Raw Materials Policy, CRM, Secondary Raw Materials

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Raw Materials Policy

- Access to particular raw materials differs considerably from one industry to another, as do the material flows themselves according to their nature and the traditional uses of the required raw materials.

- Nevertheless, raw material availability as such is regarded and treated as a strategic issue in some countries (USA, China), which, of course, no surprise!

- Anything like re-industrialisation or, whatever label we would stick on this desirable trend needs and will need raw materials (and energy) availability at the adequate cost

- Dematerialisation is a great concept, nonetheless, the mankind greatly depends on material consumption starting from food up to amenities – materials everywhere!
Raw Material Policy

- In my view, the materials (and energy) consumption is driven by the population growth more than wasting resources and too much of consumerism in our behavior.

- The sooner we abandon the idea of dematerialization, the better! Such an advanced society cannot survive in such an idealistic word, which does not mean we need not to behave and savings is something obsolete!

- Sustainability, in my humble view, does not mean that great variety of indicators etc. difficult to grasp, but it means simply „stop wasting“!

- When we, everybody of us, privately, or institutionally, adopt this simple idea, we have done a gigantic leap towards this desired turn around!
Raw Material Policy

- In this concept, and eventually prevailing mindset we must think of availability of the resources needed and the ways how to cover our needs in raw materials.
- It has lead to the EK assessment of critical raw materials, their availability and disponibility.
- In our view, it is not a solution, it is just a thorough analysis of "what and where and when" – a subject of rapid dynamics and no free lunch will be available!
- Every and each participant of this game must be ready to pay the dues, on the other hand, also to harvest adequate benefits!
- And, it is a tough game, no doubt about it!
Raw Material Policy

- Although there is no reason to believe that there exists any danger in the long term of global depletion of stocks of any vital critical raw material, a real threat of shortages in short term exists.

- Such shortage can be triggered by political or economic factors, if some raw materials, necessary for EU high tech production are only produced in few countries.

- The resources which could be used to alter the present supply are in sufficient volumes and could be extracted in several countries, e.g. Australia, Denmark (Greenland), USA; but nowadays, it is much cheaper to rely on the current supply chain.

- Some of the countries have already shown they would use such influence to impose their economic or political interests.
Raw Material Policy

- We thus urge the EC to monitor the situation in international trade of critical raw materials and with regular updating of this list.
- We also recommend preparing several plausible scenarios, with the worst case one, to describe the threats and potential solutions.
- In addition, we endorse the need of continuing in negotiation at the international level (WTO) to promote free trade also in commodity markets.
- Cooperation with other countries in the similar situation (US, Japan, South Korea) should be enhanced (TTIP for instance).
Raw Material Policy

- We also urge a more active foreign policy regarding security of raw materials for EU Industry – insofar, nothing too much has happened yet!
- Bilateral trade agreements and diplomacy are of utmost importance to secure the critical raw materials for EU based industry.
- There needs to be not only a direct focus to secure the vital raw materials but also to create a positive environment for EU interests in target countries.
- The fact that EU is still among the world's most popular and important markets have to be exploited.
Raw Material Policy

- The raw material policy must form an integral component of the EU industrial policy:
  - To promote the resource efficiency of both primary energy sources and raw materials towards de-coupling growth from consumption of resources – has its limits.
  - To have a consistent policy of urban mining that aims to recover and to make available such a resource of valuable raw materials and to promote the new skills and jobs related.
  - To strengthen the research and development about the possibilities of substitution of the critical raw materials.
  - To maintain and increase employment in the European extractive sector ensuring continuous education and training of the workforce, accompanying the transition to more sustainable extractive activities by the social dialogue at all the levels.
The creation of a strategic stockpile of critical raw materials is among the potential solutions and we recommend that an impact assessment be carried out to establish the feasibility of such possibility in the light of the worst case scenario.

Such measure could have also negative side effects (e.g. not sufficient flexibility, impact to the price of the commodity, etc.), and must be carefully studied and consultations held and decisions taken with EU industry representatives.

We recommend launching initiatives to support research, data collection and monitoring focused on the current or potential raw material resources in the Member States but also in third countries.
Raw Material Policy

- The data obtained from such a research or data collection with public money support, have to be accessible for all EU market players and EU and national authorities.
- The Committee considers research and innovation to be a crucial factor of the Raw material policy.
- Successful advancement needs involvement of the main manufacturing sectors (ETPs – partnership initiative on raw materials in the framework of the EC Communication "Innovation Union")
- We recommend supporting current or new raw material extraction in the Member States, which conforms to the EU environmental, social and health and safety legislation.
- The domestic supply should be among the pillars of all raw material policies.
Raw Material Policy

- We also support recycling of raw materials and underline the necessity to secure the highest level of recycling rate, where it is economical and technically feasible.
- EESC recommends supporting extraction from old mining waste, which contains a significant volume of a rich spectrum of different metals.
- By no means, recycling is a key issue of the union raw material policy! But we must be careful in choice of the instruments!
- Large volumes of collected secondary raw materials are currently being exported although they are badly needed in the European basic and process industries.
- This trend seriously jeopardizes employment in all the process industries.
Raw Material Policy

- The pressure of excess volumes of collected waste from the existing dedicated collecting systems is often relieved by simply selling off those collected categories of waste indiscriminately, without any additional processing and without securing final utilisation within the EU.

- Unfortunately, illegal trading practices are often used in order to circumvent direct control of important secondary raw material flows.

- In this way, waste streams collected on behalf of EU tax-payers do not secure the intended benefits, but rather reduce the competitiveness of the respective industries by curtailing and/or making the supply of secondary raw materials unnecessarily more expensive.
Raw Material Policy

• At the same time, it is obvious that numerous specific regulations governing recycling have not been framed coherently.

• They tend to focus on individual, isolated aspects of collection and recycling and do not take account of the market forces at work in the systems and processes.

• The conflict between market forces and the existing regulatory framework should be analysed in detail to achieve better balanced results.

• The EU should possibly negotiate emergency terms with the WTO, setting clear and transparent conditions for export restrictions/duties on wastes of strategic importance.
Raw Material Policy

- We strongly support the industry's call upon the EU to develop a comprehensive and consistent policy on long-term sustainable access to raw materials and use of resources.
- Recycling should be supported by improving collecting infrastructure, creating legal certainty and an equal level playing field and by removing unnecessary administrative burdens.
- This essential requirement needs a good balance and consistency across the entire spectrum of regulations, directives and decisions.
- All the individual elements of the EU Climate Change Policy (ECCP) should take into account the environmental benefits of secondary raw materials (SRMs), and inconsistencies should be avoided.
- As there are ever stronger voices all around the world, the climate policy should be the result of consistent energy, raw material and industrial policies!
Thank you for your attention

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