



# European Metals Answer to the Commission Call for Evidence on Aluminium Scrap Targeted Measure

European Metals, the European non-ferrous metals association, is responding to the European Commission's Call for Evidence on potential options for a possible trade measure to ensure the availability of aluminium scrap in Europe.

Aluminium scrap is important for economic, environmental, defence and industrial reasons, as recycling aluminium reduces greenhouse gas emissions and has a very low environmental impact. These aspects make aluminium scrap crucial to achieve the objectives of the Critical Raw Materials Act, the RESourceEU Action Plan, the Steel and Metals Action Plan and the decarbonisation of industry, as well as the objective of a more circular economy.

To prevent aluminium scrap from continuing to leave Europe at record rates, it is essential to explore alternative options beyond reciprocity under the WTO agreement and adopt targeted measures for aluminium scrap. As the situation is now, scrap shortage has caused the stagnation or complete blockage of crucial investment projects in the EU. This needs to be corrected.

In this context, we call for the introduction of a **uniform export duty that applies universally towards all countries**. As an alternative, and only as a fallback option, we see the possibility of introducing **tariff rate quotas (TRQs), which should be based on historical export volumes** (i.e. not reflecting the large surge in exports seen in recent years).

In order to preserve the integrity of the Single Market, EEA and EFTA countries should be exempted from the proposed *erga omnes* export duty and the possible TRQs.

## 1. Erga Omnes Export Duty on Aluminium Scrap

The implementation of an *erga omnes* export duty, instead of individually targeting different countries, is the most preferable and effective option for the following reasons:

- **It provides more effectiveness and proportionality in addressing the scrap leakage and ensuring its availability in Europe:** An *erga omnes* export duty reduces price arbitrage since it removes destination-based price differences and



raises the effective export cost uniformly, making arbitrage unprofitable. This proposal is designed to address situations where aluminium scrap is flowing out of the EU due to lower export tariffs compared to higher import duties on other primary or semi-finished products.

Based on market intelligence and observed price arbitrage between the EU and key third-country destinations, an export duty in the range of at least 30% would be necessary to effectively reduce scrap leakage and restore a level playing field for European recycling operators.

In addition, the horizontal export duty, while raising the cost of exporting, does not prohibit exports altogether. This is a price-based measure, not a quantitative restriction, which still allows aluminium scrap to be exported abroad as long as the duty is paid.

In this context, an export duty does not impose rigid volume caps because it operates through prices rather than fixed quantities, allowing export volumes to adjust flexibly to market conditions.

- **It ensures non-discrimination and more legal certainty:** Export duties are fully permitted under WTO law and are not prohibited by GATT Article XI<sup>1</sup>. This makes these measures easier to justify legally compared to possible country-specific restrictions. Moreover, by treating the EU trading partners equally, it reduces the risks of trade disputes and possible retaliation.
- **It supports EU climate and energy objectives:** Recycling aluminium scrap in Europe helps lower energy use, reduces emissions, and reduces the risk of carbon leakage by keeping recycling and value creation in the EU rather than shifting it to third countries with lower environmental and climate standards and higher carbon-intensive energy mixes.

Moderating scrap exports through a universal export duty aligns with the EU's objectives on circular economy, climate action, and strategic autonomy, while safeguarding current and future investments in EU recycling capacity.

Aluminium scrap is a strategic secondary raw material. Recycling it domestically can help close material loops and reduce dependence on imported primary

---

<sup>1</sup> GATT Article XI states that, while prohibiting WTO members from using quantitative restrictions—such as quotas, bans, or licensing requirements—on imports or exports, it allows temporary export restrictions to prevent or relieve critical shortages ([here](#)).



aluminium. Estimations predict that the European aluminium industry could absorb approximately 2 additional million tonnes of scrap (across all types). Given this, the EU must ensure sufficient volumes of aluminium scrap for European recyclers first, before allowing exports.

For the European non-ferrous metals sector, it is essential that any trade measure preserves the integrity of the EU Single Market and avoids fragmentation between Member States. At the same time, due consideration should be given to the EU's broader economic relationships with EEA, EFTA, and UK partners, ensuring that the chosen instrument remains coherent, legally sound, and operationally workable across interconnected European value chains. In view of this, EEA and EFTA countries should be exempted from the erga omnes export duty.

- **It is a simpler and more transparent measure to administer:** Since the erga omnes export duty is one uniform duty, applied at the point of export, it is easier and more straightforward for customs authorities to enforce.

Building on existing customs systems, it reduces administrative burden and decreases the risk of circumvention, fraud and misclassification.

## 2. Tariff Rate Quotas (TRQs) on Aluminium Scrap Export

A fallback option to the adoption of an erga omnes export duty is the application of a Tariff Rate Quota (TRQ) designed on the following criteria:

- **The TRQ must cover all types of aluminium scrap classified under HS 76.02.** If a TRQ applies only to selected subcategories, it can increase the risk that traders could reclassify aluminium scrap to fall outside the restricted categories. This would ultimately undermine the effectiveness of the measure and increase the risk of enforcement disputes.

In addition, **the TRQ should be set at a global level to avoid circumvention risks.**

However, any global TRQ should include destination country-specific caps, ensuring that no single third country absorbs a disproportionate share of EU aluminium scrap exports and preventing renewed concentration of exports to a limited number of markets.

- **The TRQ should be set at the average level of EU aluminium scrap exports over the 2014-2019 period.** It is important that the TRQ reflects the volume and



quantity of aluminium scrap exports before the recent surge and structural market distortion driven by third countries deliberately overpaying for scrap.

This could help reverse the post-2018 export surge and restore a more balanced pattern that existed before market distortions increased.

- **The TRQ should be made as a two-stage tariff rate quota system, including an in-quota and an out-of-quota duty.** This can be preferable because it combines flexibility with effectiveness, ensuring that the measure influences trade behaviour without causing market disruption.

By allowing exporters and downstream users to benefit from a graduated system, it can avoid the risk of the so-called “cliff-edge” effect that could suddenly increase tariffs when a pre-set quota limit is exceeded, destabilising prices and the supply chain.

In addition, this two-stage system can be easier to defend as more proportionate and non-arbitrary, demonstrating that the aim is to moderate the export flows and not prohibit them, ensuring compliance under the WTO law.

- **The TRQ should apply on a monthly basis and exclude any possibility of carrying over unused quotas from one month to another.** A monthly application is preferable because it improves effectiveness, predictability, and enforceability, especially for volatile commodity markets such as aluminium scrap.

This application can smooth export flows and prevent front-loading. If a TRQ is applied annually, it can cause the risk that exporters can accelerate shipments at the beginning of the year to secure in-quota access. This could potentially exhaust the quota within a short period, rendering the mechanism ineffective for the rest of the year. A monthly TRQ can, instead, spread the export volumes more uniformly over time, preventing front-loading strategies.

In addition, the TRQ should exclude the scenario where unused quotas are carried over from one month to the next. Such a quota rollover would undermine the objective of stabilising domestic availability and reduce the incentive to moderate exports monthly.

- **The TRQ should apply temporarily, subject to periodical review, and adjusted in light of market developments.** Since aluminium scrap markets are dynamic, considering that aluminium scrap prices and export flows can fluctuate



significantly, the TRQ requires more flexibility. This must be balanced against the need for investor certainty (i.e. a company looking to proceed with an investment in aluminium recycling must be confident that the export measure will not be removed -or significantly weakened- during a review).

Applying a permanent and rigid TRQ may affect domestic supplies, distort prices, and over/under-restrict exports, depending on whether the TRQ is set at a higher or lower level. Temporary application and regular adjustments based on market data allow quick responses to market realities, ensuring proportionality and efficiency.

Moreover, including a review mechanism to assess its effectiveness can help adjust the measure to market volatility, correct unintended effects, and ensure that the measure remains consistent with the evolving EU's circular economy and climate objectives.

## Market Context and Strategic Considerations

Recent trade data confirm that EU aluminium scrap exports reached record levels in 2025, amounting to approximately 1.3 million tonnes, exceeding already elevated 2024 volumes. The increase in 2025<sup>2</sup> was driven by stronger exports to Asian countries, including India (+12%), China (+79%) and Hong Kong (+35%), as well as to the United States (68%), illustrating the accelerating nature of scrap outflows. This creates strong concentration risks in a small set of destination markets. The escalation of U.S. Section 232 tariffs has amplified these distortions: tariffs on aluminium products were increased to 50% in June 2025, while scrap has reportedly faced a much lower tariff level, intensifying arbitrage incentives and shifting trade flows.

Aluminium is a strategic and critical raw material capable of being recycled indefinitely without loss of its intrinsic properties. It is indispensable for a climate-neutral and circular economy and is widely used in transport, construction, renewable energy, digital technologies, and defence applications, reinforcing its importance for European economic security and resilience.

The European aluminium industry has invested more than €700 million in recent years to expand and modernise recycling capacity, resulting in an additional recycling capacity of approximately 1 million tonnes across the EU and EEA. Ensuring access to sufficient scrap feedstock is essential to safeguard these investments and deliver on EU climate, circular economy, and strategic autonomy objectives.

---

<sup>2</sup> November YTD data i.e. Jan to Nov 2025 vs Jan to Nov 2024



## Conclusion

The necessity of a trade measure to address aluminium scrap exports is overwhelmingly clear. The European Commission must therefore act to correct this public policy failure that is allowing aluminium scrap with a low carbon footprint leave the European Union. This ultimately benefits smelters in third countries that utilise significantly more carbon-intensive energy mixes to then smelt and re-send products to the EU, undermining our own industry.

### Contact:

**Carmine CARINCI**, International Trade & Responsible Supply Chain Policy Manager | [carinci@european-metals.eu](mailto:carinci@european-metals.eu) | +32 493 19 20 08