« Tackling the Challenges in Commodity Markets and on Raw Materials » - Views of the Non-Ferrous Metals Industry

A. Carpentier, EHS Director,
Eurometaux

Non-ferrous metals are essential to a sustainable EU economy

- **The EU non-ferrous metals industry:**
  - Over € 250 billion turnover
  - Over 2% of EU GDP
  - 450000 workers directly & indirectly 1 Mio

- **Key supplier to the EU manufacturing** sector - essential for renewable energies and 2020 objectives

- **Primary and secondary raw materials are fully complementary** as recycling cannot meet the growing demand alone!

Access to raw materials is essential to the non-ferrous metals industry and to downstream industries

The race for accessing NFM raw materials

- EU highly dependent on imports of most NF raw materials
- Huge “urban mine” arising from EU domestic production and consumption
- Energy embedded in the secondary raw materials significantly increases legal and illegal flows of secondary raw materials
- EU imports of non-ferrous scrap has dropped by 40% while exports are up by more than 130%

Unprecedented pressure on world market
for non-ferrous raw materials ➔
major distortions, significant increase in legal &
illegal exports of secondary raw materials

NFM Industry Views on the Communication

Eurometaux supports

- The focus on the 3 pillars identified - access to RM inside the EU, on international markets and resource efficiency and recycling - as complementary approaches
- The increased focus on innovation as a means to boost resource efficient solutions
- The strive for improved enforcement of existing legislation such as the Waste Shipment Regulation
- A separate management of “raw materials access” and “commodity markets” – both are critical – to ensure efficient implementation
- An integrated approach to EU policy whereby policies are mutually supporting and not contradictory!

Eurometaux is pleased with the Communication but calls for swift materialisation of the actions identified in concrete measures

Trade

- Eurometaux calls for appropriate conditions to ensure **fair and free competition** at EU and international levels through WTO and free trade agreement negotiations

- The EU should therefore pursue **actions at both multilateral and bilateral** level to combat restrictive raw material policy measures

- Eurometaux suggests that **partnership and bilateral agreements should include:**
  - provisions on access to raw materials aimed at ensuring undistorted, secure and sustainable supply of raw materials, and
  - provisions on good governance aimed at increased customs cooperation for preventing illegal waste shipments.

Trade

- Eurometaux welcomes **increased cooperation and good governance in developing countries** - focus should however not be limited to Africa!

- Eurometaux supports **enhanced cooperation between the EU and other important players** (OECD, G8 and G20) in awareness-raising and monitoring of market-distorting behaviour, as well as joint action where relevant

Innovation

- Eurometaux fully supports the call for an **ambitious industrial innovation strategy** as innovation and research will help addressing the hurdles and challenges identified towards sound access to raw materials and a more resource efficient economy.

- Eurometaux strongly supports the potential **European Innovation Partnership in Raw Materials** and has already identified some potential areas for innovation

Innovation to secure access to raw materials
should relate to the value chain from mining
to recycling, as well as
to regulatory conditions, knowledge basis
and market conditions

Recycling

- Eurometaux welcomes measures that support recycling as a way to increase resource and energy efficiency, while addressing access to raw materials
- **Eurometaux especially welcomes**
  - Strive towards sound **enforcement of existing legislation**, including the Waste Shipment Regulation and end-of-life policies
  - **level playing field** for industrial pre-processors & refiners recovering secondary raw materials through a **certification scheme** - aim is to ensure that recycling takes place in efficient facilities rather than in sub-standard facilities (ESM principle)
  - clear **distinction in the customs declaration between new and second-hand goods** so as to facilitate control (insert clause in the MCCC-IP (Modernised Community Customs Code) requiring explicit declaration of second-hand exported goods

Recycling

- **Ambitious collection targets** for specific categories of waste containing valuable raw materials (to avoid a volume objective with no consideration of materials) need to be **complemented by a certification scheme** to avoid that once the material is collected it is sent/exported to non-efficient recycling facilities

- Eurometaux calls for effective recognition of the **benefits of recycling in other policies and methodologies,** such as the energy policy and hence supports the EP's report call for a in-depth EU material flow analysis particularly to identify waste streams

Collection is a pre-requisite to any recycling
➔ improved monitoring and efficiency is desirable

Substitution

- Substitution has been a normal business/industrial practice for many years

- But each and every material has an impact and some materials have intrinsic properties that justify their use ➔ a substitution process needs to be based on a **sound analysis of impacts on the environment and health, the economy and the product's functionality**

- Substitution – as recycling – is a tool to address **potential scarcity** of raw materials but their suitability for different applications may vary

in some cases recycling is a much
easier and resource efficient way to address scarcity!

Implementing Tools

- Eurometaux generally supports **market-based instruments** as cost-efficient tools - however, a proper assessment is required to mitigate unforeseen risks before setting new market based instruments

- For example, **recycling certificates** can potentially be a sound tool, but clarification is needed with regard to the objective, the fair allocation of benefits, feasibility, effectiveness for the objective etc.

- **Public procurement policies** can be a valuable tool to promote resource efficient practices and recycling, but . criteria need to be based on sound science, consider the specificity of materials & products throughout their life cycle, the fitness for use of the material/product and do not jeopardise innovation!