



ALUMINIUM MARKETS IN EUROPE: NAVIGATING THROUGH TURMOIL 2026 AND 2027 OUTLOOK

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- Possibility to join our market groups & the Innovation Hub – *additional benefits*
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- Full access to our extranet (CRM tool)
- Inclusion of your logo on website

TABLE OF CONTENT

- 1 Metal supply: challenges & outlook
- 2 Semis shipments: challenges & outlook
- 3 A new geopolitical landscape: trade & climate
- 4 Conclusions



1

METAL SUPPLY

- Persian Gulf War: latest updates
- Primary production forecasts : Global and Europe
- Aluminium scrap: a strategic raw material

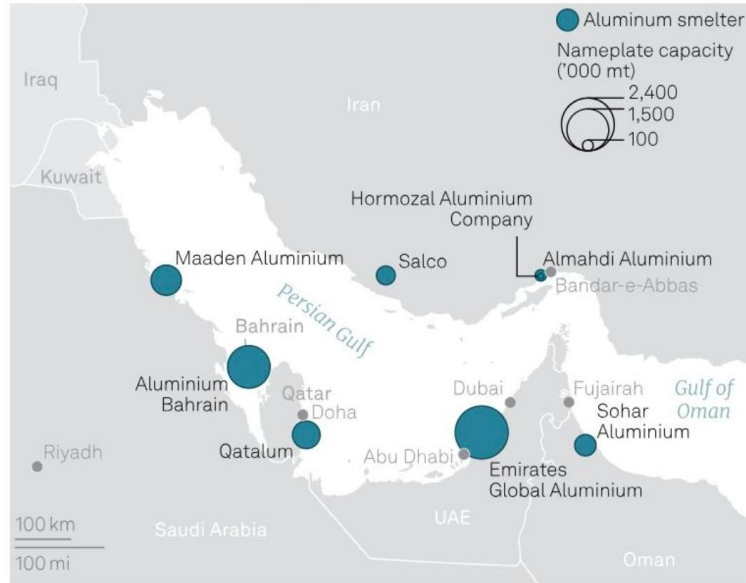


The Persian Gulf*, a strategic aluminium production hub

Persian Gulf produces about 6.8 Mio tonnes of primary aluminium: 6% of the global primary production but 23% of the global production outside of China...

Persian Gulf is the largest exporting region worldwide for primary aluminium.

Top primary aluminum producers in the Persian Gulf



Source: S&P Global Energy
Aluminium, anything but basic!

Production (in kt)	2025 volumes
UAE	2.690
Bahrain	1.623
S. Arabia	836
Iran	620
Qatar	650
Oman	401
Total	6.820

Source: CRU data

Latest announced developments*

- ➔ [1.6 Mio tonnes production shutdown \(Al Taweelah\)](#)
- ➔ [Halted shipments, Iranian airstrike](#)
- ➔ **Quid of the production ?**
- ➔ [Controlled shutdown](#)

The recent closure of the strait of Hormuz creates additional supply chain issues:

- Exports of primary aluminium to third countries
- Imports of raw materials (alumina/bauxite) to produce primary aluminium

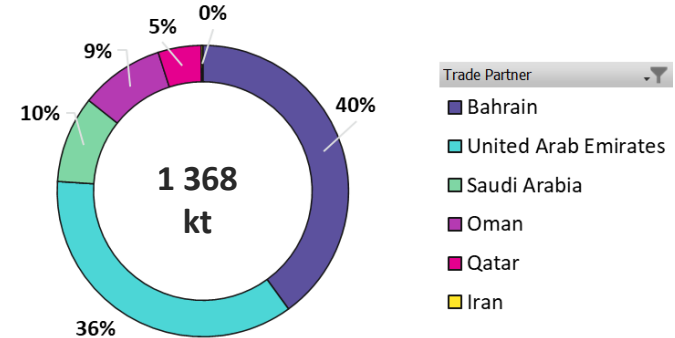
The Persian Gulf*, a key trade partner for the EU

- In 2025, EU imported 1 368 ktonnes of aluminium products (HS 76) from the Persian Gulf.
- EU import dependency on the Persian Gulf from aluminium products is mainly related to HS 7614 (stranded wire, cable) i.e. 20% , HS 7601 (ingots) i.e. 19%, HS 7605 (wire rod) i.e. 19% and HS 7603 (powders, flakes) i.e. 16%.
- In volumes, ingots (HS 7601) represented 86% of the imports followed by wire rod (5%), sheets (4%), waste & scrap (3%).

2025 EU imports from Persian Gulf*	Volumes (kt)	Share (%)
7601	1.173	86%
7605	65	5%
7606	58	4%
7602	40	3%
Other	32	2%
Total	1.368	100%

2025 EU imports from Persian Gulf*	Share of total EU imports (%)
7614	20%
7601	19%
7605	19%
7603	16%
7606	5%
7602	6%
Total	14%

2025 EU imports of aluminium products (HS 76) from Persian Gulf*



Source: European Aluminium analysis based on Eurostat data

Focus: EU imports of aluminium ingots from the Persian Gulf*

- In 2025, EU imported 1 173 ktonnes of aluminium ingots (HS 7601) from the Persian Gulf. Alloyed ingots (HS 7601 20) covered 61% of the imports versus 39% for unalloyed (HS 7601 10).
- In details, the main ingot categories are unalloyed - *other forms* (34%), followed by alloyed billets (26%), alloyed – other forms (20%) and alloyed slabs
- Imports from the Persian Gulf represents 19% of EU imports of ingots (HS 7601) with some differences by ingot types...

2025 EU imports of 7601	Volumes (kt)	Share (%) of EU imports from Persian Gulf*	Share (%) of total EU imports of 7601
76011090	401	34%	13%
76012040	311	26%	24%
76012080	230	20%	21%
76012030	170	14%	22%
76011010	61	5%	37%
Total	1.173	100%	19%

*Iran, Oman, Qatar, S. Arabia, UAE, Bahrain

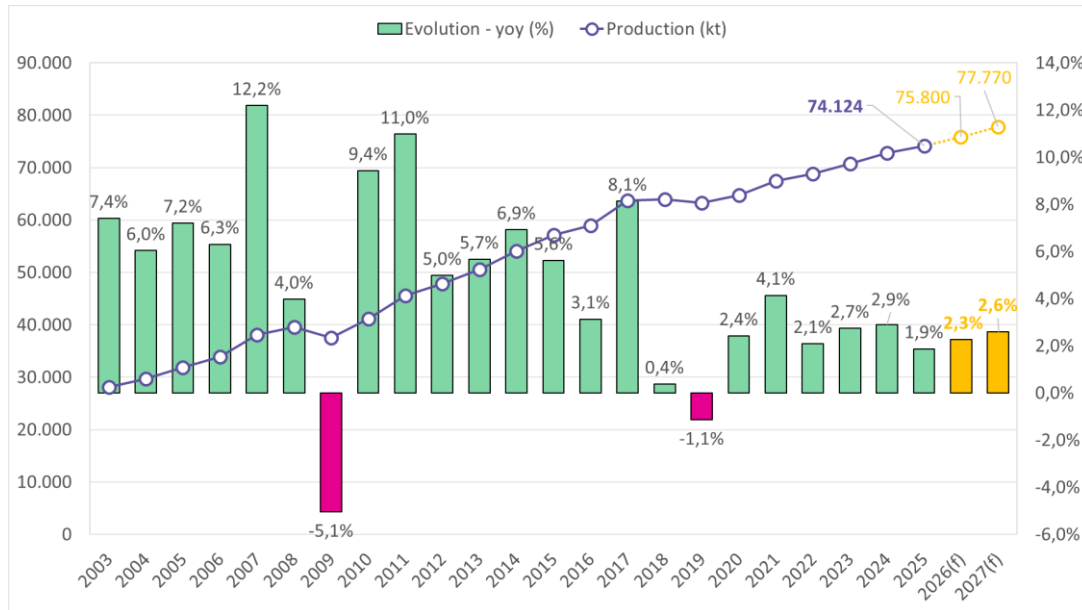
Focus: EU imports by trade partner

Row Labels	Bahrain	United Arab Emirates	Oman	Saudi Arabia	Qatar	Iran	Grand Total
76011010	13.820	39.974	493	7.024			61.312
76011090	149.345	80.278	92.194	48.728	29.638	1.026	401.208
76012030	45.640	123.811	456	11			169.918
76012040	158.575	119.175		16.335	16.428		310.513
76012080	108.299	91.029		12.392	17.881		229.600
Grand Total	475.679	454.268	93.143	84.490	63.947	1.026	1.172.552

Source: European Aluminium analysis based on Eurostat data

What primary production forecasts for 2026 and 2027 ? (1/2)

- In 2025, primary production at global level increased by 1,9% (i.e., +1.4 Mio tonnes).
- Baseline forecasts** foreseen an additional 2.3% and 2,6% growth rate for 2026 and 2027 i.e. +1.7 and 2.0 Mio tonnes mainly driven by Asia (e.g. China, Indonesia; India).
- Middle East production was expected to be flat !



Baseline forecasts**

	2025	2026(f)	2027(f)
China	+808	+275	+225
Asia (excl. China)	+301	+1.053	+1.491
Middle East	+2	-20	+2
Europe	+129	+328	+183
CIS*	+9	+115	+20
North America	-40	+68	+52
Africa	+69	-359	-33
Oceania	+22	+38	+0
Latin America	+60	+177	+30
Total	+1.360	+1.676	+1.970

What primary production forecasts for 2026 and 2027 ? (2/2)

Baseline forecasts**

	2025	2026(f)	2027(f)
China	+808	+275	+225
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Total	+1.360	+1.676	+1.970

**Feb 2026 i.e. prior the beginning of the Persian Gulf War

Several uncertainties on the production ?

- **Middle East:**

- ✓ In a conservative assessment, at least 2 Mio tonnes of production of have been affected based on official announcements from companies (*i.e. EGA, Qatalum, Bahrain*).
- ✓ Full impacts on recent Iranian airstrike on Bahrain are still unknown officially
- ✓ Full impacts of the closure of the strait of Hormuz is unknown on the production of the other smelters in the region e.g. trade (imports / exports) of aluminium products and raw materials.

- **Other regions ?**

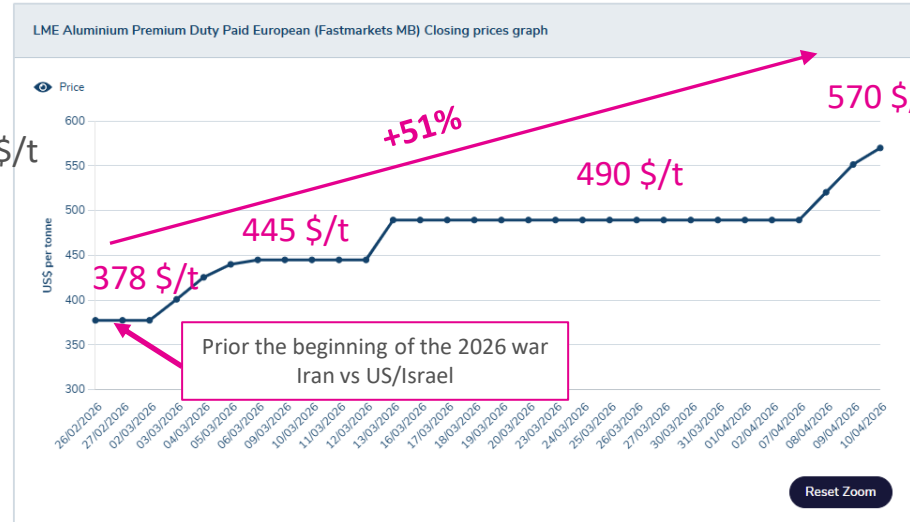
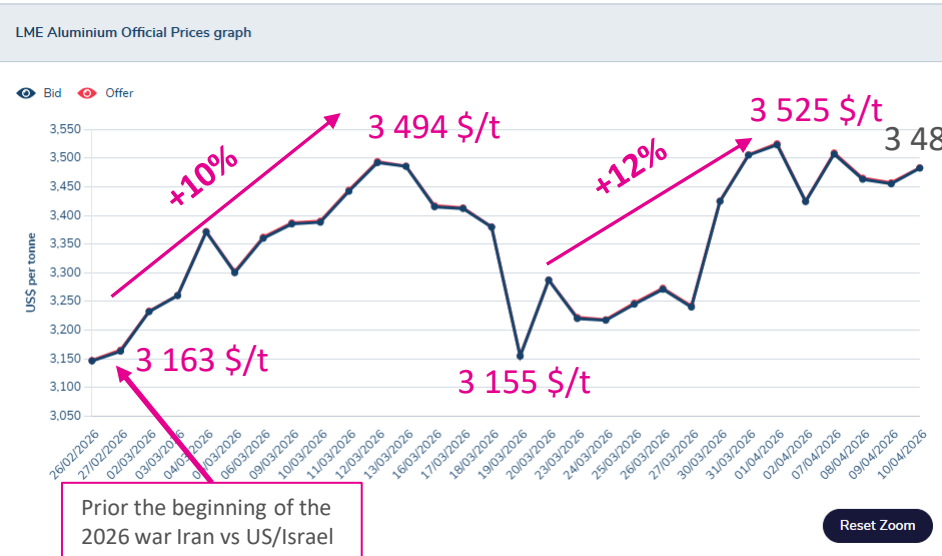
- ✓ Are there additional impacts on the production in other regions ? Higher production costs (e.g. energy) are probably offset by higher prices
- ✓ Will it be possible to compensate the production losses from Middle East on short, medium term ?

Prices evolution: an upward trend driven by the Persian Gulf War

Since the 28th Feb 2026, global aluminium prices have fluctuated with an upward trends (i.e. +10 to 12%). Moreover, European premiums increased by 51% reflecting the importance of Middle East supply for the European aluminium market.

LME – 3 months

European premiums (duty paid) – 3 months



Scrap markets: Which impacts of the Persian Gulf War for Europe?

Without quick and effective policy measures, EU scrap leakage is likely to be exacerbated for 3 main reasons:

1. Increase of global demand for scrap for “substituting” primary ingots

- Persian Gulf produces 6.8 Mio tonnes of primary aluminium and is the largest exporting region for ingots.
- For instance, Persian Gulf represents 19% (i.e. 1.2 Mio tonnes in 2025) of EU and 21% (i.e. 1.4 Mio tonnes in 2025) of US imports of ingots (HS 7601). Moreover, 41% (i.e. 721 ktonnes) of Türkiye imports of ingots (HS 7601) comes from the Persian Gulf.
 - ➔ Additional shocks on the aluminium ingot supply is likely to reinforce the attractiveness of the US market for scrap (e.g. cleaner scrap) and discourage US exports of mixed scrap to Asia.
 - ➔ Demand for scrap for some countries like Türkiye which were relying mainly on primary ingots will increase. Given the geographical proximity, scrap from EU is likely to be an interesting “alternative” including for cleaner scrap.

2. Increase of the raw materials costs (e.g. scrap prices) especially for aluminium producers in Europe

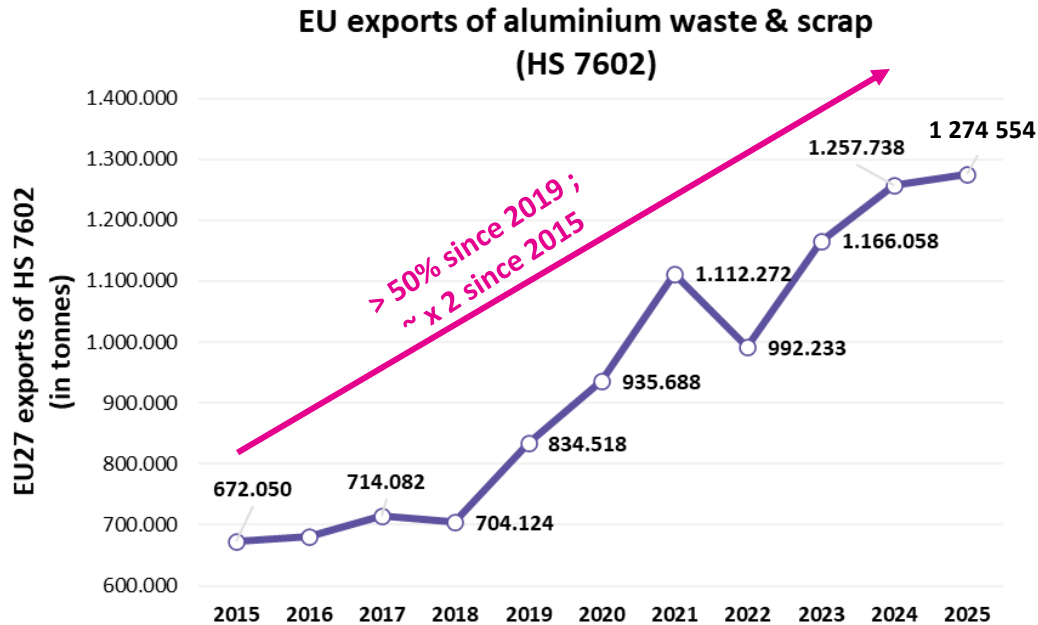
- Scrap prices are correlated to the LME (and regional premiums). Since the beginning of the 2026 war in the Persian Gulf, LME prices have increased by 10 to 12% ; European premiums by more than 50% and US premiums by 10%.
- Scrap prices are likely to be more “under pressure” as the global scrap demand is likely to increase.

3. Less scrap availability (in volumes) for EU producers: i.e. more EU exports and less opportunities to imports...

- In 2025, Persian Gulf countries represented 6% (i.e. 40 kt) of EU imports of scrap (HS 7602). These imports are clearly at risk with the current war and the closure of the Strait of Hormuz.
- Persian Gulf countries represented 2% (i.e. 25kt) of EU exports of scrap (HS 7602). However, given the growing demand for scrap (see above), these exports will be redirected to other regions worldwide (e.g. US, Asia).
- For instance, Middle East represents about 15% (i.e. 268 kt in 2024) of Indian imports of scrap (7602). Thus, if these volumes are not available, India will source them from other regions (e.g. EU).

EU scrap market: Acceleration of the scrap leakage...

Where does aluminium scrap go? at about 75% to Asia



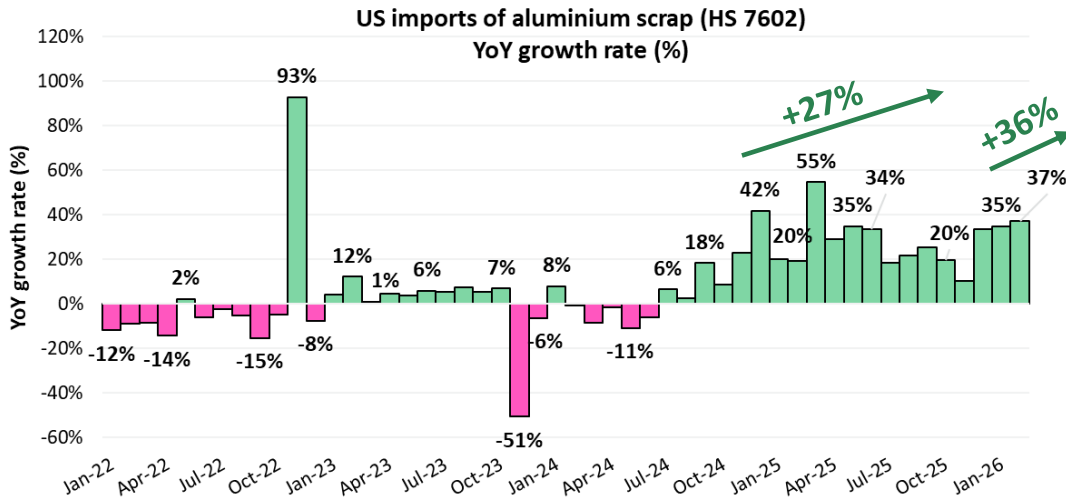
Source: EA analysis based on Eurostat data

Aluminium, anything but basic!

Trade Partner	2025	2025 share (%)	2025 vs 2024	Jan-2026 YTD (%)
Grand Total	1.274.554	100%	1%	-6%
India	382.636	30%	11%	-14%
Thailand	149.213	12%	-5%	2%
China	126.664	10%	76%	8%
Hong Kong	106.705	8%	32%	23%
Pakistan	103.821	8%	2%	-7%
Türkiye/Turkey	83.800	7%	-9%	-2%
Norway	54.985	4%	29%	7%
Switzerland	54.448	4%	-3%	-37%
United Kingdom	41.822	3%	-14%	-11%
Malaysia	27.520	2%	-76%	-45%
Saudi Arabia	21.505	2%	93%	-34%
Korea, South	18.449	1%	-32%	-29%
United States	15.398	1%	64%	23%
Taiwan	15.260	1%	-16%	41%
Indonesia	13.324	1%	-18%	-53%
Japan	13.293	1%	75%	52%
Serbia	9.443	1%	-25%	-

US scrap market: a “magnet effect “ on imports

- In 2025, US imports of scrap increased by 27% reaching 855 ktonnes with 87% of the volume coming from N. America.
- In Feb 2026 YTD, US imports of scrap increased further by **+36%**.

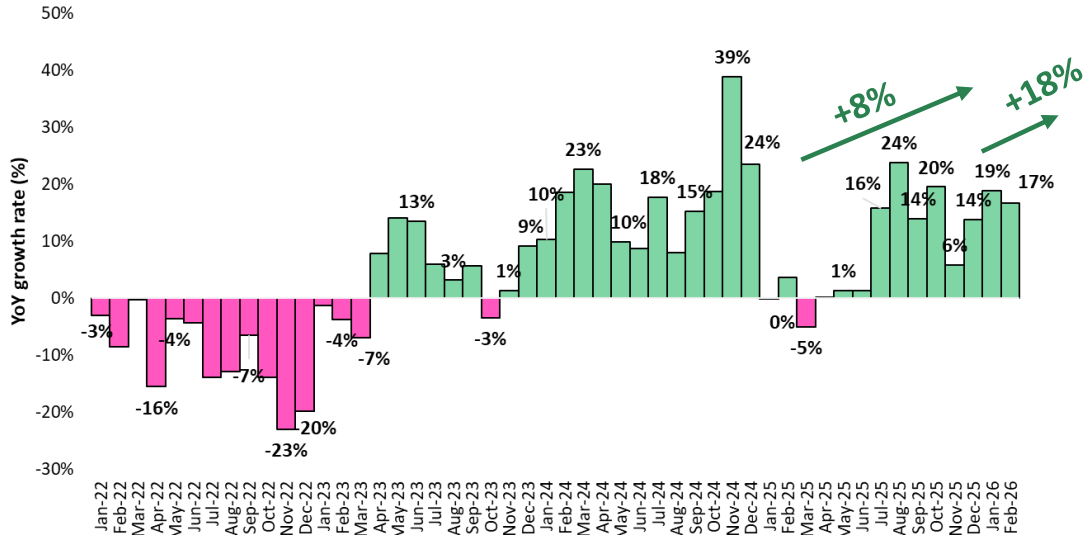


	2025 share (%)	2025 volumes (tonnes)	2025 vs 2024 growth rate (%)	Feb 2026 YTD (%)
N. America	87%	742.155	22,5%	36,0%
C&S America	7%	61.220	20,2%	-4,8%
EU	2%	15.987	18,6%	-44,1%
Africa	0%	3.924	70,2%	-75,3%
Other Europe	3%	22.446	> 500%	14,1%
Asia	1%	7.268	> 500%	> 1000%
Oceania	0%	160	-29,3%	> 1000%
Middle East	0%	2.220	> 500%	> 1000%
Grand Total	100%	855.381	26,6%	36,1%

US scrap market: exports to Asia is likely to continue

- US exports of scrap increased by 7.7% in 2025 with Asia representing 88% of the volume
- In Feb 2026 YTD, US exports of scrap have experienced a consequent growth (i.e. +17,7%), mainly driven by Asia (+ 18,6%), while Middle East (+114,4%) experience the higher growth for this period.

US Exports of aluminium scrap (HS 7602)
YoY growth rate (%)



	2025 share (%)	2025 volumes (tonnes)	2025 vs 2024 growth rate (%)	Feb 2026 YTD (%)
Asia	88%	80%	11,1%	18,6%
N. America	10%	14%	-4,5%	7,7%
EU	1%	3%	-33,3%	41,8%
C&S America	0%	0%	-68,7%	-45,5%
Middle East	0%	1%	6,7%	114,4%
Other Europe	0%	1%	-63,4%	-5,4%
Africa	0%	0%	-34,1%	-
Oceania	0%	0%	-57,6%	-100,0%
Grand Total	100%	-11%	7,7%	17,7%

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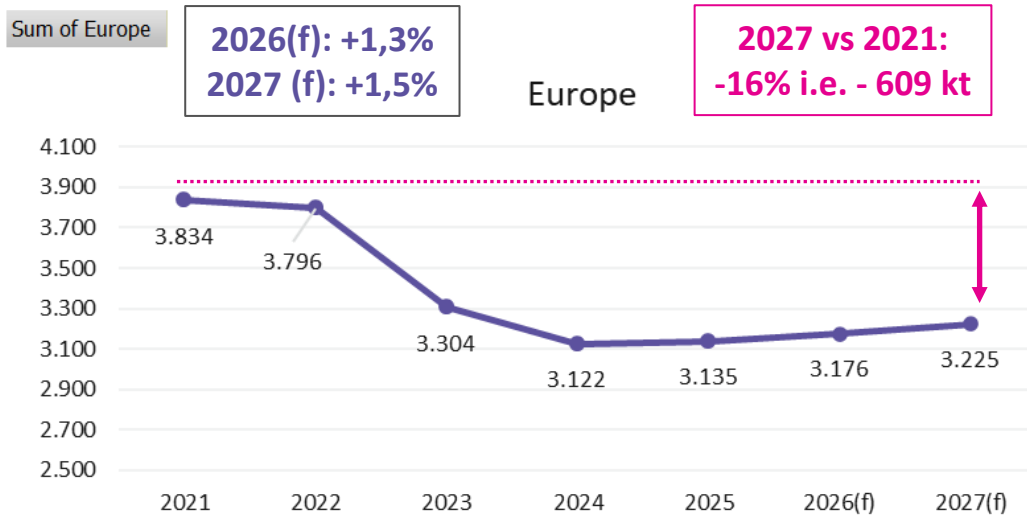
SEMIS SHIPMENTS

- Extrusions shipments outlook
- FRPs shipments outlook



Extrusions: shipments outlook in Europe for 2026 and 2027...

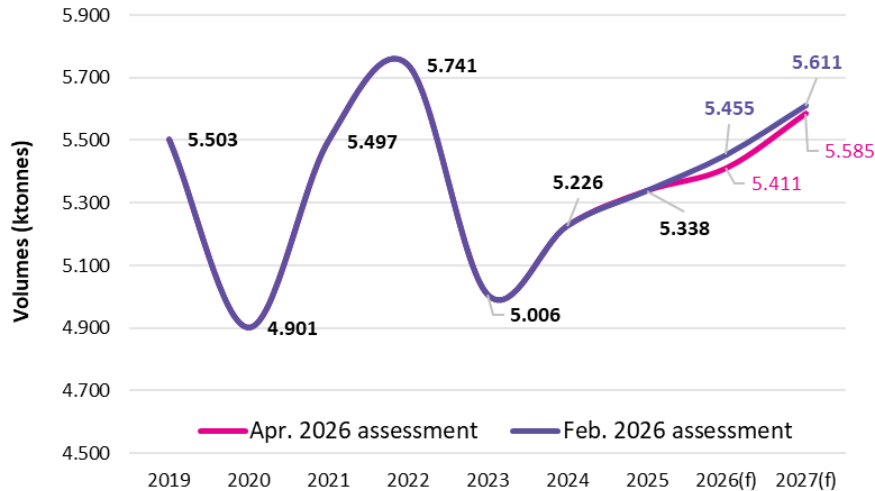
- After 3 years of decline, extrusions market in Europe* was flat in 2025.
- Baseline scenario** for 2026 and 2027 indicate a slightly positive outlook. No major differences by European countries with a slightly better growth for C&E Europe.
- How will the current Persian Gulf crisis affect extrusions demand in Europe ?



Shipments (kt)	2025	2026(f)	2027(f)
Q1	836	846	859
Q2	894	906	920
Q3	691	700	711
Q4	714	724	735
year	3.135	3.176	3.225
Growth (YOY)	2025	2026(f)	2027(f)
Q1	-0,7%	1,2%	1,5%
Q2	0,8%	1,2%	1,6%
Q3	1,0%	1,4%	1,6%
Q4	0,8%	1,4%	1,5%
year	0,4%	1,3%	1,5%

FRPs: shipments outlook in Europe for 2026 and 2027...

- April 2026 revised forecasts suggests a **+1.4% growth in 2026** (vs 2,2% in Feb 2026), followed by a projected **+3.2% increase in 2027** (vs 2,9% in Feb 2026).



- **Strong growth in Q1 2026**, followed by a **rather flat growth in Q2** and with a **limited increase in Q3 and Q4 2026**.
- **Stronger growth expected for 2027...**

Market Volume	2023	2024	2025	2026(f)	2027(f)
Q1	1.301	1.278	1.369	1.403	1.446
Q2	1.313	1.366	1.407	1.416	1.459
Q3	1.235	1.319	1.324	1.342	1.386
Q4	1.157	1.263	1.239	1.250	1.294
Total	5.006	5.226	5.338	5.411	5.585
Growth (YOY)	2023	2024	2025	2026(f)	2027(f)
Q1	-15,7%	-1,8%	7,1%	2,5%	3,1%
Q2	-16,4%	4,1%	3,0%	0,6%	3,0%
Q3	-12,2%	6,8%	0,3%	1,4%	3,3%
Q4	-5,2%	9,1%	-1,9%	0,9%	3,5%
Total	-12,8%	4,4%	2,2%	1,4%	3,2%

Shall we expect steeper downward revisions for 2026 and 2027 ?

2026(f): +72 kt vs 2025
2027(f): +175 kt vs 2026

Persian Gulf War: which impacts on semis demand in Europe ?

Key points of attention:

- Inflation risks: higher energy and raw materials prices leading to:
 - ✓ reducing purchasing power of customers,
 - ✓ postponement of projects (e.g. B&C) ?
 - ✓ Higher interest rates (ECB intervention) ?
- Supply chain issues : availability of raw materials beyond aluminium e.g.
 - ✓ Polypropylene (PP) for cars interiors and bumpers,
 - ✓ PET and plastics films for packaging applications ?



3

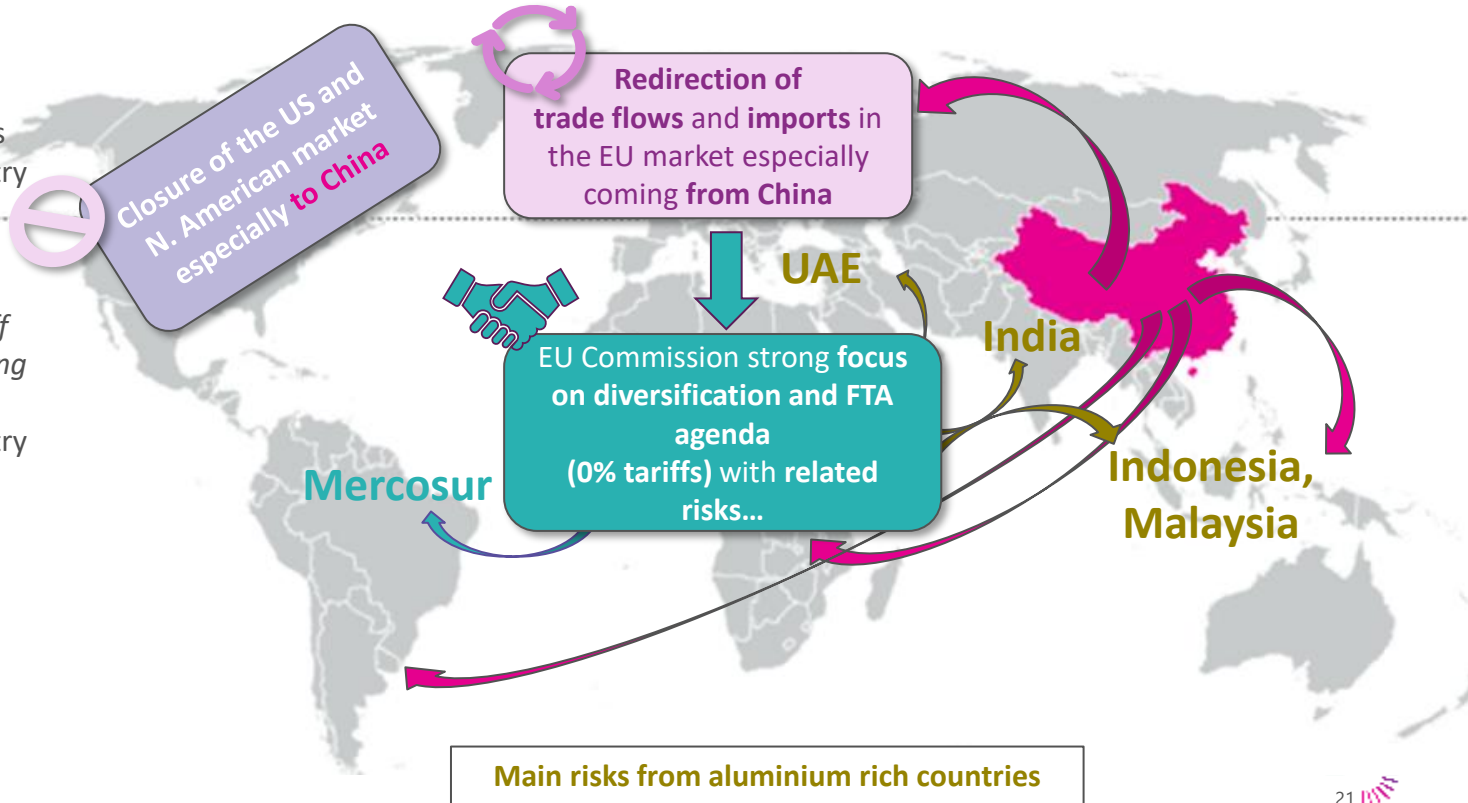
A NEW GEOPOLITICAL LANDSCAPE: EU TRADE & CLIMATE POLICY

- EU trade policy: from a change in narrative to actions ?
- EU CBAM: Latest updates & industry key position

A new geopolitical landscape: with new challenges for aluminium

Closures of the N. American market:

- **USA:** Sections 301, 232 (50% tariffs for aluminium); imports monitoring system with country of origins, **2025 Trump's Fair and Reciprocal Plan**
- **Canada:** Section 53 (25% tariff increase of steel and alu coming from China); imports monitoring system with country of origins
- **Mexico:** Tariff increase between 25% and 35% to countries without an FTA with Mexico ; imports monitoring tool



A new geopolitical landscape: a change in narrative

(non-exhaustive list)

- 2024: G7 communiqué [Apulia](#) (tackling non market policies and practices)

Aluminium, anything but basic!

2024 (Sep): [Draghi report](#) (more protection against unfair competition from 3rd countries)

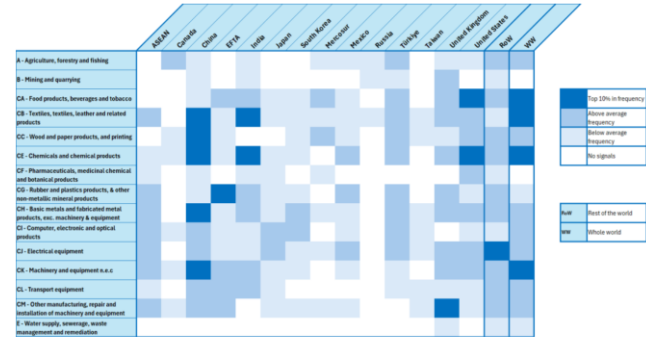
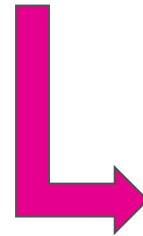
2024 (Sep): [Sefcovic Mission letter](#)
Addressing spillover of nonmarket policies, market distortions, overcapacities.
EU Commission to [register all imports](#) under TD investigations

2025 (March): [EU Steel & Metal action plan](#)

2025 (April) EU [import surveillance](#) Task Force / tool to prevent harmful trade diversion

2025 (Dec): [EU new Economic Security Doctrine](#)

Toward a new doctrine, new Trade Defence Instruments (TDIs)?



*The heat map illustrates any upward deviation from established trading patterns.

More industry safeguards ?



EU CBAM: European Aluminium's position & updates



Fully close the scrap loophole by including post-consumer scrap as a precursor



Revise default values to better reflect primary production emission intensity



More products should be added to the product scope (See our proposition in Annex I [here](#))



Lower the mass-based threshold exemption from 50 to 5 tons



Maintain and clarify article 27a



Indirect emissions must remain out of CBAM



Applying a **single default value** to all aluminium goods in the CBAM scope – without distinguishing between primary vs secondary production. With this change, CBAM will:

- Ensure fair competition;
- Simplify compliance for regulators and businesses;
- Reflect the true carbon costs of EU production; and
- Prevent circumvention and resource shuffling.

“Stop the Clock” on CBAM for Aluminium

Pause CBAM implementation for aluminium until the proposed reforms above are in place and the impact on EU aluminium competitiveness is fully assessed.



See our position papers on [the Downstream Scope extension and anti-circumvention measures proposal](#) and [the Temporary Decarbonisation Fund](#) as well as our three-pager on [Why Indirect emissions must remain out of CBAM](#)



4 CONCLUSIONS

- Key points to takeaway

Conclusions

1. Persian Gulf War creates **significant risks / shocks** on the metal supply:
 - ✓ Primary: how strong will be the production reduction ?
 - ✓ Scrap markets: toward more competition for scrap ?
2. Aluminium demand in Europe faces **significant downward trends** due to i) inflation risks ii) supply chains challenges beyond aluminium (e.g. plastics)
3. **Global aluminium balance**: toward physical shortage ? Which effects on prices ?
4. Beyond the Gulf War crisis, aluminium markets face **additional turmoil due to a new geopolitical landscape** creating new challenges and opportunities.

THANK YOU!

Presented by

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