

INNOVATION PARTNERSHIP ON RAW MATERIALS Position Paper of the Nickel Institute

July 2011

Thanks to their high performance and durability, nickel-containing materials already play key roles in infrastructure of today and products of modern. Thanks to the same characteristics, they are set to do the same in the innovative solutions needed for tomorrow.

The Nickel Institute welcomes the public consultation on a possible Innovation Partnership on raw materials. It supports the Innovation Union flagship initiative¹ that was launched by the European Commission in October 2010. Furthermore, it took note of the Raw Materials Strategy from the European Commission and the draft European Parliament report from Reinhard Bütikofer and recent contributions from MEPs on the initiative.

Nickel is essential in high end alloy applications used in many innovation technologies in sectors like transport, energy storage, IT and environmental technologies.

Overall, the Nickel Institute supports the proposed objectives of this potential partnership. It is very willing to work with the European Parliament, the European Commission and EU Member States to ensure that these objectives are achieved.

Raw materials needed

It is essential to understand that Europe needs raw materials in order to produce green, resource and energy efficient technology applications, electronics, consumer products and important economic infrastructure. Raw materials and innovation go hand in hand. Nickel is a vital raw material in many downstream and end user sectors as shown in the criticality assessment of the Raw Materials Initiative. The Nickel Institute therefore strongly supports the vision of MEP Bütikofer that raw material challenges are also an opportunity to invigorate the EU's industrial base and increase competitiveness via an ambitious industrial innovation strategy.

Mainstream innovation

The potential partnership must explore innovation throughout the lifecycle and mainstream innovation into the entire value chain. EU funding can support the full innovation cycle in raw materials by focusing more on deployment in real situations and addressing real problems and issues.

Nickel metal hydride batteries allow hybrid cars to produce up to 50% fewer harmful pollutants and greenhouse gases than comparable petrol/gasoline cars allowing it to support greener transport.

¹ http://ec.europa.eu/research/innovation-union/pdf/innovation-union-communication_en.pdf#view=fit&pagemode=none

This is best achieved via involvement of strategic sectors and actual businesses in research. Furthermore, leveraging private sector funding has to become more the norm.

Rather than breaking down innovation into sub-categories which could create a kind of arbitrary prioritisation, innovation should be mainstreamed across sectors and throughout the value chain. Many forms of innovation are intrinsically intent on improvement, change, response, etc. Furthermore, much fundamental innovation happens on the factory floor – this has always been the case – it should be supported.

Regulatory roadblocks

Europe must ensure that it has an industrial base that processes the raw materials. For many materials, supply in the sense of the resources in the ground is not the problem as such but rather the capacity to open new mines, to access them or to provide them to the EU market place is constrained by regulatory roadblocks.

The REACH authorisation objective of substitution of hazardous chemicals is fine in theory but its current application potentially will unleash a witch-hunt on substances, especially metals which are vital for innovation. Although substitution is easier at the end

user stage, in chemistry, the scope for substitution is rather limited. While maintaining the spirit of its objectives, it should not be implemented in a way that imposes overly burdensome roadblocks or cuts off innovation.

Pretending that policy options do not involve trade-offs is not a recipe for success and will act as a significant break on EU innovation as more and more resources will be diverted to defensive research rather than to problem solving. This will then impact on EU competitiveness as other societies will not follow the same route.

Nickel societal value

The Nickel industry contributes to Europe's competitiveness through a wide range of applications we all use every day: buildings, lifts, kitchens, pots and pans, cutlery, batteries, catalysts and other. In fact it represents a network of big companies and SMEs that boosts employment and brings knowledge and innovation along the industrial value chain.

Recycling of nickel-containing materials reduces emissions, energy consumption and other environmental impacts occurring during primary production and the manufacturing processes because Nickel is highly recyclable and recycling is key to increasing resource efficiency.

700,000 jobs in the EU are directly and indirectly dependant on nickel and the added value created by the nickel industry is around € 50 billion.

International competition

The Nickel Institute urges greater international cooperation on issues around raw materials and innovation. It welcomes agreements such as the EU-US Transatlantic Innovation Action Partnership. In addition to focusing on cooperation, the EU must also be mindful of the need to remain competitive. Therefore, there must be greater “competitiveness proofing” of its policies to ensure Europe can still compete and be a standard setter

in world markets. Furthermore, while welcoming the National Raw Materials Strategies adopted by Finland, France and Germany, action at the EU level can add great value for all EU Member States as Europe’s influence vis-à-vis other major world players like the US, Japan, China and India will be much greater when the EU speaks with one voice.

Nickel promotes international raw materials dialogue with the concrete work of the Global Metal Flows Working Group and the cooperation with academia such as the Yale University.

Conclusion

Above all, the potential partnership must be strong enough to consider whether policy making is focusing on the correct issues and priorities. Political short-termism mediated by four year election cycles can result in long term strategic thinking becoming subordinated to short term quick fixes, targets. There is no easy solution to this dilemma which is inherent in a democratic process. However, the potential wide stakeholder involvement that the partnership could provide an opportunity to develop solutions for overcoming roadblocks, mainstreaming innovation and leveraging raw materials to promote the competitiveness of the European economy.

The Nickel Institute is a nonprofit organization that represents the interests of 27 companies which together produce more than 75% of the world’s annual nickel output. We promote on behalf of our members the production, use and re-use (through recycling) of nickel in a socially and environmental responsible manner.

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