



EUROPEAN ALUMINIUM ASKS FOR AN INDUSTRIAL ACCELERATOR ACT THAT DELIVERS ON ITS OBJECTIVES

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Position Paper

European Aluminium welcomes 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. Because of this, we support the intention to actively strengthen European industry in line with the EU's 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.

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 (CRMA) and NATO, respectively.^{1 2} 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, increasing carbon costs, scrap leakage, and subsidised imports that continuously undercut our producers. The situation is exacerbating as the Middle East crisis unfolds. In this context, supporting the entire European aluminium value chain and reducing its import dependence is critical to contributing to Europe's future. 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 material-specific low-carbon requirement under the Ecodesign for Sustainable Products Regulation (ESPR), to serve the IAA objectives.
3. Ensure well-functioning lead markets across all the relevant downstream sectors.
4. Establish a stricter framework for Foreign Direct Investments.
5. Expand the Union origin requirement to more NZIA technologies where aluminium is a critical component.

¹ 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](#).

² [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 longstanding industrial partnerships. In this context, **extending the scope to include non-European trade partners beyond the EEA, Switzerland 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 material-specific low-carbon requirement designed under ESPR, to serve the IAA objectives

We welcome the introduction of a requirement for the use of low-carbon aluminium in public schemes. To deliver on its objectives, it must be realistic and tailored to the material's specific decarbonisation challenges. Drafting the relevant methodology for the assessment and labelling of low-carbon aluminium should therefore entail thorough consultation with industry stakeholders and accurate research into the challenges of carbon accounting in the aluminium sector and their consequences, the choice of system boundaries, and the selection of an appropriate threshold. In this regard, we encourage:

- **Referring to low-carbon materials rather than products:** The reference to low-carbon products in Article 10, in the current formulation, is misleading. Using low-carbon materials (i.e., aluminium, steel and cement) in products is not sufficient to obtain low-carbon products. This would require evaluating the product's carbon footprint throughout its lifetime, from the extraction of raw materials to production, use, and end-of-life of the product itself. However, it would result in an overly burdensome system for the IAA's purpose. **With this in mind, we propose that Article 10 refers to low-carbon materials (in products), rather than low-carbon products.**
- **Linking the methodology and verifications for aluminium to Ecodesign for Sustainable Products Regulation (ESPR) only:** Aluminium, and the other materials targeted by the IAA (steel, concrete and mortar), are all subject to reporting or performance requirements on the carbon intensity under specific legislations.³ **Setting the requirement at the material level for all products in scope would allow the definition and methodology for low-carbon aluminium**

³ Concrete and mortar are in the scope of [Regulation \(EU\) 2024/3110 \(i.e. Construction Products Regulation \(CPR\)\)](#); Steel and aluminium are in the scope of [Regulation \(EU\) 2024/1781 \(i.e. Ecodesign for Sustainable Products Regulation \(ESPR\)\)](#).

to be based solely on the ESPR.⁴ This would sharply simplify the implementation by reducing the number of delegated acts required otherwise for each product category and the relevant timelines, and would ensure a consistent approach between the implementation of this requirement among all sectors, including building and automotive. Additionally, **the verification requirements for low-carbon under the IAA should be aligned with the ESPR**, rather than with CBAM and ETS, to avoid additional verification steps including different requirements.

- **Ensuring consistency between the ESPR and the IAA objectives and timelines:** As mentioned, we support and encourage the decision to link the proposal to delegated acts stemming from the ESPR, for aluminium intermediate products. It is, however, **crucial to ensure that the designed methodology under ESPR remains fully aligned with the IAA's objective of decarbonising the entire aluminium value chain**. Furthermore, **the ESPR requirements for aluminium must be ready before the IAA measures enter into force.**⁵ If these requirements were in place only for competing materials, such as steel, this would create a clear market distortion, conferring an undue advantage on directly competing sectors.

Regardless of the sector's direct emissions, for primary aluminium, the most carbon-intensive segment of our value chain, indirect emissions account for most of the carbon footprint. Therefore, **any well-designed low-carbon requirement must be underpinned by the rapid decarbonisation of national grids**. In this context, it should be accompanied by measures that facilitate access to long-term Power Purchase Agreements (PPAs), financial support for clean energy infrastructure and low-carbon electricity.

3. Ensure well-functioning lead markets across all the relevant downstream sectors

European Aluminium welcomes the establishment of lead markets through public procurement and other forms of public intervention to support innovative European production across the continent and guarantee certainty for companies' investments. To deliver on their objectives, **their functioning should be carefully designed, while their application should be broadened to further downstream sectors**. Accordingly, we call for:

- **A review mechanism to adjust the 25% threshold, where necessary:** We support the establishment from the outset of a minimum threshold for European low-carbon aluminium. However, the level of effectiveness of the proposed thresholds can only be evaluated once there is sufficient clarity regarding the definition and methodologies underpinning the determination of Union-origin and low-carbon. For this reason, **we urge the introduction of a review mechanism to adjust the threshold, where necessary, once the relevant methodologies are established**.
- **Remove or, as a fallback option, increase the cost-based exceptions:** The application of Union origin and low-carbon requirements risks being undermined by the exceptions laid down for both public procurement and other forms of public intervention. This is especially relevant regarding the cost-based exceptions, which allow contracting authorities not to apply the requirements when estimated cost differences exceed 25% in public procurement and 30% for other forms of public intervention. In many strategic sectors, such as aluminium, exposed to unfair competition from third-country companies benefiting from state subsidies and lower standards, price differences of 25% or more are not exceptional. As a result, the derogation could be invoked routinely, rather than only in exceptional circumstances. **With this in mind, we urge the removal, or, as a**

⁴ In the current formulation, the definition and methodology of low-carbon products containing aluminium stems from CPR and ESPR, depending on the product category.

⁵ ESPR steel study was presented in April 2026. The aluminium study will only start in late 2026.

fallback, a substantial increase in the cost-exception thresholds, to prevent the systematic circumvention of lead market requirements through overly permissive provisions.

- **Ensure the application of aluminium requirements across all the relevant downstream sectors:** 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 building and construction sector, motor vehicles for civil purposes, and other infrastructure not specifically defined. This wording may allow for restrictive interpretations. **It is critical to clearly define the sectors to which the requirements apply. For aluminium, these should also include energy, rail, and maritime sectors.**
- **Assessing compliance with the requirements based on the percentage by weight of aluminium within the product:** For multi-material products (e.g. aluminium framed windows or vehicles), it is not feasible to assess if “the performance of a product depends mainly on a specific material”, whether aluminium, steel or another material. **We propose an alternative wording that allows the application of the requirements to products in which aluminium, or other materials, constitutes a relevant weight percentage.** For aluminium used in building and infrastructure, the percentages should account for at least 10% by weight of aluminium over the total weight of the product. For automotive, due to the complexity of the vehicles and the variability of the materials used in vehicles, we propose to include all vehicles in the scope of the requirement, regardless of their aluminium content, and require that at least 25% of the total mass of the aluminium used in the specific motor vehicle meets the low carbon and union origin requirements.⁶

4. Establish a stricter framework for Foreign Direct Investments

We acknowledge the Commission’s intention to ensure that foreign investments provide a substantial contribution to the Union’s economy and resilience. Nevertheless, **the proposed framework should be stricter**, including:

- **Scrutiny for all investments from relevant investors when exceeding 50 million euros:** In the aluminium sector, significant investments in strategic downstream manufacturing facilities - including extrusion presses, rolling mills, remelting and recycling installations - frequently range between € 30 million and € 80 million while creating substantial additional manufacturing capacity. **Limiting scrutiny to investments exceeding 100 million euros risks overlooking a significant share of relevant investments. Scrutiny should also apply when this threshold is reached through multiple tranches.**
- **Mandatory screening of investments by all foreign investors’ subsidiaries in third countries:** In the current formulation, **the proposal leaves significant discretion to investment authorities on whether or not to scrutinise investments from investors’ subsidiaries established in third countries.** This creates a serious risk of inconsistent enforcement across Member States and facilitates the circumvention of the Regulation’s

⁶ A differentiation between the building & infrastructure and the automotive, rail and maritime markets is needed, and it is linked to the different levels of complexity of the products. In the automotive sector, the composition of vehicles in terms of materials varies widely and it is not possible to identify a minimum threshold percentage for aluminium of the total weight that would make it a meaningful material because both the aluminium content and the total weight of the vehicles are varying widely, between different manufacturers, but also within the same model due to different specifications (battery size, engine size etc.). It is thus recommended that the minimum low-carbon aluminium content requirement apply to all vehicles purchased or leased by public authorities. Instead, for building & infrastructure, it is possible to identify a relevant minimum weight threshold for aluminium in a product.

requirements through intermediary entities, especially if established in countries more closely integrated with the Union market.⁷

- **All conditions for approval should be mandatory:** Allowing approval when only four of six conditions are met creates unnecessary flexibility and allows selective compliance with only the ‘easiest’ requirements, increasing risks of circumvention. It is therefore critical that **all six conditions outlined in the proposal be mandatory to reinforce the effectiveness of the assessment framework** while ensuring that foreign investments deliver tangible benefits across all relevant dimensions.

5. Expand the Union origin requirements to more NZIA technologies where aluminium is a critical component

The proposal amends the Net-Zero Industry Act (NZIA) by introducing a Union origin requirement for public procurement procedures, auctions, and additional Member States’ support schemes. However, these requirements cover only 10 of the 19 net-zero technologies and their main specific components.

Aluminium does not fall under the main specific components of net-zero technologies except for transformative decarbonisation technologies.^{8 9} Nevertheless, it represents a critical component of many of these technologies across the full net-zero value chain. For example, aluminium is the most used metal in grid technologies, accounting for approximately 60% of total network demand.¹⁰

We therefore call for the extension of the Union origin requirement to additional net-zero technologies, including carbon capture and storage, electricity grids and transformative decarbonisation technologies, among others. This will increase demand for European aluminium and help secure competitive net-zero value chains in Europe, in line with the competitiveness and technology-neutrality objectives of the [Clean Industrial Deal](#).

For consistency with the IAA's objectives, **the geographical scope should be limited to the EU27, the EEA, the UK, and Switzerland.**

Conclusions

Despite its critical and strategic role in the European economy and steady demand growth across many sectors, the aluminium industry faces severe challenges that are leading to capacity reductions, investment losses, workforce cuts, and 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 design and its concrete ability to boost demand for European low-carbon products and lay down a pragmatic framework to facilitate

⁷ E.g., Chinese investments in Serbia: <https://www.srbija.gov.rs/vest/en/221311/constant-improvement-of-investment-trade-cooperation-between-serbia-china.php>.

⁸ Generally, aluminium and alumina are not covered by the NZIA, as they exclusively fall under the CRMA (NZIA, Recitals 11 and 13 and Article 2, paragraph 2). As such, the [delegated act on the main specific components](#) does not include aluminium nor reference aluminium components. Yet, this list is non-exhaustive (recital 2), and specific components and specific machinery can be considered as such if a project promoter provides evidence to a national competent authority showing that these components or machinery are primarily used for producing net-zero technologies (recital 3).

⁹ Aluminium can be considered as a main specific component of transformative decarbonisation technologies if the four criteria under NZIA Article 3(17) and the criteria under the definition of energy-intensive business under Energy Taxation Directive are met.

¹⁰ International Energy Agency, [Electricity Grids and Secure Energy Transitions](#), 2023.

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 courageous steps to effectively safeguard the European industrial base, as an essential contribution to European prosperity, resilience and future.