

18 July 2008

## **PROPOSALS FOR PRIORITIES REGARDING THE EUROPEAN COMMISSION'S COMMUNICATION ON SECURITY OF SUPPLY WITH NON-ENERGY RAW MATERIALS**

BUSINESSEUROPE welcomes the preparation of a Communication on Security of Supply with non-energy Raw Materials. Access to raw materials is an essential precondition for the competitiveness of the EU economy. The Communication should build the foundation for an effective and comprehensive EU raw materials policy which takes into account the broad range of raw materials used by industrial sectors, i.e. metals, agriculture products and forestry products. In our view the priorities for the Communication should:

### **Improve framework conditions for the availability and recycling of secondary raw materials**

The European Commission should work towards

- taking into account the economic, environmental and energy efficiency "value" of recycling in the guidance notes on by-products and end-of-waste in relation to the Waste Framework Directive and the implementation of REACH and RES directive;
- ensuring that the self-sufficiency principle which applies to certain wastes for recovery, will not be extended within the framework of the revision of the Waste Framework Directive;
- ensuring harmonised and sound implementation of the Waste Shipment Regulation across Member States as well as ensuring effective control on shipments in order to combat illegal exports and therefore to effectively combat the lack of environmentally sound management of secondary raw materials in a number of countries;
- adopting the recycling rate assessment methodology developed at the level of the Metal Study Groups for building up the recycling indicators which will play a key role in specifying waste management and recycling targets/policies;
- taking into account the energy saving dimension of recycling in the ways and means of the climate change policy (e.g. ETS allowances, green certificates);
- encouraging "EU domestic" collection and dismantling of end-of-life products in order to enhance their recyclability and maximise their value as "EU surface mine" (products consumed today are the resource of tomorrow);

- assuring that renewable raw materials are in priority recycled rather than incinerated for energy recovery.

### **Enhance the efficient and fair operation of the international raw materials markets**

The European Commission should

- aim at the removal of trade barriers and competition-distorting measures which affect access to raw materials in particular, at all possible levels, i.e. within the framework of the WTO and OECD accession negotiations, the negotiations on bilateral free trade agreements and the negotiations within the framework of the EU market access strategy and bilateral policy dialogues;
- work towards achieving a ban on export restrictions and improved regulations against subsidies at WTO level;
- initiate action at the WTO level against countries whose infringements of their WTO commitments affects fair access to raw materials.

### **Enhance framework conditions for sourcing raw materials in Europe and strengthen awareness of raw materials**

The European Commission should

- take greater account of the requirement of access to location-bound raw materials within the framework of environmental legislation. This applies in particular to the bird protection and the FFH directive and the designation of protected areas based on this. Guidelines allowing interpretation are not sufficient;
- encourage exchange of information between member states on land use planning with a view to promote procedures which facilitate access to raw materials;
- strengthen public awareness of the strategic aspects of raw materials for economic development and the standard of living in Europe;
- enhance policies encouraging renewable raw materials mobilisation, for example wood mobilisation from sustainably managed forests and afforestation of idle land;
- assess the impacts of new EU policy on raw material availability and pricing and the EU depending industries.

### **Secure access for the European industry to agricultural raw materials at world market prices**

The European Commission should

- reduce trade restrictions established by the EU that constrain access to raw materials from areas outside the EU;
- liberalise its trade regime with respect to certain agricultural products which are used as industrial inputs (e.g. bioethanol) to ensure that European manufacturers have access to these raw materials at world market prices.

### **Make raw materials policy issues part of development cooperation**

The European Commission should

- establish win-win development relations with partner countries endowed with large raw materials resources by helping them to implement effective and sustainable minerals policy, investment framework and taxation regime, promoting good governance (in particular the voluntary private initiatives such as Extractive Industry or Tropical Wood initiatives), discrimination-free access to raw materials and greater transparency in the sector;
- within the framework of development policy relations with partner countries with large raw materials resources, encourage them not to resort to one-sided dependencies on larger donor countries and new debt traps;
- take greater account of the raw materials sector in development policy cooperation and support partner governments in setting up authorities and institutions, investment in infrastructure and enhancing investment conditions in the raw materials sector in general;
- integrate specific provisions on raw materials into its Generalised System of Preferences (GSP). Countries which impose or maintain export restrictions or other trade distorting practices on raw materials or other trade distorting practices should be excluded from GSP benefits until their withdrawals.

### **Lead the foreign policy dialogue on raw materials policy issues**

The European Commission should

- call for fair competition on the international raw materials markets and for globally responsible action in bilateral relations with other countries which import raw materials;
- work towards achieving greater transparency and non-discriminatory competition in the field of raw materials in bilateral relations with countries with large raw materials resources.

### **Reduce European funding with negative interdependencies / examine state funding in the field of renewable raw materials**

The European Commission should

- ensure that, regarding state funding, funding individual areas or technologies will not have a negative impact on other areas as a result of existing interdependencies (e.g. a shortage of wood in the paper industry caused by funding the energy-efficient use of wood and increases in the price of oils and fats in the chemical industry as a result of funding bio-diesel);
- reduce European funding of the use of raw materials in individual fields resulting in higher prices or shortages in other fields;
- ensure that state funding is carefully examined by the European competition authorities in terms of its competition-distorting impact.

### **Make the raw materials issue part of innovation policy**

The European Commission should

- create a framework conducive to the development of eco-design innovation at the business initiative of, on the understanding that mandatory policies in this domain would actually be counter-productive;
- encourage technological development, enabling the recovery of small quantities of valuable raw materials by ensuring that EU R&D policy/programmes properly include and identify this specific objective for R&D.

### **Ensure competition in the raw materials sector**

The European Commission should

- examine mergers in the raw materials sector very closely and vigorously combat any restraints on competition.

### **Assure the long-term orientation of an EU raw materials strategy**

The European Commission should

- outline how, in terms of organisation (e.g. co-ordination between the different concerning DGs), it intends to ensure that the EU raw materials strategy can be pursued coherently over the long term. Furthermore, the Council should be encouraged to address the implementation of the strategy on a regular basis, complementing the work of the Commission.

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