



PRESS RELEASE:

Joint position paper on the “Urgent need for the elimination of EU import tariffs on raw aluminium”

FACE urgently calls the European Commission and Member States to zero (total suspension) the outdated, economically absurd and damaging EU import tariff structure of 3 to 6% that still applies to the raw materials for our aluminium industry.

FACE announces the release of its first joint position paper with Italian and German associations Amafond, Assofermet, Assofond and BWA on Tuesday 6th of July, 2021.

We believe that the current EU tariff structure on unwrought aluminium has long been proven ineffective against the delocalisation of primary production, and has put the entire EU downstream aluminium sector under a severe competitive disadvantage : since 1999, when FACE started its anti-tariff advocacy, the European downstream transformers and final users, essentially SMEs and who account for more than 90% of the EU aluminium workforce, have been paying an artificial overcost estimated at more than € 22 billion (up to €1 billion or more annually, studies of the LUISS University in Rome, 2014 and 2019, other sources and FACE calculations).

There is no economic or policy relevance to maintain import tariffs on a raw material that is in massive deficit in the EU market. Since 2008, Europe has additionally lost 30% of its primary aluminium production capacity, now reduced to 2 million tonnes annually. As a result, Europe is a growing net importer of primary aluminium, meeting over 74% of its demand through imports.

We believe that it is now time for the European Union, given the COVID19 crisis, fierce international competition and the twin transition introduced by the EU Green Deal and the digital agenda, to remove the current tariff structure altogether as a measure of economic recovery support and a competitiveness stimulus to the European downstream aluminium SMEs, which are facing their biggest bottleneck in decades.

Besides, the European Union is also responsible for ensuring the competitiveness and the sustainable future of all industries and value chains in the EU. The Union’s founding Treaty in Article 173 TFEU, calls for industrial competitiveness through more open markets, while taking better care of the economic environment of SMEs. And the economic sustainability of SMEs has been reaffirmed within the current EU industrial strategy under Commissioner Thierry Bretton.



Having regard to the above, FACE's position is that there is an urgent need and an obligation on the part of the Union institutions for the suspension to 0% on all unwrought non alloyed and alloyed aluminium.

A zero tariff on unwrought non alloyed and alloyed aluminium (raw aluminium) would favor the whole of the EU aluminium system, the downstream transformers, such as rollers and extruders, the foundry casters, the remelters and all the final users. Finally, and although the European aluminium industry was unanimous in rejecting the CBAM, FACE stresses that the risk of any such border mechanism or equivalent adds to the urgency of the total tariff suspension on raw aluminium, not only because the burden of the tariff does not help the flow of metal in the EU, but also why the elimination of the overcost generated by this tariff structure will mitigate the eventual additional burden than the CBAM could inflict on downstream SMEs when it would enter into force.

FEDERATION OF ALUMINIUM CONSUMERS IN EUROPE

FACE was founded in 1999 to specifically defend the interests of the EU independent downstream aluminium transformers, users and consumers.

Based in Brussels, FACE advocates for the liberalisation of raw materials, protecting the EU's manufacturing base, supporting a rules-based and fair international system with the WTO at its core, and for the global transformation towards a low-carbon economy with aluminium as the ideal material for attaining sustainability goals. (face-aluminium.com).

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