September 2015

General Position Statement

5 Key Recommendations for a Critical Raw Materials Policy

- CRM policies should look for enhanced raw material supply and use and not substitution of the CRMs
- Industrial Sector Policies should incorporate and highlight the economic and strategic importance of Critical Raw Materials (CRMs) and their value to future innovation
- Waste legislation should not include disincentives for usage of CRMs
- Legislation affecting CRMs should require a special socio-economic analysis of potentially harmful impacts to the supply of CRMs on upstream European producers as well as to downstream European supply chains
- Trade policy should incorporate principles of both free and fair trade for CRMs

General

Critical Raw Materials play an essential role in the European economy.

In 2010, the European Commission identified 14 raw materials as being critical because they are "economically and strategically important and are subject to a higher risk of supply interruption in the next 10 years" according to the European Commission. In May 2014 the European Commission published a new critical raw materials list containing a total of 20 materials. EU industry would like to take this as a clear sign from the EU that critical raw materials should be promoted in Europe. This would be in line with the EU Industrial Policy.

The listing of these materials underlines their essential role for the European economy. The word "critical" can be perceived as negative while the criticality of CRMs is positive. In context, CRMs are immediately important to Europe's economy and essential to drive future innovations in maintaining Europe's technological leadership in a highly competitive world economy.

Many different suppliers as well as traders and industries, rely on the unique properties of CRMs to manufacture lifesaving and reliable products. To ensure the continued supply of these critical materials, a specific critical raw materials policy is needed which underlines the importance and dependence of the European economy on them. Such a policy should include and promote the exploration and extraction of CRMs in Europe.

In summary, a strong critical raw materials policy will benefit the economic and national security interests of the EU and its leadership in innovation, manufacturing and technology-dependent services which is inextricably linked to reliable access to, and the use of, critical raw materials.

Applications & Innovation

Critical raw materials are transforming renewable and traditional energy, acoustical, computational, medical, transportation, microelectronics, telecommunications, aerial imaging, aerospace, and other high-technology products and systems. These materials hold the key to future applications that will move ideas from the research laboratory to products in commerce.

The ability to engineer critical raw materials in unique ways that can separate innovators from competitors should be a high priority among EU countries wishing to remain technology leaders. Technology is necessary to enhance the value of intellectual products, delivery of services, and transformation of essential functions of both government and civilian providers.

- ☞ **Industrial Sector Policies should incorporate and highlight the economic and strategic importance of CRMs and their value to future innovation**

Regulation and Critical Raw Materials

Discussions on EU regulation should lead to the establishment of policies that preserve the availability and broad applicability of critical raw materials in their respective research development and regulatory systems. Minimizing the adverse regulatory burdens that impede advancement or the continued availability of critical raw materials must be a high priority. This applies also to the inclusion of CRMs in proposed EU regulation concerning Conflict Minerals.

- ☞ **Legislation affecting CRMs should require a socio-economic analysis of any potentially harmful impacts to the supply and use of CRMs on upstream European producers as well as to downstream European supply chains as a first step in the regulatory process**

Substitution is not a viable option for CRMs due to their unique properties and economic significance, in particular, in high-tech applications requiring high standard performance and specification (often critical for safety).

Enhanced recycling of CRMs in the EU is helpful to reduce import dependency however, in many cases the high technical recyclability of CRMs is jeopardized by insufficient collection and inappropriate pre-treatment of CRM bearing material. In other cases, recycling alone offers very little impact on the value chain as the extraction of CRMs from recycling of alloys may not be commercially viable or attractive due to the low percentage of CRM in the scrap or waste streams.

- ☞ **CRM and other policies should not be directed in any way towards substitution of CRMs**

- ☞ **Waste legislation should not include disincentives for usage of CRMs**

Much legislation is general in nature and does not take into account the specific aspects of CRMs, notably the fact that the EU has characterised them as critical and non-substitutable in many applications. Additionally, the development of legislation has the potential to adversely impact the use and therefore supply of CRMs. Legislators should be required to conduct a socio-economic analysis during the legislative process to identify and address these potentially harmful impacts on the supply and use of CRMs.

Trade

The EU should support general principles of both free and fair trade. This would include tariff and non-tariff barriers. In its assessments, the EU must ensure free and fair trade through the elimination of unnecessary or over burdensome regulation along with the recognition of the particular economic imbalances and the absence of a level playing field that exist in the markets of some CRMs.

- ☞ **Trade policy should incorporate principles of both free and fair trade for CRMs**

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Attached: supporting organisations and companies

CRM Alliance
Critical Raw Materials

Position statement supported by the following organisations and companies:

Beryllium BeST Beryllium Science & Technology Association	Borates ETiMADEN ETiMINE S.A.	Cobalt Co the Cobalt Development Institute
Coking Coal WORLD COAL ASSOCIATION	Fluorspar EUROFLUOR	Fluorspar Tertiary Minerals plc
Gallium IMAT Innovative Semiconductor Materials	Indium INDIUM CORPORATION®	Magnesium IMA International Magnesium Association
Natural Graphite IMERYS Graphite & Carbon	Niobium beta	Phosphate Rock ecophos
Platinum Group Metals International Precious Metals Institute IPMI	Rare Earth Elements TASMAN METALS LTD	Rare Earth Elements GREAT WESTERN MINERALS GROUP
Silicon metal Euro Alliages	MMTA mmta Minor Metals trade association	REEs and Tantalum COMMERCE RESOURCES CORP.