european aluminium association

Press Release

Aluminium industry urges EU to close competitiveness gap to retain sustainability leadership

Brussels, 27 November 2013: Releasing today its 2012 sustainability performance indicators, the aluminium industry urged European policy-makers to address the major competitiveness gap caused by EU policies. At a conference organised by the European Aluminium Association (EAA), industry CEOs presented an Agenda for Action to effectively enable jobs and growth in Europe.

The latest sustainability performance indicators published today by the European Aluminium Association show that despite growing demand and continuous environmental leadership, the EU's production base is now at stake. *"Europe's aluminium primary production capacity has declined by over a third between 2007 and 2012. This trend will not be reversed unless urgent measures are taken,"* EAA Director General Gerd Götz said. *"Europe needs to retain its industry to create jobs, foster growth and maintain sustainability leadership".*

The industry's call for action follows a European Commission study produced by the Centre for European Policy Studies (CEPS) that concluded that EU plants fully exposed to EU policies have become the least competitive globally while assets still operating under historic conditions remain amongst the most competitive.

The EAA Chairman (Aleris) Roeland Baan said: *"The costs added by EU policies on our industry have no equivalent across the World. Despite its strategic importance, a world-class industry, leading on safety, carbon emissions and recycling is now losing ground in Europe. This competitiveness gap must be decisively addressed, and this is why today we are bringing to the attention of the Commission a constructive Agenda for Action."*

The industry's Agenda for Action notably calls to acknowledge in policies the case of strategic sectors that are most impacted by EU policy costs and cannot pass on any of these costs in their value chain. This is the case for aluminium, with compliance costs of up to €228 per tonne - when fully exposed to the costs deriving from EU regulation – whilst being reliant on globally fixed prices on the London Metals Exchange.

Today's conference marks the start of a series of stakeholders' debates both at EU and national levels to address the sustainability and competitiveness challenges for the Aluminium industry value chain across Europe.

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Sustainable Development Indicators for the aluminium industry in Europe – 2012 Key Facts and Figures

The EAA has been monitoring the industry's performance since 1997 and in 2002 started regularly reporting on an extensive list of SDIs, placing the aluminium industry among the first sectors to undertake such an ambitious task.

The highlights of the 2012 update notably showed the following:

Economic indicators: growing demand, yet worrying decrease in production

- Aluminium is a key player for Europe: 36.8 € billion annual turnover, 16% of the world's total production, half of which from recycled sources.
- EU primary production decreased by 36% since 2007 (i.e. – 1 Mt or 11 smelters closed or curtailed out of 24 facilities) and semi-fabrication has not yet regained pre-crisis levels.
- On top, exports of aluminium scrap are dramatically increasing, compromising the growth of Europe's recycling industry
- As a consequence, Europe's consumption is covered by imports for more than 50% in 2013.

Social indicators: still a strong provider of jobs, although the trend is on the decline

- The European aluminium industry directly employs 80,000 people for the metal supply. When including companies involved in related processes throughout the value chain, the estimation of direct jobs reaches 255,000 people. On top it is estimated that about 1 Million indirect jobs are dependent on aluminium.
- Since the 2008 crisis, the total number of employees has decreased by 16%: - 29% for the metal supply, - 11% for the semi-fabrication and - 14% for R&D jobs.
- Continued strong investments over more than 10 years in safety, prevention and training programmes has led to impressive progress with a 79% reduction in Total Recordable Incident Rate.

Environmental indicators: continued emissions reductions, whilst improving energy efficiency

- Since the 1990s, the industry has reduced its CO2 equivalent emissions by – 53% for its primary production and by over 90% for PerFluorocarbon (PFC) emissions from the electrolytic process.
- GHG emissions from semi-fabrication have been reduced by 7% since 2002 and on average, the aluminium industry as a whole has reduced its GHG emissions by 4% annually since 1997.

Use phase and recycling: aluminium is a key contributor to the EU climate, energy and waste goals

- The amount of aluminium used per car produced in Europe almost tripled between 1990 and 2012, reaching 140 kg. Weight savings presently achieved lead to an average annual fuel saving of 65 litres per car and a reduction in CO_2 emissions of 6.8% since 2000.
- Intelligent building façades incorporating aluminium systems can decrease energy consumption by up to 50% by optimising interactions with the exterior throughout the seasons.
- Due to its unique properties as an efficient barrier for air and light, a minimal amount of aluminium is sufficient to package valuable foodstuffs and drinks and helps to avoid food spoilage.
- Aluminium products reaching their end-of-life in Europe enjoy high recycling rates ranging from above 90% in the automotive (cars and trucks) and building sectors to about 60% of all aluminium in packaging.

About the European Aluminium Association:
The European Aluminium Association, founded in 1981, represents the whole value chain of the aluminium industry in Europe, from alumina and primary production to semi-finished, end-use products and recycling. The European aluminium industry directly employs about 255,000 people and yields an annual turnover of 36.8 billion €. *For information, please visit www.alueurope.eu*

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