



## The Building Blocks for Europe's Future

Securing essential raw materials for the Green Deal

Brussels – 16 November 2023

### Summary note

DATE: 16 NOVEMBER 2023

Eurogypsum, a European federation of national associations of producers of gypsum products, organised an event in Brussels on 16 November 2023 in the framework of the Raw Materials Week, looking into how to secure raw materials essential to the European Green Deal.

The event gathered representatives from various companies and organisations from the gypsum, construction and raw materials sector, as well as from public authorities and civil society organisations (*see final list of participants in annex*).

**Jörg Ertle**, Eurogypsum's President, welcomed participants and introduced the subject of the conference, a satellite event of the Raw Materials Week. He stressed the importance of securing the future supply of gypsum in a context of decreasing availabilities of synthetic gypsum from coal power plant desulphurisation and the limited volumes of available recycled materials in the short and medium term.



**Vincent Basuyau**, Policy Officer at the European Commission's Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW), presented the European Union's approach to raw materials supply. He focused especially on the 2008 Raw Materials Initiative and the proposed Critical Raw Materials Act (CRMA), in the context of a growing global demand for raw materials. He introduced the policy measures, initiatives and associated funding opportunities aimed at achieving

a more secure supply of critical raw materials in Europe.



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**Dirk Fincke**, the Secretary General of Aggregates Europe-UEPG, presented an economic outlook from the German construction products association, showing the expected demand growth for raw materials used in construction until 2040. He pointed out the expected sharp increase in natural gypsum demand, even in the weakest economic scenarios, largely due to the steep decline of volumes of flue gas desulphurisation (FGD) gypsum supplied so far. For many raw materials which are necessary to build our green infrastructure (e.g., wind turbines or high-efficiency buildings), the anticipated demand will be significantly above current supply levels. While constant efforts are made by the extractive industries to optimise resource supply in the most sustainable way and increase the use of secondary raw materials, securing access to primary raw materials will be indispensable. To avoid imports of materials which are available domestically, and the related transport emissions, action is needed to facilitate access to primary raw materials which are essential for the European Green Deal. Among the key conditions to secure a stable supply of raw materials for construction, it is of paramount importance to overcome lengthy permitting procedures and the lack of staff in national administration.



**Jean-Luc Marchand** presented key figures about the European gypsum industry and pointed out that the raw material supply for plaster and plasterboard production is composed of natural gypsum (68%), synthetic gypsum from FGD of coal power plants (26%) and recycling (6%). 25 million tonnes of gypsum are currently processed by the plaster and plasterboard industry; until 2050, another 25 to 50 million tonnes will be necessary to match the growing demand for building renovation, as well

as replace the currently 7 million tonnes of FGD gypsum which will no longer be available after the phase out of coal power plants. These volumes will partly come from waste recycling, but a large part will need to be extracted from quarries and mines. Optimised collection and recycling systems could allow the industry to cover up to 20-25% of the gypsum demand in the long term. Natural gypsum resources are abundant in Europe; however, extractive permits are complex, long and controversial. Efforts are required to streamline these procedures. Should Europe fail to secure sufficient volumes of gypsum in the future, the achievement of the European Green Deal's objectives will be in jeopardy.

Panellists debated the possible ways of securing the sustainable supply of essential raw materials in Europe:





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- **Vincent Basuyau** underlined the essential role of raw materials for construction. The Commission's focus on critical and strategic raw materials was related to recent geopolitical and supply crises, and the lack of a geographically balanced supply of those materials. However, this should not imply that those materials are put at an advantage against essential materials. Over the past years, there has been an increased awareness of the needs for raw materials in the EU Member States. The momentum for raw materials is unlikely to disappear with the new European institutions' mandates.
- **Christoph Dorn**, Member of the Group Management Committee of the Knauf Group for the region Central Europe, stressed the strategic importance of raw materials with low embodied carbon, such as gypsum, for the renovation of Europe's buildings in light



of the climate neutrality objective. In a context of decreasing supply volumes, due to the disappearance of synthetic gypsum produced through the desulphurisation of coal power plants, the industry invests massively in optimising volumes of recycled gypsum to cover part of this gap. However, higher volumes of primary raw materials will be required in the future to compensate and face the growing demand. To cope with these challenges, the industry does not request fewer legislation for extraction, but shorter and more streamlined

permitting procedures.

- Speaking on behalf of the Essential Raw Materials Coalition, which gathers 40 European and national industry associations including Eurogypsum and Aggregates Europe-UEPG, **Dirk Fincke** referred to the lack of awareness among most policymakers as a possible reason for the absence of specific action on essential raw materials. Mr Fincke pointed out that, despite the 2008 EU Raw Materials Initiative, little positive impact has been felt on the extractive sector. In Germany for instance, 500 extractive companies had to close their activities between 2011 and 2021. Hence the industry is sometimes sceptical regarding potential benefits from the CRMA. Mr Fincke expressed the Essential Raw Materials Coalition's concerns that, without proper staff increase in the land use planning authorities, the new streamlined procedure for critical and strategic materials would end up further delaying the procedures for other essential materials.
- **Emily Iona Stewart**, a Senior Advocacy Specialist in charge of climate for the Open



Society Foundations, reminded participants about the overall political dimension of this debate and called for a shift in the priorities defined in the CRMA. Having a shelter is one of the three basic needs of our societies, alongside water and food. Therefore, a secure and sustainable sourcing of raw materials for buildings should get precedence over other non-essential applications. She regretted the missed opportunity, in the current



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geopolitical context marked by the war in Ukraine, for the European Union to prioritise buildings' energy efficiency. Further awareness-raising work is needed among European citizens about the strategic importance of essential raw materials and industry efforts made to address the environmental impacts of extraction. As a positive example of such actions, she referred to the [Code of Conduct for Species Protection in Extractive Industries](#), co-developed by industry associations Aggregates Europe-UEPG, CEMBUREAU and Eurogypsum, jointly with the environmental NGO network BirdLife Europe & Central Asia, and endorsed by the European Commission's DG Environment. The Code aims to translate the European Union's Birds and Habitats Directives and guidance documents into actionable recommendations for Europe's extractive companies. She also mentioned local examples of positive cooperation between nature and raw material extraction, such as in Devon (UK). However, she also insisted on the need to shift some of the industry's focus to a longer-term and more all-encompassing approach to growth, stressing that there would be no need for raw materials and jobs on a depleted planet.

- Panellists debated further on the ideal **choice of critical raw materials**. Recognising on the one hand the existence of local opposition to extractive projects (the 'NIMBY' effect), and on the other hand the irony and negative consequences of 'exporting' pollution outside of Europe, the panellists agreed on the need to **mobilise all actors involved** in extractive activity permitting. **Engaging with local communities**, including through 'open doors' events, was considered paramount to improve public acceptance of individual extractive projects, alongside **cooperation with scientists and civil society organisations** on the biodiversity impact of temporary sustainable extractive activities, e.g., from the point of view of *disturbance ecology*.
- Key messages from the panellists for the next EU leadership in 2024 to secure a sustainable access to essential raw materials were:
  - to ensure that the CRMA benefits access to essential raw materials,
  - to simplify permitting procedures,
  - to encourage Member States to extend their extractive permitting staff,
  - to foster mutual trust between all involved parties,
  - to better communicate on the extractive activities and the usefulness of essential raw materials,
  - to promote a reasoned and sustainable use of resources, as well as longer lifespans for buildings and products.



Eurogypsum's President **Jörg Ertle** summed up the debate with key takeaways from the discussions:

- Discussion creates awareness,
- Awareness impacts legislation, and
- Regulations set a clear framework, which creates certainty to the industry.



Reflecting on the specific case of gypsum, he reminded that the need for gypsum would increase. Gypsum quantities are available in Europe, but not always accessible, hence the need to address permitting. Gypsum remains an essential material to address today's and tomorrow's challenges in construction. The gypsum industry is willing to and will address these challenges in the most responsible way. It has the right people, the right solutions and it is committed to action.



Mr Ertle thanked all speakers and participants and closed the event.