



European Metals Response to Commission Public Consultation on the Trade Sustainability Impact Assessment for EU-Gulf Countries FTA Negotiations

Introduction

European Metals, the European non-ferrous metals association, welcomes the opportunity to provide feedback to the European Commission Public Consultation on the Trade Sustainability Impact Assessment (SIA) in support of Free Trade Agreement (FTA) negotiations between the EU and the Gulf Cooperation Council (GCC) countries.

European Metals supports the objectives of the Critical Raw Materials Act and the ResourceEU Action Plan to secure the EU's supply of critical raw materials and reduce strategic dependencies on external suppliers.

To achieve these objectives, the European non-ferrous metals industry believes that the EU should adopt a sector-specific approach to tariff liberalisation when negotiating FTAs with third countries, including the Gulf countries.

Key Recommendations

In view of the negotiations with the GCC countries, the SIA should take into consideration the following key messages¹:

- **Ensure a tailored approach to tariff liberalisation of critical raw materials, with the exclusion of aluminium products under HS Chapter 76**

The European Commission should look at the EU industrial base of critical raw materials and adopt a tailored approach for tariff liberalisation. It is crucial to distinguish between those critical raw materials for which the priority is to preserve the European

¹ The outlined key messages and our response to this consultation serve to complement the response submitted by European Aluminium.



manufacturing industry (i.e. aluminium, silicon, base metal mining), and those for which there is a lack of industrial capacity in Europe.

Additionally, a comprehensive, sector-specific economic, environmental and social impact assessment should be the basis of any tariff liberalisation. The EU and GCC non-ferrous metals industries operate under different economic, social and environmental conditions. European producers are confronted with high energy, climate, regulatory, social security and labour costs, undermining the EU's competitiveness, while Gulf producers can benefit from different market structures, which can also involve state ownership and state support.

This is especially the case for the European aluminium industry. The GCC is one of the world's major producers and exporters of primary aluminium, accounting for approximately 8% of global primary aluminium production. The removal of the existing EU import tariffs on aluminium products would penalise European producers even further. This will come with the risk of displacement of aluminium production outside Europe, increasing import dependencies and losses of quality jobs in Europe.

Any overall assessment of the agreement should distinguish between economic gains and the serious negative consequences for strategic EU non-ferrous metals industries.

Therefore, we call on the European Commission to exclude aluminium products under HS Chapter 76 from tariff liberalisation.

- **Ensure strict rules of origin throughout the negotiations.**

EU trade negotiations with the GCC should also be based on strict rules of origin, especially for chapters 71, 74 – 81. Any relaxations of these rules would enable products from the GCC countries to obtain origin status and enter the EU market, disrupting the EU's metal value chain.

The impact assessment should consider not only the EU's existing industrial capacity but also existing and planned investments across the entire non-ferrous metals value chain. In the case of aluminium, it should take into account the increasing degree of vertical integration and the potential effects of tariff liberalisation on both primary aluminium production and downstream activities. This is essential due to the nature of any FTAs, which create long-term commitments.

The impact assessment should also consider the risk of trade diversion when trade shifts from one country or supplier to another because of changes in tariffs, trade agreements or other trade policies. For example, as the GCC is a major global exporter of primary



aluminium, tariffs or other restrictions in third countries may redirect significant volumes towards the EU.

In this context, strict rules of origin should be applied to provide effective safeguards against circumvention and transshipment, ensuring that preferential treatment is granted only to products that meet the applicable requirements for substantial transformation in the partner country.

- **Include clear, consistent social, environmental, and climate considerations**

Europe has some of the highest social, environmental, and climate standards worldwide. For instance, the EU has established an ambitious due diligence framework with the Corporate Sustainability Due Diligence Directive, the Corporate Sustainability Reporting Directive, the EU Batteries Regulation, and the EU Forced Labour Regulation. This increases transparency and accountability in companies' environmental and social practices.

The Commission should therefore take the European sustainability standards and practices as the benchmark in the negotiations of future trade agreements with the Gulf countries to ensure a level playing field. The impact assessment should analyse the labour and human rights conditions across the entire non-ferrous metals value chain. Many international organisations, trade unions and civil societies have raised concerns regarding migrant and worker protections, freedom of association, collective bargaining and other labour rights in the region².

In addition, the high carbon footprint related to the production of some raw materials (i.e. aluminium) in the Gulf region makes it crucial to assess tariff liberalisation against the EU's climate objectives instead of mainly the changes in bilateral trade volumes. Trade agreements with the GCC countries should thoroughly consider the risk of carbon leakage caused by the import into the EU of products that have a higher carbon footprint and environmental emissions (i.e. primary aluminium).

In addition, the SIA should take into account the GCC strategy on metal scrap and its effects on the EU's extensive network of recycling facilities. The United Arab Emirates has included a temporary export ban on aluminium, copper, and steel scrap for an initial period of four months (10 June to 8 October 2026)³. The SIA should therefore assess the effect of these restrictions, and any trade agreement should legally ensure the EU's

² [International Trade Union Confederation, 2025 Global Rights Index](#)

³ [Customs Notice No. \(13/2026\) Regarding the Temporary Ban on the Export of Certain Waste For Industrial Use](#)



possibility to respond to export bans, duties and similar measures on metal scrap and critical raw materials.

Conclusion

The SIA should assess the impact of current and future EU-GCC countries' trade negotiations with the aim of preserving the EU critical raw materials value chain, the circular economy and decarbonisation objectives, and industrial competitiveness.

The EU Commission and relevant authorities should engage with the non-ferrous metals industry throughout the entire phase of negotiations with the GCC countries to ensure that those agreements safeguard the EU non-ferrous metals industrial capacity (particularly the aluminium industry).

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European Metals

European Metals is an umbrella association representing the interests of the combined non-ferrous metals industry towards EU policymakers. 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/>