

PRESS RELEASE

ENSURING ACCESS TO THE RAW MATERIALS FOR THE EUROPEAN GREEN DEAL: A EUROPEAN CALL FOR ACTION

Berlin, 30 September 2021: The European Raw Materials Alliance (ERMA) today released its Action Plan to secure access to Rare Earth Elements for European industry. Entitled *Rare Earth Magnets and Motors: A European Call for Action*, the report outlines current and projected European demand for Rare Earth Elements and steps which should be taken to secure their supply.

“The EU has committed to the goal of becoming climate neutral by 2050. The raw materials needs to facilitate this energy transition are massive, and Europe urgently needs to secure their supply. This Action Plan outlines the steps we must take to ensure that the rare earth elements upon which the EU Green Deal relies remain available for European industry and society”, said Bernd Schäfer, CEO of EIT RawMaterials – the Innovation Community which manages the European Raw Materials Alliance – on the importance of the plan.

The demand for high energy density rare earth permanent magnets is growing exponentially. They are vital for applications like wind power, electric mobility, and communications technology, making their supply crucial to the European Union’s stated ambition to transition to a green, digital economy. While the EU is a world leader in the manufacturing of electric motors, it is almost fully import dependent regarding rare earth permanent magnets, more than 90 % of which are produced in China.

Thierry Breton, EU Commissioner for Internal Market, says in the report: “The Commission’s in-depth review of critical supply chains and key technologies has highlighted the EU’s high level of foreign dependency on inputs required for our green and digital transition and our continent’s resilience. The EU depends on others – mainly China – for the import of permanent magnets, as well as the rare earth elements they are made of. The European Raw Materials Alliance plays a key role in addressing these dependencies.”

The European Raw Materials Alliance (ERMA) is addressing the main challenges connected to raw materials supply for Europe in thematic clusters. The first of these topical clusters is the ERMA Cluster on Rare Earth Magnets and Motors. With the input of more than 180 industry stakeholders, ERMA has developed the Action Plan to highlight the challenges related to the highly vulnerable global rare earth supply chain and to provide specific actions that the EU, its Member States, industry, and innovation communities should implement with the aim of triggering a disruptive

change to diversify EU supply chains. The Action Plan contains 12 actions that are summarised in four key recommendations:

- European policymakers will need to create a level playing field, since the cost of EU production is intrinsically higher than the Chinese production cost, which is massively lowered by a set of direct and indirect state subsidies.
- European OEMs (original equipment providers, in this case the producers of components making use of rare earths) will need to consider potential commitments to buying a significant percentage share of rare earth materials from European producers.
- The EU will need to ensure that end-of-life products and waste materials containing rare earths stay in Europe, facilitating their reprocessing and recycling.
- There is a unique opportunity to trigger large private investments in the emerging European rare earths value chain by match funding. For this reason, the EU and its Member States should pull all financial levers including state aid, such as a dedicated Important Project of Common European Interest (IPCEI).

The European Raw Materials Alliance is currently working on a second Action Plan covering materials for energy storage and conversion, such as batteries, fuel cells, solar and hydrogen and other alternative energy storage and conversion systems.

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European Raw Materials Alliance (ERMA)

The European Raw Materials Alliance (ERMA), which was announced by the European Commission in September 2020 as part of an Action Plan on Critical Raw Materials, brings together over 500 partners including industry, governmental organisations, NGOs, trades unions and universities.

EIT RawMaterials

EIT RawMaterials provides a collaborative environment for disruptive and breakthrough innovations by connecting business with academia, research, and investment. It also invests in future generation of innovators for the raw materials sector through initiatives ranging from education of school students to higher qualifications for industry professionals.