



# EUROPEAN ALUMINIUM POSITION PAPER FOR AN INDUSTRIAL ACCELERATOR ACT THAT EFFECTIVELY DELIVERS ON ITS OBJECTIVES

Brussels, April 2026

**European Aluminium welcomes the publication of the Industrial Accelerator Act (IAA) proposal** to support strategic industries in returning to growth in Europe while advancing their decarbonisation efforts. In recent years, other major economies have adopted increasingly aggressive industrial policy tools. Alongside China's long-running state industrial programmes that have built structural excess capacity across several industrial sectors, we are witnessing a global shift towards using procurement rules and tariffs as instruments of economic growth. **We therefore support the intention to actively strengthen European industry in alignment with the EU resilience, climate and competitiveness objectives.**

**We are pleased to see aluminium recognised as a strategic sector by the proposal.** The establishment of lead markets for our industry, if well designed and limited to the European continent, represents an opportunity to support our businesses. We also align with the Commission's commitment to speed up permitting for industrial manufacturing and energy-intensive industry decarbonisation projects.

Aluminium is a critical and strategic raw material for its essential use in green, digital and defence applications, as established by the Critical Raw Materials Act and NATO, respectively.<sup>1,2</sup> However, as an energy-intensive industry operating as a price taker in a highly competitive global market, our sector faces increasing pressure. This is due to highly uncompetitive energy prices, high carbon costs, scrap leakage, and subsidised imports that continuously undercut our producers. The situation is set to significantly deteriorate as the Middle East crisis unfolds. In this context, supporting the entire value chain of the European aluminium industry and reducing its import dependence is critical to contributing to Europe's future. With this in mind, we welcome the proposal's clear intention to address market distortions affecting the European market, and we also encourage close monitoring of substantial investments in primary aluminium capacity in third countries, including in Asia and Africa.

As the legislative process advances, please find below our recommendations for an IAA that delivers on its objectives.

#### An effective IAA must:

1. **Endorse a targeted Union-origin requirement to prevent sharply diluting its effectiveness.**
2. **Guarantee a realistic and sector-specific low-carbon requirement, aligned with competing materials timelines.**
3. **Ensure an appropriate threshold and clearly define the scope for aluminium lead markets.**

<sup>1</sup> [Regulation \(EU\) 2024/1252 of the European Parliament and of the Council of 11 April 2024 establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations \(EU\) No 168/2013, \(EU\) 2018/858, \(EU\) 2018/1724 and \(EU\) 2019/1020](#)

<sup>2</sup> [NATO releases list of 12 defence-critical raw materials](#)

## 1. Endorse a targeted Union-origin requirement to prevent sharply diluting its effectiveness

We welcome the introduction of the Union-based preference in public procurement and public support schemes. **To ensure its effectiveness and legal robustness, the scope of eligible partners should remain limited.**

The European aluminium value chain is deeply interconnected across the continent, with companies operating seamlessly across jurisdictions through highly integrated production networks and long-standing industrial partnerships. In this context, **extending the scope to include non-EU trade partners beyond the EEA, EFTA and the United Kingdom would significantly dilute the measure by creating an extensive pool of eligible aluminium products from third countries.** This would sharply reduce the instrument's effectiveness while undermining the IAA's primary objective of reinforcing Europe's industrial base.

A more targeted approach compared to the current proposal is warranted. **Content originating in non-European partner countries covered by Free Trade Agreements (FTAs), Customs Union, or the WTO Agreement on Government Procurement (GPA) should be deemed Union-originating only on an exceptional basis and subject to stringent conditions.** Delegated acts should therefore be used to opt in additional countries, where appropriate, based on objective and evidence-based criteria such as the level of regulatory alignment, reciprocity, and the contribution to supply chain resilience.

## 2. Guarantee a realistic and sector-specific low-carbon requirement, aligned with competing materials timelines

We welcome the introduction of a low-carbon requirement for aluminium. To deliver on its objectives, any low-carbon requirement must be realistic and tailored to the sectors' specific decarbonisation challenges. For primary aluminium, the most carbon-intensive segment, indirect emissions account for most of the carbon footprint. Therefore, **a well-designed low-carbon requirement must be underpinned by the rapid decarbonisation of national grids. In this context, it should be accompanied by measures facilitating access to long-term Power Purchase Agreements (PPAs), financial support for clean energy infrastructure and low-carbon electricity.**

Ensuring a requirement that supports all the available levers for decarbonisation, including recycling, is key. **We support the decision to link the proposal to delegated acts stemming from the Ecodesign for Sustainable Products Regulation (ESPR) for aluminium intermediate products.** Drafting a sound and fair methodology for the assessment and labelling of low-carbon aluminium should entail a thorough consultation of stakeholders and accurate research of the challenges linked to carbon accounting in the aluminium sector and their consequences, the choice of system boundaries and the selection of an appropriate threshold. Furthermore, **it is critical to ensure that the ESPR requirements for aluminium are ready when the IAA measures enter into force.**<sup>3</sup> If these requirements were in place only for competing materials, such as steel, this would create a clear market distortion, conferring an undue market advantage on directly competing sectors.

## 3. Ensure an appropriate threshold and clearly define the scope for aluminium lead markets

We support the establishment of a minimum threshold for European low-carbon aluminium in public procurement and public support measures.

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<sup>3</sup> ESPR steel study was presented in April 2026. The aluminium study will only start in late 2026, to be finalised in 2028.

However, the appropriate threshold can only be defined once there is sufficient clarity regarding methodologies underpinning the determination of Union-origin and low-carbon. For this reason, **we call for the introduction of a review mechanism to adjust the threshold, where necessary, once the relevant methodologies are established.**

Aluminium is widely used across many sectors where public procurement and public support measures apply. In its current formulation, low-carbon and Union-origin requirements are limited to the buildings sector, motor vehicles for civil purposes, and other infrastructure not specifically defined. **This wording may allow for restrictive interpretations. It is therefore critical to clearly define the sectors to which the requirements apply. For aluminium products, these should include defence, railway, maritime, and aviation sectors.**

Furthermore, the regulation provides public authorities with the possibility of not applying low-carbon and Union origin requirements when specific conditions occur. **To effectively stimulate demand for aluminium products and prevent overly broad use of these derogations, these conditions should be carefully designed and made as stringent as possible.**

## Conclusions

Despite its critical and strategic role in the European economy and steady growth in demand across many sectors, the aluminium industry faces severe challenges that are leading to capacity reductions, production curtailments, investment losses, workforce cuts, and even bankruptcies across Europe.

The Industrial Accelerator Act is a unique opportunity to reignite the European industrial base and drive industrial transformation, particularly in strategic sectors. Nevertheless, its success will entirely depend on the Act's concrete ability to boost demand for European low-carbon products while laying down a pragmatic framework to facilitate the deployment of industrial manufacturing and industrial decarbonisation projects.

As the Draghi report suggests, Europe must renew its economic doctrine for a Union fit for the 21st century. We therefore urge policymakers to come together and take the courageous steps to effectively safeguard the European industrial base, as an essential contribution to European prosperity, resilience and future.