FEPA · 22 boulevard Malesherbes ·
75008 Paris · France

Shaping your Future with Abrasives

Anne Hagen
General Secretary

Email: a.hagen@fepa-abrasives.org
Web: www.fepa-abrasives.org

27 October 2026

Trade diversification consultation response
European abrasives sector | DiversifyEU

The Federation of European Producers of Abrasives (FEPA) represents manufacturers accounting for 90% of European abrasive production, including SMEs and international groups. In October 2025, FEPA reported more than 130 production plants, 16,500 employees and combined global revenues exceeding €2 billion. The sector's economic importance extends throughout European manufacturing: abrasive tools enable cutting, grinding, polishing and finishing across machinery, automotive, aerospace, construction and electronics.

Like other manufacturing sectors, the abrasives industry depends on an interconnected industrial ecosystem. Natural and synthetic raw materials, production equipment, energy, skilled labour, waste management and reliable inbound and outbound logistics are essential to its operations. Abrasive products serve both industrial customers and consumers. Their manufacture must meet applicable European safety requirements and relevant EN standards, while their use and eventual disposal require appropriate handling. Used by millions of people every day, abrasives are essential to industrial processes and everyday applications, yet their strategic contribution often remains overlooked.

This contribution depends on secure upstream supply. Without access to essential materials, European industry cannot operate. Europe's reliance on imported synthetic raw materials therefore creates vulnerabilities that extend well beyond individual suppliers or sectors. Manufacturing a finished product in Europe does not, by itself, secure the inputs needed to produce it. FEPA supports diversification measures that connect the identification of dependencies with investment financing and protection of supply across the entire value chain.

The energy-intensive production of industrial raw materials receives insufficient recognition in resilience policy. Regulatory and energy costs, combined with gaps in support, risk accelerating the loss of European production capacity and weakening the wider industrial fabric. A coherent legal definition of industrial raw materials, supported by consistent treatment across EU instruments, would help ensure that these essential inputs receive appropriate recognition and support.

President:
Eric Verhimst

General Secretary:
Anne Hagen

FEDERATION OF EUROPEAN PRODUCERS OF ABRASIVES

A European Interest Representative (EU Transparency Registry Id. No. 884099437411-41)

A Non-Governmental Organisation representing the European Abrasives Manufacturers in Coordination with National Abrasives Associations

1. **Priorities for diversification: Map the whole supply chain**

An effective diversification strategy requires an assessment of the entire supply chain, from natural and synthetic raw materials through production equipment and processing to downstream users. The consequences of overlooking specialised upstream sectors are significant. In 2023, an industry position paper described a European synthetic raw material sector comprising just eight production plants. Producers reported a sales-volume decline of approximately 40%, while one plant's monthly electricity bill had risen tenfold, from €300,000 before 2019 to €3 million in 2022.

Industry representatives raised these concerns with DG GROW's unit responsible for energy-intensive industries while the Commission was developing the Critical Raw Materials Act. The proposal published in March 2023 identified 34 critical raw materials. This prioritisation provides a useful framework, but it cannot capture every material dependency capable of interrupting European production.

Europe's industrial resilience requires a mechanism for identifying and addressing essential inputs beyond established lists, particularly processed and synthetic materials. A material's absence from a criticality list does not make it substitutable or its supply secure. Diversification policy should assess the consequences of losing access to an input across the full value chain and provide a rapid route to coordinated action when a credible risk emerges.

2. **Legal framework and incentives: a global strategic vision on the whole value chain**

EU industrial policy should assess the effects of regulatory and trade measures across the entire value chain. Support for a sector facing difficulties must account for the consequences for its suppliers and downstream customers. Supply-chain mapping should inform economic impact assessments, with explicit thresholds for acceptable adjustment costs and safeguards against losses that threaten the viability of other essential industrial activities.

Policy attention should reflect industrial criticality, rather than a sector's turnover, visibility or capacity to finance representation. Measures focused on a single stage of production can transfer competitive pressures elsewhere in the chain, weakening suppliers or downstream users. This risks creating successive crises in which each affected sector must pursue its own costly trade-defence proceedings. DG TRADE should work with other Commission departments to deliver a coordinated industrial response, assessing both the immediate benefits of intervention and its wider economic consequences.

Industrial raw materials illustrate this gap because they need a coherent legal definition and a rapid mechanism for identifying critical dependencies, including those outside established lists. Recognition should provide a clear route to coordinated financing and supply protection, subject to the relevant legal conditions. Eligibility should reflect an input's essential function across industries, its substitutability and the consequences of disruption.

Without appropriate recognition and direct access to policymakers, specialised sectors risk being absorbed into broader categories whose priorities do not reflect their needs. Some may lose production capacity before their importance is acknowledged. The framework should enable early intervention, preserving the capabilities on which the wider European industrial economy depends.

3. **Additional diversification measures**

Predictable access requires engagement with supplier countries alongside diversified supply agreements, qualification of alternatives and proportionate strategic stocks. Commercially

viable European capacity also depends on access to production equipment, technology and expertise. These measures should advance together.

4. **Regulatory coherence and enforcement**

Regulatory coherence and enforcement: Ensure fair competition across the value chain

Trade measures, funding and origin requirements must reflect the needs of the entire industrial value chain. Tariffs can support European production, but their effectiveness depends on rigorous customs controls and market surveillance, with zero tolerance for dangerous or unlawfully marketed finished products. European safety requirements must be supported by regular testing, prompt removal of non-compliant products and effective enforcement. FEPA members report encountering dangerous products weekly, yet receiving little substantive feedback when submitting documented evidence of defects to national authorities.

The concern extends beyond abrasives. A French market surveillance investigation published in December 2025 found that, among 70 toy references selected for risk-based testing on online marketplaces, 90% were non-compliant and more than 60% were dangerous. These findings concern a targeted sample and cannot be extrapolated to the entire market. Nevertheless, they demonstrate serious failures in the compliance of products reaching European consumers.

These failures expose a gap between Europe's industrial ambitions and enforcement in practice. European manufacturers invest in product safety, environmental protection and worker health. Their competitiveness is undermined when competing products enter the market without meeting the requirements applicable to their sale in the EU, including restrictions on hazardous substances. Low prices alone do not establish non-compliance, but competition must not reward avoidance of legal obligations. Customs and market surveillance authorities need the technical expertise, testing capacity and industry cooperation required to assess abrasive products, verify relevant markings and documentation, and investigate compliance with applicable safety requirements and relevant EN standards.

The inclusion of an abrasives category in the Commission's Import Barometer in 2026 reinforces the need for coordinated scrutiny. The category concerned, customs code 68042290, covers only part of the abrasives industry. The reported figures show import quantities increasing from 14.14 million kg to 17.95 million kg, approximately 27%, while average import unit values fell from €6.12 to €4.56 per kg, approximately 25%. Total import value declined from €86.48 million to €81.92 million, or 5.3%. Substantially more material therefore entered the EU at a lower average value per kilogram. This combination warrants investigation into competitive pressures on European producers.

Import monitoring, trade defence and product-safety enforcement should operate coherently. Credible industry evidence should lead to timely investigation, clear responsibility and meaningful feedback. European resilience requires both secure access to upstream inputs and effective enforcement of the rules governing finished products placed on the European market.

5. **Priority supply chains: Identify vulnerabilities through practical criteria**

Priority should reflect the consequences of disruption, supply concentration, substitutability and the time required to qualify alternative sources. Small production volumes or limited representation must not obscure industrial criticality. Processed and synthetic materials essential to several industries should form part of this assessment.

Identifying a potential critical dependency should not require a sector to finance years of complex analysis. A proportionate initial assessment should use clear, accessible indicators, including:

- The number of independent European producers and production sites.
- Available European capacity relative to downstream demand, including the grades and specifications required.
- Import dependence and concentration among supplier countries and companies.
- The availability of substitutes and the time and cost of qualifying alternatives.
- The consequences of losing a major supplier, including the capacity of remaining producers to compensate.
- Capacity closures, investment trends and the scale of competing production outside Europe.

These indicators should be assessed together. A sector requiring 1,000 tonnes of an essential material annually may be vulnerable if European supply comes from only a few sites, spare capacity is limited and alternatives cannot be qualified quickly. The number of sites alone does not establish criticality: their capacity, ownership, technical capabilities and ability to meet demand also matter. Substantially greater capacity concentrated outside Europe would warrant closer examination of the resulting dependency.

The Commission should establish transparent screening criteria and take responsibility for the initial economic assessment, drawing on public data and targeted industry input. Where credible evidence indicates a vulnerability, it should trigger timely investigation and coordinated consideration of support. Specialised sectors should not have to spend substantial sums proving their economic relevance before their concerns receive attention.

6. Existing dependencies and price shocks

Price movements can reveal vulnerabilities alongside concentration and supplier closures. For one industrial material, Tungsten Carbide, Fastmarkets reported a 575% year-on-year increase in its import price benchmark in June 2026. Such shocks intensify financing pressures before alternatives are available. Monitoring should also cover equipment and technology dependencies and the loss of European capacity and know-how.

7. Financial and practical support

Diversification entails qualification, production adaptation and investment costs, requiring financing for supply-security projects. Trade-defence procedures must also be accessible to small sectors: their cost and evidential burden can favour large businesses with financial and legal resources. Support should account for energy competitiveness, industrial continuity and downstream affordability, with proportionate SME applications and working-capital facilities.

8. Business barriers and early warnings

Documented industrial risks should receive a timely, substantive response, regardless of a sector's size or institutional visibility. FEPA's experience illustrates how insufficient follow-up and barriers to direct representation can delay action, leaving businesses to pursue costly remedies that create tensions across the value chain.

In 2023, industry representatives alerted the Commission to the deterioration of European upstream production. Participants describe the meeting as ending with an evident lack of interest. They report that the subsequent anti-dumping dispute left downstream users deeply

unsettled and divided between preserving European production capacity and securing affordable near-term supplies. A meeting concerning a documented industrial risk should conclude with a practical course of action, an identified responsible contact and a clear follow-up process.

In separate meetings in 2026 concerning restrictions affecting synthetic raw materials, FEPA reports being told that its sector was too small and that it should return with a larger sector. When participants asked what additional evidence that sector should provide, the response was that it should confirm the information already presented. Such an approach makes access to action dependent on institutional weight rather than the substance of the evidence.

Industrial criticality and the consequences of disruption should determine the response. Specialised sectors should have a direct route to assessment and coordinated action, without needing endorsement from a larger organisation.

9. Cooperation and representation

Effective cooperation requires direct access for specialised suppliers and their associations, without making participation conditional on support from larger organisations. A designated contact, clear responsibilities and a structured follow-up process would help translate early warnings into timely assessment and action.

FEPA has contributed to Have Your Say consultations, met with Commission departments and submitted statements to Members of the European Parliament. In FEPA's experience, these efforts have consistently failed to elicit substantive responses to the concerns raised. This has pushed the Federation to seek support from larger associations, whose mandates and priorities may address only individual parts of the supply chain. Such arrangements cannot replace direct engagement or a coordinated assessment of the whole value chain.

Representation gaps also require active investigation. Where European production has disappeared, the organisations and expertise that once represented it may have disappeared as well. Downstream manufacturers can help identify these missing capabilities and the dependencies they create. An absence of representation should never be interpreted as an absence of industrial importance.

The Commission should establish an accessible engagement process connecting specialised sectors, relevant Commission departments and national authorities. This process should protect confidential business information, acknowledge evidence received and provide reasoned feedback on the assessment and proposed follow-up. The effectiveness of consultation should be measured by how evidence informs decisions and action, alongside the opportunities provided to submit it.

10. Conclusion

FEPA calls for a coordinated approach that links early identification of industrial dependencies with financing, diversification and effective enforcement across the whole value chain. This requires practical assessment criteria, direct access for specialised sectors and clear responsibility for following up documented risks.

As a first step, the Commission should establish a joint technical dialogue with affected industries to agree priority vulnerabilities, identify available support and define an action plan with named contacts and implementation deadlines. FEPA stands ready to contribute industry evidence and technical expertise to this work. The objective is to preserve viable European capabilities while securing reliable, competitive supplies for downstream manufacturers.