

Holy Scrap.

The Future of Scrap Exports: Aluminium, steel and beyond

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On 4 September 2026, the European Commission (*Commission*) reportedly dropped its long-awaited project for an export duty on aluminium scrap (*the scrap measure*) and announced that it would instead restrict waste exports to non-OECD countries via a delegated act under the Waste Shipment Regulation (WSR). This reversal is currently under consideration and has split the European Union's (*EU*) aluminium value chain. This briefing explains what changed, why, and whether other EU industries can expect a similar treatment.

Background

According to data published by the European Aluminium Association (*EA*), EU aluminium scrap (HS 7602) exports in 2024 represented a 66% increase compared with 2014 and a 50% increase compared with 2019. Roughly 80% of aluminium scrap exports go to Asia (i.e., India 27%, China & Hong Kong 12%, Thailand 10%, Malaysia 9%, Pakistan 8%). September 2025 year-to-date data show imports of EU aluminium scrap from the United States (*US*) up almost 30% year-on-year, after the latter excluded scrap from its 50% Section 232 aluminium tariffs. EA estimates an EU recycling supply gap of roughly 2 million tonnes today.

Meanwhile, EU primary aluminium output has significantly decreased since 2005 while demand kept climbing. Secondary (i.e., recycled) aluminium now covers close to half of EU aluminium consumption. Securing both recycling capacity and sufficient scrap feedstock is essential – and the EU aluminium value chain is split on how to deliver the latter. Downstream remelters want more scrap retained inside the EU; upstream recyclers earn their margins from a global scrap market where the best-paying buyers often sit outside the EU.

The Union industry's ask for a 30% export duty and the recyclers' pushback

Upfront learning point: an *erga omnes* export duty on scrap is one of the few trade instruments WTO law leaves open to Members, subject to certain conditions. However, it is not common in practice.

Under WTO law, GATT Article XI bans quantitative export restrictions, not export duties. EU Regulation (EU) 2015/479 on common rules for exports allows the Commission to act where three cumulative conditions are met: (i) an essential product, (ii) a shortage, and (iii) a critical situation arising from that shortage. Each condition is arguably met here: (i)

aluminium is listed as both critical and strategic under the Critical Raw Materials Act (CRM) and as defence-critical by NATO; (ii) there appears to be a recycling supply gap of around 2 million tonnes; and (iii) that gap is widening in real time, as scrap exports increase.

Given the above, following the Commission's Call for Evidence of 19 December 2025, EA advocated for an *erga omnes* export duty of at least 30% on all CN 7602 scrap, except for the European Economic Area (EEA), Switzerland and the United Kingdom (UK), because such an export duty: (i) reduces price competition directly without restricting trade; (ii) is permitted under WTO law, since the EU has scheduled no commitments on scrap duties; (iii) is administratively simple; and (iv) aligns the EU with growing international practice (e.g., China, Vietnam, Malaysia, Indonesia). As a fallback, EA proposed a monthly, two-stage, *erga omnes* tariff rate quota (TRQ) set at the 2014-2019 average volume (approx. 700K MT/year), with destination-specific caps.

The European recycling industry rejected the export duty in strong terms, given that: (i) the exported grades are not usable in the EU, as most of what leaves the EU is zorba, a shredded mixed-alloy grade mainly used by North American manufacturers of internal-combustion engines, a product line Europe has phased out; (ii) a duty would strongly hit recyclers' profitability; and (iii) the real competitiveness problem is upstream, and high energy prices and administrative burden further drive the gap.

From export duty to non-OECD waste ban?

Upfront learning point: Changing the instrument does not change the discipline. A non-OECD ban still must pass WTO scrutiny (non-discrimination, no outright export bans) and still must accommodate the EU's preferential trade agreements.

On 4 September 2026, the Commission withdrew the duty proposal and announced that it would instead prepare a delegated act under the WSR restricting waste exports (including aluminium scrap) to non-OECD countries, with carve-outs for selected EU candidate countries.

An export duty is a trade measure: it does not restrict the physical trade flow but only affects the price. Whereas a non-OECD waste ban is an environmental measure insofar as it works through quantity, prohibits imports, and rests on the environmental benchmarks under the WSR. Moreover, under this design, non-EU but OECD countries, including the US, the UK, Türkiye, Mexico, South Korea and Japan, are not subjected to the ban. Considering that the US alone absorbed around 22% of EU aluminium scrap exports in 2024-2025 and continues to pull further volumes, one may question the effectiveness of this measure vis a vis an *erga omnes* export duty, especially in the absence of an escalation clause triggered by significant increase to OECD countries. According to certain industry stakeholders, such as Eurometal, this risks circumvention through more EU scrap being pushed to OECD destinations.

The delegated act was expected to apply from May 2027. However, the process is now facing political pressure, particularly from India. Under the Commission's draft delegated act of 18 September 2026, India is included in the authorised-destinations list for 10 waste categories (paper, wood, rubber, textile, organic and agri-food, mineral, acidic, glass, ceramic, and paint/dye/ink waste), but not for metal waste. In the Commission's words, India *"has not demonstrated it has put in place and implements all necessary measures to ensure that metal waste is managed in an environmentally sound manner"* under Article 59 of the WSR. This marks a significant change from the Commission's earlier proposal for an export duty, under which India would have been exempt. Given the sensitivity of the EU-India FTA process, India's opposition may push the Commission to revisit the withdrawn export duty. The November-December 2026 window will be critical for the affected businesses to monitor.

Can other industries follow suit?

Upfront learning point for businesses: Each value chain's answer depends on where its scrap actually goes. For aluminium, around 75% of the scrap travels outside the OECD, so a scrap measure can deliver meaningful protection. For industries like steel, where most scrap goes to one OECD member that is also an FTA partner (i.e., Türkiye), a similar measure is unlikely to be that effective.

Aluminium is currently the headline case, but it is not alone. Steel is at least as scrap dependent as aluminium. EUROFER has advocated for scrap export restrictions in parallel with its Carbon Border Adjustment Mechanism (CBAM) campaign for several years. The argument was that, without a measure, scrap simply flows out of the EU and is re-imported as embedded carbon in semi-finished steel, which negates CBAM's climate rationale. The structural obstacle to any such restriction, however, may not be law but a longstanding trade partner, i.e., Türkiye. The latter imported in 2024 more than 60% of total EU ferrous scrap exports in that year and more than any other third country. In 2025, EU exports rose further and Türkiye absorbed roughly 2/3 of it.

Türkiye is both an OECD member and a party to the EU-Türkiye Customs Union (CU). Under the CU, quantitative restrictions on imports or exports and all measures having equivalent effect are prohibited between the Parties. The scope is thus wider than GATT Article XI, which only prohibits quantitative restrictions (not export duties *per se*), which is exactly the gap the EU is seeking to use for aluminium. By contrast, the CU is reaching any national measure capable of hindering trade, directly or indirectly, actually or potentially, between the Parties. In practice, that means export duties, licensing requirements, surveillance regimes and even compliance obligations may violate the CU. Consequently, an export duty on steel scrap would be caught by the CU prohibition and would be unenforceable against Türkiye. A non-OECD approach, meanwhile, leaves Türkiye entirely outside, since Türkiye is an OECD member. Either route therefore delivers almost nothing for the EU steel industry.

Apart from steel, European copper fabricators have been lobbying since early 2024 for restrictions on copper-scrap exports, especially to China. The Commission signalled early intent by activating a customs surveillance system in July 2025 covering, *inter alia*, copper scrap. The paper and board industry, through CEPI, reported a 33% jump in re-covered-paper exports in 2023, and shared concerns on recycled-fibre shortage. Lead, zinc and lithium-ion battery scrap are all now on the EU's radar through the CRM and the RESourceEU Action Plan. Such reactions from various industries show that scrap trade lies at the core of industrial competitiveness.

The withdrawn *erga omnes* export duty proposal would only cover aluminium. But the proposed WSR delegated act covers non-hazardous waste as a general category (paper, plastics, rubber, metal and glass). In practice, copper, ferrous and paper scrap should also be caught by the non-OECD export ban alongside aluminium, subject to case-by-case exemptions.

BLOMSTEIN will closely monitor further developments and keep you informed. If you have any questions on the topic, [Leonard von Rummel](#) and [Uğur Can Hekim](#) and the entire team is ready to assist you.

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