

Dear Sirs,

We are pleased to give our contribution and send you our comments about some of the questions of your questionnaire, as here follows:

Policy area: defining critical raw materials

1) We think your methodological approach, including the scope, is good, well done, as the fundamentals of each of the 41 metals have been studied throughout. However we notice some flaws in the studies done on the metals we know well, i.e. indium, gallium and germanium. This is normal because of the lack of "hard data" available on these metals. For example page 94 and 95 of the annex says that demand for indium in 2010 is 1150 mt per year and that recycling possibilities are limited. Actually 650 mt of the 1150 mt demand mentioned comes from recycling (of spent ITO targets), so the demand of new virgin new material is only 500 mt per year. The future growth of demand for gallium and germanium also seems high and does not take into account recycling from the consuming industries such as PV cells or fiber optics manufacturers. In any case the conclusion that they are critical materials is correct. We are available to collaborate with organizations conducting the studies.

2) We see Tin could be taken into consideration for next study as it could be critical, given it comes most from countries such as Thailand, Malaysia, Indonesia and China. Tin is an important metal for the growing electronic industry (soldering and assembly of all electronic products).

3) The importance of the import duties needs to be evaluated, as of today, they are relatively high on Indium, Gallium and Germanium products. EU is and will be much dependent on imports of those materials as domestic production can cover only a small percentage of its own requirements.

4) The USA is also studying the situation of availability of raw materials as the EU is doing it. We do not know if they already took any measures and which ones.

5) We think that a further analysis of the functioning of by-products metal materials markets could be carried out with the aim to reduce speculation and create terminal markets also for by-products, however it will be difficult. In any case the supply industry should be aware of new R&D projects and know future demand from industry, in order to be ready with the supply and avoid that a new technology becomes a disruptive technology. This could be encouraged by the EU.

6) We think it would be better that EU proposes a system of stockpiling for the critical raw materials. It should be gradual, in order not to impact the market and cause abrupt price increases. We consider it would be more appropriate to do this at Community level.

Policy area: trade

7) We think the importance of trade is adequately reflected in the work carried out so far in the RMI.

9) We think that trade distortive measures are both export restrictions and import duties. To give you an example about the metals we handle, all are subject to export taxes from China and to import duties in EU. This makes the EU in disadvantage, as the prices are much higher than in the place of origin. Duties on indium, gallium and germanium chemicals into the EU are usually > 5 % of total value including the metal value. This penalizes the EU users.

i.e.: Indium: export from China 5% + import in EU 2% = 7% difference between China and Europe price

GeO₂: export from China 2% + import in EU 5.5% = 7% difference between China and Europe price

Policy area: promoting skills and research, development and innovation

21) Apart from organizing meetings by industry associations such as PV or fiber optics, we would like to point out that extractive technologies for prime raw materials or scrap already exist in the world and technologies could be licensed from abroad.

24) We think that, in the case of materials metals that are by-products, an innovation action that would have the highest positive impact on the security of raw materials supply for the EU industry could be to encourage local recycling to treat scrap generated by the processing industries (not end of life products). Maybe the EU could offer its contribution by means of subsidies for the above.

We remain available for any further comment we may offer on these subjects.
Best regards