



# The second decade

**This issue concludes the 10th volume of Raw Materials Report. The global setting for publication of a journal on the political economy of natural resources has changed considerably over this period. In order to meet the challenges of the future, the Journal will be relaunched starting with the next volume.**

In late 1994 the world metal markets underwent a dramatic upturn that few, if any, observers foresaw even only a year ago. This peak was mainly due to an unexpected, strong demand increase. It was strongly underpinned by a wide spread speculative interest in commodities, when stock markets and properties went out of fashion as the most profitable investment vehicles. However many analysts also claim that the price increases are founded on factual changes in the market for many metals. They point to three factors that indicate fundamental changes:

- The intensity of metal use is increasing.
- Investment in new mining projects is going up.
- Privatisation is at its peak.

With this issue, Raw Materials Report concludes its 10th volume and we hope that this renewed interest in metals and minerals will also spur a concern for other issues related to the political economy of natural resources. Issues that we have been trying to cover since the early 1980s.

In a longer time perspective, brief price spikes do not alter the situation of most metal producing countries much, whether developing or industrialised. When looking back to the early 1970s, it is obvious that it has not been possible to use minerals and metals as levers for an economic and political development to the extent that many Third World countries hoped for when the theory of a New International Economic Order was introduced.

Firstly, the Third World does not even exist as a concept any more. The centrally planned economies forming the Second World rose quickly as metals producers in the cold war era. Among other things these countries differed from the industrialised market economies in that they were almost independent of the natural resources of the Third world countries. But after the economic and political collapse of the USSR, the former Soviet republics and the countries of

Eastern Europe have either joined the group of developing Latin American, African and Asian countries or the group of industrialized European countries. These groups are the only two remaining.

The economic and social differences within the group of developing countries is rapidly increasing. A new transitional group is emerging, the newly industrialising countries (NIC) including South Korea, Taiwan and others. All these, so called economic tigers, are important metal consumers driving Asian demand high.

Second, the 1990s have been characterised as a period "during which the mining multinationals regain a large chunk of the territory that they lost during the transition of the 1960s and 1970s"<sup>1</sup>.

The expectations that were expressed for example in a document presented in the mid 1980s "Strategies for exploitation of mineral resources in developing countries" have not been met:

"With the increase in government interest there is more concern for the welfare, social and employment aspects and relatively less for the pure profit motive with a redefinition of profit to give greater value to social benefits"<sup>2</sup>.

Another sign of the times is that the last of the surviving exporters associations, the International Bauxite Association, closed shop in late 1994. A death hardly noticed in the international metals press and even less in the daily press. A big change since the hey days of OPEC and CIPEC and the other exporter's organisations.

Against this background there does not seem to have been much progress for developing mineral producing countries during the last 20 years. But when digging a bit deeper some important developments are uncovered.

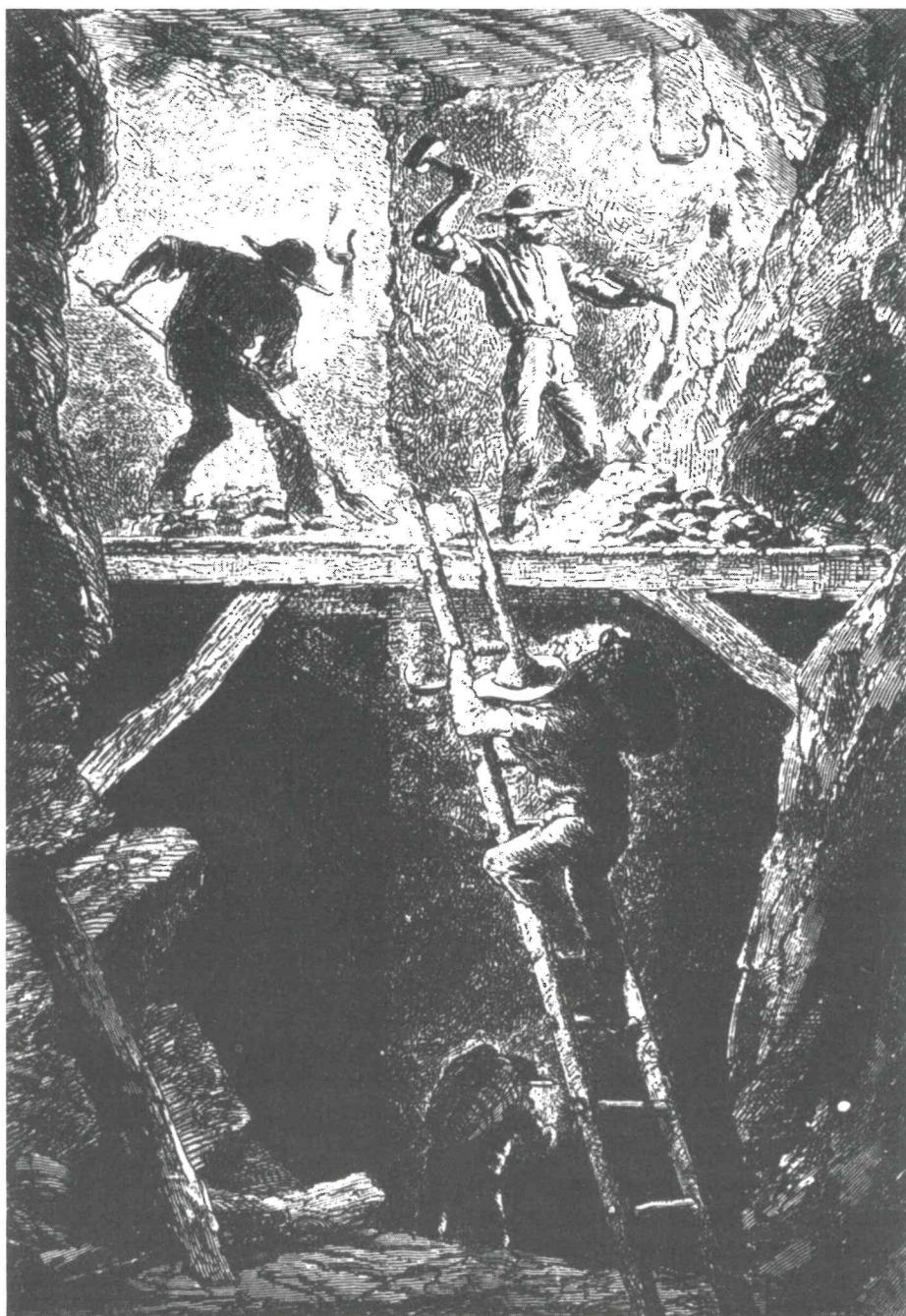
Looking at the figures of the division of production and consumption between the regions of the world it is, however, obvious that a slow change has been gradually taking place. Control over production has been increasingly based in Latin America and Asia, at least up to the

early 1990s. Even in Africa, which has suffered tremendously also in terms of its metals production, there is at present some hope for at least a partial revival. New regionally based investments are coming in, albeit mostly from South Africa. In the last years there are however important signs of that the mining transnationals are coming back again. New mine investments in for example Chile is almost completely made by foreign companies. Among the mining transnationals important repositioning is also taking place. The US mining companies, which were unchallenged leaders in the 1950s and 60s have been facing increasingly tough competitors from Australia, South Africa and Europe.

Over the period since the early 1970s it has further been proven that state companies, under proper management and with a host government taking its role as owner seriously and professionally, can operate profitably and successfully both in industrialised and developing countries. LKAB, Outokumpu, Codelco, Malaysia Mining Company are all prime examples of this.

Even in the corporate world, environment and sustainable development are new buzz words, and these issues attract more and more serious attention.

The metal markets are cyclic and if the end of the 1990s should show an upturn in the interest for, and importance of, metals and minerals the Raw Materials Report will enter this new period better prepared than when the journal was started in 1981. Certainly some of our expectations and hopes when publishing the journal have not been fulfilled. Our analysis of minerals and metals role in economy and society have been continuously developed and refined. But we will be as relentless as ever in searching for articles discussing resources for justice and peace. We also still believe that, at the core of the political and economic debate over metals and minerals should be the *needs* of the peoples of the world rather than only the demands in the markets and the control over production



rather than the location of production. Further we enter the second decade with extended experiences, a wider network of contacts and new computerised technologies.

Starting from our next issue the publishers of Raw Materials Report, **Raw Materials Group** will begin a cooperation with the **Centre for Petroleum and Mineral Law and Policy** at the University of Dundee to meet with our present and potential new readers' demands and expectations in a changing global economy.

We would like to thank all our readers, contributors and other friends for their support and interest over the years. In

particular our thanks go to Olle af Geijerstam, the founder of Raw Materials Report and its editor-in-chief for the first eight years and to the Swedish State Council for Culture which has supported the Journal economically over the years.

We wish you all welcome to the new **Raw Materials Report - The Journal of Mineral Policy, Business and Environment**.

#### Notes

1. M. Radetzki, The decline and rise of the multinational corporation in the metal mineral industry, Resources Policy, March 1992.
2. Association of Geoscientist for International Development (AGID), Raw Materials Report Vol 6, No 1, 1986. ■