

TO: Mr Stéphane Séjourné, European Commissioner for Prosperity and Industrial Strategy; Mr Wopke Hoekstra, Commissioner for Climate, Net Zero and Clean Growth

CC: Executive Vice-President Teresa RIBERA - Clean, Just and Competitive Transition; Commissioner for Trade and Economic Security, Interinstitutional Relations and Transparency Mr Maroš ŠEFČOVIČ; Kurt VANDENBERGHE, Director General DG CLIMA; Mr Gerassimos THOMAS, Director General DG TAXUD; Ms Kerstin JORNA, Director General DG GROW; Sabine Weyand, Director General DG TRADE; Mr Vicente HURTADO ROA, Head of Unit - CBAM, Energy and Green Taxation (TAXUD.C.2); Ms Astrid VAN MIERLO, Head of unit - Economic Analysis and Taxation of Exempted Sectors (TAXUD.C.5); Mr Heiko KUNST, Head of Unit - ETS (II): Implementation, Policy Support & ETS Registry (CLIMA.B.2); Ms Mette Koefoed QUINN - ETS (I): Policy Coordination, International Carbon Markets (CLIMA.B.1)

Subject: Follow-up to the High-Level Dialogue on the CBAM: export solution and scrap coverage

4 November 2025

Dear Vice-President, Séjourné,

Dear Commissioner Hoekstra,

On behalf of European Aluminium, I would like to thank you sincerely for organising the CBAM High-Level Dialogue last 28 October and for inviting our industry to contribute to this important exchange. Aluminium plays a critical role in Europe's clean industrial transition. A well-functioning CBAM is essential to ensure that climate ambition and industrial competitiveness go hand in hand. Given that aluminium is classified as both a Critical and Strategic Raw Material, we must limit as much as possible the negative impact CBAM will have on our industry. Its evident shortcomings must be fixed as a matter of priority. As reiterated during the discussion, we welcome the Commission's intention to introduce an export solution under the forthcoming revision of the Regulation and strengthen the framework with stronger anti-circumvention provisions. These are two priority actions strongly supported by our industry.

However, further to the exchanges during the meeting, **we have serious concerns about the proposed design of the Exports solution and the announced intention to include only pre-consumer aluminium scrap in CBAM:** To mitigate the detrimental impact of CBAM on the European Aluminium value chain, the following improvements are needed:

Firstly, the export solution under consideration by DG CLIMA is limited to installations under the EU ETS and compensates only for the phase-out of ETS free allocations. This solution would not provide carbon leakage protection to downstream aluminium installations producing CBAM goods and to their customers for export.

This is because the vast majority of European aluminium installations exporting CBAM goods are downstream facilities that are not in the scope of the EU ETS and, therefore, would not be eligible under the export solution presented by the European Commission. These producers will nonetheless face significant cost increases due to the CBAM's and ETS's impact on aluminium prices, particularly the European Duty-Paid Premium (EDP). These costs, driven by Europe's structural dependence on imported primary aluminium, will not be borne by our international competitors.

To ensure the export solution is both fair and effective, it should:

- **Compensate for the increase in raw material costs resulting from CBAM's effect on the European aluminium market, in addition to costs linked to the phase-out of free allocation, and**

- **Include installations not covered by the EU ETS, especially those affected by the rising metal input costs reflected in the London Metals Exchange (LME) price and EDP.**

Secondly, regarding aluminium scrap, we are concerned that limiting CBAM coverage to pre-consumer aluminium scrap in CBAM would still leave a major loophole in the system. This approach would not stop the possibility of avoiding the CBAM charge. Aluminium producers in third countries could simply use or claim content of post-consumer scrap instead to reduce their CBAM cost¹. The downstream European transformation and recycling industry, on the other hand, will continue to face the full implied carbon costs of CBAM and EU ETS due to the very close correlation between the price of primary and secondary aluminium in Europe. This would undermine both the environmental integrity of the mechanism and the level playing field for European producers. An additional complicating factor is that it will remain impossible to distinguish between the pre- and post-consumer scrap content in an imported product and verify it at the European border

We therefore strongly reiterate our call² for a single default value for unwrought aluminium, whether imported as a standalone product or as a precursor within more complex CBAM goods. This default value should be based on the average CO₂ intensity of primary aluminium production in the country of smelting, without distinguishing between primary and secondary routes. There should be no distinction between pre-consumer and post-consumer scrap.

Should the Commission decide to still allow for actual emissions for primary aluminium and apply a default value only for scrap, we recommend **at the very least not to introduce a distinction between pre and post-consumer scrap, and to apply instead a default value to all aluminium scrap used in CBAM goods at the same level as the average emission intensity of primary aluminium production in the declared country of origin.** We believe that scrap itself (CN Code 7602) should remain out of the product scope of CBAM, as is currently the case.

Such a design would close the loophole based on the use of scrap and help mirror the carbon costs paid by European producers within Europe, which are paid across their whole value chain (i) for their own emissions, via the ETS system and (ii) for upstream emissions, via the impact of CBAM and ETS on the price for aluminium on the European market.

If, however, aluminium scrap (CN Code 7602) were to be added to the CBAM product scope, the emissions value should be a default value based on primary aluminium production, similar to the default value we propose for aluminium used as a precursor. The same default value should apply to all types of scrap, without distinction between pre- and post-consumer scrap.

We remain at your disposal to provide technical input and concrete data to help deliver a balanced and workable solution for our industry and Europe's broader industrial base.

We would appreciate discussing our proposals in a meeting at your earliest convenience.

Yours sincerely,


Paul Voss

¹ See also Chapter 6 (p. 48) of European Aluminium/Ramboll [study](#) on the impact of CBAM on Alumina & Scrap Markets (April 2025)

² See European Aluminium position papers [here](#) (April 2025) and [here](#) (August 2025)