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To: Ambassador Aingeal O'Donoghue, Permanent Representative of Ireland to the EU

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Honourable Ambassador O'Donoghue,

On behalf of [European Aluminium](#), the association representing the entire aluminium value chain in Europe, I am pleased to welcome Ireland to the Presidency of the Council of the European Union.

Your Presidency begins at a defining moment for Europe, with the mandate fully underway and an ambitious agenda to strengthen European competitiveness, rebalance trade relationships, and reinforce European resilience and security.

Aluminium is one of the five main strategic sectors targeted by the Industrial Accelerator Act. Previously, it was also recognised as a critical and strategic raw material for the digital and green transition, and defence, under [the Critical Raw Materials Act](#) and by [NATO](#).

However, the persistent challenges our sector faces, spanning from energy prices to unfair market practices, scrap leakage and high regulatory costs, are driving severe deindustrialisation, resulting in continuous job losses across the continent and increasing import dependency for our industry.

In this context, the ongoing EU paradigm shift towards a renewed industrial policy that actively supports European industry in the face of aggressive third-country industrial policies, if set correctly, could substantially help the European aluminium industry.

To build on this momentum and effectively deliver on its priorities, we encourage the Irish Presidency to advance the following objectives:

- **Progress the legislative work towards a fit-for-purpose Industrial Accelerator Act:**
If the objective of the IAA is to strengthen European industrial production, protect strategic sectors and accelerate decarbonisation, its geographical scope should remain focused on Europe and not be extended to non-European countries. A narrower scope, combined with a robust opt-in system, should be a core principle of the proposal. As a strategic sector identified in the IAA, the European aluminium industry has a key role to play in Europe's industrial future, provided it is supported by the right policy framework. If designed correctly, the IAA can become a powerful tool to achieve that.
- **Ensure that the ongoing CBAM Review and upcoming ETS Revision address the sector's competitiveness challenges:**
CBAM is inadequate to prevent carbon leakage in the aluminium sector and is likely to have a highly detrimental effect on our industry. In this context, the CBAM review represents a key opportunity to close all relevant loopholes, including by accounting for post-consumer aluminium scrap as a precursor, expanding the scope to include more products, and lowering the 50t threshold to 5t for aluminium products. Alongside the CBAM review, the post-2030 revision of the EU ETS is decisive to ensure a

sustainable future for our industry. It is therefore critical that the ETS cap trajectory reflects the technology readiness and decarbonisation commercial potential of our sector. At the same time, effective carbon leakage protection must be maintained through continued free allocation and the extension of the indirect carbon cost compensation system beyond 2030.

- **Increase support for electrification and tackle the structural roots of high energy costs:**

As an energy-intensive industry, our electricity costs account for around 40% of our production costs. While electricity prices and costs in Europe remain structurally higher, driven by network charges and carbon costs, they have increased further amid geopolitical instability, including the war in the Middle East. In this context, affordable electricity prices are a prerequisite for a competitive aluminium industry. Therefore, the upcoming Electrification Action Plan should offer sufficient CAPEX and OPEX support to enable the required electrification investments. Furthermore, we call for the approaching proposal on network charges and electricity taxation to provide for reduced, sector-specific network charges for energy-intensive industries.

- **Halt scrap leakage and deliver an effective Circular Economy Act:**

Aluminium recycling is critical to our sector's competitiveness, as it requires only 5% of the energy required by primary production. However, it is hampered by several obstacles, spanning scrap leakage to Single Market fragmentation. To halt the scrap leakage emergency in the short term, the Commission is expected to propose a trade measure in September. It is critical that Member States ensure the necessary support for this key measure for our industry. The upcoming trade measure should also be accompanied by an effective Circular Economy Act providing medium-term measures to close loopholes in waste legislation and, ultimately, a long-term strategy to secure the availability and quality of secondary raw materials, including metal scrap.

- **Adopt an indirect ban on Russian aluminium:**

With the 16th Sanctions Package issued in February 2025, the EU imposed a ban on Russian aluminium from entering the EU directly. However, a significant loophole remains: Russian primary aluminium can still be sold to third countries, such as Turkey, processed into semifinished or finished products, and exported to the EU as products of that third country. To prevent Russian aluminium from obtaining a second passport into the EU, an indirect ban must be imposed on Russian aluminium in the upcoming 22nd Sanctions Package.

As geopolitical fragmentation intensifies and critical resources are increasingly weaponised, strengthening domestic production and reducing import dependencies in strategic industries such as aluminium are essential to enhancing Europe's resilience and security. We therefore encourage the Irish Presidency to give due consideration to our priorities.

Thank you for your interest and consideration. We are ready to engage constructively in the discussion and provide any data or information you may need on our sector.

Yours sincerely,

Paul Voss
Director General, European Aluminium

