

I+ MANIFESTO

MORE ALUMINIUM. LOW CARBON. CIRCULAR. INNOVATIVE.

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Introduction

The economic and political challenges of the next political cycle are huge. The new European Commission and the new European Parliament will have to address citizens' expectations for a renewed Europe.

The aluminium industry is at a crossroad, facing considerable challenges but also tremendous business and societal opportunities.

Our goal is to strive for a truly sustainable economy, supporting the Paris Agreement and delivering on the UN Sustainable Development Goals. This requires a deep transformation and renewal of our existing industrial base and assets.

“Europe needs a new strategic direction – with the ambition to deliver – that will restore trust within investors, entrepreneurs, politicians, workers, students and citizens alike”.

This I+ Manifesto is European Aluminium's call to action for the next EU leaders to set the right framework conditions for the industry to achieve its full strategic potential. It builds on the conclusions of our Vision 2050, European Aluminium's contribution to the mid-century strategy for a low carbon economy.

Our Vision 2050 shows potential to decarbonise our production processes along the whole value chain. Total CO₂ emission reductions will come from increased recycling and a 70% decarbonisation in the primary sector.

Europe's ambition should be to preserve a strong industrial manufacturing basis and set the right conditions for its growth.

We call for a bold and fully-fledged EU industrial strategy with its vision and goals rooted in its wider strategy of sustainable development and commitments under the Paris Agreement. The strategy should aim to coordinate regional, national and European policy efforts. A new governance approach between the different decision-making levels should help to define competencies and be instrumental in meeting EU industrial performance goals by 2030 and 2050.

SOME KEY FIGURES ABOUT THE ALUMINIUM INDUSTRY IN EUROPE EU28 + EFTA (2018)

€ ~40 Billion turnover

€ 2.1 Billion investments in Europe

1 million jobs across the whole value chain

~600 plants across Europe

3 times lower carbon footprint of primary production compared to China



EUROPEAN ALUMINIUM

OUR PRINCIPLES



A complete and functioning European single market, taking into account the specificities of SMEs and embracing the principles of better regulation and technology neutrality.



Favourable and stable framework conditions enabling businesses to compete, invest, innovate and switch to the industry of the future.



Fair and free trade conditions supporting the manufacturing and industrial basis to operate and grow in Europe, while competing on a global level playing field.



Investing in a more diverse, inclusive and skilled workforce by, in particular, reskilling and upskilling workers with apprenticeship and lifelong learning programmes to stay competitive and attract the right talents.



Any new or revised EU policy or regulation should be future proof, i.e. in line with the Paris Agreement and the UN Sustainable Development Goals to ensure an integrated approach to carbon neutrality, circularity, greater resource efficiency and equally distributed benefits of growth.

OUR CALLS TO ACTION

Aluminium is a strategic material to enable carbon neutral and circular value chains. There should be tailor made policies and incentives for such strategic value chains in Europe, reflecting their importance to the economy and society.

A new EU industrial strategy should be based on the following priorities:

01 Establishing fair and free trade conditions

/ Distortive government support and excess capacity in both the upstream and downstream aluminium sectors are destroying fair competition and depressing prices. It is critical to improve trade rules and restore normal market functions so that all producers, wherever they exist geographically or in the aluminium value chain, are able to compete under conditions of fairness and transparency.

- Governments and international organisations need to address state-subsidised excess capacity in China, both for primary and semi-fabricated aluminium.
- The EU should request that its trade partners comply with the Paris Agreement and make climate change policies conditional to any new trade deal.
- The WTO rules should be reformed to protect the multilateral trade system through three levers: introduce more transparency; create and review rules and disciplines; ensure better enforcement mechanism.
- Trade relations between the EU and the UK should be maintained after Brexit without barriers and disintegrating value chains. When developing its trade policy towards third country trading partners, the UK should foster a fair trading environment and implement equivalent rules for trade in goods as in the EU.

02 Addressing transition needs for carbon neutrality

/ The carbon intensity of Europe's aluminium production is one of the lowest on a global scale. In a growing market, preserving our primary production in Europe and further developing our recycling activities are necessary to meet the growing demand while reducing our dependency on imports.

- With the carbon price expected to rise significantly between 2021-2030, it is imperative that our industry can access adequate compensation for the indirect costs of the EU ETS in Phase IV, for protection against the risk of carbon and investment leakage and to encourage innovation in the aluminium industry.
- Adequate protection against uncertain CO₂ related costs should allow EU-based aluminium recycling activities to further invest in recycling assets.
- Existing exemptions for environmental protection and energy should be kept beyond 2020 to ensure predictability for undertakings exempted from renewable energy surcharges because of their electro intensity.
- Sectorial regulation should unlock the benefits of aluminium in the use phase to enhance energy efficiency and durability, in particular in mobility, packaging and construction.

03 Fostering circular business models

Aluminium is by nature circular, with permanent properties that do not change during use and following repeated recycling into new products. Recycling aluminium saves 95% of the energy used in primary production and an equivalent reduction in CO₂ emissions. Europe should strive towards 100% recycling of all aluminium containing products to achieve full circularity.

- We encourage smart design to make traceability, disassembly and recycling easier and more cost efficient. Sorting should preferably be done by specific product and by alloy family to ensure reuse and recycling and to satisfy future demand.
- The permanent properties of aluminium should be recognised and rewarded in the fees set by the Extended Producer Responsibility (EPR) schemes, recognising the potential for multiple recycling offered by aluminium.
- We are calling for consistency in the EU waste policy by setting a 're-use and recycling' target for construction and demolition waste, the only waste flow for which such a target is still missing today.
- To ensure quality recycling, scrap exported out of Europe should be treated by recycling facilities complying with the equivalent Environment, Health and Safety (EHS) standards as in Europe and respecting human and labour rights.
- Possible interface between chemical, product and waste legislation should ensure that the use of raw materials such as aluminium will not be jeopardised. Chemicals policy should prefer the risk-based approach rather than hazard as a measure of exposure.

04 Investing in the future

Aluminium production and recycling are capital intensive. Large scale breakthrough pilot projects and recycling capacity extensions require considerable upfront capital investment. Investments in dismantling, sorting, pre- and remelting treatment technologies are also important to further close the loop.

- Provide a predictable framework and more favourable conditions to encourage investments in greenfield operations and remove regulatory barriers that prevent scaling up of innovations and recycling capacity extension in Europe.
- EU funding and investment programmes should address equally and fairly key sectors and value chains without diverting massive amounts towards specific sectors, e.g. plastics.
- The new Horizon Europe programme should earmark a significant and specific fund for low carbon and circular value chains.
- The InvestEU programme should prioritise value chains that have adopted a pro-active industrial transformation vision to 2050, based on carbon neutrality, circularity and positive contribution to society.
- New EU training programmes combining digital and manufacturing expertise should be developed to secure a high-skilled labour force in Europe.

The aluminium industry is fully committed to collaborating with policymakers and other industrial sectors to be a major player in the long term industrial and climate future of Europe.

ENGAGE WITH US!

SUPPORT OUR CALLS FOR ACTION

SEND US AN EMAIL
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VISIT OUR WEBSITE ON OUR MANIFESTO
<https://european-aluminium.eu/manifesto/>

ABOUT EUROPEAN ALUMINIUM

European Aluminium, founded in 1981 and based in Brussels, is the voice of the aluminium industry in Europe. We actively engage with decision makers and the wider stakeholder community to promote the outstanding properties of aluminium, secure growth and optimise the contribution our metal can make to meeting Europe's sustainability challenges. Through environmental and technical expertise, economic and statistical analysis, scientific research, education and sharing of best practices, public affairs and communication activities, European Aluminium promotes the use of aluminium as a material with permanent properties that is part of the solution to achieving sustainable goals, while maintaining and improving the image of the industry, of the material and of its applications among their stakeholders. Our 80+ members include primary aluminium producers; downstream manufacturers of extruded, rolled and cast aluminium; producers of recycled aluminium and national aluminium associations are representing more than 600 plants in 30 European countries. Aluminium products are used in a wide range of markets, including automotive, transport, high-tech engineering, building, construction and packaging.

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