

(English version)

**Question for written answer E-005059/21
to the Commission
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(10 November 2021)**

Subject: Impact on consumers of the increase in prices of raw materials

At the plenary sitting of July 2021 we debated the increase in prices of raw materials in the construction sector. Because of the lack of microprocessors this crisis has spread to other sectors, such as the automotive and technology industries. The effect is also being replicated throughout manufacturing industry, given the increase in the prices of raw materials such as paper, wood, rubber and plastic.

Four in every 10 enterprises in the euro area say that they have been affected by this price increase. In the automotive and technology sectors 90% of products are now affected.

This is leading to a rise in the final prices of products and a drop in sales, thus hindering the economic recovery of the countries most affected and their industries, because of production line shut-downs and lay-offs.

In light of this:

1. Can the Commission indicate the possible solutions being considered to reduce price increases of raw materials in these sectors?
2. What measures are being considered to protect consumers from higher prices for the end products?

**Answer given by Mr Breton on behalf of the European Commission
(4 February 2022)**

The EU, like other regions worldwide, is currently facing a sharp spike in energy and raw materials prices. While the market expectations on energy commodities indicate that the current price increases are likely to be temporary, the global economic development as well as green and digital transition will likely lead to long-term increase in demand for raw materials.

Fast increase in demand combined with difficulty to meet such demand due to limited resources and/or long lead times for the increase of supply could result in higher price levels for raw materials.

The Commission seeks to ensure that industrial ecosystems have access to materials they need. The EU's New Industrial Strategy and its update ⁽¹⁾ and the EU's Critical Raw Materials Action Plan ⁽²⁾ include actions on enhancement of the resilience of the EU's raw materials value chains, promotion of circular use of resources, mobilising Europe's domestic potential for mining and extractive activities, diversification of sourcing from third countries.

While the containment of price increases for raw materials is not the main goal, these actions have the potential to limit the impacts of future similar situations.

Higher energy prices are having an impact on raw materials' and end products' prices. Therefore, among the possible solutions to reduce these price increases are the ones presented in the communication on 'Tackling rising energy prices: a toolbox for action and support' ⁽³⁾.

Member States can take measures reducing energy costs for all energy end-users and make specific social payments to those most at risk as well as provide a direct support and aid to companies or industries (in line with EU state aid rules), levy and tax reductions, or prevention from grid disconnection.

⁽¹⁾ https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/european-industrial-strategy_en#relatedlinks

⁽²⁾ <https://ec.europa.eu/docsroom/documents/42849>

⁽³⁾ Adopted by the Commission on 13 October 2021. Available here: https://ec.europa.eu/energy/sites/default/files/tackling_rising_energy_prices_a_toolbox_for_action_and_support.pdf