

The Evolution of the International Metal Study Groups

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Last year marked the 40th anniversary of the International Lead and Zinc Study Group (ILZSG). When it was created in 1959, it marked only the second time that an intergovernmental consultative forum of this kind had been established (the first being for tin in 1956). Governments of the day were concerned with the poor market situation for lead and zinc that had persisted through the mid-to-late 1950s: high production, weak consumption, high stocks and low prices. The situation led a number of countries within the United Nations to convene a number of high-level discussions to seek possible solutions without direct intervention by governments into the marketplace.

As a result of these discussions, governments decided to establish a permanent intergovernmental organization to address concerns related to lead and zinc and to provide up-to-date market information. The ILZSG was born and held its first annual session as an autonomous intergovernmental consultative forum in January 1960. The Secretariat for the Group was located in the United Nations headquarters in New York and remained there until it was relocated to its current location in London, England, on April 1, 1977.

Canada played an important role in the creation of the ILZSG and, by the late 1980s, countries with an interest in nickel and then copper convened to discuss the establishment of additional study groups based on the success of the ILZSG model. The International Nickel Study Group (INSG) was established in 1990 with its headquarters in The Hague, Netherlands, followed by the International Copper Study Group (ICSG) in 1992 with its headquarters in Lisbon, Portugal.

Throughout the history of the groups, Canadians have been active participants and have played a prominent role in their establishment and in the operation of the secretariats and the work of the com-

mittees. Canada has also been active in soliciting new members to the groups and is seen to be a key player in all three forums.

CURRENT STATUS AND MANDATES

Currently, the three study groups operate independently as autonomous, United Nations-affiliated intergovernmental organizations that provide their member states with:

- accurate and timely information on world commodity markets; and
- regular consultations on international trade, environmental and other issues of importance to member countries.

The Groups are recognized as an international commodity body by the United Nations Common Fund for Commodities, which entitles them to apply for funding for development projects from the Common Fund. Figure 1 shows the countries that are members of one, two or all three of the metal study groups.

Membership in the groups is open to member states of the United Nations (or of its specialized agencies or the World Trade Organization) and to intergovernmental organizations having responsibilities with respect to the negotiation, conclusion and application of international agreements, particularly commodity agreements. Each member has one vote, with the exception of the European Union, and financing for the groups comes from the member governments. There are currently 25 members in the ICSG, 28 members in the ILZSG and 16 members in the INSG.

In addition to member governments, several multilateral institutions and non-governmental organizations have been accredited observer status. Unlike some other commodity groups, observers do not pay membership dues. Intergovernmental organizations with observer status to the study groups include:

- Commission of the European Communities (ILZSG)
- Organization for Economic Co-operation and Development (ILZSG, INSG)

- United Nations Conference on Trade and Development (ILZSG, INSG)
- United Nations Environment Programme (ILZSG)
- United Nations Industrial Development Organization (ILZSG)
- World Bank (ILZSG)
- World Trade Organization (ILZSG)

Non-governmental organizations that have been granted observer status to the study groups include:

- American Bureau of Metal Statistics Inc. (ICSG)
- American Zinc Association (ILZSG)
- Association of the European Non Ferrous Metals Industries (ICSG, ILZSG, INSG)
- EUROFER (INSG)
- European Copper Institute (ICSG)
- European Zinc Institute (ILZSG)
- International Copper Association (ICSG)
- International Council on Metals and the Environment (ICSG, ILZSG, INSG)
- International Lead Zinc Research Organisation (ILZSG)
- International Wrought Copper Council (ICSG)
- International Zinc Association (ILZSG)
- Lead Development Association International (ILZSG)

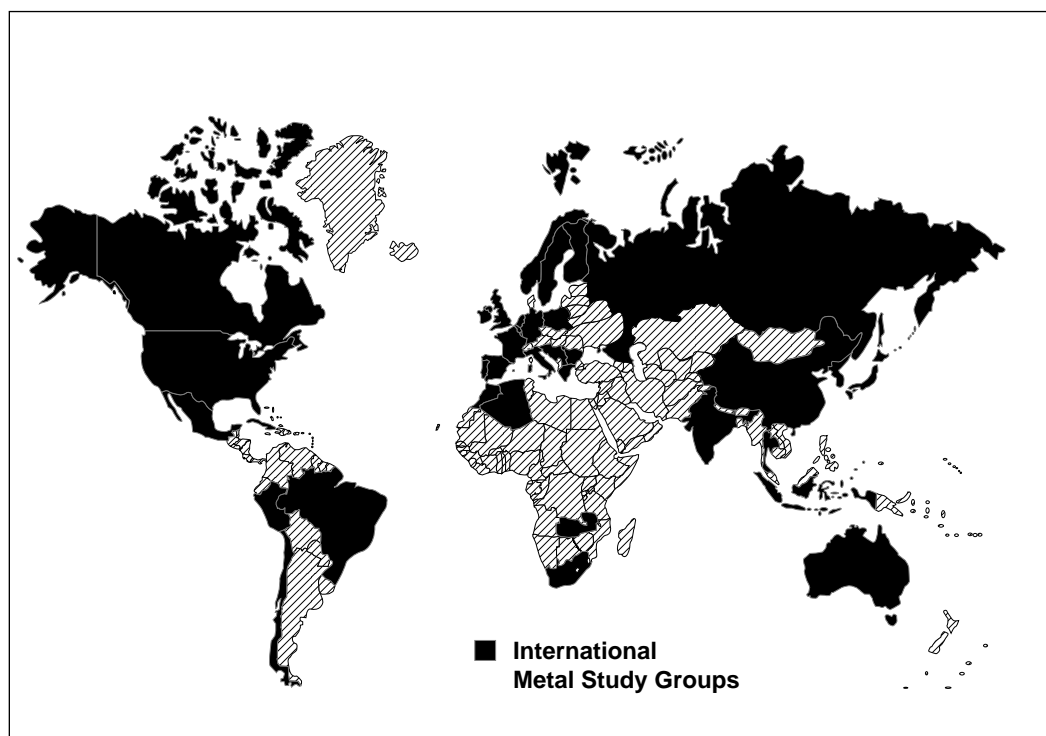
- Lead Industries Association Inc. (ILZSG)
- Nickel Development Institute (INSG)
- Nickel Producers Environmental Research Association (INSG)
- World Bureau of Metal Statistics (ICSG)

EVOLUTION OF THE GROUPS

When the ILZSG was created in 1959, countries were concerned about the transparency of markets and restrictive trade rules that made use of protectionist measures such as tariffs. Today, many of these tariffs have been removed as countries move into free trade agreements within regional trading blocks. However, we are now seeing a move to more sophisticated, less transparent, technical barriers to trade being erected. The effects of such measures on metal markets are already being felt. In addition to strictly technical or commercial challenges, governments must also address the issue of society's expectation that the industry act in a responsible manner consistent with the principles of sustainable development.

To meet these new challenges, member countries of the three study groups convened a workshop on sustainable development for nonferrous metals in

Figure 1
Member Countries of the International Metal Study Groups



Source: Natural Resources Canada.

London, England, in December 1999. The London workshop clearly demonstrated how the policy environment that governments and industry are currently operating in has evolved since the inception of the groups. Governments and others engaged in the sustainable development of mineral and metal production, use and recycling need to ensure that economic, social and environmental policy and management decisions will support trade and development in a responsible manner.

The groups are now in the process of finding the appropriate mechanisms to respond to the changing nature of market transparency issues, the need to address issues from a sustainable development approach, and how to deliver this information. As the only existing intergovernmental forums to discuss issues of concern to governments related to the production and consumption of metals, the groups have started to position themselves to become more relevant to the policy issues affecting nonferrous metals. In September 2000, the member governments of the three metal study groups convened the first meeting of the Non-Ferrous Metals Consultative Forum on Sustainable Development in Brussels, Belgium.

The Consultative Forum was convened to build on the outcomes of the London workshop. Workshop participants had identified the need for activities that promote the production, use, re-use, and recycling of efficient, effective, durable and environmentally sound materials for use by society. The purpose of the Forum was to identify those recommendations or action items from the workshop with the broadest level of support from governments, multilateral institutions, industry and other non-government organizations. Forum participants were given the task of developing the components of an action plan and its implementation for consideration by member countries of the study groups and others (see Chairmen's summary). More information about this activity is available through the joint study group web site at www.nfmsd.org.

Activities like the Consultative Forum, workshops on recycling, and the joint Working Group on Trade and Environment are just a few examples of how the study groups are evolving to meet the needs of the member countries, industry and others. To address the ever-changing needs and rapid growth in information technology, the three groups have also established web sites for rapid delivery and access to the wide range of publications and information generated by the groups (for more information, visit their sites at www.icsg.org, www.ilzsg.org and www.insg.org).

Improved Internet capability is becoming a high priority for the groups and Canada is leading the way with technical assistance to the groups for web site design and database programming to create interactive web sites that are accessible to all subscribers. Through their individual and combined efforts, the groups are positioning themselves well to meet the challenges of the coming decade.