

ENVI VOTE LEAVES KEY ALUMINIUM LOOPHOLES UNRESOLVED IN CBAM REVIEW

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Press Release

European Aluminium regrets that yesterday's vote in the European Parliament's ENVI Committee on the Carbon Border Adjustment Mechanism (CBAM) Review and Temporary Decarbonisation Fund failed to close key loopholes that could undermine the effectiveness of the EU's carbon border levy for aluminium. The Committee adopted its position ahead of the September plenary vote but did not include the specific fixes needed for post-consumer scrap and the proposed 50-tonne mass-based threshold for imported CBAM goods. Without correction, CBAM risks turning from a carbon leakage protection tool into a mechanism that actively harms Europe's aluminium industry.

Aluminium is a critical and strategic raw material for Europe's clean-tech, mobility, defence, energy and construction value chains. Yet European producers and recyclers are already facing high energy costs, rising carbon costs and intense competition from regions without equivalent climate obligations. If CBAM's flaws are not addressed, it risks accelerating the very carbon leakage it was meant to prevent, weakening the European industrial base needed for decarbonisation, competitiveness and strategic autonomy.

"A CBAM that can be avoided through resource shuffling and an ill-suited threshold will not protect European industry," says Paul Voss, Director General of European Aluminium. *"CBAM will lead to an overall increase in costs for European producers, while importers can source their raw material in markets that do not face such carbon costs. If imports can still enter the EU without an equivalent burden, CBAM will become a major competitiveness threat that accelerates carbon leakage instead of preventing it."*

One unresolved point is the treatment of aluminium scrap. The ENVI report does not sufficiently address the risk that imported aluminium products can benefit from lower carbon costs by declaring post-consumer scrap. To close this loophole, **a default value should apply to all aluminium scrap used as a precursor, irrespective of whether it is pre- or post-consumer.** This requires the inclusion of post-consumer scrap in Annex III of the Commission's proposal. Additionally, to prevent circumvention, European Aluminium strongly supports applying a single default value based on the carbon footprint of primary aluminium production for all unwrought aluminium, regardless of whether it contains pre- or post-consumer scrap, until verification systems are proven effective and reliable.

Without these changes, around one quarter of global aluminium production could continue to avoid the carbon costs faced by European producers. This would compromise the CBAM's ability to create a level playing field, undermining the

competitiveness of the entire European aluminium sector (including primary producers, recyclers and downstream manufacturers) without delivering any emission reductions.

A second concern is the proposed 50-tonne threshold for imported CBAM goods. This threshold is ill-suited to aluminium because of the metal's high value-to-weight ratio. Many downstream aluminium imports can fall below the proposed threshold while still competing directly with products manufactured in Europe. For example, the aluminium needed to renovate the doors of a 200-room hotel would amount to only 9.2 tonnes, meaning such imports could remain exempt from CBAM while EU-made equivalents continue to bear ETS-related costs.

The Temporary Decarbonisation Fund must also be redesigned to provide an effective export solution for aluminium. This requires broader coverage of key downstream aluminium products in their entirety by lowering the trade-intensity threshold and supporting conditions that reflect the economic reality of aluminium production and transformation. The Fund should compensate both direct ETS costs and CBAM-related raw material cost increases, while avoiding rigid conditionalities that do not work for the sector. If the Fund proves insufficient to prevent carbon leakage, the CBAM phase-in for aluminium should be paused and ETS free allocation restored until a workable solution is in place.

European Aluminium calls on political groups and MEPs to ensure these key fixes are included ahead of the September plenary vote. The final Parliament position must deliver a workable CBAM for aluminium, based on robust verification, proper treatment of post-consumer scrap and thresholds that reflect the realities of aluminium trade.

If these issues remain unresolved, European Aluminium calls upon the EU Commission to urgently “stop the clock”¹ on CBAM for aluminium, by pausing the implementation of the definitive period of CBAM and the related phasing-out of free allowances. This pause should remain in place until the proposed changes have been implemented and the impact of CBAM on the competitiveness of the European aluminium industry has been fully assessed.

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¹ See European Aluminium position paper [here](#) [February 2026]