European Aluminium

Metal Packaging Europe

September 2025

Joint call on aluminium value chain action under the Steel and Metals Action Plan

On 19 March 2025, the European Commission presented the *European Steel and Metals Action Plan* to secure a competitive and decarbonised steel and metals industry in Europe. This plan underscores the strategic importance of metals like steel and aluminium for Europe's industrial resilience and strategic autonomy, calling for urgent action to build a robust, self-sufficient supply chain. The Commission recognises that economic uncertainty and geopolitical tensions are deterring long-term investment and weakening industrial demand.

To tackle these challenges, the EU must place circular economy principles at the core of its strategy and reinforce its strategic autonomy by securing access to recyclable materials and significantly increasing investment in circular infrastructure.

The undersigned organisations have identified **three strategic pillars** to guide EU public policy and prioritise investment in the aluminium industry:

1- **Secure aluminium as a strategic resource for Europe and secure fair access to aluminium scrap.**
2- **Advance a circular economy in Europe by enabling closed-loop systems for products and materials, driving growth and supporting a self-sufficient, decarbonised aluminium value chain.**
3- **Ensure a level playing field to safeguard the competitiveness of Europe's aluminium beverage can value chain.**

To achieve these objectives, our policy recommendations are:

- Introduce export fees or duties on aluminium scrap via initiatives under the Steel and Metals Action Plan.
- Propose a trade measure to ensure sufficient availability of scrap in the EU and ensure the export of aluminium scrap only to countries that demonstrate compliance with environmental standards, in accordance with the EU Waste Shipment Regulation.
- Build a circular economy that enables a closed loop for products and materials when economically viable (e.g. incentivising DRS operators to only sell Used Beverage Cans (UBCs) for can-to-can recycling within Europe).

- Ensure the Circular Economy Act creates a single market for recycled materials and a well-functioning secondary raw material market with:
    - Economic incentives for circularity (e.g. fiscal benefits for recycled materials).
    - Subsidies for decarbonising aluminium remelters and rollers by supporting electrification (e.g. plasma burners) or other technologies.
    - Promotion of advanced aluminium sorting (e.g. LIBS, XRT, AI Robots).
- Extend CBAM to include finished aluminium can ends in addition to can bodies.
- Create a distinct trade code for aluminium beverage cans scrap to differentiate it from other scrap types.

1. Secure aluminium as a strategic resource for Europe and secure fair access to aluminium scrap

Aluminium is considered a strategic and critical raw material[1], yet the EU imports about 50% of its 13.2 million tons of aluminium demand. Recycling accounts for approximately 35% of the European aluminium demands[2]. The EU must drive increased recycling as a key component of Europe's strategy for resource autonomy and sustainability agenda. This also includes limiting the leakage of aluminium scrap out of Europe.

Recycling aluminium is less costly than producing primary aluminium, as it requires 95% less energy[3]. Exporting aluminium scrap is effectively exporting 'stored' energy, benefiting other economies at Europe's expense.

Europe is facing a scarcity of aluminium, driven not only by availability but also by price. The current situation is alarming, with aluminium scrap exports reaching 1,3 million tonnes in 2024 with significant leakage to Asia (>75%)[4]. Between 2019 and 2024, exports outside the EU rose by 53%, while domestic intake increased by only 7%[5].

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[1] Critical Raw Material Act
[2] EC's JRC: Decarbonisation Options for the Aluminium Industry (2024) - p.37
[3] International Aluminium Institute
[4] European Aluminium – Restore Fair Trade: the case for aluminium scrap export fees – 23 June 2025
[5] International Aluminium Journal, The aluminium scrap Europe needs is going elsewhere

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In Q1 2025 alone, exports to the U.S. soared by 273% and exports to China rose by 54% compared to the same period in 2024[6] draining Europe's recyclable material at an alarming pace. In January and February 2025, used beverage cans (UBC) scrap imports to the U.S. from the EU grew by 60% and 70%, respectively[7]. Many third countries are willing to pay higher prices for aluminium scrap due to state-backed policies and subsidies, recycling overcapacity, cheaper energy, and lower environmental standards[8]. According to OECD, state subsidies to Chinese aluminium companies represents circa 4% of their revenues – compared to less than 1%, on average, in the rest of the world. Between 2013 and 2017, 85% of the $70 billion in global aluminium subsidies went to just five Chinese-owned firms[9]. China's secondary aluminium capacity has been continuously growing, but the production cannot follow capacity development due to a short supply of aluminium scrap; therefore, China needs more scrap.

As aluminium demand continues to surge and Europe scales up its recycling capabilities, exporting critical raw materials undermines Europe's sustainability efforts and economic competitiveness. In a market rich with recyclable raw material in circulation, robust circular economy policies and ambitious climate goals, aluminium scrap scarcity should not be a limiting factor. Therefore, we support the initiative mentioned in the Steel and Metals Action Plan to introduce export fees or export duties to promote the availability of aluminium scrap in the EU produced with high environmental and social standards.

2. Advance a circular economy in Europe by enabling closed-loop systems for products and materials, driving growth and supporting a self-sufficient, decarbonised aluminium value chain.

Recycling aluminium reduces greenhouse gas emissions by over 90% compared to primary production. Aluminium can be remelted at 700 °C—requiring far less energy than primary aluminium production - and this process is increasingly electrifiable through technologies like plasma burners, which are nearing scale.
However, today's growth of the European aluminium recycling industry is hindered by a shortage of scrap, with significant leakage to Asia undermining sustainability. In particular, the demand for aluminium beverage cans is growing, and the

[6] EA: European Aluminium denounces U.S doubling of tariffs on aluminium and warns of imminent scrap crisis – 4 June 2025
[7] Harbor Alu, US
[8] European Aluminium – March 2025
[9] European Aluminium: Chinese Subsidies Have Devastated Global Aluminum Markets and Fair Competition

recycling rates for UBCs in European countries have been on a constant rise, reaching 75% in 2022[10], with circa 44%[11] of it used for can-to-can applications.

By 2030, an additional 400,000–450,000 tonnes of used beverage cans (UBCs) could be available in Europe for can-to-can recycling due to mandatory deposit return systems in Europe resulting from the Packaging and Packaging Waste Regulation. This would require three to four new aluminium remelting plants, with investments of €450–550 million. There is significant growth potential in Europe, not only in the can sheet, but also in automotive and construction, if investments are made locally rather than exporting value abroad.

The European industry already leads in aluminium sorting, furnace equipment and rolling mills. The aluminium industry supports 1 million jobs directly and indirectly, with 89% in downstream sectors such as remelting, rolling, and extrusion.

Circular policies, such as the Circular Economy Act, must shift from volume-based waste reduction to value-based resource retention, prioritising high-quality material loops such as closed-loop aluminium recycling. By prioritising recycled aluminium and increasing UBC scrap availability, Europe can reduce its reliance on primary production, lower carbon emissions, and unlock substantial economic growth.

3. Ensure a level playing field to safeguard the competitiveness of Europe's aluminium beverage can value chain

The European aluminium industry operates under strict environmental regulations, high energy costs, and strong labour standards. Yet it faces unfair competition from non-market economies, particularly China, which now accounts for 60% of global aluminium production (up from 11% in 2000) and benefits from extensive state subsidies.

To compete fairly, producers in third countries need to meet the same sustainability and labour standards as European producers. Without a level playing field, Europe's aluminium industry risks carbon leakage and deindustrialisation, undermining both circularity and climate.

Only a combined approach across all three pillars will deliver the strategic impact needed to secure Europe's aluminium industry and climate leadership.

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[10] European Aluminium & MPE, "Record Number of Used Aluminium Beverage Cans Recycled as Industry Drives Toward 100% Circularity by 2050" – February 2025

[11] International Aluminium Institute: https://alucycle.international-aluminium.org/public-access/public-alu-pet-glass/

We, the undersigned organisations, are calling on the EU Commission to take swift action in the implementation of the Steel and Metals Action plan and to take complementary measures for boosting circularity in the upcoming Circular Economy Act.

Additional Data: Primary vs. Secondary Aluminium

- Europe hosts around 20 primary aluminium smelters, with nine in the EU. Despite this capacity, Europe (EU27+UK+EFTA) remains a net importer[12].
- The recent energy crisis has worsened this dependency, with five low-carbon smelters closing since 2021, increasing reliance on higher-emission imports.
- The carbon footprint of primary aluminium produced in Europe is ~6.6 $kgCO_2eq/kg$, while the footprint of primary aluminium consumed is ~10.1 $kgCO_2eq/kg$. Recycled aluminium has a footprint of just ~0.5 $kgCO_2eq/kg$.
- Today primary aluminium imports account for 50% of the total consumption in Europe, contributing to a €11.1 billion trade deficit.[13]

[12] European Aluminium: The Strategic Role of European Aluminium
[13] Eurostat, EU recorded a trade deficit of €11.1 billion in aluminium (March 2025)