The Mining & Metallurgy Sector for a Stronger and More Sustainable France

A3M Manifesto 2025

French and European ambitions for ecological and digital transition, reindustrialization, and sovereignty require a robust and efficient Mining & Metallurgy sector.

- Only this sector can ensure the availability of minerals and metals necessary for decarbonizing the activities of all industrial sectors and securing their value chains.
- These issues have been addressed since 2022 through the implementation of the recommendations in the Philippe Varin report in France, the adoption of the European Critical Raw Materials Act, and initial financial support measures, such as the France 2030 program to facilitate the decarbonization of the steel industry and the creation of the critical metals fund managed by INFRAVIA.

These initial steps are insufficient, especially considering the intensification of global competition and the worsening of Europe's economic situation:

- In the race for metals and decarbonization, Europe's political resolve is significantly challenged by the proactive approaches of two powerful players—USA and China—who are making massive investments (Inflation Reduction Act in the US, Belt and Road Initiative in China). These nations benefit from electricity costs that are half[1] those in Europe, the swift execution of long-term roadmaps, and integrated partnership approaches to mitigate risks in their projects.
- In Europe, **the metallurgy sector is experiencing its worst crisis since 2009,** mainly due to the impact of global overcapacity and unfair trade practices, in a period of significant weakness in its primary markets, construction, and automotive industries. Additionally, major investments in low-carbon steel production are being carried out or planned in Asia, the Middle East, and North Africa, targeting the European market and jeopardizing similar projects in Europe.
- The EU's dependence on critical metals from China and Russia remains nearly absolute**,** and Europe is struggling to establish an independent value chain for electric vehicle batteries separate from China.

We are now at a crossroads and, in line with the recommendations of the Draghi Report on European competitiveness, we call for the urgent implementation of an Industrial Recovery Plan, with the revitalization of the Mining & Metallurgy sector as its foundation, focusing on three major priorities:

1. Developing the metals industry to ensure sustainable access to primary and secondary resources.
2. Reforming Europe's trade policy and ensuring a fair market that highlights the sustainability commitments of European industries.Garantir la compétitivité de la filière et réussir sa décarbonation au service de toute l'industrie.

[1] European Commission 2024 / Eurostat (EU), EIA (US) and CEIC (China), 2024 : industrial retail power prices

1. Develop the metals industry to ensure a sustainable and secure supply of primary and secondary resources.

Issues at Stake: *All metals, whether in primary or secondary form, are essential for the resilience of the European economy.*

In response to the unprecedented demand for critical and strategic metals, the European Union (EU) has established an ambitious resource policy with the adoption of the **Critical Raw Materials Act (CRM Act)** and the **Net Zero Industry Act (NZIA)**. These legislative texts represent significant initial milestones for securing the sovereignty of European industry and advancing its ecological and digital transitions.

The effective implementation of the CRM Act's[2] objectives should ensure the production of components and the development of associated value chains, particularly in the fields of mobility, energy, and defense.

A3M strongly supports the view that access to primary and secondary raw materials must be a priority for the next European Commission and for France. The announced objectives to improve metal recyclability, implement a circularity plan for critical raw materials, and establish resource planning, along with the simplification drive highlighted as a European political priority and endorsed by the President of the Republic, will help follow this agenda.

Thus, beyond the metals identified in the CRM Act, it is also **essential to secure the EU's supply, ensure the production of primary metals, and guarantee the availability of secondary raw materials for all metals, particularly steel, copper, and zinc[3].** Securing and re-focusing production chains within Europe will accelerate the decarbonization of European industry, save resources, develop the recycling industry, and reduce dependency. The solution for extracted, refined, and recycled minerals and metals should primarily come from plants located in Europe or from European actors based outside the EU.

The Expectations of the Mining and Metallurgy Industry :

1. Adopt an **ambitious national and European industrial policy** for the Mining & Metallurgy sector[4] :
    - Quickly establish supply targets at the European and national levels for 2040 and 2050, specifying strategic materials based on the key sectors of French or European sovereignty, and expand the scope of strategic metals (e.g., scrap metal, zinc).
    - Create market conditions in Europe for all low-carbon metals produced within the European territory and for the recycling of metals from emerging sectors of the ecological transition, enabling value chain actors to cooperate by aligning their interests and mitigating investment risks.
    - Implement a French-scale **Industrial Recovery Plan** for the sector, accompanied by operational planning that involves industrial stakeholders and aligns with the announced objectives of ecological transition and sovereignty within 2030[5], 2035[6], 2040[7], 2050[8].

[2]The objectives are to meet strategic raw material (SRM) needs by 2030 by ensuring within the EU: 10% of extraction, 40% of processing, 25 % of recycling and limiting dependence on any single country to no more than **65%** for a specific SRM.
[3] Cf. : Draghi report on European competitiveness
[4] Similar to the "mine-to-recycling strategy" proposed in the Draghi report (ibid.).
[5] Fit for 55 : decarbonization target of -55% compared to 1990 levels.
[6] Ban on the sale of internal combustion engine vehicles.
[7] EU target of a 90% reduction in greenhouse gas (GHG) emissions by 2040 vs 1990 levels, proposed by Ursula von der Leyen.
[8] EU goal of climate neutrality.

- Develop the national subsoil resource policy based on this long-term strategy and finalize the reform of the mining code in France.

2. **Strengthen diplomacy for mining and metal resources** by establishing strategic partnerships that include ambitious yet realistic environmental and social standards, and by promoting comprehensive "packaged" solutions encompassing mining, refining, logistics infrastructure, transportation, energy, and training services.
3. **Provide ambitious and tailored financing** for metal extraction, transformation, and recycling projects up to the industrialization phase, with simplified and accelerated access:
   - Ensure that the criteria of the Innovation Fund and the future European Competitiveness Fund enable eligibility for extraction, transformation, and recycling projects.
   - Facilitate strategic industrial investments in Europe **by simplifying the framework for state aid,** defining guidelines for state aid specific to the "critical metals" value chain, and extending the Temporary Crisis and Transition Framework (TCTF).
   - Mobilize the European Investment Bank and public financial institutions, and promote a European raw materials and metals fund to mitigate investment risks within Europe or for European actors outside the EU.
4. Ensure a **simplified and coherent regulatory framework** to guarantee the competitiveness and decarbonization of European industry, and accelerate the simplification of pre-authorization procedures for industrial projects:
   - Reduce permit timelines set by the CRM Act (15 months for processing and 27 months for extraction), which are still too lengthy[9].
   - Adopt an ambitious simplification law in France, including accelerated procedures for mining exploration and metal recycling projects..
5. **Limit and control the export of waste (metallic and metal-containing) outside the EU,** in compliance with the principle of environmentally sound management and adhering to the highest social and environmental standards, to retain these resources within Europe and avoid outsourcing recycling activities.

2. Reform Europe's trade policy to ensure a fair market while also highlighting and rewarding the sustainability commitments of European industries

Issues at Stake: *Metals are essential to Europe's commitment to sustainability: Defending the sustainability and circularity of the Mining & Metallurgy sector is crucial for reducing the environmental footprint across the entire value chain.*

The French Mining & Metallurgy sector has been undergoing a **significant transformation** in recent years to reduce its carbon footprint and meet the EU's climate neutrality goals in line with the Paris Agreement and the Green Deal. This transformation is being carried out while adhering to requirements for the protection of human health, water resources, and biodiversity.

[9] Cf. : Draghi report on European competitiveness

Metals are inherently recyclable, and **recycling is part of the DNA of our sector's industries**. Circularity complements access to primary resources by reducing their environmental impact and limiting greenhouse gas (GHG) emissions. Furthermore, France, like the rest of Europe, has **untapped deposits of secondary resources** in urban mines, production waste, and mining residues.

Developing the **production** and **recycling** of metals requires **enhancing industry competitiveness**. This involves: implementing a **market** that recognizes products with environmental premiums, developing **new decarbonization technologies**, improving the sorting, separation, and incorporation of used metals, securing resources as previously mentioned, and **protecting against increasing international competition that does not adhere to the same social and environmental standards**.

The Expectations of the Mining and Metallurgy Industry :

1. Establish a true "level playing field" by firmly **combating all forms of market distortion and enforcing equivalent corporate social responsibility (CSR) requirements for imported raw materials and metals in the EU** as for products manufactured within the European territory
    - **Introduce urgent measures to strengthen and ensure the EU's trade defense against unfair practices and overcapacity in the sector**, by improving Trade Defense Instruments (TDI), including anti-dumping, anti-subsidy, and anti-circumvention tools, and revising current safeguard measures for steel, along with new measures to anticipate the expiration of the steel safeguard mechanism on June 30, 2026.
    - **Implement a structural solution through comprehensive and robust tariff measures** (at the European level or, if possible, within a multilateral framework with key international partners) to globally address and **mitigate the persistence and worsening of artificial and polluting overcapacity created** by third countries.
    - Enhance the human and legal resources of the Commission to combat unfair trade practices effectively.
2. Reward French and European industrial commitments to decarbonization and CSR at the European level, ensuring they remain globally competitive, **through incentives in their key markets (construction and automotive) for low-carbon materials and product** :
    - **Incorporate strict and reasonable environmental criteria** into public procurement processes, particularly concerning the materials used, including CSR references and other metrics (e.g., carbon or recycled content).
    - **Explicitly recognize products with the best environmental performance** (e.g., through "Made in Europe" labeling)
    - Define steps to ensure that 100% of the minerals and metals used in the EU (whether produced or imported directly or indirectly through goods with a substantial environmental footprint linked to these metals or minerals) comply with the highest international standards (for critical metals, the standards recognized under the CRM Act).

3. Promote a **revision of the European taxonomy to include all technologies essential for decarbonization**, particularly extractive activities and the production of non-ferrous metals critical to the energy transition.

4. Stimulate demand for low-carbon metals and secondary raw materials "Made in Europe" by building **a resilient decarbonized and circular economy :**

- Adopt a **"Circular Economy Act"** with effective implementation tools to create a *"genuine single market for waste and recycling within Europe*[10]."
- Incorporate provisions in sustainable product regulations to promote the implementation of the Net Zero Industry Act (NZIA) and the upcoming "Clean Industrial Deal," encouraging eco-design and circularity of metals (e.g., regulations on vehicles, construction products, the directive on waste from electrical and electronic equipment, etc.). **Restrict access to the European market** for products that do not meet specific standards, and include provisions favoring "local content."
- Improve the sorting, separation, and incorporation of used metals, with particular attention to production waste.

5. Favour the alignment of chemical substances policy with the objectives of a circular economy and sovereignty.
   - Ensure validation by a European Chief Scientific Officer, who guarantees that regulations are firmly grounded in scientific knowledge and principles.
   - Ensure that the REACH regulation does not create "barriers" to the development of clean technologies and recycling, particularly regarding the classification of lithium salts.

3. Ensure the competitiveness of the sector and achieve its decarbonization to benefit the entire industry

Issues at Stake: *The competitiveness of the Mining & Metallurgy sector is a cornerstone of a decarbonized European industry.*

The French Mining & Metallurgy sector plans **unprecedented investments** (several billion euros by 2030) to ensure its decarbonization and meet the EU's climate goals. Excluding major relocations or expansions, industries represented by A3M are committed to achieving a 35% reduction in greenhouse gas (GHG) emissions (Scope 1) by 2030 compared to 2018[11].

The sector includes many energy-intensive and electro-sensitive industries whose vulnerability was highlighted during the energy crisis of 2022–2023. This vulnerability will increase due to the rapid electrification demands. For example, it is estimated that the transition of the steel industry in Europe will raise its electricity demand to **400 TWh**, four times the sector's current consumption[12].

Unfair competition and **high energy prices** are among the major challenges identified in the Draghi Report, highlighting the need to establish a level playing field for carbon costs. The end of the **ARENH** mechanism in France, in particular, threatens the stability and competitiveness of energy prices, which are critical for the industry. To achieve the 2050 climate neutrality goal, the industrial transition must be **facilitated and strongly supported.**

To ensure a decarbonized and viable steel industry in Europe, A3M strongly supports the proposal for a **European Pact for Steel and Basic Metals** announced by the President of the European Commission, as well as the **Clean Industrial Deal**, which should serve as a decisive tool to support the sector's transition, achieve decarbonization, and reduce energy prices.

[10] Cf. : Draghi Report, as announced by the new European Commission.
[11] Decarbonization roadmap for the Mining & Metallurgy sector / CNI 2023.
[12] European Commission (2021). Updating the 2020 New Industrial Strategy: Building a Stronger Single Market for Europe's Recovery. *European Commission*.

The Expectations of the Mining and Metallurgy Industry :

1. **Ensure long-term access to abundant, competitive, and decarbonized energy.**
   - Guarantee **stable electricity prices** at a **globally competitive level over the long run**.
   - **Maintain carbon compensation for indirect costs** in electricity pricing.
   - Develop alternative market models or, if necessary, ad hoc solutions that consider the specific needs of electro-intensive and electro-sensitive industries. This includes **granting privileged access to decarbonized electricity** from amortized facilities, such as the French nuclear fleet (as outlined in the State-EDF agreement of November 14, 2023), or from new renewable energy projects, ensuring a competitive "at cost" supply disconnected from short-term volatility.
   - Ensure a decarbonized European energy mix by securing supply at competitive prices and accelerating the deployment of infrastructure without undermining industrial competitiveness.
   - **Reduce energy taxation** for internationally competitive manufacturing industries and avoid additional surcharges on electricity use[13].
   - Accelerate hydrogen production, transport, and distribution in Europe at competitive costs, prioritizing its use in sectors that achieve the greatest CO2 reductions.
2. Implement mechanisms for **flexible** electricity consumption based on consent and remuneration, in consultation with businesses, to ensure grid stability while maintaining normal industrial activity..
3. Ensure the **effectiveness of the EU's Carbon Border Adjustment Mechanism (CBAM)** through:
   - Urgent and substantial adjustments by the end of 2025 to address significant and immediate risks of circumvention by producers in third countries, including: *"Resource shuffling" (differentiated allocation within or between production units based on product destinations),* lack of effective import controls, use of default values significantly lower than actual emissions.
   - Relying on **real emissions values** during the transitional period to establish grounded and deterring benchmarks for the definitive period, reflecting the highest carbon intensity.
   - **Extending CBAM to downstream sectors** and areas where carbon leakage is clearly possible, to ensure the competitiveness of products manufactured in Europe compared to those processed in third countries and to prevent the relocation of their value chains.
   - Implementing tailored tools to **prevent export competitiveness** loss for European producers.
   - **Deferring the timeline for phasing out free allowances** if the protective effectiveness of CBAM is not clearly demonstrated.
4. Ensure robust support for the decarbonization of the sector:
   - Enhance the EU Innovation Fund, which is currently insufficient. Increase the share of ETS (Emission Trading System) revenues allocated to decarbonizing energy-intensive sectors, ensuring they cover both capital expenditures (CAPEX) and operational costs (OPEX).
   - **Prioritize access to biomass for industrial bio-reduction processes** within the *merit order* and adapt support mechanisms accordingly.
   - **Support the development of carbon capture and storage (CCS) value chains** through specific mechanisms, including infrastructure deployment support and **revenue guarantees via Carbon Contracts for Difference (CCfD).**

[13] id

- **Recognize "negative emissions" resulting from the permanent sequestration of biogenic CO2** within the emissions trading system framework.
- Promote **the establishment of pilot markets in Europe to stimulate demand for clean technologies**

L'Alliance des Minerais, Minéraux et Métaux (A3M) - Alliance for Minerals, Metals, and Mining *- represents the French Mining & Metallurgy sector, encompassing activities in the extraction, transformation, production, and recycling of ferrous and non-ferrous metals.*

Our sector comprises approximately 350 companies, including 38% SMEs, 54% mid-sized companies (ETI), and 8% large groups. These industries, which create value for all, account for 60,000 direct jobs and generate €40 billion in revenue. With global leaders and companies of all sizes operating across France, Europe, and beyond, our industry possesses internationally recognized expertise and skills, supported by the presence of multiple research centers within our territory.