

Public consultation on the Raw Materials Initiative
Council of European Producers of Materials for Construction (CEPMC) response
17. September 2010

1. Do you have any comments on the methodological approach, including the scope, to determine criticality at EU level? If so, please specify.

CEPMC welcomes the EU initiative and that it investigates the supply risks of raw materials. The methodology is not questioned as the definition given of “Criticality” defines the geological and geographical scarcity of minerals. However, it does not foresee criticality of access to local resources due to transport, environmental and abundant administrative constraints including the NIMBY effect, nor the definition of criticality in a long term aspect. The scales used for the report are at International, EU and National level but do not take into account the regional and local scale, which are relevant for minerals used for construction like aggregates, gypsum and clay.

From our perspective a cross-examination should be considered individually by the three commodity groups: 1 primary raw materials to be imported from abroad, 2 primary raw materials available in Europe, 3 industry-secondary. The supply risks of that commodity groups largely vary and can be mapped only partially in a joint analysis. This shows the problem of the EU working group on that matter, to take an integrated approach. We also believe that the EU should regularly review the criticality assessments and update them where necessary at intervals of no more than five years taking into account our suggestions.

2. Do you see any additional raw material that should be considered as critical? If so, please explain.

Raw materials used for construction are essential for society. Access to local resources in Europe is a key, fundamental and critical issue. In the absence of adequate policies, domestic raw materials supplies may become critical in several European regions, leading to local supply deficiencies, with costly consequential inefficiencies in raw material consumption efficiency, transport, energy consumption and efficiency, and CO2 emissions.

3. Do you have any comments regarding the recommendations of the report? If so, please specify.

CEPMC supports the recommendations of the report and the proposal for a regular updating of risk assessment.

The list of critical raw materials should be reviewed after five years and, if necessary, on an ad-hoc basis taking into account policy change and/or increased knowledge of the accessibility of minerals. The focus should not be exclusively on the 14 critical raw materials, as access or availability of other minerals, including raw materials used for construction, is limited and could endanger the supply of the EU economy.

In the implementation of the recommendations the EU Commission should limit itself to supportive measures. Mandatory requirements are not supported by CEPMC as this would mean distortion of competition for the European industry.

The EU Commission should continue its three-pillar strategy, which aims to secure the supply of raw materials, with primary and secondary raw materials from Europe and abroad, and continue to work on all of the identified measures and aims of its Communication of November 2008.

4. Are you aware of any initiatives in your country that aim to assess the criticality of raw materials? If so, please describe briefly.

The German Ministry of Economy has established a Raw Materials Agency assessing the availability of industrially important raw materials. In addition, some German companies launch studies on the availability for raw materials they need.

In a few regions of Spain, competent authorities are assessing the problematic aggregates supply. In those cases, a prospective study on future demand and availability of resources (authorised) has led to a proportional relation between those factors.

5. The functioning of raw materials markets has not been dealt with. Do you think that further analysis of their functioning should be carried out? What actions should be proposed to increase their transparency?

6. Do you think that the EU should propose a system of stockpiling for the critical raw materials? If so, please indicate whether you consider it more appropriate to do this at Community or alternatively at Member States level.

Because of the different structures and needs of the industrial value chains in the EU Member States CEPMC is not in favour of a common stock of critical raw materials.

7. Do you think that the importance of trade is adequately reflected in the work carried out so far in the Raw Materials Initiative?

8. Do you have any comment regarding the main findings of DG Trade activity report? What activities should be prioritised? Are there, in your opinion, additional activities not mentioned in the report which should be pursued in this strategy?

9. Please identify trade distortive measures (i.e. export restrictions) concerning raw materials that in your view should be tackled.

10. Are you aware of any initiatives in your country that have one of the above goals in mind such as, for example, developing a raw materials diplomacy, or supporting companies to invest in third countries in the raw materials sector? If so, please describe briefly.

11. What specific actions would you consider most relevant needed in the following areas:

- X Good governance;
- X Infrastructure / investments;
- Geological knowledge / skills.

12. Regarding transparency, what measures do you believe the EU should take to foster revenue transparency in the mining industry in raw material resourcerich countries? What are your views regarding existing initiatives currently being taken in this area, namely by the Extractive Industries Transparency Initiative (EITI6)?

13. Concerning the recent agreement between the European Commission and the African Union Commission, in your view, what concrete objectives, targets and deliverables should be included in such a partnership?

14. Do you consider that wood should be addressed in the framework of development policy? If yes, please specify what are the main issues to be analysed.

15. Are you aware of any initiatives in your country that contribute to promoting exploration and exploitation of mines in developing countries? Should such initiatives be better coordinated or promoted at the EU level?

16. Do you agree that these topics correspond to the major challenges in this policy area? If not, please specify.

Yes, we agree and would like to mention two other important challenges:

- a. The main challenge at local level is to convince stakeholders the compatibility of the extractive industry with environment. Domestic mineral extraction does have little impact on environment, at the reverse the extractive industry has proven that it can contribute to biodiversity, and beyond that, create Natura 2000 sites. The development of Nature 2000 guidelines for the non-energy extractive industry by the European Commission showed that and is a good step in the right direction. Local access to resources allows minimal consumption of energy and CO2 emission due to little use of transport means. Better access to National and European fluvial and railway network transport should be emphasised.
- b. It is crucial to take into account access to raw materials and the security of continued supply as a cross-cutting issue when drafting EU legislation. In that way it should be mentioned that the assessment of the impact of EU legislation on the supply and extraction of raw materials needs an adequate consideration within the European legislation. This "integration" of the raw material policy is necessary to ensure its

consistency and effectiveness. Otherwise there is a risk that the "higher" goals of the raw material policy - such as ensuring the supply of raw materials – is undermined by EU legislation. This is especially needed in the field of European environmental legislation, on matters of nature conservation, water, soil, and chemicals legislation. The demand for a proper consideration of the raw material concerns relates to both future and current EU legislation.

17. Do you think of any other avenues which should be followed by the Commission? If yes, please specify.

Ecological, economic and social concerns should be treated equally. Economic interests must not lag behind the environmental. It is also taken into account that the supply of the EU economy with raw materials is in the public interest.

18. Do you agree with the recommendations made in the report on "Exchanging Best Practice on Land Use Planning, Permitting and Geological Knowledge Sharing" or do you have any specific ones to be added. Please explain.

CEPMC generally supports the conclusions and recommendations of the report "Exchanging Best Practice on Land Use Planning, Permitting and Geological Knowledge Sharing." Permitting and administrative issues should be left in the responsibility of the Member States, as stated in the report.

In addition to the reports recommendations National minerals policy should:

- Create an awareness of society's dependence on minerals, and specifically for construction minerals, and the need for access to local resources.
- Point out the importance of the secure supply of minerals for society, and promote a balanced approach in the assessment of conflicting interests between minerals development and other land use issues.

19. Do you consider it useful to establish an EU geological service based on a network of Member State geological services?

The available information on the availability of resources within and outside Europe could be improved by a deeper exchange between the national geological services. For this reason, the European Commission should support the exchange between the services on, for example, the platform EuroGeoSurveys. The establishment of an autonomous European Geological Service is not required.

20. Do you consider that EU regulatory framework conditions for wood and/or recovered paper need to be further analysed? If yes, please specify.

21. What type of actions would you propose to provide better cooperation between companies, universities and public authorities in order to promote skills and in the extractive or other raw materials sectors? Please specify.

PR and information activities for the raw materials sector are necessary to attract more young people to start their studies in this field on the one hand and to raise the awareness and knowledge of the broad public on the other hand.

In our sector we do have open doors event at local and national level as well as the European Minerals Day at European level which are both good examples to communicate the activities of the industry to a large public.

Some taxes exemptions for companies funding skills programs would be very helpful.

22. Are you aware of any research, development and innovation programme(s) at national, regional or local level? Please specify.

23. Where do you see the major gap / the urgent need for the raw materials sector related research, development and innovation at EU level? Please provide details.

- Resources efficiency / technical aspects related with extraction / treatment and distribution
- Product ecoefficiency
- Environment performance
- Life cycle
- Recycling
- Biodiversity

24. What is your idea of a major research and innovation action that would have the highest positive impact on the security of raw materials supply for the EU industries? Please specify.

25. Are you aware of innovative exploration and extraction technologies, where project partners on a European level are needed to develop and implement the new technologies and which are the innovative technologies which need to be developed further? Please provide details.

26. Are there any other aspects related to skills, R&D and innovation for other raw materials, such as wood, that need to be further promoted? Please, specify.

27. In your view, and beyond measures already being taken (e.g. the recast of the WEEE Directive), what practical measures can be taken by the EU and by Member States to prevent the illegal shipment of obsolete end-of-life vehicles and electronic equipment?

28. In what ways should statistics on trade in, and recycling of, products containing secondary raw materials be improved?

29. Have you identified major problems with recovered paper? What are the main issues that need to be further analysed?

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