

26 January 2021 13:00 – 14:30

## Event report

On the 26<sup>th</sup> of January, the European Parliament Sustainable, Long-term Investments & Competitive European Industry Intergroup and European Aluminium co-organised an online event on “*Protecting the competitiveness of low carbon and circular industries in Europe: the case of Aluminium*”.

Intergroup Chairs **Ms. Carvalho** and **Ms. Bonafé** underlined that the European aluminium industry can count on the support of the Intergroup in facing critical challenges when it comes to access to carbon-neutral energy and safeguarding its competitiveness. They highlighted the essential role of circular economy and of research and innovation in driving the aluminium industry towards a brighter future. **Ms. Solis Perez** and **Mr. Grudler** noted the challenges of decarbonising energy-intensive industries while ensuring a level playing field *vis-à-vis* non-European competitors. MEPs saw the European aluminium industry’s potential and welcomed the sector’s [Vision 2050](#) and [Circular Aluminium Action Plan](#). **Ms Danielle La porta from the World Bank** highlighted the strategic role of Aluminium for the energy transition and the expected global demand growth, especially for wind and solar energy applications.

**Ms. Asimakopoulou** warned about the negative impact of the proposed draft technical rules of the EU Taxonomy Regulation, currently under negotiation. She said the European Commission should make sure the final criteria take into account the global dimension of strategic industries like aluminium and do not hinder sustainable investments. She underlined that predictability, practicability, geopolitical considerations and favouring the green transition of industry would be key aspects to take into account in the upcoming fit for 55% package. She also warned that a carbon border adjustment measure could have severe unintended consequences if not carefully designed.

**Mr Emilio Braghi**, Chairman of European Aluminium explained that electricity costs are by far the critical competitiveness burden compared to primary smelters outside Europe. “*Competitive energy pricing will be crucial and should go hand in hand with decarbonising energy sources without increasing costs for industry*” he said. He explained that a carbon border adjustment measure on aluminium would not achieve a reduction in global emissions, protect European producers and reduce the bloc’s dependence on imports, given China’s capability to transfer its low-carbon primary and downstream products to the European market while continuing to export its high carbon products to other regions. Boosting Aluminium’s circularity in Europe would be a better way to decarbonise and reduce dependence from third countries.

**Ambassador Lourtie** presented the ongoing work of the EU Presidency on the Climate law and the recent discussions in the Council on how to balance competitiveness and the green transformation of industry in Europe. On the Commission’s side, **Mr Handley, Head of the Energy Intensives Unit at DG GROW**, referred



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to the recently launched European Raw Materials Alliance as a tool to improve the security of supply and the sustainability of imports while bringing together all members of the value chain and identifying a pipeline of investments. He acknowledged aluminium's recyclability, the related benefits in terms of reducing GHG emissions and the need to revisit formal mining operations when it comes to bauxite extractions. He stressed the need to develop greater resilience, strategic autonomy and explained that the availability of affordable and accessible low carbon electricity is a crucial aspect that the Commission is looking into it together with colleagues from DG Energy.

In her closing remarks, **Intergroup's Chair Ms Carvalho** pointed six takeaways: 1) the importance of accessible, sustainable and affordable climate-neutral electricity for industry; 2) the need to recognise circularity in the upcoming revision of the ETS; 3) the EU Taxonomy should take into account global competition between sectors; 4) the importance of raw materials; 5) the need to boost Research and innovation; 6) and finally ensure simplification of EU rules for accessing funding.