

11. Internal markers and Tags	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Migration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
12. Amounts concerned	Budget line: 14.020131  Total estimated cost: EUR 2 100 000  Total amount of EU budget contribution: EUR 2 100 000			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
13. Type of financing	Direct management through Procurement			

## 1.2 Summary of the Action

As the world gears up for net zero, demand for certain raw materials is set to soar. Raw materials will be at the centre of decarbonisation efforts, as our economies will move from fossil fuels to wind and solar power generation, battery- and fuel-cell-based electric vehicles (EVs), and hydrogen production. The EU is not alone in facing these challenges. Moving towards a net-zero and digital economy is a shared interest of the global community. Countries around the world have taken steps to secure their supplies, to process and refine critical raw materials to reduce their strategic dependencies.

Rare earths are a group of metallic elements which are needed for the permanent magnets in everything from wind turbines to electric car motors. China has progressively increased its investments both domestically and abroad to secure them. The country controls almost half of the world's refinery production and it has become a central player at all stages of the mineral supply chain<sup>1</sup>. Numerous studies already exist on China's external economic engagement but they tend to be snapshots of a given point in time or offer a broad assessment of Belt and Road Initiative (BRI)-related activities. However, these existing studies do not provide a comprehensive overview nor a systematic, long-term monitoring of Chinese investments and operations in critical raw materials, which may support decision-makers in Europe about the best approach to this issue.

<sup>1</sup> [https://www.brookings.edu/wp-content/uploads/2022/08/LTRC\\_ChinaSupplyChain.pdf](https://www.brookings.edu/wp-content/uploads/2022/08/LTRC_ChinaSupplyChain.pdf)