**Speech by Christa Schweng,**

**President of the European Economic and Social Committee**

**Critical raw materials: an essential building block for the future of Europe**

**31 January 2022**

*[check against delivery]*

Ladies and gentlemen, CCMI members and delegates, representatives of organised civil society,

First of all, thank you very much for your presence with us today for this important conference as part of the Conference on the Future of Europe. Today we are focusing on a decisive topic for the future of European industry and society: critical raw materials!

We all value the smartphones we have in our pockets, we all call for wind energy to be part of the green energy mix and we all strongly support the switch to e-vehicles.

However, we do not always realise the amount of tungsten needed to make our phone vibrate, the amount of rare earths needed to make wind turbines roll and the extent of lithium needed to ensure a global switch to e-vehicles.

And most of all, we often do not realise that, for most of these materials, Europe is heavily dependent on the rest of the world. It is estimated that demand for rare earths could increase tenfold by 2050, and the EU currently imports 98% of these materials from China alone. If we do not act now, our dependency will increase proportionately to the increase in demand for these products, as European industry goes green.

That is why the EESC has strongly supported the Commission's action plan on critical raw materials and continues to be actively engaged on this issue.

For Europe to be successful in the future, I would like to stress our six main messages to you. First, the need to establish support instruments for sustainable primary sourcing in Europe such as facilitating public/private investments and permits;

Second, strengthening extractive and processing capacities in the EU by supporting workers and regions is key.

Third, we need to foster secondary sourcing from waste and circular reuse. To do this, we need to invest in research and development, but we also need to carefully assess the waste we ship outside Europe;

Fourth, we need to develop concrete activities that can foster substitution. Replacing critical raw materials with materials that offer similar results will alleviate our dependency on critical raw materials. Again, this will require significant and constant investment in R&D programmes to discover new materials and processes for ensuring a justified substitution;

My fifth message concerns the need to diversify our trading partners and support developing countries. We need to forge strategic partnerships with like-minded nations in a plurilateral framework;

Last but not least, the EESC proposes a wider and more frequent review of the critical raw materials list; going from once every three years now to once every two years. Also, we would like to see the "ethical dimension" better taken into account here in the methodology of the list.

The EESC has cooperated with all major stakeholders and institutions in the field. The inter-institutional support the Commission has gained on this activity clearly shows that there is a unity of purpose among all the key players to secure the EU's critical raw materials supply. Thanks to this collegial effort, raw materials have become a pivotal issue in the discussion on Europe's future competiveness and strategic autonomy.

As some of our panellists will explain today, raw materials can be extracted in a sustainable manner, both from an environmental and a human perspective.

The European Union must have a leading role in demonstrating that this industry can be sustainable, in particular if it is done hand in hand with digitalisation and robotics.

Moreover, the circular use of critical raw materials in the EU will also contribute significantly to the green transition. We therefore need to address not only the recycling of materials but also their re-use without special treatments. New solutions to extend the life of products must be developed and the creation of new business models that favour the circular economy need to be fostered.

By implementing best practices in Europe and by working with third countries willing to embrace this approach, the EU can foster a global uptake of its highly demanding standards, for the benefit of our planet and all its inhabitants.

A lot has been done in these past months, including the signing of ad hoc partnerships by the European Commission, such as the one with Ukraine, and the issuing of an action plan on rare earths by the European Raw Materials Alliance. However, a lot of more effort and actions are still needed given the importance of the issue at stake.

For all the above actions to take place, access to finance is key.

So let's continue to work together to help our industry recover from the current crisis, make it more resilient in the future and strengthen Europe's autonomy.

Each of us can contribute to achieving this goal. You can count on the EESC to continue raising awareness of the importance of critical raw materials for the future of our industry and society, and for supporting the uptake of best practices.

I look forward to today's discussion!