

EUROPEAN COMMISSION CALL FOR EVIDENCE – EU ALUMINIUM SECTOR

TRADE MEASURES TO ENSURE SUFFICIENT AVAILABILITY OF ALUMINIUM SCRAP ON THE EU MARKET

Brussels, January 2026

European Aluminium, representing the full aluminium value chain in Europe, welcomes and actively supports the European Commission's targeted consultation on trade measures to ensure sufficient availability of aluminium scrap on the EU market. We strongly support the objectives outlined in the [Steel and Metals Action Plan](#) of March 2025 and the [RESourceEU Action Plan](#), which recognise aluminium scrap as a strategically important input for the decarbonisation of the European economy and the effective functioning of a circular economy.

The aluminium sector's transition towards climate neutrality is structurally dependent on the increased use of recycled aluminium. Recycled aluminium production generates up to 95% fewer CO₂ emissions compared to primary production and is therefore indispensable for achieving the EU's climate objectives and reinforcing Europe's economic resilience and strategic autonomy. Ensuring access to adequate quantities of aluminium scrap at competitive prices within the EU is not optional, but a prerequisite for maintaining a resilient, low-carbon aluminium value chain in Europe.

Market developments and problem definition

Data collected through the Commission's recently established import and export surveillance system confirm that exports of aluminium scrap to third countries remain at persistently and historically high levels. In 2024, exports reached **approximately 1.2 million tonnes**, representing an increase of **66% compared to 2014**, with 2025 figures following the same trajectory and even worsening. Today, around **80% of EU exports of aluminium scrap** are directed to Asia (e.g. India, China, Thailand, Pakistan).

At the same time, data from industry analysts clearly confirm a significant increase in aluminium scrap prices. These developments point to structural and growing tensions in the EU scrap market, directly affecting the **availability** and **affordability** of aluminium scrap for EU recyclers and downstream users. In this context, aluminium scrap prices have been further exacerbated by recent US tariffs on aluminium, which have intensified price arbitrage and increased pressure on EU scrap markets¹. In addition, EU scrap exports increasingly contribute to addressing structural shortages in third countries. For example, the US faces persistently low collection rates for key scrap streams such as used beverage cans (UBCs), with recycling rates of approximately 43% (in comparison with 75% for Europe²). This structural shortfall, combined with recent US trade measures, has further incentivised scrap leakage from the EU towards the US market.

¹ By excluding scrap (HS 7602), the 50% US tariffs on aluminium products have widened an existing arbitrage that makes the US an unfairly favourable export destination for scrap. Latest trade data indicate that US imports of scrap increased by almost 30% in September 2025 YTD (i.e. January to September 2025 compared January to September 2024).

² European Aluminium and Metal Packaging Europe press release (see [here](#)).

Moreover, the entry into force of EU CBAM is expected to further increase third country demand for scrap as part of efforts to decarbonise domestic production and possibly circumventing EU CBAM.

While aluminium scrap is a traded commodity, current market outcomes no longer align with EU policy objectives. Strong external demand from third countries with lower labour and environmental standards, **combined with unfair subsidies in China and broader price and trade distortions**, is actively diverting valuable secondary raw materials away from the EU precisely at a time when domestic demand for low-carbon inputs and the imperative to increase the EU's economic resilience are accelerating. Despite the general economic downturn and high energy prices in Europe, demand for recycled content from downstream OEMs remains constant. At the same time, the lack of affordable scrap exacerbates the continuously worsening situation for the sector.

Need for EU-level action

The lack of level playing field in competition with Asia and the resulting market failure in the European Union require a decisive reaction in the form of EU-level trade measures. Against this background, market-based trade intervention is both justified and necessary to remedy distortions caused by unfair practices and policy asymmetries in third countries to prevent the foreseeable worsening of a critical shortage of an essential input for Europe's green and industrial transition.

Ensuring sufficient availability of aluminium scrap within the EU is directly linked to the effectiveness of key EU policy frameworks, including the [Fit for 55 package](#), the [Circular Economy Action Plan](#), the [Carbon Border Adjustment Mechanism \(CBAM\)](#) and the [Critical Raw Materials Act \(CRMA\)](#). Aluminium is recognised as a strategic and critical raw material, essential for key sectors such as transport, construction, packaging, renewable energy, digital technologies and defence, and capable of being recycled indefinitely without loss of properties. Without adequate access to scrap, EU recycling producers face structurally higher costs, eroding competitiveness, and delayed decarbonisation, ultimately undermining the Union's climate, industrial, and strategic objectives. This is particularly concerning in light of the substantial investments already made by the European aluminium industry. Approximately 40% of EU aluminium consumption is already supplied through recycling, and more than €700 million has been invested in recent years to expand and modernise recycling capacity, resulting in an increase of approximately 1 million tonnes of recycling capacity across the EU and EEA. These investments reflect the sector's commitment to circularity, competitiveness, and strategic autonomy, and must be matched by adequate policy action to secure access to feedstock.

Preferred policy approach

European Aluminium urges the Commission to prioritise **price-based trade measures** that directly address the root cause of the current market imbalance, namely the growing price arbitrage between the EU and third-country markets, which is driving excessive and unsustainable scrap exports.

It should also be noted that a growing number of third countries already apply export restrictions on aluminium scrap (HS 7602), including China, Vietnam, Malaysia, Indonesia, South Africa, and the United Arab Emirates. Discussions are also ongoing in other countries (e.g. US, Mexico) regarding possible new export restrictions on strategic scrap metals. Against this background, EU action would not be an outlier but rather a proportionate response aligned with global practice.

Preferred option: erga omnes duty on aluminium scrap

To ensure a smooth and fully functional scrap market, the first-best and strongly preferred option is the introduction of an **export duty on all aluminium scrap (CN 7602), applied erga omnes**, i.e. to all third-country destinations. **Based on market intelligence analysis, an export fee of at least 30% is required to restore a level playing field for the EU aluminium recycling industry.**

An export duty is the **most effective, proportionate, and legally robust instrument** available to the Commission for the following reasons:

- **Effectiveness:** An export duty directly reduces price arbitrage without prohibiting exports. Given structurally strong global demand, exports would continue, but at volumes compatible with EU industrial needs and guided by market economy forces. The playing field would be levelled and the market failure fixed.
- **Legal certainty:** Export duties are explicitly permitted under WTO law and are not prohibited by GATT Article XI. The EU has not undertaken any WTO commitments limiting its ability to impose **such** duties.
- **Proportionality:** Unlike quantitative restrictions, an export duty allows market participants to adjust dynamically to evolving conditions.
- **Administrative simplicity:** Export duties can be implemented and monitored through existing customs systems.
- **Policy coherence:** By moderating rather than banning exports, an export duty supports the EU's circular economy, climate, economic security and strategic autonomy objectives, while safeguarding ongoing and planned investments in EU recycling capacity.
- **Single Market integrity:** An export duty applied at EU level preserves the integrity of the Single Market by avoiding fragmentation between Member States, while allowing the Commission to take due account of the EU's broader economic relationships with EEA, EFTA, and UK partners.

Importantly, such a measure will **not result in scrap accumulation** within the EU. Global demand for scrap structurally exceeds supply, and third-country buyers would continue to absorb part of EU's output, albeit at prices reflecting the strategic value of this resource for Europe's economic security and decarbonisation pathway.

Fallback option: carefully designed monthly tariff rate quotas (TRQs)

Should an export duty not be implemented, European Aluminium considers **tariff rate quotas (TRQs) only as a second-best fallback option**, provided that they are designed with strict safeguards. Please note that in order to be effective, a TRQ would need to be very high in complexity and much more difficult to administer than a single horizontal export fee.

Any TRQ system would need to:

- Cover **all aluminium scrap (HS 7602)** at a global level to avoid **circumventions risks**;
- Be applied **erga omnes** to prevent trade diversion;
- Be designed as a global quota **with a proportional destination country-specific caps**, ensuring that no single destination country (especially the one driven by unfair market distortions) can absorb an excessive disproportionate share of EU aluminium scrap exports;
- Be **set at average exported volumes between 2014-2019 (i.e. about 700kt)**, prior to the recent structural surge;
- Be constructed as a two-stage TRQ with in-quota and an out-of-quota duties;

- Apply on a **strictly monthly basis, without carry-over of unused volumes**;
- Be **temporary**, regularly reviewed, and adjustable to market developments;
- Include a clear review mechanism to ensure effectiveness.

TRQs are **inherently more rigid, uncertain and administratively complex** than export duties and carry high risk of unintended market distortions. They should therefore remain a fallback instrument only. If applied, a tariff rate quota system should be designed and administered at EU level in order to preserve the integrity of the Single Market, avoid fragmentation between Member States, and take due account of the EU's economic relationships with EEA, EFTA, and UK partners.

Conclusion

European Aluminium supports the Commission's efforts to develop a balanced and forward-looking approach to aluminium scrap, reflecting its strategic importance for Europe's green and industrial transition. The combination of a sustained increase in aluminium scrap exports over recent years, record export levels reached in 2025, and rapidly growing domestic demand for recycled and low-carbon materials clearly demonstrates that targeted EU-level action is necessary to ensure that aluminium scrap remains available to EU industries at competitive prices.

European Aluminium therefore strongly encourages the Commission to prioritise an **erga omnes export duty on aluminium scrap** as the most effective and proportionate response, while keeping **strictly designed monthly tariff rate quotas** as a contingency option. European Aluminium considers that this proposal is proportionate and balanced and would contribute to restoring a level playing field for the EU aluminium recycling industry, while preserving trade flows and respecting international obligations.

We encourage the Commission to pursue a **measured, data-driven and flexible policy response**, reviewed at regular intervals and developed in close consultation with stakeholders across the value chain. European Aluminium stands ready to continue engaging constructively with the Commission and all stakeholders to ensure that any future measure effectively supports decarbonisation, circularity, and the long-term competitiveness of the European aluminium industry.