

Compte-rendu : FAMN Roundtable – European Critical Raw Materials Act

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Organisateur : FAMN

Introduction

➤ Mathieu SARAIVA, FAMN

[FAMN \(French Automotive & Mobility Network\)](#) is a Brussels-based sectorial umbrella organization that **includes five organizations**, such as PFA (French automotive platform) and 4 French mobility competitiveness clusters: CARA, ID4MOBILITY, NextMove, Pôle Véhicule du Futur.

FAMN includes more than 1,500 innovative organizations, investing approximately €6 billion per year in R&I, and is an innovation-oriented network. FAMN's main objectives are to make the sector more visible at the EU-level, making the EU-level more accessible & understandable for its members.

FAMN is interested in several topics mostly in line with the Commission's twin transition (green and digital), and its motto is "for a smart & green mobility." The upcoming demand for critical raw materials will necessarily increase strongly in the coming years, mainly because of the shift of the sector towards electromobility.

Context: Europe is strongly dependent on imports for some strategic areas, notably raw materials used for EV components. [The Commission has proposed a regulation](#) addressing this topic. The purpose of the meeting is to discuss this proposal and the strategy to implement to address raw materials challenges.

The panel of speakers includes George Mörsdorf from the EC, Jean-Luc Brossard from PFA, and Pierre Laffont and Paul Marchegay from the Brussels office of France Industrie. Mathieu Saraiva represents FAMN in Brussels and will moderate the discussion.

1. Presentation of the regulation proposal

➤ George MÖRSDORF, European Commission DG GROW

George presented the Commission's proposal presented on 16 March 2023: the European Critical Raw Materials Act (CRMA).

Noting that **the EU is highly dependent on third country supplies** of critical raw materials that are essential for strategic technologies, he noted that due to the double transition, demand for CRM is growing significantly, which could further increase the risk of supply chain disruption. He pointed out that demand for lithium for batteries in the EU is expected to increase 12-fold by 2030 and 21-fold by 2050. The EU needs to take action to ensure security of supply for CRM.

He outlined the 4 objectives of the regulation:

- to strengthen all stages of the European CRM value chain,
- diversify EU CRM imports to reduce strategic dependencies,
- improve the EU's ability to monitor and mitigate the risks of CRM supply disruption,

- improve the circularity and sustainability of CRM.

He suggested that the EU should **increase its extraction, processing and recycling capacity** to ensure security of supply. Specifically, EU extraction capacity should cover at least 10% of EU SRM consumption, processing capacity should cover at least 40% of EU SRM consumption and recycling capacity should cover at least 15% of EU SRM consumption.

George also recommended that the EU should not source more than 65% of its consumption of each CRM from a single third country in order to **diversify the supply**. He proposed selecting strategic projects across the CRM value chain, including extraction, processing, and recycling, by giving them priority status in national and EU legislation.

He stressed the importance of **monitoring supply risks**. In case of risk, the competent authorities and Member States will be alerted. He also mentioned the need for companies to prepare for risks and build up strategic stocks through information gathering and coordination. Voluntary group purchasing was also presented as a possible approach.

For a more sustainable approach, **two strategies** were suggested:

- Circularity measures at national level to maximise the potential of mining waste treatment facilities and to promote massive recycling of permanent magnets.
- Recognition of CRM sustainability certification schemes to encourage sustainable choices. He added that the possibility of setting information requirements on the environmental footprint of CRMs placed on the EU market could be considered at a later stage.

On governance, **a Board would have an advisory role in supporting the Commission** in implementing the actions proposed in the CRMA. The Board will also discuss the Union's strategic partnerships with third countries covering raw materials and ensure their coordination with other international initiatives and fora.

>>> Regulation proposal available [here](#) and communication [here](#)

2. Challenges identified by the French industry

➤ Jean-Luc BROSSARD, PFA

Jean-Luc, Programme Director at the PFA, reminded the role of the [Varin Mission](#) at French level, which is responsible for producing **a report on strategic metals**, in particular to support the energy and ecological transition, including batteries. Currently, 50% of the BEV value chain and 75% of the battery value chain is in China. Materials for batteries (Li, Co, Ni) and materials for electrification (rare earth permanent magnets) are the priorities.

Several things have been fixed in this framework, notably the presentation of the report to the ministers and its publication on 10/01/2022, the appointment of an interministerial delegate Benjamin Gallezot, the creation of the national raw materials observatory OFREMI on 29/11/2022, the creation of a public/private fund in 2023, support for R&D on new technologies with new materials for the automotive industry through the PEPR.

Six strategic levers are identified by the PFA: substitution, diversification of approaches, securing approaches, circular economy, recycling and eco-design, economic intelligence and R&D. The automotive industry will change more in the next ten years than it has in the last hundred. To decarbonise the car fleet, the way to carbon neutrality is through the massive electrification of vehicles (with batteries or FCEVs). Decarbonised energy (electricity and fuels) is needed to support electrification, as well as the development of charging infrastructure. Minimum battery cell manufacturing capacity near terminal plants is needed to support electrification.

The implementation should be **coordinated with actions at EU level**. The PFA welcomes the Commission's announcement of a CRMA and proposes a number of actions with ACEA to strengthen the availability of critical raw materials for European industries. The importance of third country sources of critical and strategic raw materials must be pragmatic. International partnerships (Raw Materials Club) for short-term results should be preferred to local projects.

To create a sustainable future, the focus should be on circular economy, recycling and eco-design. Europe could be a pioneer of European "**responsible mining standards**". However, heavy reporting and assessment procedures at the end of the value chain should not impact on industrial competitiveness.

>>> Position available [here](#)

➤ **Pierre LAFFONT & Paul MARCHEGAY, France Industrie**

France Industrie (FI) expressed its **wish to contribute actively to the legislative process** of the CRMA regulation in the coming weeks. Indeed, FI proposed a response to the consultation on this same regulation when it was opened several months ago.

The key points of FI's position were discussed at the meeting: FI emphasised the importance of focusing on the scope of the CRMA. They stressed the need for a resilient extraction framework and a dedicated fund acting in synergy with other funds. FI also emphasised the importance of governance in relation to all stakeholders and a coherent legal framework.

They welcomed the publication of this regulation as an interesting step forward by the Commission. In sum, FI wants to be an active stakeholder in this process and hopes that its proposals can be taken into account for an effective and coherent regulatory framework for CRMA.

>>> Position available [here](#)

