



EUROPEAN ALUMINIUM

**Dr Gerd Götz**  
Director General  
gotz@european-aluminium.eu

**Ambassador**  
**Michael Clauß**

Permanent Representation of the Federal Republic of  
Germany to the European Union  
Jacques de Lalaingstraat 8/14  
1040 Brussel, Belgium

Brussels, 06/07/2020

Dear Honourable Ambassador Clauß:

On behalf of European Aluminium's members and our German colleagues from Gesamtverband der Aluminiumindustrie e.V. (GDA), we would like to congratulate you on the well received start of the German Presidency of the EU Council. European Aluminium represents the whole aluminium value chain in Europe. Our industry sits at the start of long value chains that are essential for European citizens and businesses: transport (39%), building & construction (30%) and packaging (17%). Aluminium's properties make it the material of choice for the transition to a digital, climate-neutral and circular economy.

The aluminium value chain is an important actor in the German economy. In 2019, the German aluminium industry provided direct employment for 65,000 people and its turnover totalled more than 21 billion euros. Germany counts over 250 plants in which aluminium is produced and processed.

With a 50% worldwide growth in aluminium demand expected by 2050, the European aluminium industry strives to achieve full circularity by 2030 and reduce its total emissions from its primary production by 70% mid-century. To achieve this ambition, in line with the European Green Deal and the UN's SDGs, we need an adequate political and legislative framework to enable our industry to invest and grow. The European aluminium industry faces fierce competition from other global producers and has experienced over the past decade carbon and investment leakage due to increased costs under the EU Emissions Trading Scheme (ETS indirect costs) and other regulatory costs. Furthermore, the global pandemic has shown how strategic sectors must not only survive the COVID-19 crisis but attract the investment they need to thrive in the years to come.

We welcome the emphasis in your programme on the following four aspects: **1) Europe's economic recovery; 2) Levelling the global playing field with China; 3) Achieving higher climate ambitions while 4) protecting industrial competitiveness.**

We are calling on the German authorities to consider our priorities:



- 1) **A sustainable industrial recovery:** the COVID-19 crisis has severely hit our industry. In particular, the decreased demand for automotive is strongly impacting the semi-fabrication of aluminium, which is already suffering from a growing influx of under-priced Chinese exports with a higher carbon footprint. We need swift actions for the recovery of the automotive sector through renewable schemes for the most-environmentally vehicles and scrappage premium for old cars to be recycled in Europe. Sectors receiving temporary government support should be required to use European suppliers when possible. National recovery plans should prioritise the use of the EU's financial instruments to prevent shutdowns of European aluminium smelters, stimulate demand for strategic and low-carbon materials, unlock the renovation of buildings and develop the European circular economy, with a particular focus on investment in waste collection and sorting centres and separation technologies.
- 2) **A global level playing field with China:** we are buckling under the pressure of subsidised excess capacity from China. Europe has lost more than 30% of its primary capacity since 2008, while China's primary production has increased from 11% of the global production to 57% in the last 15 years. The EU should tackle Chinese aluminium overcapacity, reinforce its trade defence instruments, expediently using anti-dumping and anti-subsidy measures to secure fair and sustainable price levels and address the distortive effects of foreign subsidies in the EU single market.
- 3) **A competitive aluminium industry for the climate and energy transition:** we are ready to seize opportunities brought by the EU's commitment to climate neutrality by mid-century. Higher climate ambitions spur the demand for our material in many applications and technologies, thus enabling the achievement of the green transition. However, higher ambitions should come only with a new climate and energy policy design that explicitly recognises EU carbon leakage and sets up an enabling framework to protect the aluminium industry in Europe. When compared to other manufacturing industries (e.g. steel or chemicals), the production process is already fully electrified and thus entirely in line with the EU's Green Deal objectives. Its carbon footprint will continue to decrease as the European electricity mix decarbonises. For this reason, an improved indirect costs compensation scheme to protect aluminium producers from carbon leakage in Phase IV of the EU ETS will be crucial. Given the complexity of our value chain and significance of indirect emissions in our production process, a Carbon Border Adjustment Measure (CBAM) may not be the silver bullet capable of preventing carbon leakage under any scenario. In case such a mechanism would be put in place, it should come in addition to existing carbon leakage measures in particular the compensation for the EU ETS indirect costs.
- 4) **A functioning EU's single market for the free movement of construction products and for waste:** the entire construction sector is experiencing difficult times with the implementation of harmonised rules for the marketing of construction products in the EU as defined in the Construction Products Regulation (EU) No 305/2011 ("CPR"). The review process for this legislation was confirmed by the [European Green Deal](#) in December 2019, the [Circular Economy Action Plan](#) in March 2020 and by the launch consultations addressed to key stakeholders, including us. The CPR should not be repealed, but improved to defend the concepts of quality, transparency and reliability that helped progressing towards a single EU market for construction products. In the short term and without waiting for the future new CPR, it is also urgent to unlock the citation of candidate harmonised standards in the Official Journal of the EU, particularly for doors and curtain walls, because we need up-to-date standards to remain aligned with changing market and regulatory demands. On the circular economy side, a better functioning Internal Market for recyclables with the aim to keep as much scrap as possible in Europe and restrict exports only to those third countries which can proof they meet our EHS standards.



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We are looking forward to working with the German Presidency for the next six months. In this respect, we would like to offer a meeting with our Chairs to exchange on your priorities at your best convenience. We trust that our concerns will be given due consideration and hope that the European aluminium industry can count on the German Presidency's unwavering support.

Yours Sincerely,

Emilio Braghi  
European Aluminium Chairman  
Senior Vice President and President, Novelis Europe

Hinrich Mählmann  
GDA Präsident  
Pers. haftender Gesellschafter Otto Fuchs Gruppe

Gerd Götz  
European Aluminium Director General

Marius Bäder  
GDA Geschäftsführer

Roberta Niboli  
European Aluminium Vice-Chairwoman  
Chief Executive Officer, Raffmetal S.p.A.

Paul Warton  
European Aluminium Treasurer  
President of the Automotive Structures & Industry  
business unit, Constellium

Constantin Catsaros  
Executive Director, Elval

Egil Hogna  
Executive Vice President Extruded Solutions, Hydro

Philipp Schlüter  
Chief Executive Officer, TRIMET

Simon Pelletier  
General Manager, Global Metal Sales, Aluminium,  
Rio Tinto

John Slaven  
Executive Vice President and  
Chief Operations Officer, Alcoa

Roman Stiftner  
Chairman national associations group and Managing  
Director of the Austrian Non Ferrous Federation

Rob van Gils  
CEO and Managing Partner, HAI Group



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**Annexes**

- [Call for a sustainable industrial recovery plan: European Aluminium's recommendations](#)
- [Support of the automotive sector](#)