European Metals Statement on the EU-Indonesia Comprehensive Economic Partnership Agreement

As the EU-Indonesia Comprehensive Economic Partnership Agreement (CEPA) moves to the Council for its signature and conclusion, European Metals, the European non-ferrous metals association, is concerned that the agreement, in its current form, can undermine Europe's strategic metals production base.

While the agreement aims to diversify supply chains of critical raw materials, **granting duty-free access to these materials from countries like Indonesia - which directly compete with European primary production, refining and recycling capacity due to their massively developed state-backed production (i.e. aluminium) - is not viable** in the absence of a level playing field and effective safeguards.

This and other FTAs (i.e. Malaysia, UAE) should ensure protection for the European non-ferrous metals production and extraction. Liberalising the EU market access for strategic sectors such as aluminium, without enforceable safeguards, undermines European domestic capacity and the objectives of the ResourceEU Action Plan Communication, Industrial Accelerator Act, Clean Industrial Deal and the Critical Raw Materials Act.

In addition, the EU-Indonesia CEPA doesn't include any provisions to address Indonesia's downstream strategy on CRMs and the very large state-backed investment participation in refining and smelting capacity. Indonesia continues to maintain in place domestic processing requirements and restrictions on exports of unprocessed ores (i.e. nickel, bauxite, tin). For European smelters and refiners, this has meant reduced overall competitiveness and access to cleaner, domestically sourced raw materials, higher costs, mining permit restrictions and stronger competition from Chinese companies, which were favoured by Indonesia's downstream policy.

For example, in the aluminium industry, Indonesia is rapidly expanding its primary aluminium, alumina and recycling capacity. This boom is largely due to investments into new projects heavily funded by China, which has reached its 45 million tonnes/year cap on domestic aluminium production and is now looking to other countries like Vietnam and

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Indonesia. Indonesia's alumina refining capacity could increase from around 9 million tonnes per year to almost 30 million tonnes if planned projects go ahead, while aluminium smelting capacity could rise sharply from around 1.13 – 1.97 million tonnes today to as much as 14.9 million tonnes by the mid-2030s[1].

This means that **access under the FTA will enable large volumes of Indonesian aluminium to enter the EU market at 0% tariffs, directly undermining EU producers that face higher energy, carbon, regulatory and financing costs**.

We call on the EU to rethink its blanket tariff liberalisation strategy for strategic and critical raw materials in the FTAs. Effective safeguards for strategic sectors (i.e. aluminium) should be included in FTAs to ensure that these agreements deliver their full benefits to EU industry and strengthen its competitiveness.

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European Metals *is an umbrella association representing the interests of the combined non-ferrous metals industry towards EU policy makers. We bring together the companies and associations shaping Europe's non-ferrous metals ecosystem: from upstream mining and refining to downstream use and high-quality recycling. By connecting technical expertise with policy action, we ensure that the importance of the metals sector is recognised, valued, and that our sector's future is secured. For more information, visit our website: https://european-metals.eu/*

[1] AlCircle (2026) Indonesia's alumina, aluminium boom could trigger a new captive coal surge, warns CREA (link)

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