

RAW MATERIALS STRATEGY

Position Paper of the Nickel Institute in view of Rapporteur Bütikofer's Draft Report on "an effective raw materials strategy for Europe"

The Nickel Institute is a nonprofit organization that represents the interests of 27 companies which together produce more than 75% of the world's annual nickel output. We promote on behalf of our members the production, use and re-use (through recycling) of nickel in a socially and environmental responsible manner.

March 2011

Introduction

The Nickel Institute takes note of the recently published Raw Materials Strategy from the European Commission and the draft European Parliament report from Reinhard Bütikofer and recent contributions from MEPs on the initiative. The Nickel Institute looks forward to working with the European Parliament, the European Commission and EU Member States on its development and roll-out. It agrees with the approach of the European Parliament that the strategy should not include agricultural commodities in its scope as these important issues must be looked at in their own right. Nickel is a vital raw material in many downstream and end user sectors as demonstrated by the criticality assessment of the European Commission Raw Materials Group as a first step in the Raw Materials Initiative. In order to ensure that this criticality is recognised and planned for, the Nickel Institute wishes to see the following facts and suggestions reflected in the strategy going forward.

Demand drives need for raw materials supply

The debate on raw materials to date has largely focused on supply. However, demand factors are just as important. After all, demand drives the need for supply. The Nickel Institute supports the vision of MEP Bütikofer that raw material challenges are also an opportunity to invigorate the EU's industrial base and increase competitiveness via an ambitious industrial innovation strategy.

It is essential to understand that Europe needs raw materials in order to produce green, resource and energy efficient technology applications, electronics, consumer products and important economic infrastructure.

If Europe does not retain an industrial base it will not need many raw materials and supply considerations will become less relevant. However, this will mean that Europe cedes leadership

Nickel metal hydride batteries allow hybrid cars to produce up to 50% fewer harmful pollutants and greenhouse gases than comparable petrol/gasoline cars allowing it to support greener transport.

in emerging technologies that will be vital for future development. Therefore, when tackling the issue of securing a sustainable supply of raw materials from international markets, **Europe must first of all ensure that it has an industrial base that processes the raw materials.**

If it does not, Europe will have to live with the policies imposed by other jurisdictions as its buyer purchasing power and bargaining strength will decline because of its reduced demand for raw materials on the one hand and the rise of emerging economic giants on the other hand.

Europe must retain an industrial base that uses raw materials

Regulatory framework

Key to keeping an industrial base in Europe and consequently its bargaining power to secure a supply of raw materials is a smarter regulatory framework.

The Raw Materials Strategy and tools like National Mineral Strategies and EU funding programmes represent a welcome opportunity to plan for implementing the optimal framework. Further interesting ideas like the creation of an EU Geological Service and a resource map of the European Union are suggested in the draft report of MEP Bütikofer. For many materials, supply in the sense of the resources in the ground is not the problem as such but rather the capacity to open new mines, to access them or to provide them to the EU market place is constrained by regulatory roadblocks.

Existing legislation must be screened and adjusted where appropriate to ensure it serves its purpose without unnecessarily curtailing the supply of raw materials.

For example, REACH is having a large impact on the mining and raw materials sector. Authorisation with a focus on substitution is quite problematic. Although substitution is easier at the end user stage, in chemistry, the scope for substitution is rather limited. While maintaining the spirit of its objectives, it should not be implemented in a way that imposes overly burdensome roadblocks.

A smarter regulatory framework is key to boosting supply

Resource efficiency & recycling

The Nickel Institute believes that resource efficiency in raw materials is of critical importance in addressing global challenges such as mitigating climate change. Recycling is of the utmost importance for achieving greater resource efficiency. Promoting the use of recyclable materials and pursuing a resource management approach to raw materials is therefore necessary.

Nickel is well suited to support this important pillar of the Raw Materials Strategy. Due to its intrinsic properties, **Nickel can be recycled without degradation in quality.** The Nickel Institute therefore welcomes the central role that recycling and resource efficiency will play in the Raw Materials Strategy.

Furthermore, the Nickel Institute welcomes the planned idea of innovation partnerships on raw materials. The partnerships must explore innovation through-out the lifecycle and secure the involvement of a wide range of experts and stakeholders.

Recycling of nickel-containing materials reduces emissions, energy consumption and other environmental impacts occurring during primary production and the manufacturing processes because Nickel is highly recyclable and recycling is key to increasing resource efficiency.

Encourage use of highly recyclable materials and adopt an entire lifecycle approach.

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