

# ***The upcoming New Plan for Europe's Sustainable Prosperity and Competitiveness and the role of Secondary Raw Materials***

## **Position Paper from the Copper Fabricating Industry**

**24/2/25**

We welcome the Commission's prioritization of the Competitiveness Compass and we expect that the pillar of the Clean Industrial Deal will emerge as the cornerstone for enhancing the EU's Industrial competitiveness and strategic autonomy, thereby contributing to the creation of quality jobs.

We are fully committed to the transformation of our economy from linear into circular, significantly contributing to the reduction of energy consumption, and to meeting our climate and environmental goals.

To this end we call for:

- The timely and appropriate implementation of the current legislation, especially of the Critical Raw Materials Act with streamlined measures at EU and member states level.
- The timely and appropriate creation of a functional internal market of secondary raw materials enhancing the competitiveness and the resilience of EU's metals Industry.
- The adoption and implementation of all appropriate measures to ensure a level playing field for EU Industries operating in a complex and competitive global market that does not always adhere to WTO rules nor (even more) EU environmental and social standards.

The 2030 benchmark of the CRMA underlines that the EU capacity along the strategic raw materials supply chain meets at least 25% of its consumption of recycled material. According to Commissioner Roswall (Bruegel, 16/12), less than 1% of our CRMs come from recycling activities.

Taking into consideration that third countries strongly incentivize imports of high-quality secondary materials, and that environmental and social standards of importing countries are under question in various cases, we express our deep concern for the efficient supply of our industry with secondary raw materials, as we are already faced with serious implications related to scrap shortage within the EU.

In particular, 2023 was a record year of scrap exports to countries outside the EU28, especially to China. For Copper containing waste and scrap (HS Code 7404) the statistics in 2023 show the following:

EU28 scrap exports to world (without domestic trade):	~ 672.000 tns
Thereof to China:	~ 303.000 tns (45% of total exports)
Total imports to the EU28:	~ 360.000 tns
Estimated annual refining capacity EU28 for Copper scrap:	~ 900.000 tns
Estimated additional annual refining capacity until 2030:	~ 200.000 tns

In order to secure our competitiveness and our ability to fulfil the circularity targets of the EU Green Deal, we argue to the Commission that it is necessary to initiate a series of measures in the framework of the upcoming Circular Economy Act:

- CRMs Regulation (EU) 2024/1252 enforcement: Secondary raw materials should be included additionally in the list of the critical and strategic Raw Materials respectively, as part of the proposal for the first revision of the Regulation.
- Waste Shipment Regulation WSR (EU) 2024/1157 entered into force on 20/05/2024 and full implementation will be from 21/5/2026.
- The EU has to monitor and guarantee the integrity of the audits performed in third countries installations, so that these meet equivalent standards to our internal market.
- Non-pricing criteria (environmental, social etc) should be set in place to safeguard a level playing field globally. A case-by-case approach to non-OECD countries that import scrap is required.
- The End of Waste Regulation (EU) 715/2013, as it is in force, is the legal basis of exporting high quality copper scrap from EU to third countries. However, China in particular, only imports scrap that no longer has waste status. In light of the upcoming revision of the criteria EoW, the amendment of standards, particularly regarding Critical Raw Materials, is needed in order to increase the quantity of scrap that is not allowed to be exported from the EU. A level playing field is also required within the internal market in terms of streamlined enforcement of EoW criteria to address current distortions and divergences. In this context we are asking the Commission to close the loophole that allows China to escape the provisions of the WSR and import high quality scrap by relying on the EoW criteria. In addition, the effectiveness of Extended Producer Responsibility Schemes should be increased in terms of performance and via reliable data.
- Public Procurement Directive 2014/24/EU: We welcome the Commission's proposal to introduce a European Preference in Public Procurement for Critical Sectors and technologies through a review of the public procurement Directive. As Copper is a Critical and also Strategic Raw material, we argue the Commission should incentivize increased CRM recycled content in the projects executed under the Public Procurement Directive by setting specific criteria aligned with the EU Green Deal requirements. The introduction of incentives for secondary Raw Materials in the Public Procurement instrument at EU level will increase predictability for the demand of recycled materials, while also facilitating the secondary raw materials market development. We further look forward to the upcoming Circular Economy Act in order to enhance recycling CRMs business case by safeguarding the supply chain of scrap and thus developing the market of secondary raw materials in key sectors as construction and automotive manufacturing.
- Recycling companies are important parts of secondary raw materials' value chain, defined as the manufacturers addressing the Waste Framework Directive requirements. Any other undertakings, including trading companies of secondary raw materials are not considered to be recycling companies.

The suggested measures will help the European industry to follow the EU industrial strategy and to remain competitive. We argue that the Commission should consider the reciprocal approach suggested in the Draghi report, which consists of adopting measures to limit the exports of scrap to those third countries that have imposed export restrictions on their critical raw materials.

The European Copper industry is ready to widen the circular economy activities in our processes. We appeal to the European Commission to protect our urban mine which is going to generate more quantities in the future available for the European industry. Without secondary raw materials the expansion of circular economy activities is not possible. We look forward to our cooperation for a well functioning market of secondary raw materials in order to reinforce our strategic autonomy in the EU.

Signed and supported by:

