COUNCIL DECISION (EU) 2023/1560

of 20 July 2023

authorising the opening of negotiations with the United States of America for an agreement on strengthening supply chains for critical minerals

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207(4), first subparagraph, in conjunction with Article 218(3) and (4) thereof,

Having regard to the recommendation from the European Commission,

Whereas:

(1) The European Union and the United States of America ('US') have the broadest and deepest bilateral trade and investment relationship in the world and have highly integrated economies.

(2) On 16 August 2022, the US enacted the Inflation Reduction Act amending, among others, Section 30D of the US Internal Revenue Code (the 'Clean Vehicle Credit'). In the absence of a comprehensive free trade agreement between the EU and the US, the conclusion of a targeted agreement on critical minerals should enable relevant critical minerals extracted or processed in the EU to count towards meeting the requirements of the Clean Vehicle Credit.

(3) In addition to fostering the EU-US supply chains in critical minerals needed in the production of electric vehicle batteries, concluding a targeted agreement on critical minerals would represent a new step in broadening and deepening the EU-US economic relationship.

(4) Negotiations should therefore be opened with a view to concluding an agreement on critical minerals with the US,

HAS ADOPTED THIS DECISION:

Article 1

The Commission is hereby authorised to open negotiations, on behalf of the European Union, with the United States of America for an agreement between the European Union and the United States of America on strengthening supply chains for critical minerals.

Article 2

The negotiations shall be conducted on the basis of the negotiating directives of the Council set out in the addendum to this decision.

Article 3

The Commission shall conduct negotiations in consultation with the Trade Policy Committee as provided for in Article 207(3), third subparagraph, of the Treaty on the Functioning of the European Union.

Article 4

This Decision is addressed to the Commission.

Done at Brussels, 20 July 2023.

For the Council
The President
J. BORRELL FONTELLES