

## The CRM Act – A starting point to prevent de-industrialization

*Press release*

The European association for ferro-alloys and silicon industries, Euroalliances, welcomes the European Commission's proposal on Critical Raw Materials. "This is an important milestone and, at this crucial moment in time, a one-time opportunity to build a strong long-term industrial strategy for the upstream raw materials industries in Europe" commented Bob Lambrechts, Euroalliances' Secretary General. "Given its importance, we welcome that Silicon is part of both critical and strategic raw materials lists. However, we regret that other important ferro-alloys are not included as strategic material due to their critical contribution in alloy steel. We must work on including all relevant raw materials", continued Bob Lambrechts. In addition, Euroalliances calls for additional improvements.

The security of supply of strategic and critical raw materials should be on top of the political agenda. By 2050, Europe will require enormous amounts of raw materials to meet the requirements of the twin transition. Many of these materials were produced in Europe in the past and they were forced to stop production due to the ongoing energy crisis. The current situation calls for urgent action and the need to speed up the legislative process to preserve Europe's strategic autonomy and global competitiveness. The EU is already lagging far behind in the global race.

Euroalliances, welcomes the value chain target approach made in the proposal. It is of paramount importance to support strong resilient value chains while they still exist in Europe, and not portions of them, hence creating dependency. We strongly recommend a case-by-case target setting, differentiating between raw materials that are currently produced in Europe, where higher targets and capacity expansions should be envisaged, and those with no European production, where diversification targets are needed. Bob Lambrechts, Secretary General of Euroalliances, commented: "The European silicon industry supplied 62% of European demand in 2021. A realistic target would be to maintain this value and anticipate an expansion of European capacities". This also applies to recycling targets, where a general target is not suitable for all listed materials. For certain materials, e.g. silicon, recycling from solar panels or electronics is on its infancy.

Euroalliances calls for coherence between the current political goals and the existing regulations under revision, e.g. the REACH legislation which could impose barriers or even restrictions to the production of critical or strategic materials based on a disputable hazard assessment. Materials listed under the CRM act should also benefit from incentives given under the Net-zero Industrial plan as they are essential elements in the deployment of sectors and technologies contributing to the twin transition.

Euroalliances acknowledges the European Commission's efforts to integrate the sustainability three dimensions - environmental, social and economic - in the act. We strongly support the recognition of certification schemes as well as a harmonized approach of raw materials ecolabelling, this acknowledges that European raw materials are produced with the lowest environmental footprint.

Bob Lambrechts, Secretary General of Euroalliances, concluded: "The CRM act is a key starting point to prevent European de-industrialization. To continue to operate in Europe, our Industry needs the right legal framework conditions, including but not limited to, access to affordable and clean energy and a level playing field so as to achieve the European strategic autonomy and the net zero climate goals."

**About Us:**

*EUROALLIAGES is the European association of Ferroalloys and Silicon producers, representing more than 95% of the sector in Europe. These companies produce Ferromanganese, Ferro-silicomanganese, Ferrochromium, Ferromolybdenum, Ferrosilicon, Silicon metal, and Calcium-silicon alloys and Ferronickel. The European ferro-alloys and silicon sector has a long European history in delivering essential inputs for the European economy, forming an integrated part of strategic value chains. Our industry is the iron, steel, aluminium, and chemicals industries' first supplier. European Silicon producers also provide the electronic and solar industries with elements essential to their manufacturing process, offering the highest qualities of products with the lowest carbon footprint worldwide.*

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