



# A green industrial policy for a stronger Europe and aluminium industry

Brussels, 16 December 2022

Statement

The EU's initiative to propose a new industrial policy that can halt Europe's deindustrialisation could not come at a more critical time for Europe's suffering aluminium industry.

Since the start of the energy crisis, Europe has already lost 50% (1.1 million tonnes) of its primary aluminium production capacity. The economic viability of our bloc's semi-fabrication and recycling sectors, which depend on gas, has also been severely compromised.

But becoming increasingly import-dependent on a material that is strategic to the EU's Green Deal is extremely unwise. Aluminium is used in almost all green technologies, particularly those that will deliver the energy transition, such as wind and solar power, alternative fuel cells, hydrogen production, high-voltage cables, and batteries. If Europe is serious about accelerating the green transition and reducing its dependency on unreliable partners, European industries that are key to the energy transition, including the aluminium industry, must be provided with the support needed to keep their businesses running.

Other leading global economies have already taken assertive actions to attract investments in green technologies and provide competitive advantages for the value chains manufacturing them, such as the aluminium industry. It is now up to the EU to devise a structural answer to the bold industrial policies of our competitors, including the US Inflation Reduction Act.

The EU's new industrial agenda should go beyond mere crisis management and have a long-term vision for boosting our industrial base. Supporting sustainable growth and the efforts of European industries to decarbonise their operations with concrete and effective WTO-compatible measures should be at the core of a green industrial policy. This will not only allow our industry to survive and thrive but will also ensure Europe can remain a global sustainability leader.

The European aluminium industry urges the European Commission to formulate a strong industrial strategy with concrete measures and tangible long-term effects for European industries by the end of January 2023. Prolonging uncertainty will only push companies to relocate their investments or part of their supply chains to the US or other regions with higher state aid compensation and lower energy costs, leaving Europe in the dust.