizens throughout the Euromed region. This was discussed at the end-of-term Plenary Session of the European Economic and Social Committee (EESC) held in Brussels last week, which saw the adoption of the Opinion REX/606 entitled “A new pact for the Mediterranean”. «This is an extremely topical issue - said Councillor Ulgiati in his speech - because the Mediterranean is currently experiencing major crises, including humanitarian ones, ranging from the war in the Middle East to migration from Africa and Arab Countries, and all this undoubtedly has an impact on Europe, both economically and socially and ethically, so we need to understand clearly how to tackle this issue». The Pact, drawn up by the European Commission, aims to establish a people-centred strategic framework to deepen cooperation between the EU and the Southern Mediterranean and to address changing geopolitical circumstances by strengthening political commitment and partnerships, focusing on shared priorities. The EESC calls for the new Mediterranean Pact to actively promote peace, democracy, good governance, the fight against corruption, the rule of law and respect for international humanitarian law, as the basis for cooperation in the Mediterranean region, and recommends that the monitoring and evaluation of the Pact be participatory from the outset, involving civil society organisations, social partners and youth representatives in defining indicators, as well as in verifying data and interpreting results. Social dialogue is therefore considered to be of fundamental importance and must be institutionalised at all levels of governance in order to define economic, social and labour policies, for example by giving a more incisive role to economic and social Councils and the Mediterranean Youth Council and promoting the creation of similar bodies in Countries where they do not yet exist.



EU, TOO MUCH CHINA IN EUROPE

How vulnerable is the European Union to Beijing's decisions on rare earths? A recent analysis by the European Central Bank (ECB) highlights how the Eurozone is too dependent, even indirectly. «The euro area is exposed to supply chain risks related to Chinese exports of rare earths» warn ECB experts, adding that the Eurozone economy risks higher inflation rates and slower economic growth if rare earth supplies from China were to be disrupted. In the Report, economists noted that the euro area is heavily dependent on Chinese rare earths, both directly and through intermediaries such as large US technology companies. If these supplies were blocked due to trade or other disputes, the Eurozone would suffer economic damage that could lead to higher costs for manufacturers, particularly in the automotive, electronics and renewable energy sectors. The People's Republic of China dominates the global rare earths market, producing 95% of the world's rare earths and also holding a central position in the refining of other essential raw materials, such as lithium and cobalt, both of which are indispensable for electric car batteries. Currently, 70% of rare earth imports in the euro area come from China, and there are no alternatives. Although, therefore, there is much Chinese presence in Europe and the Eurozone appears increasingly dependent on Beijing, partly because for years the single, open market has allowed Chinese companies to occupy strategic positions such as ports, ECB technicians do not currently foresee any crisis situations on the horizon. However, the warning is to «remain vigilant» and monitor developments closely, given the potential for rapid changes in global supply dynamics and the aspirations for European strategic autonomy, which do not yet appear to exist.