



International Seabed Authority and China Minmetals Corporation  
Contract Signing Ceremony

Beijing

**12 May 2017**

STATEMENT

by

Michael Lodge  
Secretary-General

.....

I congratulate China Minmetals on signing the twenty-seventh contract for exploration in the Area with the International Seabed Authority and on thereby becoming the twentieth unique contractor with the Authority. It also happens to be the first contract that I am signing in my capacity as Secretary-General, which makes it particularly special for me.

Let me also extend my heartiest congratulation to the Government of China on becoming the first member State to successfully sponsor four plans of work for exploration in the Area. This means that Chinese contractors have exclusive rights, guaranteed by the international community and international law, to explore areas of the international seabed covering 162,000 square kilometres, which is almost 10 times the size of Beijing. I especially wish to acknowledge the enormous efforts made by the Chinese Government to adopt national legislation to provide a strong and stable platform that has enabled companies such as China Minmetals to apply for exploration rights in the international seabed Area.

The signature of this contract represents a significant milestone, not only for China, but also for the Authority as a whole. Your entry into this pioneering field of human endeavour is another significant step forward towards the realization of the common heritage of mankind, as well as a sign of great confidence in the work of the Authority and in the future development of seabed minerals.

I know that it has taken many years of discussion and careful consideration to come to this stage. To enter into a completely new field, and especially one that carries with it very high risks and very high costs, is not a decision that is taken lightly. We in the Secretariat were involved in several of these discussions and I am delighted that you felt sufficiently confident with the processes of the Authority to take the decision to apply for a contract. I understand very well that dealing with a multilateral organization is very different to dealing with bilateral commercial partners, and is something that can be very difficult for commercial enterprises to understand.

On behalf of the Authority, I look forward to being a good contract partner to China Minmetals.

At the same time, it is not surprising to me that a company like China Minmetals should decide to look to the sea for future investment.

As we are all aware, China is the largest consumer of many types of minerals in the world. China Minmetals is China's largest mining company and a global leader in the mining industry. It is beyond doubt that any action and strategic plan of China Minmetals will draw the full attention of the global mining industry. As Mr. He Wenbo put it, China Minmetals is turning its eyes to the exploration and exploitation of resources of "deep land, deep sea and deep sky".

China, and indeed the whole world, is facing a tremendous challenge – how can we meet an increasing metal demand in an environmentally sustainable way? In two weeks' time, we shall

be meeting at the United Nations in New York to discuss the challenges for the implementation of Sustainable Development Goal 14; the conservation and sustainable use of the ocean and its resources.

If we are serious about developing a blue economy, based on sustainable use of marine resources, and a low carbon future, we are going to need an increased supply of metals for the world economy. Renewable technologies for example require two to three times more steel per megawatt generated than conventional infrastructure. Increased supplies of strategic metals such as cobalt and tellurium will also be needed.

We also need to acquire these minerals without increasing our overall carbon footprint.

Some of this demand can be met by improved recycling and alternative technologies. But recycling alone is not enough. We know that the polymetallic nodules in the Clarion Clipperton Zone alone, where China Minmetals' exploration area is located, contain more Manganese, Cobalt, Nickel and Molybdenum than all terrestrial reserves of these metals combined.

It is only logical therefore, that we should seek to exploit these resources for the benefit of mankind, and in a way that ensures the lowest possible impact upon the marine environment. Indeed, this is the objective of the 1982 United Nations Convention on the Law of the Sea.

Becoming a contractor with the Authority entails certain responsibilities. Contractors must, of course, comply with all the terms and conditions of the contract, which is normal. But above and beyond that, we hope that during this preliminary phase of deep seabed mining, contractors will give us the benefit of their unique skills and experience and contribute their wisdom and knowledge to the further development of the deep seabed mining regime.

In the case of China Minmetals, I know that we have much to learn from your extensive experience in the fields of technology development, metallurgy and processing and commercial know-how. Indeed, I am pleased to see that China Minmetals has already started work on technology development and has made plans for deeper and deeper tests in the coming years. Equal importance has been attached to marine environmental protection.

During my meetings yesterday with Mr. Wang Hong, Administrator of the State Oceanic Administration and His Excellency, Mr. Liu Zhenming, Vice-Minister of Foreign Affairs, all of us agreed that in the course of humanity's march towards deep sea exploration and exploitation, the interests of the developing countries should be further emphasized and promoted. This is consistent with the Belt and Road Initiative launched by President Xi Jinping, which advocates shared benefits from international cooperation. It is also fully consistent with the Law of the Sea Convention, under which the wealth of the ocean floor is to be shared between all States, with special emphasis on improving the situation of the landlocked and least developed States.

China Minmetal's activities under the contract will provide great opportunities for international cooperation in resources exploration, environmental monitoring and protection, development of mining technology, capacity-building and training for the developing countries, and transfer of marine science and knowledge.

I congratulate China Minmetals on becoming a contractor with the International Seabed Authority and I wish you all success in your exploration work. I look forward to working closely with you on developing the next frontier for mankind and I assure you of my support in the years ahead.