

Beyond 'Scrap': Why Britain Must Compete for the Aluminium It Already Has

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The UK's aluminium debate is moving beyond recycling rates. The strategic question is whether a globally traded secondary raw material can also support domestic resilience, investment and manufacturing value.

For years, aluminium has been held up as a circular-economy success story. That description is justified: the metal can be recycled repeatedly, the UK has mature collection and recovery systems, and secondary production can require dramatically less energy than primary smelting. But the language of circularity can also conceal the harder industrial question. It is not enough to collect material well. We must ask what happens to it next, where it is upgraded, and where the economic value is ultimately captured.

That is why the word "scrap" deserves a rethink. In commercial terms it is a familiar and useful description, but in policy terms it can make a strategic feedstock sound like a residual waste problem. Aluminium recovered from vehicles, buildings, packaging and manufacturing is not simply something to dispose of. Properly sorted and processed, it is a domestic raw material with a direct role in energy security, industrial competitiveness and lower-carbon manufacturing.

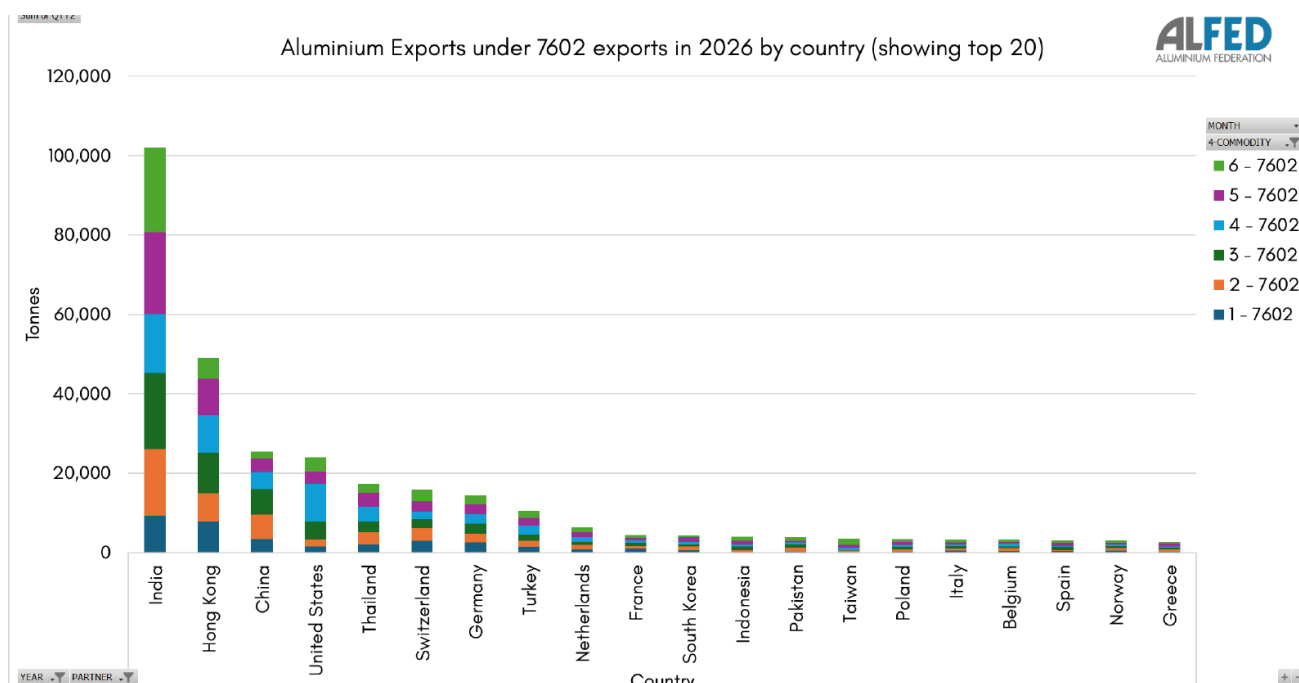
Trade is changing the context

The case for reframing aluminium has become more urgent because international material flows are changing quickly. ALFED's latest trade update shows that the United States has become a much more significant destination for UK aluminium flows. For primary aluminium under HS 7601, the US moved from 19th place among UK export destinations in 2024, to eighth in 2025, and to third in the first half of 2026. The shift is even more relevant to the secondary-material debate under HS 7602.

In 2025, UK aluminium scrap exports to the United States rose to more than 23,000 tonnes, from around 2,000 tonnes in 2024. The latest January-to-June 2026 data indicate that the US was already the UK's fourth-largest destination for HS 7602 exports, with roughly 24,000 tonnes shipped in only six months. In other words, the first half of 2026 was already around the scale of the whole of 2025. India remained by far the largest destination, followed by Hong Kong and China, but the acceleration in transatlantic flows is striking.

This does not mean that exports are inherently a problem. Aluminium is a global commodity, international trade creates liquidity and outlets for different grades, and UK recyclers must be able to sell into competitive markets. The point is different: trade data are a live indicator of where demand is strongest and where processors can obtain the best return. When overseas demand strengthens faster than domestic demand, material will move.

Figure 1. UK aluminium scrap exports (HS 7602), January–June 2026, top destinations



Source: ALFED Data Update, August 2026 (HMRC trade data). 2026 data are provisional.

The strategic issue is competitiveness, not restriction

The wrong response would be to treat this as an argument for shutting borders. ALFED is not calling for an export ban. The more durable objective is to make the UK a more attractive place to sort, upgrade, remelt and reuse aluminium. If domestic processors can compete for material, the UK can retain more value through normal market mechanisms rather than blunt restrictions.

That requires attention to the middle of the value chain. The UK has strong capabilities, but the commercial pathway between collection and high-value reuse is not always as deep or as investable as it needs to be. Advanced sorting, alloy identification, preparation, remelting and closed-loop supply arrangements determine whether recovered metal can return to demanding applications rather than being traded as a lower-value mixed stream.

Energy costs matter because remelting and metal processing remain energy-intensive. So do planning, grid access, skills, capital confidence and long-term demand signals. Better data and more precise classification matter too: “aluminium scrap” covers materially different grades and alloy families, with very different technical and economic potential. A policy discussion based only on headline tonnage risks missing where the greatest value can realistically be retained.

A global race for secondary raw materials

The UK is not considering these questions in isolation. Across major industrial economies, secondary raw materials are increasingly being viewed through the same lens as energy, critical inputs and manufacturing capacity. In Europe, debate over aluminium scrap retention has intensified during 2026, while the EU’s wider waste-shipment regime is also becoming more restrictive for certain exports from 2027. The direction of travel is clear: access to recyclable feedstock is becoming part of industrial strategy.

That makes the UK’s position more exposed if we treat recovered aluminium only as a waste-management success. We sit between large competing markets, with deep trading relationships into Europe, Asia and North America. The answer is not to withdraw from those markets. It is to ensure that the UK has a sufficiently

competitive domestic ecosystem to bid for its own material when there is a strong industrial case for keeping it in circulation here.

Figure 2. The UK aluminium ecosystem: trade is part of the loop, but domestic capability determines where value is captured



Illustrative ALFED ecosystem view. Material can move both into and out of the UK; the strategic opportunity is to strengthen the domestic upgrading and reuse stages.

From recycling success to industrial resilience

The UK aluminium sector is already economically significant. ALFED's current industry overview puts annual turnover at more than £11 billion, GVA at around £2 billion and employment supported at more than 100,000 jobs across the value chain. That scale matters. Aluminium is embedded in transport, construction, packaging, aerospace, defence, energy infrastructure and many of the technologies associated with electrification.

At the same time, the UK remains exposed to imported primary aluminium. ALFED's latest data show that imports under HS 7601 totalled 126,858 tonnes in the first half of 2026, with around 30% coming from Middle Eastern countries, principally the UAE and Oman. That is a reminder that primary and secondary aluminium cannot be considered in separate policy silos. A stronger secondary system will not remove the need for primary metal, but it can improve resilience by reducing avoidable dependence and by keeping more embedded energy and value in circulation.

The policy test, therefore, should be simple: can the UK create conditions in which a tonne of recoverable aluminium has a credible, competitive route back into UK production at the highest technically appropriate value? That means connecting collection with sorting, metallurgy, remelting, fabrication and end-user demand.

It means recognising that alloy quality matters as much as volume. And it means giving investors enough confidence that new capacity will have access to both feedstock and customers.

A better way to talk about scrap

Reframing does not require pretending that every tonne should stay in Britain, nor that every exported grade could be economically processed here today. It means changing the starting assumption. Instead of asking how efficiently we can move scrap out of the system, we should ask how much strategic and economic value can be created from secondary aluminium before the market decides its final destination.

The latest trade flows to the United States are useful precisely because they show how quickly markets can change. Material responds to price, policy and capacity. If the UK wants more aluminium to circulate through domestic manufacturing, it must compete for it.

That is the opportunity in front of us: not a closed market, but a stronger one. Aluminium recovered in the UK should be recognised for what it is, a tradable global commodity, certainly, but also a strategic secondary raw material. The countries that build the best systems for turning that material back into high-value products will capture the jobs, investment, resilience and carbon benefits that come with it. Britain should aim to be one of them.

Sources and data note

- ALFED, Data Update August 2026 (2025 and January-June 2026), including HS 7601 and HS 7602 UK trade flows.
- ALFED, “Reframing Scrap: Why the UK Must Recognise Aluminium as a Strategic Resource” (earlier opinion-piece draft), used as the conceptual starting point.
- HM Revenue & Customs, UK Overseas Trade in Goods Statistics, June 2026, published 13 August 2026. 2026 figures are provisional.
- European Commission, Waste Shipments: new rules for non-hazardous waste exports apply from May 2027.
- Reuters, 25 June 2026, reporting that proposed EU measures concerning aluminium scrap exports had been delayed while policy discussions continued.