Council of the European Union

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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Presentation by the European Aluminium at the meeting of the Working Party on Trade Questions on 2 June 2026

Delegations will find attached a presentation by the European Aluminium, with a view to the discussion by the Working Party on Trade Questions at its meeting on 2 June 2026.

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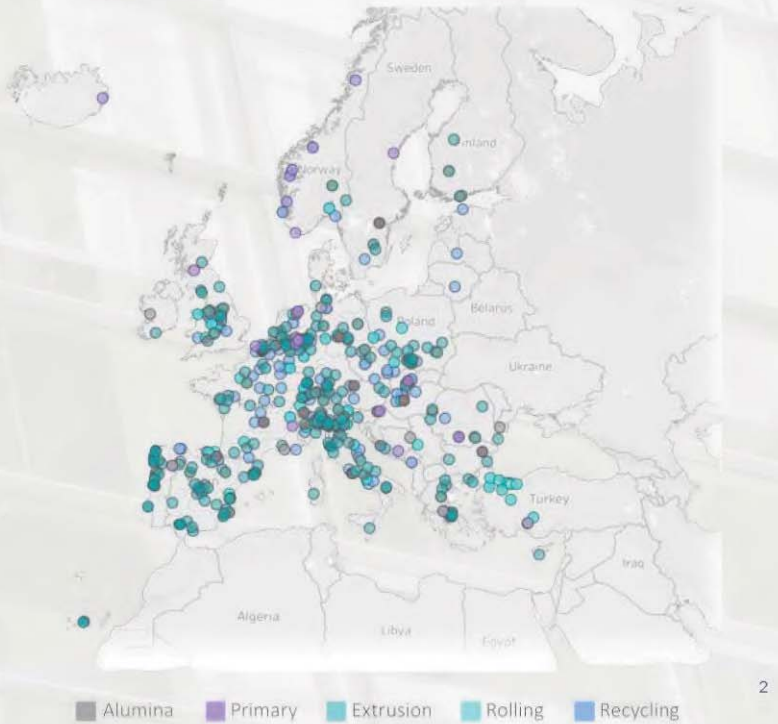
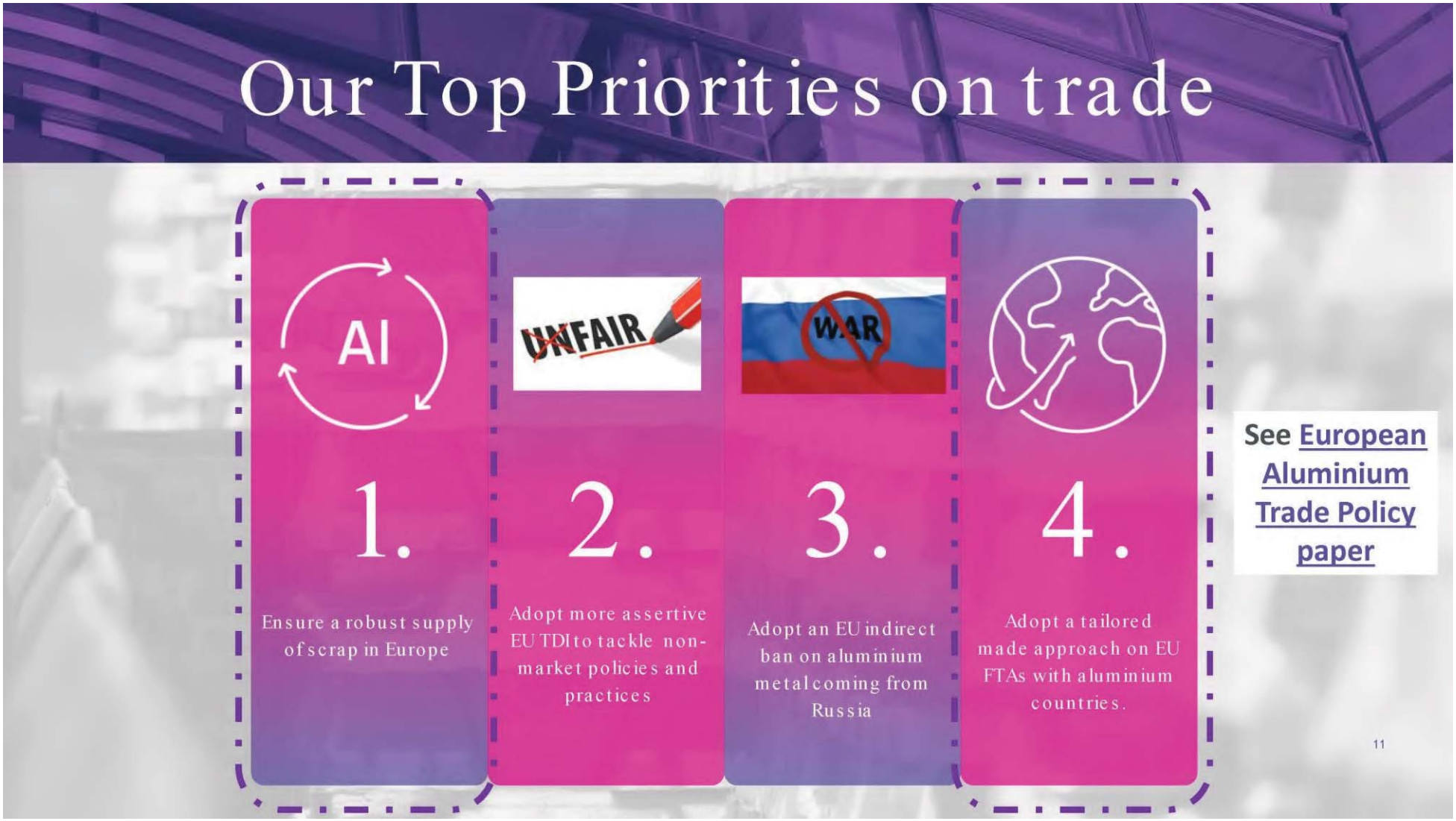
The European Value Chain

European Aluminium

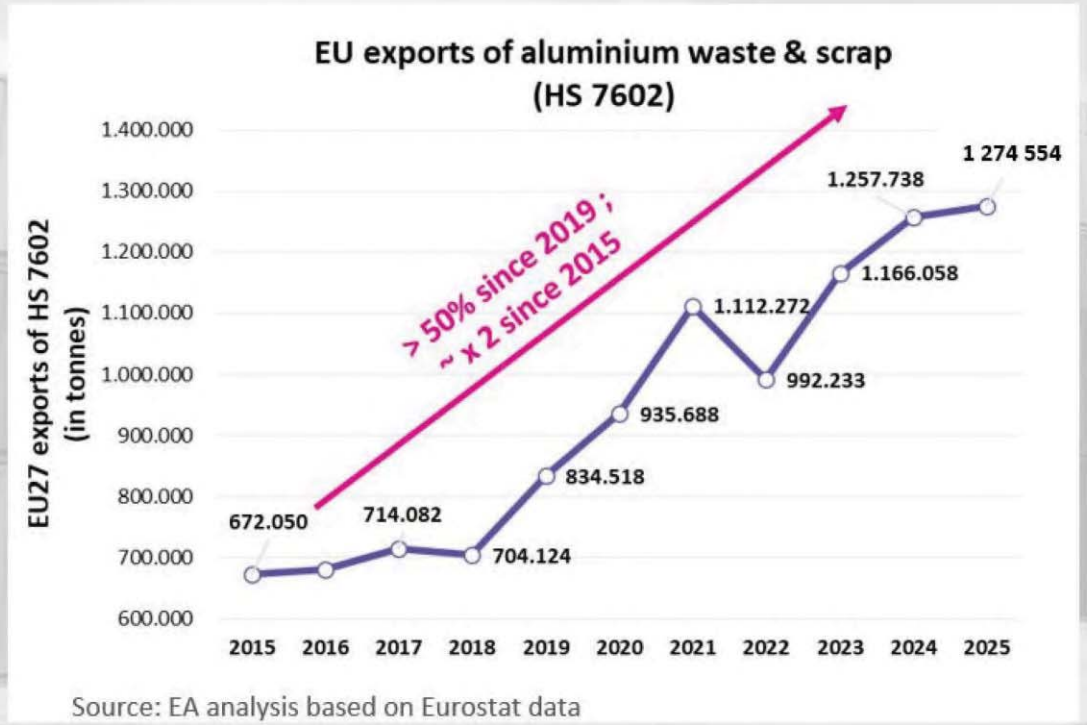
More than 600 aluminium plants providing over 1 million high-value jobs & €40 billion to the European economy



Our Top Priorities on trade



1. Aluminium scrap export trends



Source: EA analysis based on Eurostat data

More than 75% of EU exports of scrap are going to Asia

Trade Partner	2025	2025 share (%)	2025 vs 2024 (%)
Grand Total	**1.274.554**	**100%**	**1%**
India	382.636	30%	11%
Thailand	149.213	12%	-5%
China	126.664	10%	76%
Hong Kong	106.705	8%	32%
Pakistan	103.821	8%	2%
Türkiye/Turkey	83.800	7%	-9%
Norway	54.985	4%	29%
Switzerland	54.448	4%	-3%
United Kingdom	41.822	3%	-14%
Malaysia	27.520	2%	-76%
Saudi Arabia	21.505	2%	93%
Korea, South	18.449	1%	-32%
United States	15.398	1%	64%
Taiwan	15.260	1%	-16%
Indonesia	13.324	1%	-18%
Japan	13.293	1%	75%
Serbia	9.443	1%	-25%

1. Main factors of EU scrap leakage

1) Non-market policies and practices driven by China

- Since 2018, China focuses on recycling domestically while expand in primary outside of China.
- Chinese domestic recycling plants operate at 30 -35 % capacity utilisation

2) Environmental and social level playing field with Asia (e.g. India)

- Despite available technologies in Europe (e.g. X-ray, LIBS), sorting of mixed scrap is much cheaper in Asia (e.g. manual sorting)
- EU CBAM circumvention: carbon footprint of primary production is India is “coal based”

3) US 232 tariffs creating a favourable arbitrage for imports of scrap

- US tariffs create a 40% arbitrage (i.e. 50% tariffs on ingots vs 10% on scrap)
- In 2025, US imports of scrap increased by 27%

4) War in the Persian Gulf: more competition on scrap vs primary (new)

- Persian Gulf produces more than 20% of the global primary production outside of China
- At least 2 Mio tonnes of production capacity in the Persian Gulf are currently offline…

1. Third Country export restrictions on aluminium scrap

According to the OECD inventory of Export Restrictions on Industrial Raw Materials, **the primary export destinations for EU aluminium scrap—namely India, Malaysia, Indonesia, and China—**have implemented various trade restrictions. These measures vary by country:

- **India** applies indirect export restrictions, such as tolls or vignettes, that influence the level or direction of exports, either *de jure* or *de facto*.
- **Malaysia** imposes a 10% export tariff and requires exporters to obtain prior approval through a licensing system.
- **Indonesia** enforces licensing requirements on aluminium scrap exports and maintains an export ban on alumina.
- **China** applies a 15% export tariff on aluminium scrap.
- **Vietnam** levies an export tariff of 22% on aluminium waste and scrap (CN 760200).

1. Growing Demand for Recycled Content

- Packaging &Packaging Waste Regulation
- End-of-life Vehicles Regulation
- Ecodesign for Sustainable Products Regulation
- Steel&Metals Action Plan
- Circular Economy Act

1. Scrap: our asks

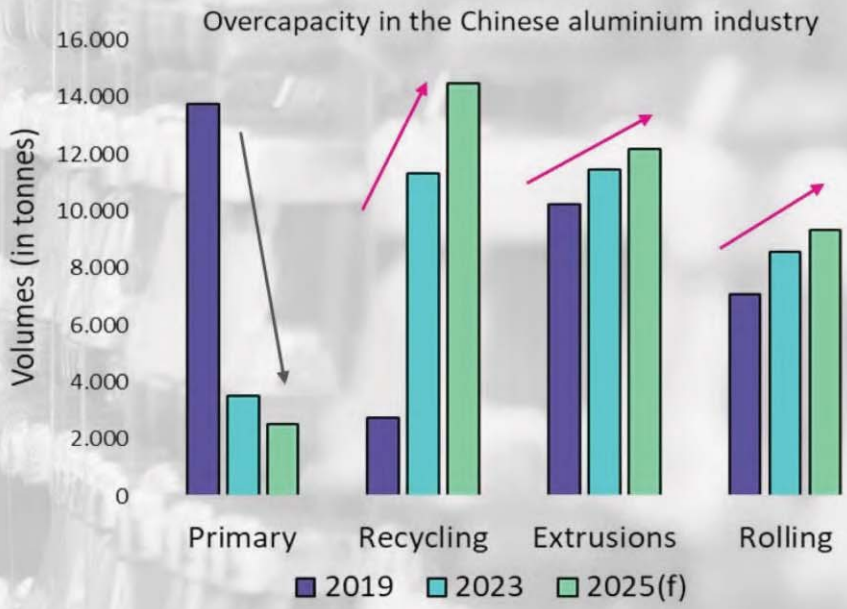
- Recycling aluminium **only requires 5% of the energy** needed to produce primary aluminium. Boosting recycling is crucial to achieving the **EU circular economy objectives** and accelerating the **industry's decarbonisation**.
- The volume of **scrap available in Europe is dramatically diminishing** due to increasing scrap exports, reaching 1.3 million tonnes in 2025 (Eurostat).
- Traditionally, the main export destinations are **India, Pakistan, Indonesia and China.** The recently instated **US 232** tariffs have severely exacerbated this trend, triggering an additional massive pull of EU scrap to the US. Finally, the recent **War in the Persian Gulf** creates additional tension on the scrap market.

We are advocating for a horizontal export fee *(erga omnes)* on all aluminium scrap *(HS 7602)*

2. Unfair market practices and Chinese overcapacity

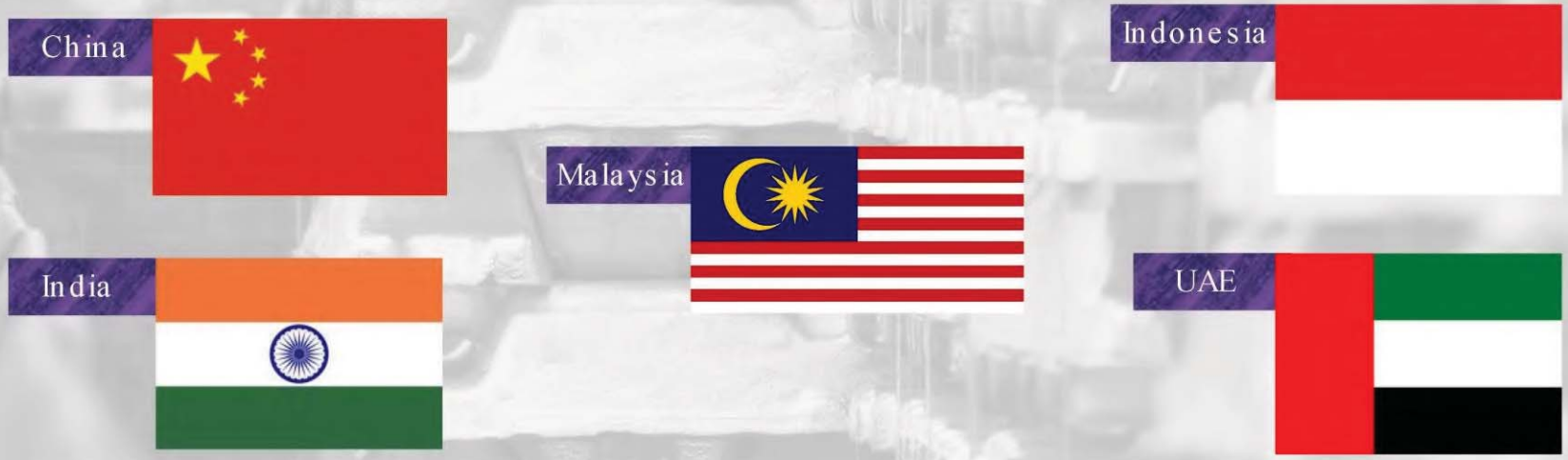
Our primary concern remains China

Chinese non-market policies and practicies, initially started in the primary sector, **have now expanded** to semi-production (e.g. rolling, extrusions), recycling and products containing aluminium (e.g. EVs).



2. Growing concerns on non-market policies and practices beyond China

The rise of non-market capacities represents an existential threat to the European aluminium industry. The recent US tariffs have exacerbated these challenges for European producers…



As a result, our markets are under pressure from higher volumes and unsustainably low-priced imports, which distort competition and severely undermine European companies

2. Non-market policies and practices : our asks

1. Establishing a **dedicated instrument** to address **non-market policies and practices** (e.g., overcapacities) affecting the European aluminium industry.

2. Enhance **flexibility and enforcement** of Trade Defence Instruments *(e.g., more ex officio cases, higher dumping and injury margins, removal of the lesser duty rule, improving anti-circumvention provisions, reducing requirements for expiry reviews, etc.).*

3. Introducing a **value chain approach** in EU Trade Defence investigations especially in the **presence of non-market policies and practices** *(e.g. bundling downstream products into a single case could be a solution, with the added benefit of limiting the number of investigations).*

4. Increase resources for DG TRADE to fully deploy the EU trade defence toolbox.

See also: **AEGIS Europe TDIs report – link**

3. An effective indirect ban on aluminium imports from Russia

On 24th of Feb. 2025, EU imposed a ban on imports of aluminium ingots (HS 7601) from Russia
- 16th Sanctions Package -

- While EU's measure have **effectively dried direct imports** *(and related revenues),* they have not prevented **Russia redirecting its aluminium exports to third countries**, such as Türkiye, China, S. Korea.
- Russian aluminium continues **to enter the EU indirectly** (and being financed accordingly) **embedded in semi-finished aluminium products** such as extrusions, sheets, foils especially from Türkiye, the EU's largest supplier of aluminium semi-finished products.
- This loophole not only undermines the EU's sanctions regime, it is doing **material and lasting damage to European producers** who cannot compete with competitors in third countries **offering lower prices off the back of discounted Russian raw material inputs**.

OUR ASKS

1. **An indirect ban on aluminium products incorporating Russian primary aluminium**
2. **Mandatory smelt and cast reporting requirements, including:**
   - Identification of the first and second largest countries of smelt
   - The last country of cast

4. EU FTAs negotiations critical for the aluminium sector: our asks

Indonesia

India

Malaysia

UAE

1. A sector-specific approach, carving out aluminium products from any tariff liberalisation
2. Impact assessment specifically on the aluminium sector
3. No relaxation on Rules of Origin, based on the PEM Convention
4. No CBAM exemption

1. Investments on Aluminium Recycling Capacity in EU

***2024 - 2025 :** A non-exhaustive list of the various recycling projects that were materialised*

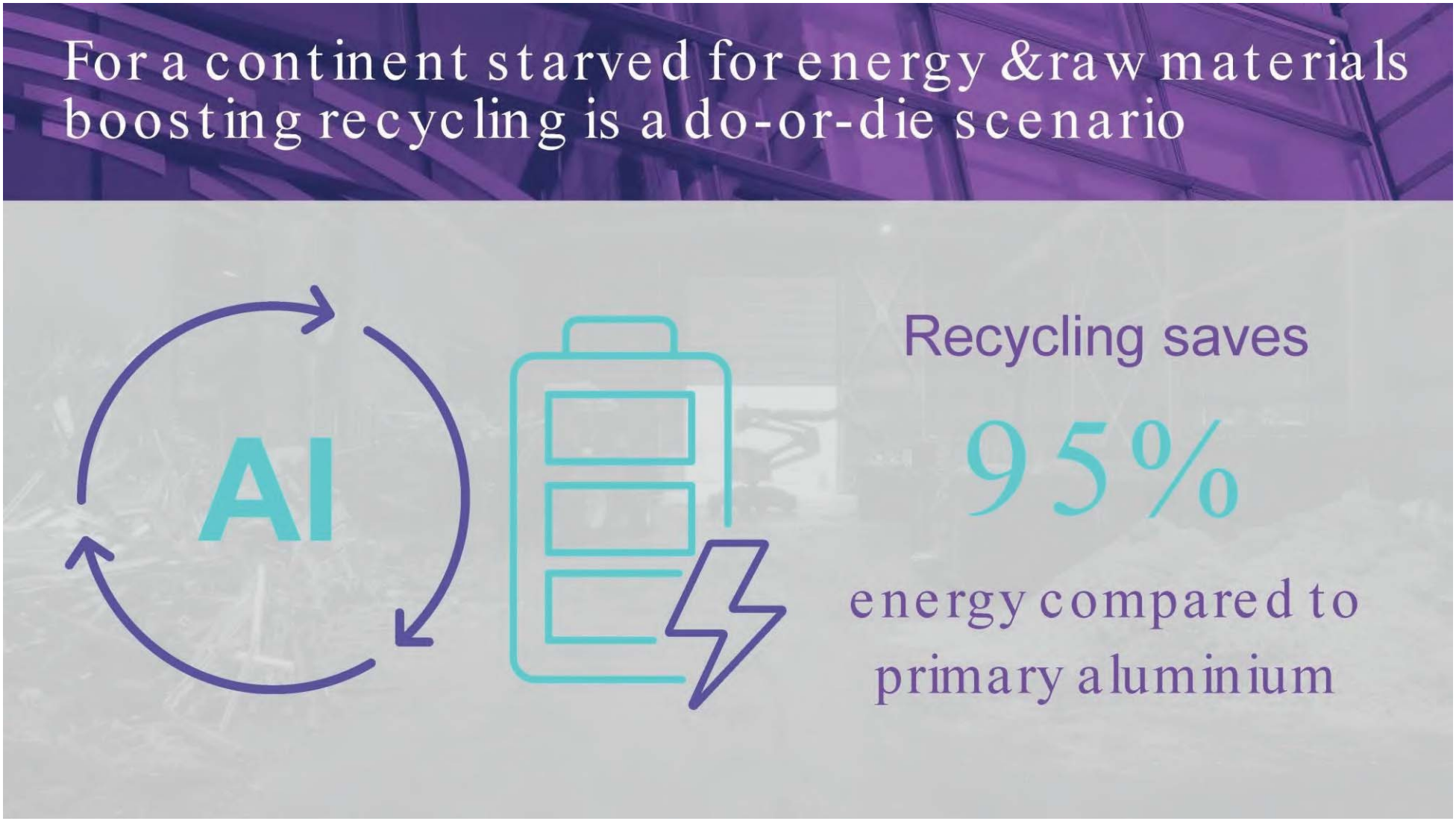
Beginning of production	Country	Location	Company	Capacity (kt)	Recycling process	Investments (Mio €)
2024	France	Neuf-Brisach	Constellium	130	Wrought	130
2024	Hungary	Szekesfehervar	Hydro	90	Wrought	
2024	Germany	Gelsenkirchen	Trimet	13	Casting	
2024	Poland	Rybnik	Extral	60	Wrought	59
2025	Poland	Kety	Hydro	30	Casting	18
2025	France	Saint-Jean-d'Hermin	Coralium	40	Wrought	42
2025	France	Ham	Aluminium Solutions Group	80	Wrought	80
2025	Spain	La corona	Exlabesa	50	Wrought	
2025	France	Dunkerque	Aluminium Dunkerque	20	Wrought	13
2025	Italy	Atessa	Hydro	10	Wrought	14.8
2025	Spain	Coirós	Cortizo	100	Wrought	38
2025	Slovenia	Kidričevo	Talum		Wrought	55

*Focusing only on the EU27, we have already identified more than **600 kt of new capacity installed**, representing a total investment **of at least 430 Mio€*.***

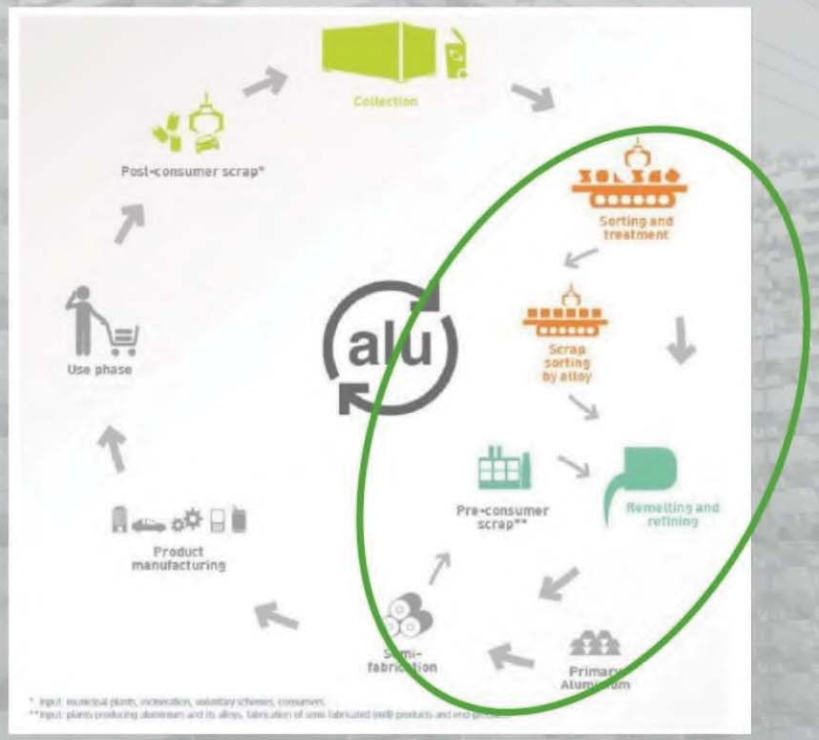
*For the period **2026-2028**, at least **600kt of additional recycling capacity** is expected in the EU, representing a total investment of **at least €600 million****

Beginning of production	Country	Location	Company	Capacity (kt)	Recycling process	Investments (Mio €)
2026	Germany	Rheinwerk	Speira	22	Wrought	40
2026	Spain	Torija	Hydro	120	Wrought	180
2026	Italy	Nogara	Eco Green	15	Wrought	
2026	Germany	Bernburg	Befesa	60	Casting	30
2026	Belgium	Lichtervelde	Remi Claeys	36,5	Wrought	
2027	Sweden	Sundsvall	Kubal	31,5	Wrought	
2027	Hungary		Remet	54	Wrought	58
2027	France	Issoire	Constellium		Wrought	40
2028	Germany	Hannover	EGA	153	Wrought	170
2028	France	Dunkerque	CrystALrod	70	Wrought	100

**Investments in values not publicly available for all projects*



What do we mean by aluminium recycling

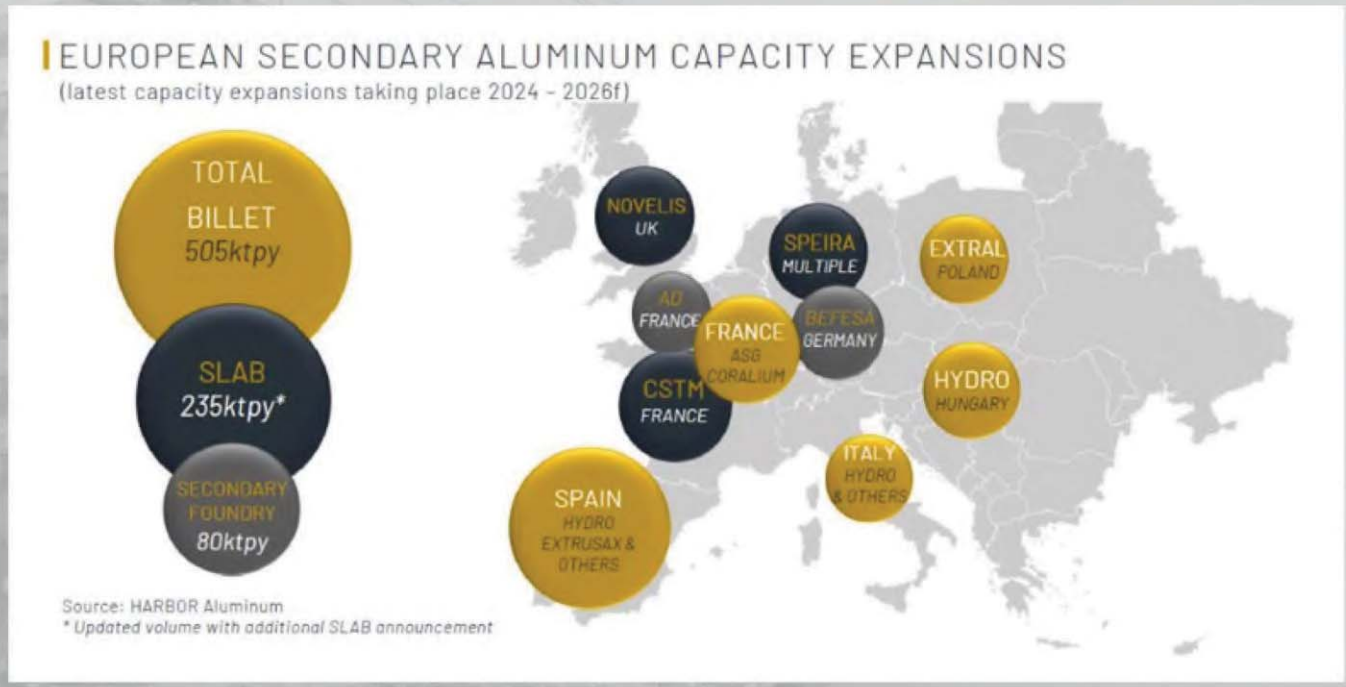


The aluminium recycling process is a multi-step process that takes place along the value chain and includes the following steps:

- **Collection & sorting**
- **Pre-treatment** (e.g. scrap preparation)
- **Melting** (e.g. scrap melting)
- **Casting** of liquid metal into a shape (e.g. ingot, slab or billet)

Two key steps which are particularly important: **scrap preparation** and **scrap melting**.

Recycling Capacity



Sorting Capacity

EUROPEAN SORTATION FACILITIES

(with sensor-based cast and wrought sorting capabilities)

SHREDDING

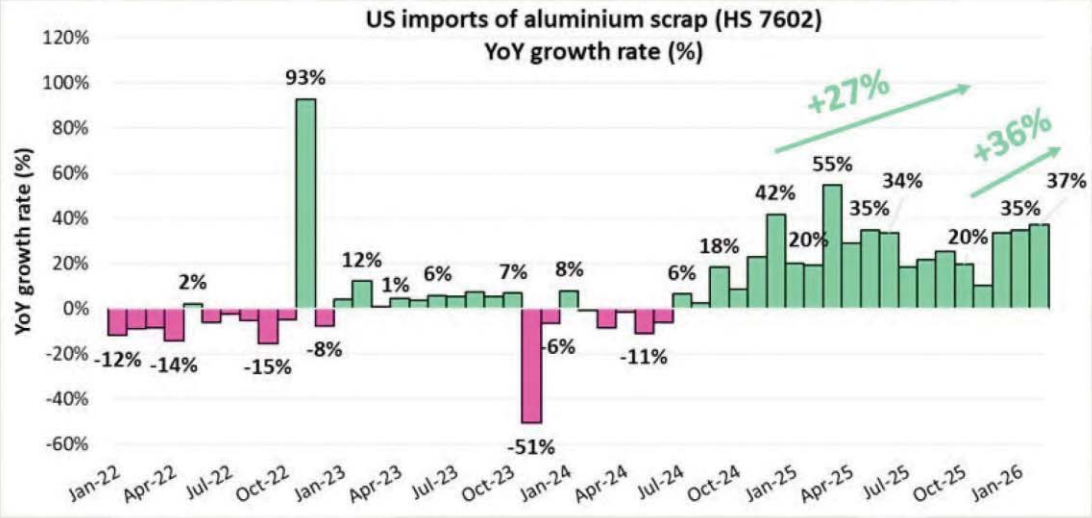
CONVENTIONAL SORTATION

SENSOR-BASED SORTATION

Source: *HARBOR Aluminum*

US Imports of Scrap

- In 2025, US imports of scrap increased by 27% reaching 855 ktonnes with 87% of the volume coming from N. America.
- In Feb 2026 YTD, US imports of scrap increased further by +36%.



Source: EA analysis based on USITC data

	2025 share (%)	2025 volumes *(tonnes)*	2025 vs 2024 *growth rate (%)*	Feb 2026 YTD (%)
N. America	**87%**	742.155	22,5%	36,0%
C&S America	**7%**	61.220	20,2%	-4,8%
EU	**2%**	15.987	18,6%	-44,1%
Africa	**0%**	3.924	70,2%	-75,3%
Other Europe	**3%**	22.446	> 500%	14,1%
Asia	**1%**	7.268	> 500%	> 1000%
Oceania	**0%**	160	-29,3%	> 1000%
Middle East	**0%**	2.220	> 500%	> 1000%
Grand Total	**100%**	**855.381**	**26,6%**	**36,1%**

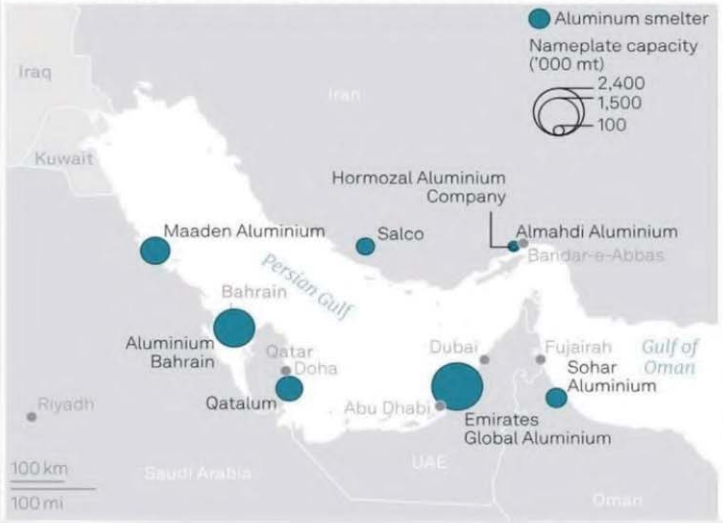
6

Overview: Aluminium primary plants around the Persian Gulf*

*Iran, Oman, Qatar, S. Arabia, UAE, Bahrain

Persian Gulf produces about 6.8 Mio tonnes of primary aluminium and is the largest exporting region worldwide for primary aluminium.

Top primary aluminum producers in the Persian Gulf



Source: S&P Global Energy

Latest announced developments*

Production (in kt)	2025 volumes	
UAE	2.690	→ 1.6 Mio tonnes production shutdown
Bahrain	1.623	→ Halted shipments
S. Arabia	836	
Iran	620	
Qatar	650	→ Controlled shutdown
Oman	401	
Total	**6.820**	

Source: CRU Data

Persian Gulf represents 6% of the global primary production but 23% of global production outside of China.

*additional smelters might face issues due natural gas or / and raw materials (e.g. bauxite, alumina) supply

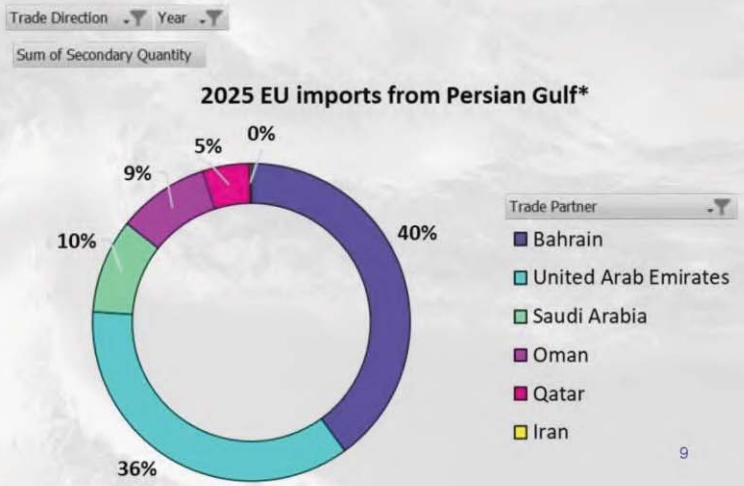
Overview: EU imports of aluminium products from the Persian Gulf*

*Iran, Oman, Qatar, S. Arabia, UAE, Bahrain

- In 2025, the EU imported 1,368 ktonnes of aluminium products (HS 76) from the Persian Gulf. In volumes, ingots (HS 7601) represented 86% of the imports, followed by wire rod (5%), sheets (4%) and waste &scrap (3%).
- Despite being limited in volumes, additional products, e.g. 7614 (stranded wire, cables) and 7603 (powders, flakes), cover a large share of total EU imports.

2025 EU imports from Persian Gulf	Volumes (kt)	Share (%)
7601	1.173	86%
7605	65	5%
7606	58	4%
7602	40	3%
Other	32	2%
Total	**1.368**	**100%**

2025 EU imports from Persian Gulf*	Share of total EU imports (%)
7614	20%
7601	19%
7605	19%
7603	16%
7606	5%
7602	6%
Total	**14%**



Aluminium Prices Evolution

Since the 28th Feb 2026, global aluminium prices have increased by 15%. Moreover, European premiums increased by 61% reflecting the importance of Middle East supply for the European aluminium market.

LME - 3 months

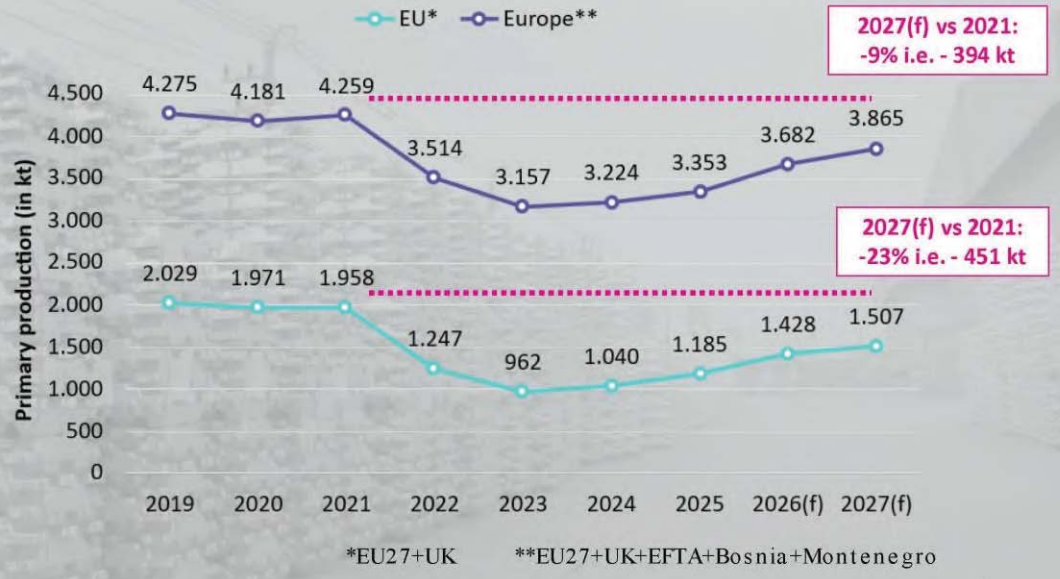
European Premiums (Duty Paid) - 3 months

Source: LME

Primary Production in EU and Europe

European producers continue to suffer following the recent energy crisis. 2024 and 2025 data indicate a slight improvement, but 2027 forecasts** for EU and Europe remain 23% and 9% lower than 2021 baseline.

Growth Rate (%)	2025	2026(f)	2027(f)
EU*	14%	21%	5%
Europe**	4%	10%	5%



**Feb 2026 i.e. prior the beginning of the Persian Gulf War