

Net -Zero Industrial Act and Critical Raw Materials Act: Satisfying tomorrow's demand of graphite for the Green Deal objectives

Europe has a newly budding natural graphite and a well-established synthetic graphite production. Both subsectors require support and are welcoming the outlined actions under the **Net-Zero Industrial Act**.

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In particular the sector welcomes measures maintaining a level playing field in terms of energy costs, subsidies, trade and sustainability measures as well as the specific measures for their downstream markets (batteries, fuel cells, steel recycling, semiconductors, renewables and hydrogen production) as well as the specific recommendations for fostering natural graphite supply from EU sources and establishing EU processing.

The sector also wholeheartedly welcomes the Commission's **Critical Raw Materials Act** and the proposed strategies. However, it is unfortunate that the in-depth assessments of raw materials had to be limited to "raw materials" and could not equally assess its substitutes at the same level. Then it would have been more obvious that a number of the strategic sectors identified in the Net-Zero Industrial Plan are very much supplied by highly refined synthetic graphite (silicon and semiconductor production, renewables, and fuel cell and hydrogen production).

For graphite, the envisaged benchmarks identified under the Critical Raw Materials Act depend on a favourable legal framework and investments as well as a few other factors:

- 10% of natural graphite mining in Europe will only be achievable if all current projects are permitted and go into operation and at least one or two additional projects can be identified and realised.
- The 40% refining goal seems an unfortunate goal when it comes to natural graphite because it would mean that natural graphite from outside the EU would have to be sourced and would have to be shipped to Europe and then processed in the EU rather than developing further EU graphite resources. Such a goal is counterproductive since it will continue to invite imports and potentially jeopardise the development of the EU projects. However, applying this benchmark to natural and synthetic graphite together could be reached as long as energy prices are competitive, unfair trade practices are stopped, and permits for extensions of existing capacities are granted.
- Achieving 15% recycling of natural graphite depends on a series of factors. The economy of scale, sufficient collection and separation, as well as RTD into returning the used graphite into a state fit for purpose will be important. It should be noted that in applications such as batteries natural and synthetic graphite are mixed and that any recycling process would have to deal with both at the same time.

"To satisfy tomorrow's demand for graphite for the EU's Green Deal strategic sectors both natural and synthetic graphite production will be important and both are looking forward to the implementation of today's proposed EU strategies and a further discussion on the compatibility of existing EU legislation and revisions with these strategies" highlights Dr Corina Hebestreit, Secretary General of ECGA.