

## **The Critical Raw Materials and Net-Zero Industry Acts need crucial improvements to support industries that are critical for EU's strategic autonomy**

**Brussels, 20 March 2023** – The manufacturing alliance AEGIS Europe welcomes the publication of the Net Zero Industry (NZIA) and Critical Raw Materials Acts (CRMA). These acts are essential if EU industry is to achieve the objectives of the European Green Deal and REPowerEU. *“Bearing in mind the initiatives taken by the US (i.e. Inflation Reduction Act), Japan (i.e. Green Transformation Programme) and China (i.e. latest Year Plan), our members acknowledge the importance of the Critical Raw Materials Act and the Net-Zero Industry Act. However, the EU proposals need further improvement and must be fully complementary with one another in order to be able to really support the European industry in their pledge to decarbonise and do away with third country dependencies,”* commented Inès Van Lierde, co-chair of AEGIS Europe.

Our Alliance considers that much still has to be done to complete an EU regulatory framework that will ensure global competitiveness and a level playing field. First, any EU Industrial policy should better recognise that European manufacturing is central to Europe's values and prosperity. Second, there must be consistency among the various instruments and equal access to financing across the Union. Third, the EU must invest in strategic sectors. Fourth, compulsory self-sufficiency targets for raw materials and certain clean technologies are needed. Fifth, priority should be given to maintaining and supporting EU production and diversification through imports should be only a flanking measure.

The CRMA is a key starting point. Strategic raw materials are essential to preserve Europe's strategic autonomy. For the European manufacturing sector to survive and thrive, securing supply of raw materials should be the number one priority. AEGIS Europe urges the European Commission to develop responses to the challenges faced by those manufacturing sectors facing uncertain supplies. In doing so, the Commission should prioritize sectors that do not have any alternative substitute raw material.

While the distinction between strategic and critical raw materials is welcomed, the targets established should not be general but specific for each raw material deemed to be strategic or critical. Finally, the list of strategic materials should be expanded. AEGIS Europe believes that aluminium, and other non-ferrous metals such as copper and silver that are of strategic priority for the twin transition, must be considered strategic. Also, scrap was not mentioned in any of the lists hence failing to recognise its crucial role for the green transition of some sectors, such as steel. Finally, favouring only the nickel battery grade in the critical and strategic list could impact the overall nickel availability, in particular for the stainless steel sector.

AEGIS Europe welcomes the proposal in the NZIA of a 40% target for the production of clean tech goods in the EU by 2030. Nonetheless, more resources and support should be directed to energy-intensive industries, which are important suppliers of materials and components – such as steel, aluminium, ammonia, man-made fibres or glass & ceramics – including in the take up of renewable energy sources on-site and to enable the green transition also in other sectors of the economy. Furthermore, downstream products that are strategic and key for the decarbonization of the EU economy (i.e. trains and related equipment, bicycles) should be given special attention. The NZIA is making a cautious step in the right direction but it will only succeed if EU-made products respecting higher EU standards do not have to compete with low standard imports.



A full value chain approach must be taken into consideration in the design of future net zero industrial initiatives and measures to support the production of such. *"Our Alliance supports the climate neutrality objective. However, as long as climate ambitions remain heterogeneous worldwide, the EU needs effective carbon leakage protection and access to decarbonised energy at globally competitive prices, strong financial support, and streamlining of the permitting process without disregarding the potential environmental damage,"* concluded Renaud Batier, co-chair of AEGIS Europe.

Media contact: email: [info@aegiseurope.eu](mailto:info@aegiseurope.eu) | [www.aegiseurope.eu](http://www.aegiseurope.eu)

*About AEGIS Europe:*

AEGIS Europe is an industry alliance that brings together more than 20 European manufacturing associations and companies representing the whole value chain from metals and ceramics to transportation industries committed to manufacturing in the EU on a truly level playing field ensured by a rules-based free and fair international trade. Our members account for more than €500 billion in annual turnover, as well as for millions of jobs across the EU.