

Public Consultation on the preparation of a new Communication on Raw Materials

Contribution of Confindustria

Register of Interest representatives' registration number:
27762251795-15

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

Securing a sustainable supply of raw materials is crucial for all manufacturing companies. Thus, Confindustria thinks that the current focus of the "Raw Materials Initiative" on extractive and non-energetic commodities is too narrow.

Access to raw materials in 3rd countries should be promoted for all commodities.

Furthermore, the definition of criticality should be reconsidered. The criticality of a raw material should not be only assessed against its absolute existence, but also against its real availability, as results from the supply/demand balance set by the market actors and policies.

Finally, the criticality of one or other material may differ strongly from sector to sector.

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

Critical raw materials differ from sector to sector. For instance, for the woodworking industries, wood is definitely a critical raw material.

Although the EU can boost an annual increase in standing wood volume, the pressure on the material is rising, due both to increasing demand for woody biomass for renewable energy production and protective measures in the context of climate policies. Furthermore, developments within developing countries are raising concerns over the use of wood and its legal or sustainable origin.

Climate change policies currently discussed both at the European and international level, strongly support the use of renewable sources of energy, in particular wood and woody biomass. This development is having an impact on

the raw material supply of the woodworking industries, and even threatens its future in some cases.

This is the case also for many other industrial sectors, such as those in the agro-food business or in the chemical industry.

Therefore, Confindustria would ask the Commission to explore the possibility to extend the scope of the current initiative, in order to include not only extractive and non-energetic raw materials, but all raw materials as well as commodities.

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

Whilst appreciating past the Commission's past efforts to highlight the trade dimension of the concerns regarding the supply of raw materials, Confindustria thinks that the EU should:

- (i) launch a debate at WTO level on raw material export restrictions. The main goal of such a debate should ideally be the clarification of existing rules and the proposal of the necessary adjustments measures needed to strengthen compliance;
- (ii) advocate in favour of a tightening of WTO rules addressing hidden subsidies (i.e. access to finance at lower-than-market prices);
- (iii) considered access to raw material a necessary clause in all EU bilateral and regional agreements with third countries.