27 July 2026

ECGA Response to the Call for Evidence for the Impact Assessment of the EU Critical Raw Materials Centre

ECGA welcomes the opportunity to provide input to the European Commission's initiative on the creation of a European Critical Raw Materials Centre (CRM Centre). The Association broadly agrees with the Commission's assessment that the EU continues to face a range of challenges in strengthening critical raw material value chains, including difficulties in attracting investment, addressing market and supply chain vulnerabilities, improving resilience to disruptions, and developing a more comprehensive understanding of strategic dependencies.

A properly designed CRM Centre has the potential to become an important instrument for supporting the EU's objectives of enhancing supply security, industrial competitiveness, and strategic resilience. By improving coordination, market intelligence, and support mechanisms across the value chain, the Centre could make a valuable contribution to the development of a stronger and more resilient European critical raw materials ecosystem.

The following recommendations outline ECGA's views on the key functions and activities proposed for the CRM Centre.

1. Governance Model

ECGA supports the establishment of a governance model that combines strong strategic coordination at EU level with a role for industry input and, where appropriate, Member States in the Centre's activities and decision-making processes. Such an approach would allow the CRM Centre to benefit from the strengths and expertise of each stakeholder group while ensuring coherence across the Single Market.

The EU should provide strategic oversight, market monitoring, coordination of activities, and a consistent framework for action across Member States. This role is particularly important in preventing fragmentation of policy approaches and ensuring that companies operating in different Member States have access to comparable opportunities and support mechanisms.

At the same time, industry should play a role in the implementation of the Centre’s activities. As market participants directly exposed to supply chain risks, companies possess the expertise, operational capabilities, and market intelligence necessary to identify emerging challenges, and support effective decision-making.

European Advanced Carbon and Graphite Materials Association asbl
Avenue de Tervueren, 168, box 11 • B-1150 Brussels, Belgium • Tel +32 477 225 303 • Transparency Reg.: 66301488645-70
E-mail: hebestreit@ecga.net • graphit@ecga.net • ecga.net

ECGA also notes that significant differences exist between Member States in terms of financial support, industrial policies on CRMs, and instruments available to critical raw material projects. These disparities risk creating an uneven playing field within the Single Market, where projects of equal strategic importance may receive substantially different levels of support depending on their location. The CRM Centre should therefore contribute to greater coordination and transparency across Member States and help promote a more level playing field for strategic projects throughout the EU.

In the area of investment support, ECGA sees value in a collaborative approach involving EU institutions, Member States, and industry. While investment decisions should remain market-driven, the CRM Centre can play an important role in facilitating access to financing, improving coordination among stakeholders, and strengthening the EU's collective position in initiatives such as joint purchasing and other strategic market interventions.

Overall, ECGA believes that the CRM Centre should serve as a platform for strategic coordination, market intelligence, and stakeholder cooperation, while maintaining a governance structure that combines EU-level leadership with industry participation and appropriate Member State involvement. This would maximise effectiveness, enhance resilience across critical raw material value chains, and support the EU's long-term competitiveness and strategic autonomy.

2. CRMs Intelligence

ECGA supports the establishment of a comprehensive EU-level critical raw materials intelligence and monitoring function within the European Critical Raw Materials Centre. Enhanced monitoring and analysis of critical raw material value chains would improve market transparency, strengthen evidence-based policymaking, facilitate the identification of strategic dependencies, and enable the early detection of supply risks and emerging bottlenecks.

To be effective, the CRM Centre should act as a central hub for the collection, analysis, and dissemination of relevant market intelligence across the EU. This should be carried out in close cooperation with industry, Member States, and EU institutions, drawing on existing expertise and data while ensuring robust safeguards for commercially sensitive information.

ECGA considers that current monitoring mechanisms do not yet provide a sufficiently comprehensive picture of risks and vulnerabilities across critical raw material value chains. Greater emphasis should therefore be placed on forward-looking analysis and early-warning capabilities, including the identification of potential supply disruptions, trade restrictions, market distortions, geopolitical developments, and other factors that may affect the availability, competitiveness, or affordability of critical raw materials.

Monitoring activities should extend beyond traditional indicators such as production volumes and trade flows. A more holistic approach is required to capture vulnerabilities throughout the value chain, including processing and refining capacity, manufacturing capabilities, industrial inventories, logistics and transport infrastructure, permitting and qualification lead times, energy cost exposure, ownership structures, export restrictions imposed by third countries, and other factors that may create strategic dependencies or supply chain concentration risks. Particular attention should be given to processing and refining, where significant global concentration often exists.

The CRM Centre should also contribute to greater consistency and comparability of data across Member States. Harmonised methodologies for data collection and reporting would improve analytical quality, reduce fragmentation, and support more coordinated decision-making at EU level.

At the same time, ECGA emphasises that any reporting obligations should remain proportionate, targeted, and risk-based. Collecting, managing, and sharing detailed CRM-related data can generate significant costs for companies, particularly SMEs. These costs may include dedicated personnel for data management and regulatory reporting, upgrades to IT, ERP and cybersecurity systems, internal compliance and audit activities, legal support, and external advisory services. Additional burdens may arise where reporting requirements differ across Member States or where extensive measures are required to protect commercially sensitive information. The design of any reporting framework should therefore carefully balance the value of additional data collection against the administrative and financial burden placed on industry.

Industry participation will be essential to ensuring the accuracy, relevance, and timeliness of the information collected. The CRM Centre should establish structured mechanisms for stakeholder engagement and information exchange, while fully respecting confidentiality requirements and protecting commercially sensitive business information.

Overall, ECGA supports the development of a strong and centralised CRM intelligence function that combines public oversight with industry expertise. By providing high-quality market intelligence, risk assessments, and early-warning mechanisms, the Centre can make an important contribution to strengthening the resilience, competitiveness, and strategic autonomy of Europe's critical raw materials value chains.

3. Stockpiling

ECGA supports the development of a strategic European stockpiling mechanism for critical raw materials as an important component of the EU's resilience and economic security framework. Properly designed stockpiles can strengthen the Union's preparedness for supply disruptions arising from geopolitical tensions, trade restrictions, natural disasters, or other unforeseen events, while supporting the continuity of strategic industrial value chains, including defence, aerospace, energy transition technologies, and advanced manufacturing.

Given the financial, logistical, and operational complexities associated with stockpiling, ECGA believes that such a mechanism should be based on a risk-driven approach. Stockpiling efforts should focus on those critical and strategic raw materials that are of the highest importance to the European economy and security and that face the greatest supply concentration risks or vulnerability to disruption. A targeted approach would ensure efficient use of resources while maximising the resilience benefits of the system.

ECGA considers that a hybrid governance model, coupled with a flexible storage structure, would provide the most effective framework for the management of strategic stockpiles. The EU should be responsible for strategic coordination, establishing overall objectives, defining stockpiling priorities, and determining the conditions under which materials may be released. At the same time, Member States and industry should play an important operational role, contributing expertise in procurement, storage, logistics, inventory management, quality control, and market intelligence. However, industry participation should not automatically translate into unilateral or mandatory stockholding obligations imposed on companies. While strategic stockpiles are ultimately intended to support the resilience of industrial value chains, their establishment should not create disproportionate financial, logistical, or administrative burdens for operators through additional costs, cash immobilisation, inventory financing requirements, or dedicated storage investments. In this context, ECGA supports a flexible model that combines EU-level coordination with national, regional, and, where appropriate, industry-managed storage facilities. The location of stockpiles should take into account security considerations, logistical efficiency, accessibility, and proximity to key industrial consumers. Such an approach would enhance the system's effectiveness in responding to disruptions affecting specific regions, supply routes, or industrial sectors, while building on existing best practices and international examples that successfully combine public oversight with industrial execution.

The primary purpose of strategic stockpiles should be to safeguard the continuity of critical supply chains during periods of severe disruption and to strengthen Europe's preparedness for risks affecting economic security, defence and critical industrial production. While stockpiling should not serve as a routine market intervention mechanism, it should provide sufficient flexibility to respond to severe supply shortages, extraordinary market disruptions or price dislocations that threaten the continuity of strategic value chains. Release decisions should be based on transparent and objective criteria, supported by independent market monitoring and risk assessments. The CRM Centre should also explore appropriate risk-sharing mechanisms, including price-gap compensation where justified, to ensure that strategic stocks can be released rapidly and effectively without imposing disproportionate financial losses on participating operators.

In addition to physical stockpiles, the CRM Centre should explore complementary instruments that can strengthen supply security, including advance purchase agreements, strategic procurement mechanisms, and pre-financing arrangements capable of supporting the development of resilient supply chains and facilitating access to critical materials during periods of market stress.

At the same time, ECGA emphasises that the design of any stockpiling system should carefully address a number of practical considerations. These include determining appropriate stock levels, securing sustainable long-term funding, particularly where stockholding obligations may fall on CRM producers, ensuring fair and transparent access to materials during supply disruptions, accurately assessing future demand, and clearly identifying which materials are suitable for stockpiling. Where industry participation is envisaged, the associated costs and responsibilities should be shared fairly and should not place a disproportionate burden on individual companies. In particular, stockpiling arrangements should avoid excessive cash immobilisation, additional inventory carrying costs, or storage obligations that could negatively affect the competitiveness of European operators. The system should also avoid unintended market distortions and be designed to strengthen market resilience while preserving the effective functioning of market mechanisms.

Overall, ECGA believes that a coordinated European stockpiling framework can make a valuable contribution to strengthening the EU's strategic autonomy and supply security. To be successful, it should combine strong European coordination with industry expertise, operate on the basis of transparent and objective rules, and remain focused on addressing genuine strategic vulnerabilities within critical raw material value chains.

4. Joint Purchasing and Demand Aggregation

ECGA recognises that demand aggregation and joint purchasing mechanisms may help strengthen the resilience of critical raw material value chains by improving market visibility, supporting access to supply, and facilitating investment in strategic projects. Such tools could be particularly relevant for raw materials facing high supply risks, significant import dependencies, or strategic importance for the EU's industrial, energy, digital, and defence objectives.

At the same time, any mechanism should remain market-based, voluntary, demand-driven, and aligned with commercial realities. Demand aggregation can support cooperation between market participants and improve the bankability of projects across the value chain, including processing, refining, recycling, and manufacturing activities. However, it should complement rather than replace normal market transactions and should not unduly interfere with companies' commercial decision-making.

ECGA considers that the primary role of the CRM Centre should be to facilitate cooperation, improve market transparency, identify aggregation opportunities, and support dialogue between suppliers and consumers. In particular, the Centre could help bring together market participants, improve visibility of future demand, and support the development of long-term offtake arrangements. Any more interventionist functions, such as negotiating or purchasing on behalf of companies, would require careful assessment of their added value, market impacts, competition implications, and industry acceptance.

ECGA notes, however, that the relevance and feasibility of joint purchasing may vary significantly across raw material value chains and product categories. In the specific case of battery anode material (BAM) graphite, joint purchasing mechanisms are unlikely to provide meaningful benefits and may in fact create unintended negative consequences. Greater demand aggregation could facilitate market access for non-EU competitors and enable them to further increase market share in a sector already heavily impacted by subsidised global competition. This could place additional downward pressure on prices, undermining the commercial viability of European producers. Furthermore, BAM is not a standardised commodity product. Anode materials are typically developed and supplied according to customer-specific technical specifications, with formulations, performance characteristics and qualification requirements differing from one battery producer to another. As these specifications often constitute commercially sensitive know-how and core intellectual property, the practical implementation of joint purchasing schemes for BAM graphite would be highly challenging.

The design of any mechanism should reflect the specific characteristics of individual raw material value chains and focus on addressing genuine market failures and investment barriers. Particular attention should be given to creating credible long-term demand signals that support the development of strategic projects and reduce vulnerabilities arising from concentrated global supply chains. In this regard, demand aggregation initiatives should cover not only primary raw materials but also relevant processed and value-added products where strategic dependencies exist.

Where joint purchasing or strategic stockpiling mechanisms are developed, ECGA believes they should be closely linked to measures that support the commercial viability of strategic projects. Consideration should therefore be given to complementary EU-funded instruments, including appropriate price-support or risk-sharing mechanisms, where these are necessary to facilitate investment and the conclusion of long-term offtake agreements. Such mechanisms should also contribute to strengthening European industrial capabilities through appropriate local content considerations, while remaining consistent with international obligations and market principles.

ECGA further believes that any future framework should be inspired by demand-driven public-private cooperation models that respond to clearly identified market needs and strategic vulnerabilities. Public intervention should be targeted and proportionate, with the objective of facilitating investment, reducing supply risks, and strengthening the resilience of European value chains rather than replacing private sector decision-making.

Overall, ECGA supports further exploration of demand aggregation tools that can strengthen supply security, competitiveness, and investment across European critical raw material value chains, provided that they remain proportionate, industry-driven, demand-led, and responsive to market needs.

5. Financing Hub

ECGA strongly supports the establishment of a dedicated EU Critical Raw Materials Financing Hub to address persistent financing challenges across the critical raw materials value chain. Despite the availability of various EU and national funding instruments, many strategically important projects continue to face difficulties in securing financing and reaching final investment decisions. A dedicated Financing Hub could improve coordination, increase transparency, and facilitate access to the financial support needed to accelerate the development of resilient CRM value chains.

The CRM Centre should act as a central coordination platform, helping project developers navigate existing funding opportunities, improving coherence between European and national instruments, and identifying financing gaps where additional support may be required. By bringing together public authorities, financial institutions, and industry, the Centre could help address market failures that continue to hinder investment in strategic projects.

ECGA considers that reducing market and revenue risks is one of the most important factors in improving the bankability of CRM projects. While technological risks are often manageable, investment is frequently constrained by price volatility, uncertain revenues, limited long-term demand visibility, and difficulties in securing offtake agreements. Financial instruments that increase certainty for investors and lenders can therefore play a critical role in unlocking private capital.

The Financing Hub should promote a broad range of financing solutions, including grants, loans, public guarantees, blended finance instruments, contracts for difference, and other risk-mitigation tools. Particular attention should be given to new EU funding instruments capable of catalysing investment in strategic raw material projects. Initiatives similar to the Battery Booster facility could play an important role, provided their support is primarily delivered through grants and loans rather than equity participation. Such instruments should focus in particular on processing, refining, and other midstream activities, which remain among the most significant bottlenecks in European critical raw material value chains.

A resilient European critical raw materials ecosystem requires investment across the entire value chain. However, processing, refining, and recycling activities often face greater financing challenges than either extraction or downstream manufacturing and should therefore receive particular attention.

ECGA also emphasises the importance of ensuring equitable access to financing across the Single Market. Significant differences currently exist between Member States in available financial support and industrial policy instruments, creating the risk that projects of similar strategic importance receive substantially different levels of support depending on their location. The CRM Centre should therefore contribute to a more coordinated and transparent financing environment that promotes a level playing field across the EU.

Beyond projects within the Union, the Financing Hub should support strategic partnerships with trusted third countries. Many critical raw materials required by European industry will continue to be sourced globally, making it important to facilitate investment in reliable and diversified supply chains outside the EU where this contributes to resilience and supply security.

Finally, ECGA underlines that financing measures alone will not be sufficient to secure Europe's industrial base. They should be complemented by a strong Made in Europe approach and, where appropriate, effective trade defence instruments to address market distortions and aggressive competition from third countries. Strengthening European production and processing capabilities will require a policy framework that supports both investment and competitiveness.

Overall, ECGA believes that the Financing Hub should play a central role in improving project bankability, reducing investment risk, and accelerating investment throughout the CRM value chain. By coordinating existing instruments, addressing financing gaps, and supporting strategic industrial development, the CRM Centre can make a significant contribution to the objectives of the Critical Raw Materials Act and to Europe's long-term resilience, competitiveness, and strategic autonomy.

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About us
Founded in 1995 and based in Brussels, ECGA is the voice of the European advanced carbon and graphite industry. Its members manufacture graphite electrodes for steelmaking and foundries, electrodes and cathodes for aluminium and ferroalloy production, battery-grade graphite materials, and specialty carbon

and graphite products serving applications ranging from industrial processes and advanced manufacturing to energy storage technologies.

European Advanced Carbon and Graphite Materials Association asbl
Avenue de Tervueren, 168, box 11 • B-1150 Brussels, Belgium • Tel +32 477 225 303 • Transparency Reg.: 66301488645-70
E-mail: hebestreit@ecga.net • graphit@ecga.net • ecga.net