

REINDUSTRIALISING UK ALUMINIUM

A CRITICAL MATERIAL. AN EXISTING INDUSTRIAL BASE.
A PRACTICAL OPPORTUNITY TO CAPTURE MORE VALUE IN BRITAIN.

Prepared by the Aluminium Federation (ALFED) | November 2026

ALFED
ALUMINIUM FEDERATION

©2026 ALFED | All rights reserved

EXECUTIVE SUMMARY

The opportunity is not to build an aluminium industry from scratch. It is to create the conditions in which the one we already have can invest, compete and grow.

The case for reindustrialisation is also a case for competitiveness. High industrial energy costs, gaps in domestic processing capability, international trade pressures and uncertainty over future investment conditions affect the UK's ability to retain and grow strategically important aluminium activity. These challenges cannot be addressed through recycling policy alone. They require a coordinated approach to energy, trade, industrial capability, investment and future demand.

ALFED is calling for a practical Government-industry partnership that identifies existing strengths and strategic gaps, removes barriers to commercially viable investment, and measures progress in rebuilding UK industrial capability.

THE CORE CHALLENGE: Britain's aluminium opportunity is not simply to recycle more metal or preserve existing plants. It is to strengthen competitiveness, address gaps in processing and manufacturing, and reconnect resources with future demand so that more industrial value is created and retained in the UK.

Aluminium is already embedded across the UK's industrial economy. Its interconnected ecosystem spans scrap recovery, sorting, alloying, recycling, remelting, primary metal, processing, finishing, fabrication, stockholding and distribution. It enables strategically important markets including automotive, aerospace and defence, construction and infrastructure, packaging, energy, communications and advanced manufacturing. The policy opportunity is to strengthen the connections between these activities, not to favour one product or production route.

ALFED's refreshed economic model estimates that the UK aluminium industry directly contributes approximately £3.78 billion in gross value added (GVA) and supports around 54,200 full-time-equivalent (FTE) jobs. Including UK supply-chain effects increases the footprint to approximately £5.97 billion and 81,900 FTE jobs. An ALFED Type II household-spending extension estimates a wider footprint of approximately £8.18 billion in GVA and 104,800 FTE jobs.



**Wider footprint includes ALFED's Type II induced household-spending extension. ONS does not publish Type II multipliers.*

©2026 ALFED | All rights reserved

REINDUSTRIALISATION STARTS WITH UNDERSTANDING DEINDUSTRIALISATION

The opportunity is growth, but a credible growth strategy must start with the industrial capability Britain retains, the capability it has lost and the practical barriers that prevent new investment. Reindustrialisation must mean viable manufacturing capacity, skilled employment, stronger supply chains and measurable economic value - not simply a slogan.

Over recent decades, the UK's aluminium industrial footprint has contracted across primary smelting, secondary aluminium production and remelting, rolling, extrusion and specialist processing. This has often been a silent decline: individual plants closing, restructuring, investment moving elsewhere and specialist capability becoming thinner without a single moment at which the cumulative loss became visible.

Recent developments demonstrate that these pressures are not purely historical. Hydro announced plans in January 2026 to close its Bedwas and Cheltenham extrusion facilities, with closures expected no earlier than late 2026. The sector has also experienced insolvency, restructuring and changes of ownership among recycling and secondary-aluminium businesses. These events have different implications for productive capacity and should not be treated as equivalent, but collectively reinforce the importance of understanding which capabilities remain, which are at risk and where viable investment could strengthen the UK industrial base.

THE STARTING POINT FOR REINDUSTRIALISATION

Understand what we still have, what we've lost, where the strategic gaps are and what we can realistically rebuild.

THE OPPORTUNITY HAS BECOME CLEARER

Government's 2026 Critical Minerals technical annex identifies aluminium as both a critical and growth mineral. Its midpoint modelling estimates cumulative demand from Industrial Strategy growth sectors of 578,300 tonnes in 2024, rising to 8.003 million tonnes by 2035. These are cumulative sector-demand estimates, not annual UK consumption forecasts. The opportunity is to capture more of the associated industrial value through competitive UK capability.

ALUMINIUM DOES NOT NEED TO BE SCARCE TO BE STRATEGIC

Government has already recognised it as a growth mineral; the next step is to translate that recognition into industrial capability, investment and growth.

THE PROPOSITION TO GOVERNMENT

Make aluminium an explicit delivery priority within the Modern Industrial Strategy and Critical Minerals Strategy. Government should recognise aluminium as a foundational growth material and establish a cross-departmental mechanism through which energy, trade, carbon, resources, investment, procurement and regional decisions are tested together.

Remove identifiable barriers to private investment first; consider targeted public finance only where evidence demonstrates market failure or strategic need.

ALFED
ALUMINIUM FEDERATION

©2026 ALFED | All rights reserved

1. THE ECONOMIC CASE: A SUBSTANTIAL UK INDUSTRIAL FOOTPRINT

ALFED has refreshed the evidence base used to describe the scale of the UK aluminium industry. The model deliberately looks beyond a single production code because aluminium activity sits across multiple official industry classifications. The result is a wider-industry view that better reflects the real economic ecosystem.

FIGURE 1 | ALFED 2026 ECONOMIC FOOTPRINT – GVA

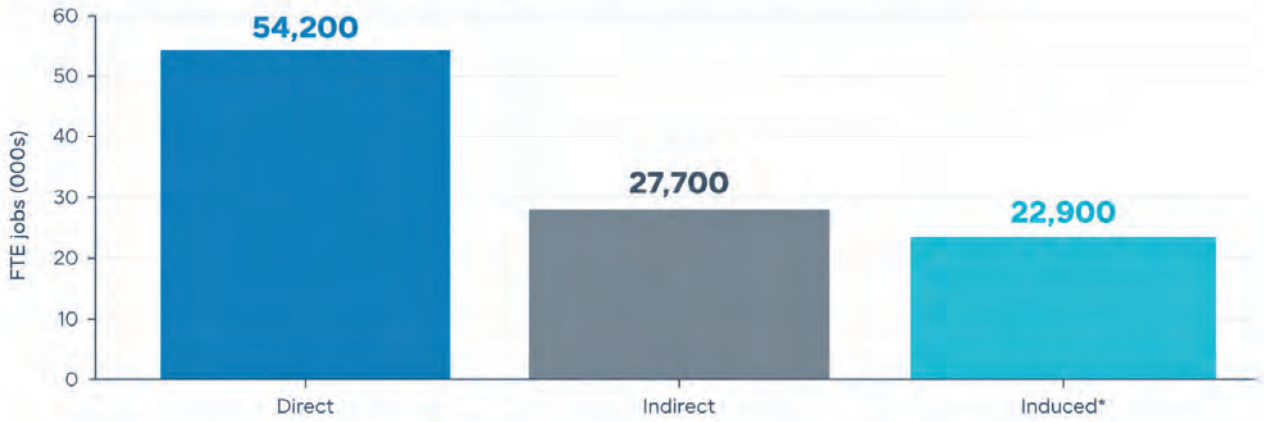
Economic contribution of the UK aluminium industry



Source: ALFED 2026 Economic Contribution Model. Induced effects are ALFED calculations using official ONS inputs. Figure shows components of ALFED's refreshed GVA footprint.

FIGURE 2 | ALFED 2026 ECONOMIC FOOTPRINT – EMPLOYMENT

Employment supported by the UK aluminium industry



Source: ALFED 2026 Economic Contribution Model. Employment figures are FTE estimates. Figure shows components of ALFED's refreshed employment footprint.

WHAT THE FIGURES MEAN

For Government engagement, ALFED recommends leading with direct GVA and employment, alongside the direct-plus-indirect footprint calculated using official ONS Type I multipliers. The wider induced contribution is an ALFED Type II extension and should be labelled accordingly. As the model covers aluminium activity across several industry classifications, its figures are not directly comparable with narrower sector employment estimates.

©2026 ALFED | All rights reserved

ALUMINIUM IN THE UK'S INDUSTRIAL MATERIALS BASE

Aluminium and steel are both strategically important to the UK's industrial base. The comparison below illustrates their economic contribution and role in supporting growth, while recognising that the underlying sector estimates use different definitions and methodologies.

Economic measure	UK aluminium	UK steel
Direct employment	54,200 FTE	36,800 jobs
Direct GVA	£3.78bn	£1.7bn
Direct + supply chain	£5.97bn GVA / 81,900 FTE	£3.9bn GVA / 82,800 jobs
Strategic role	Critical & Growth Mineral; advanced manufacturing, clean energy, defence, digital and wider strategic markets	Foundation industry; construction, transport, defence, energy and infrastructure

TABLE 1. *Aluminium and steel - two strategically important UK materials sectors. Figures are not methodologically identical and should not be read as a like-for-like league table.*
Aluminium: ALFED 2026 Economic Contribution Model.
Steel: UK Steel, UK Steel at a Glance / sector economic and employment statistics; supported by House of Commons Library, UK steel industry: statistics and policy.

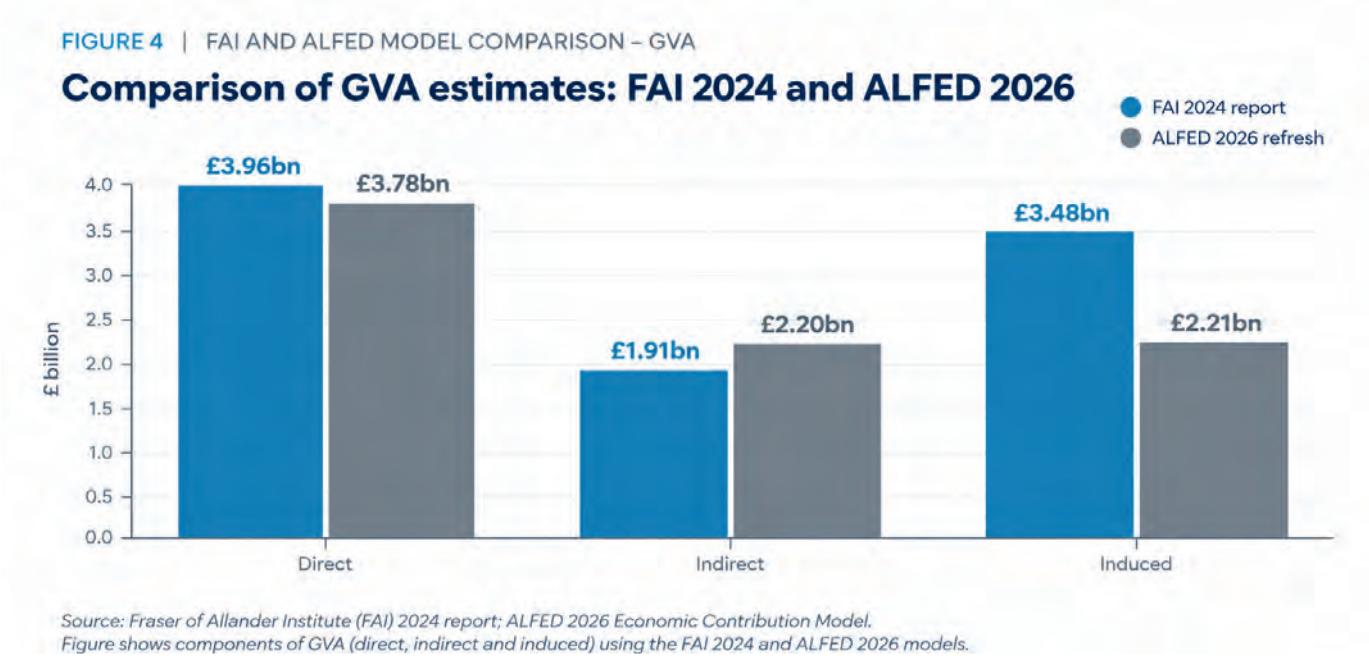


©2026 ALFED | All rights reserved

2. UPDATING THE FRASER OF ALLANDER EVIDENCE BASE

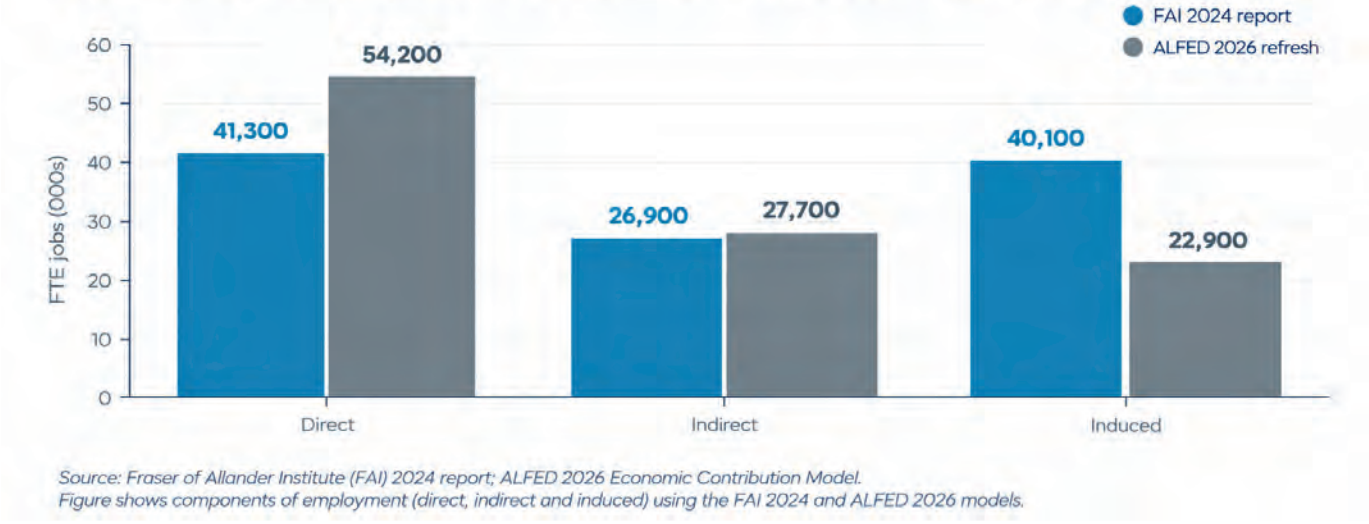
The Fraser of Allander Institute (FAI) study published in 2024 was an important benchmark for the UK aluminium industry. It estimated a total footprint of £9.38 billion GVA and 108,060 FTE jobs using a bespoke Hypothetical Extraction Model calibrated to the 2019 UK Input-Output Tables. ALFED's 2026 refresh uses newer official structural data and a rebuilt methodology.

FIGURE 4 | FAI AND ALFED MODEL COMPARISON – GVA



Source: Fraser of Allander Institute (FAI) 2024 report; ALFED 2026 Economic Contribution Model.
Figure shows components of GVA (direct, indirect and induced) using the FAI 2024 and ALFED 2026 models.

FIGURE 5 | FAI AND ALFED MODEL COMPARISON – EMPLOYMENT



Source: Fraser of Allander Institute (FAI) 2024 report; ALFED 2026 Economic Contribution Model.
Figure shows components of employment (direct, indirect and induced) using the FAI 2024 and ALFED 2026 models.

THIS IS NOT EVIDENCE OF INDUSTRIAL CONTRACTION

The change from £9.38 billion to £8.18 billion should not be presented as a measured fall in the industry's economic contribution. The two estimates are not a clean time series: they use different Input-Output vintages and different modelling treatments. Direct plus indirect GVA is essentially unchanged: £5.90 billion in the FAI results versus £5.97 billion in the ALFED refresh, while the most material difference is in the induced layer. FAI estimated £3.49 billion of induced GVA and 40,215 induced jobs. ALFED's rebuilt Type II extension estimates £2.21 billion and 22,940 FTE jobs. The lower total headline therefore principally reflects a more conservative and transparent treatment of household-spending effects, rather than evidence that the core industrial footprint has collapsed.

©2026 ALFED | All rights reserved

3. REINDUSTRIALISATION STARTS WITH UNDERSTANDING DEINDUSTRIALISATION

The UK is not starting from scratch. It retains a substantial aluminium industry, skilled people, recycling and remelting capability, extrusion and finishing capacity, stockholding and distribution networks, advanced manufacturing customers and Britain's last primary smelter at Lochaber. But the current footprint is the result of decades of contraction as well as investment.

Primary smelting provides the clearest long-term example. The 145,000-tonne Anglesey smelter closed in 2009 and the 180,000-tonne Lynemouth smelter closed in 2012. Lochaber is now the UK's sole primary aluminium smelter, with annual capacity of approximately 48,000 tonnes. Our latest material-flow analysis (MFA) indicates that this is equivalent to only around 16% of its stated 296,000-tonne measure of UK aluminium demand even if the smelter were operating at full capacity.

The loss of capability extends beyond primary smelting to rolling, extrusion, secondary production, recycling and specialist processing. Not every closure, restructuring or asset sale represents permanent capacity loss. Together, however, these developments highlight the need for a current, product-level picture of what Britain can manufacture, where capability is at risk and which gaps could realistically be addressed through investment.

Date	Business / site	Event type	Verified event	Industrial significance
2009	Anglesey Aluminium	C Contraction	145kt/yr primary smelter closed after its long-term electricity arrangement ended and a commercially viable replacement was not secured.	Major reduction in UK primary smelting capacity.
2012	Rio Tinto Alcan, Lynemouth	C Contraction	180kt/yr primary smelter closed on 29 March 2012 following strategic review and consultation.	Left Lochaber as the UK's sole primary smelter.
Dec 2025	Whitehead Alloys	R Restructuring	Entered members' voluntary liquidation; Companies House filings include a declaration of solvency.	Corporate exit from an aluminium-production business, but not a distressed insolvency. It should not be presented as equivalent to CVL/administration.
Jan-Mar 2026	CF Booth group	R Restructuring	CF Booth and subsidiaries entered administration; substantially all assets were subsequently sold to a Ron Hull Group subsidiary.	Evidence of financial pressure and restructuring in metal recycling; the asset sale means this is not simply a case of capacity disappearing.
Jan 2026	Hydro Extrusions – Bedwas & Cheltenham	C Contraction	Hydro confirmed both plants will close, expected in late 2026 at the earliest. Hydro restructuring material identified c.125 FTE at Bedwas and c.130 at Cheltenham.	Direct contraction in UK extrusion/fabrication footprint. Hydro retains Tibshelf extrusion and Wrexham recycling operations.
Aug 2026	Ingospec Aluminium Ltd	C Contraction	Entered creditors' voluntary liquidation on 26 August 2026. The company specialised in high-grade aluminium casting alloys.	Recent pressure on specialist secondary-alloy capability serving automotive, aerospace and general engineering.

C = Contraction (reduction or loss of UK industrial capacity) R = **Restructuring** (change in ownership, organisation or operations; does not necessarily mean a loss of capacity)

TABLE 2. *Selected examples of UK aluminium capability contraction and restructuring. Sources include Cambridge Econometrics/CCC, Rio Tinto, Companies House, Interpath, Hydro and insolvency notices. Closure, administration, asset sale, MVL and CVL are deliberately distinguished because they do not have the same industrial meaning.*

THE POLICY TEST: Reindustrialisation should not be judged only by future demand or new investment announcements. It also requires visibility of existing capability at risk, the strategic consequences of plant closures and the conditions needed to retain commercially viable assets.

ALFED
ALUMINIUM FEDERATION

©2026 ALFED | All rights reserved

4. INTERCONNECTED, BUT NOT FULLY JOINED-UP

Aluminium should be understood as an interconnected ecosystem, not a linear supply chain. But interconnected does not mean fully joined-up inside the UK. Material, scrap, semi-finished products and finished goods cross borders between stages, and gaps in domestic capability mean that aluminium recovered, produced or consumed in Britain does not necessarily move through a complete British industrial chain. Policy interventions in one area can therefore affect investment and material flows elsewhere.

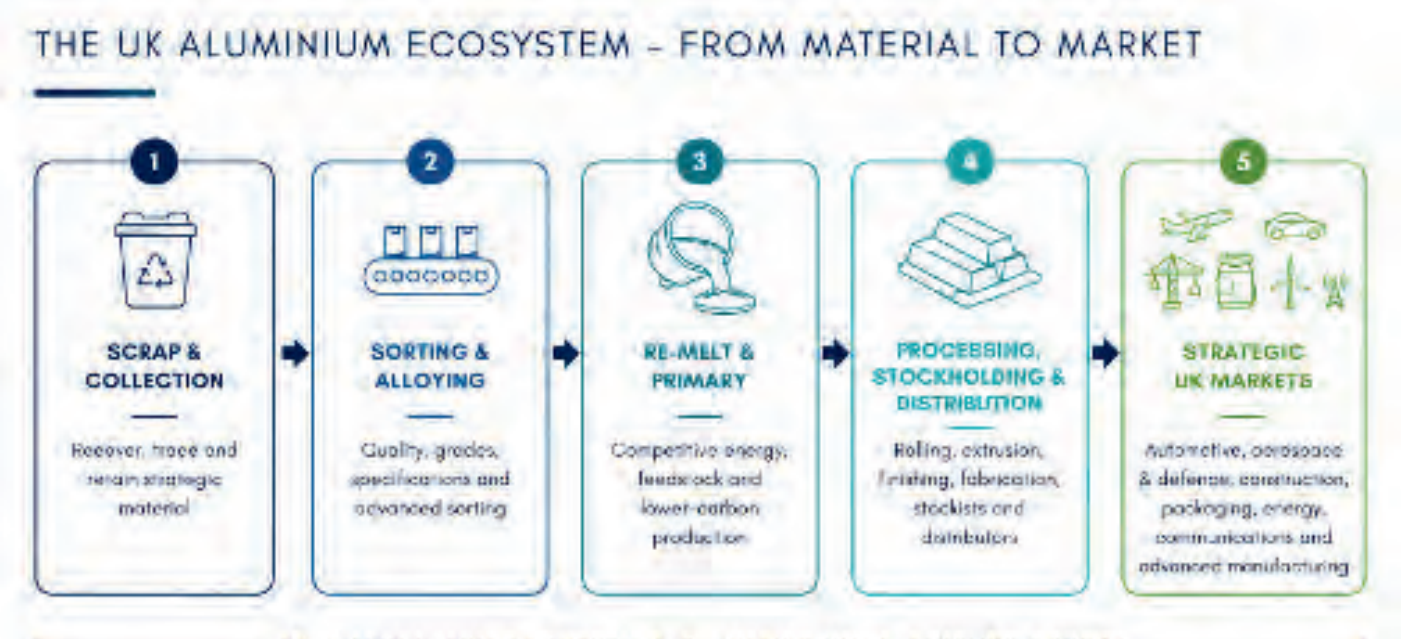


FIGURE 6. *The UK aluminium ecosystem*

WHY THIS MATTERS TO THE GROWTH AGENDA

Aluminium enables many of the sectors Government has identified as central to future UK growth. Lightweighting and formability support automotive and aerospace; conductivity and corrosion resistance support energy and communications; recyclability and durability support construction and packaging; and specialist alloys are important across defence and advanced manufacturing.

The objective is not self-sufficiency in a globally traded material, but stronger, commercially viable UK capability. That requires understanding where Britain can competitively recover, sort, remelt, roll, extrude, finish and manufacture aluminium, and where missing or constrained processing capacity leads to greater dependence on overseas suppliers or lost industrial value.



ALUMINIUM ECOSYTEM

©2026 ALFED | All rights reserved

WHAT THE NEW UK MATERIAL-FLOW EVIDENCE TELLS US

ALFED's collaboration with Cranfield University aims to develop new evidence. Our study is the first mass-balanced material-flow analysis of UK aluminium in more than two decades. It maps primary and secondary production, trade, manufacturing, end use, scrap generation, collection, sorting and recycling, and explicitly incorporates international trade because UK aluminium flows are strongly influenced by imports and exports.

Cranfield / ALFED finding	Implication for reindustrialisation
Lochaber capacity ~48kt/yr; stated UK demand ~296kt	Primary production is strategically valuable but cannot by itself supply the UK market.
First reconciled UK MFA in more than two decades	Government needs a refreshed baseline of how material actually moves through today's UK economy.
Recycling-stage data is materially weaker than production and trade data	Better scrap, grade, sorting, destination and capacity data is itself an industrial-policy requirement.
Alloy quality and sorting determine whether scrap can return to high-value applications	The objective should be higher-value UK circularity, not simply maximising tonnes retained regardless of specification or economics.

TABLE 3. *Policy implications from Material Flow Analysis of UK Aluminium Scrap, Cranfield University / ALFED (2026 conference paper).*

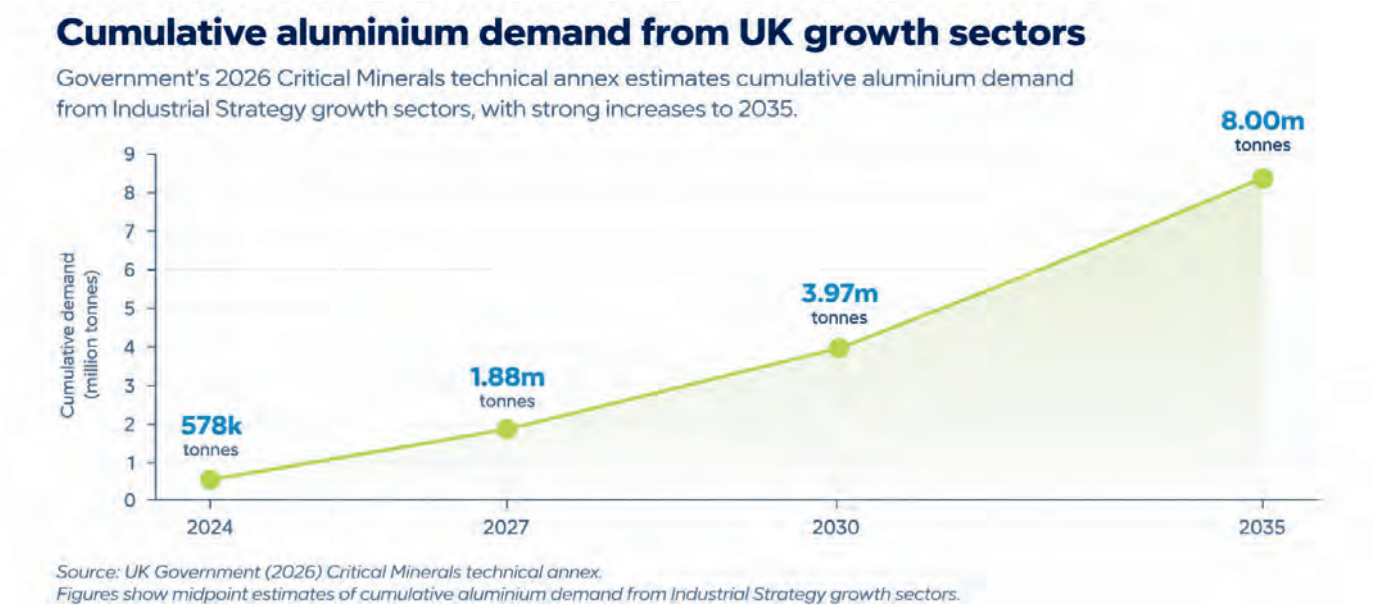


©2026 ALFED | All rights reserved

5. THE DEMAND OPPORTUNITY: GROWTH IS ALREADY VISIBLE

Government's own demand modelling strengthens the case for aluminium to sit explicitly within the growth agenda. The 2026 Critical Minerals technical annex identifies aluminium as a growth mineral and estimates a steep rise in cumulative demand associated with Industrial Strategy growth sectors through to 2035.

FIGURE 7.



By 2035, Government's midpoint estimate reaches 8.003 million tonnes of cumulative demand from Industrial Strategy growth sectors, led by advanced manufacturing, electric vehicles and clean energy. This is not an annual UK consumption or domestic production forecast. The opportunity is to strengthen competitive UK capability to capture more of the associated industrial value.

THE STRATEGIC QUESTION IS NOT WHETHER ALUMINIUM DEMAND WILL EXIST

It is how much of the economic value associated with that demand Britain intends to capture.

FIGURE 8. *Where additional UK capability can retain and create more value*



©2026 ALFED | All rights reserved

6. BUILDING ON THE INDUSTRIAL STRATEGY AND CRITICAL MINERALS STRATEGY

The Modern Industrial Strategy is a 10-year plan to increase business investment in eight growth-driving sectors. Its 2026 year-one update emphasises continued partnership with business, investment commitments and delivery. Advanced manufacturing policy is focused on industries including aerospace, automotive and batteries, all markets in which aluminium capability matters.

Vision 2035 gives the aluminium proposition an even clearer policy home. The Critical Minerals technical annex includes aluminium on both the UK's critical-minerals list and growth-minerals list, while the wider strategy emphasises domestic production, midstream processing, recycling, resilience and diversified international supply.

GROWTH SECTORS NEED GROWTH MATERIALS

Aluminium should be connected directly to the UK investment, resilience and reindustrialisation agenda.

FIGURE 9.



©2026 ALFED | All rights reserved

7. FIVE PRIORITIES FOR A UK ALUMINIUM GROWTH AGENDA

1. COMPETITIVE INDUSTRIAL ENERGY

Competitive energy is essential to retaining and expanding UK aluminium production, recycling, remelting and downstream manufacturing. High effective energy costs, uncertain future prices and grid constraints influence investment decisions across the value chain. Government must address these structural barriers if commercially viable UK businesses are to compete internationally and invest with confidence.

Government action: DESNZ, DBIST and HM Treasury should publish a comparable assessment of effective industrial energy costs, including network charges, relief eligibility and barriers affecting the full aluminium ecosystem.
Government action: Establish a timed programme to remove energy and connection barriers. Any targeted financial intervention should require a clear business case and demonstrable additionality.

2. CIRCULARITY, SCRAP VALUE AND DOMESTIC RETENTION

Collection alone does not secure domestic value. Scrap quality, alloy composition, contamination, sorting, market specifications and commercial economics determine the uses to which recovered aluminium can be put. Advanced material-flow research will identify where improved information, processing and investment could increase value captured in the UK, without assuming every exported tonne could or should be retained.

Government action: Defra and DBIST should work with industry to improve evidence on scrap grades, quality, destinations and trade values, including changing flows to the United States, using consistent data and clear caveats.
Government action: Support investable improvements in collection quality, advanced sorting, alloy management, recycling and remelting where credible UK demand and commercial viability are demonstrated.

3. CONNECTED PROCESSING AND MANUFACTURING CAPABILITY

The UK must strengthen the links between recovered aluminium, processing capability and manufacturing demand. Gaps in rolling, extrusion, alloying, remelting and specialist finishing can increase dependence on overseas processing. ALFED advocates a product-level assessment of these gaps, identifying commercially viable investment opportunities while recognising that specifications, energy costs, skills and customer demand differ across the value chain.

Government action: DBIST and HM Treasury should map commercially viable investment opportunities and barriers across the whole value chain. Prioritise competitive energy, planning, permitting, infrastructure, capital allowances and innovation access before selective grants or co-investment.
Government action: Build a confidential, member-validated pipeline linking credible projects to customer demand, skills, regional infrastructure and private finance.

THE MISSING MIDDLE: Scrap collection -> advanced sorting & alloy separation -> recycling/remelting -> rolling/extrusion -> finishing -> UK manufacturing.
Reindustrialisation depends on strengthening the commercially viable links in this chain, not simply retaining material at the border.

©2026 ALFED | All rights reserved

FIVE PRIORITIES FOR A UK ALUMINIUM GROWTH AGENDA

4. TRADE, CARBON POLICY AND MARKET ALIGNMENT

Aluminium is globally traded and product-specific. Trade measures, tariffs, carbon pricing and market-access decisions can redirect flows rapidly and create unintended consequences across the ecosystem.

Government action: Give ALFED and industry an established route into trade agreements, market-access and trade-defence discussions before positions are fixed.
Government action: Make UK CBAM implementation practical and investable: provide clear monitoring, reporting and verification requirements, sufficient verification capacity and contracting certainty, while prioritising UK-EU ETS linkage and pragmatic alignment where this reduces friction and protects competitiveness.

UK-EU material flows are an immediate test of joined-up policy. In September 2026 the European Commission withdrew an anticipated narrower aluminium-scrap trade measure and signalled work on a broader delegated act under the Waste Shipment Regulation aimed at restricting waste exports, including aluminium scrap, to non-OECD countries. Separately, the Regulation's new export rules are due to apply from May 2027.

The final design is still developing, so the UK should assess consequences for UK scrap availability, pricing, recycling economics, trans-shipment risk and competitiveness as EU policy evolves rather than waiting until flows have already shifted.

LIVE POLICY WATCH: EU SCRAP

The UK should not simply copy EU restrictions. It should model how EU measures change European and global material flows, then decide what UK conditions are needed for recycling, remelting and manufacturing investment to compete commercially.

5. STRATEGIC RESILIENCE, DEFENCE AND PROCUREMENT

Aluminium's relevance to defence, infrastructure, transport, clean energy and communications makes domestic capability a resilience issue as well as an economic one.
Government action: Use procurement and investment policy to recognise strategically important aluminium capability.

Government action: Map dependencies and capability gaps across the ecosystem so resilience decisions are based on where value and vulnerability actually sit.



©2026 ALFED | All rights reserved

8. FROM POLICY AMBITION TO INVESTABLE UK CAPABILITY

The next stage is to convert evidence about UK capabilities and market demand into a pipeline of credible private investment opportunities. Government and industry should first identify barriers that can be removed through competitive energy, infrastructure, planning, permitting, R&D, skills and procurement visibility. Targeted grants or co-investment should be considered only where a documented market failure or strategic case justifies public support.



FIGURE 10. *Proposed Aluminium Investment Pipeline – moving from capability gaps to investable projects.*

ALFED PROPOSAL: AN ALUMINIUM INVESTMENT PIPELINE

ALFED proposes a confidential, member-validated investment pipeline spanning resource recovery, sorting, recycling, remelting, primary production, processing, finishing, fabrication, logistics, digital capability and R&D. It should capture projects of different scales and regions, identify commercial and infrastructure barriers, and distinguish investable proposals from aspirational concepts. Relevant public finance routes may be considered where eligibility and additionality are established, without presuming Government co-investment.

The purpose is not to subsidise uneconomic capacity. It is to make strategically useful, commercially viable projects easier to identify, finance and deliver in the UK.

©2026 ALFED | All rights reserved

9. A UK-WIDE REINDUSTRIALISATION OPPORTUNITY

Aluminium is not a single-site or single-region proposition. Capability is distributed across the UK, linked to energy, ports, recycling infrastructure, manufacturing clusters, stockholding and distribution networks, and major end users. That makes aluminium relevant not only to sector policy but to place-based growth, investment and skilled employment.

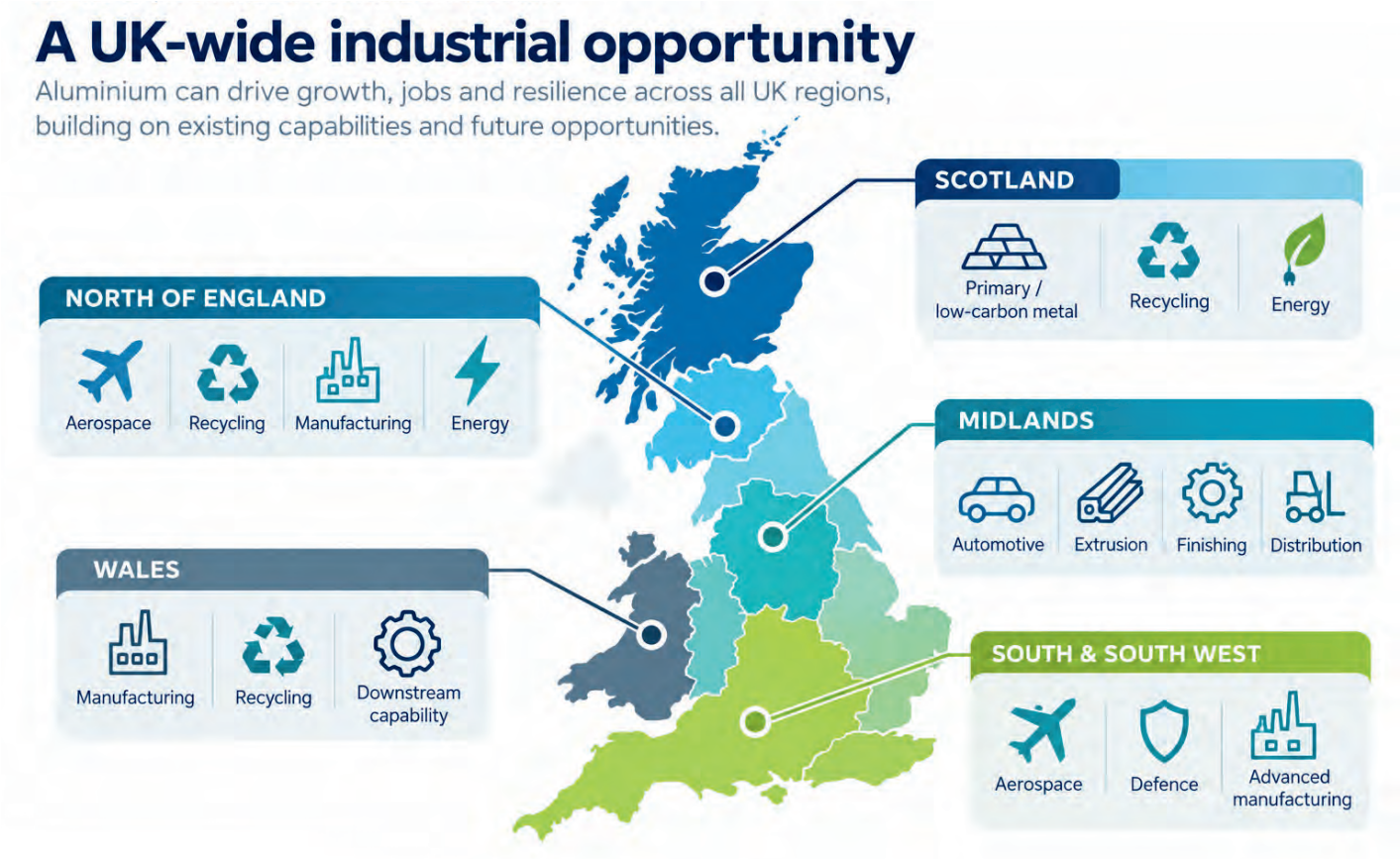


FIGURE 11. *Illustrative regional capability view; to be updated against member and regional evidence before use as a definitive capability map.*

A full ALFED capability map should become a living evidence tool: identifying current capacity, strategic dependencies, investment opportunities, skills needs and links to Industrial Strategy clusters and growth corridors. It would also help Government understand that a decision affecting scrap, energy, trade or carbon can have consequences far beyond a single plant or producer.

©2026 ALFED | All rights reserved

10. A PROACTIVE TRADE AND MARKET-INTELLIGENCE APPROACH

Aluminium trade responds rapidly to tariffs, premiums, carbon costs and changes in global capacity. ALFED's H1 2026 analysis shows that Middle East imports represented around 8% of total UK aluminium imports and 30% of imports under code 7601. The United States also rose from the UK's 19th-largest export destination for code 7601 in 2024 to third in H1 2026. These shifts underline the need for timely, product-specific trade intelligence and early industry consultation.

A practical Government-industry intelligence loop

- Engage before negotiations and concessions are fixed, not after implementation.
- Assess aluminium at product-code level, distinguishing essential upstream inputs from semi-finished and finished products.
- Monitor major-market trade remedies and the risk of diversion into the UK.
- Consider carbon intensity, domestic capability and downstream dependence alongside conventional trade measures.
- Use ALFED's member and committee structure as an early-warning route for market distortions and investment barriers.

ALUMINIUM SHOULD NOT BE TREATED AS A GENERIC COMMODITY

The same measure can have very different consequences for a remelter, extruder, stockholder, fabricator or end user.

11. ALFED'S OFFER TO GOVERNMENT

What ALFED can provide

- Aggregated operational intelligence on production, capacity, trade flows, market conditions, cost pressures and regulation.
- Evidence on the effects of trade, CBAM and market-access decisions across different stages of the aluminium value chain.
- Evidence from recyclers, processors, manufacturers, stockholders, distributors and end users rather than a single segment of the market.
- A route for testing policy proposals with businesses before unintended consequences are locked in.
- An annually refreshed economic evidence base, using transparent methodology and the latest available official datasets.

A proposed Aluminium Government-Industry Forum

ALFED proposes a regular senior-level mechanism bringing together relevant Government teams and aluminium industry representatives around trade, industrial energy, carbon policy, circularity, investment and resilience. The purpose would be practical: identify cross-policy impacts early, share market intelligence and connect strategic investment opportunities to the wider growth agenda.

ALFED
ALUMINIUM FEDERATION

©2026 ALFED | All rights reserved

12. THE ASKS: DECISIONS THAT CAN UNLOCK GROWTH

TABLE 4.

Government priority	What ALFED is asking for
Recognise aluminium as a foundational growth material	Explicitly connect aluminium to delivery of the Industrial Strategy, Advanced Manufacturing, Clean Energy, Defence and Critical Minerals resilience objectives.
Create an early-engagement route on trade	Consult ALFED before trade-agreement, market-access and trade-defence positions affecting aluminium are fixed.
Make UK CBAM work for industry	Provide implementation clarity, verification capacity and contracting certainty; prioritise UK-EU ETS linkage and beneficial alignment where this supports competitiveness.
Turn circularity into industrial capability	Improve scrap data and traceability and support investment in sorting, alloying, recycling and remelting.
Build an Aluminium Investment Pipeline	Work with ALFED to connect commercially viable capability projects with finance, R&D, infrastructure and procurement routes.
Connect procurement and resilience	Use defence, infrastructure and other strategic procurement to improve visibility of future demand and strengthen viable UK capability.
Measure progress annually	Work with ALFED to maintain a transparent annual evidence base covering economic contribution, trade flows, capability and investment.

How we will know if we are succeeding

ALFED proposes developing an Aluminium Growth Dashboard with Government for annual publication. Initial measures should include:

- UK production, recycling, remelting, processing, fabrication and finishing capacity and utilisation, where evidence can be assembled consistently.
- Visibility and domestic retention of aluminium scrap by grade and destination.
- Private investment in resource quality, processing, manufacturing and innovation capability.
- Direct and supply-chain GVA and FTE employment using the annual ALFED economic model.
- Trade flows and exposure in strategically important product categories.
- Plant openings, closures, insolvency/restructuring events and material changes in strategic UK capacity.
- UK capability serving Industrial Strategy growth sectors and major strategic procurement programmes.

A delivery test for reindustrialisation

A successful strategy should answer five practical questions: where can UK aluminium capability grow; what stops private investment; how can recovered resources generate more UK value; how will Government avoid contradictory decisions; and how will progress be measured?

ALFED's proposals are intended to move beyond recognition of aluminium's strategic importance towards practical delivery. We are not asking Government to recreate every historical production activity or provide open-ended support to individual businesses. We are asking for a coordinated, evidence-led approach that identifies where UK capability can grow competitively, removes avoidable barriers to private investment and measures whether industrial value is being retained and created.

ALFED
ALUMINIUM FEDERATION

©2026 ALFED | All rights reserved

THE ASKS: DECISIONS THAT CAN UNLOCK GROWTH

Five questions Government must answer

1. Where does Government want UK aluminium capability to grow? *Commission a member-validated capability and demand baseline, identifying opportunities, dependencies and strategic vulnerabilities.*
2. How will the UK become internationally competitive for investment? *Agree a timed response on effective industrial energy costs, grid access, permitting, infrastructure and tax conditions.*
3. How can UK resources generate more UK value? *Commission a transparent material-flow evidence programme, covering quality, alloy constraints, trade values and destinations, including USA exports.*
4. Who will ensure Government policies work together? *Require early, cross-departmental assessment of energy, trade, carbon, CBAM, waste shipment and procurement proposals.*
5. How will Government know reindustrialisation is working? *Agree a baseline and annual dashboard for investment, productive capability, GVA, employment, trade, material flows and regional outcomes.*

A Government-industry delivery partnership

ALFED proposes an Aluminium Growth and Resilience Forum, sponsored at senior level by BIST and involving HM Treasury, DESNZ, Defra, the Cabinet Office, MOD and devolved administrations as relevant. This is a delivery mechanism, not an additional consultation exercise.

Industrial strategy, energy, trade, carbon pricing, circularity, planning, innovation and procurement should be assessed as a single investment environment. The Reindustrialisation Forum discussions reinforced the value of long-term demand signals, productivity, export capacity, regional prosperity and institutions capable of delivery. These are thematic lessons, not attributed quotations. Government should test the combined consequences of its decisions before they become difficult to reverse.

The Treasury and regional investment case

ALFED recommends a stronger regional investment case, covering GVA, skilled employment, productivity, exports, supply-chain effects and strategic resilience. The Treasury's evolving Green Book guidance offers a route to assess place-based benefits alongside value for money. Regional evidence should help identify credible investment opportunities, not imply automatic public subsidy.

First 12 months: commitments and milestones

Months 1-3: Government sponsor, member-validated baseline and agreed energy/trade evidence priorities. Months 4-6: confidential investment pipeline, initial scrap-flow and energy-cost reviews, and cross-policy risk register. Months 7-9: regional investment and capability roundtables; proposals for planning, skills, infrastructure and procurement improvements. Months 10-12: public progress scorecard, confirmed Government decisions and priorities for the following year.

Evidence standards and commercial safeguards

Public figures should distinguish official statistics, ALFED estimates, member observations and scenarios. Economic multipliers are not directly comparable across different methods and vintages. Material Flow Analyses are used to study and model flows and scenarios based on robust datasets. MFAs cannot prove that all scrap exports could be economically retained. Member-sensitive commercial data should be shared only with consent or through suitable confidential arrangements. No product-specific case is presented as the industry-wide position. The first objective should be to establish a credible baseline and then agree measurable ambitions to 2030 and 2035, rather than create targets before the underlying evidence is sufficiently robust.

©2026 ALFED | All rights reserved

13. ABOUT THE ECONOMIC MODEL

The 2026 ALFED Economic Contribution Model follows the broad architecture of the earlier wider-industry work while refreshing the calculation with newer official data. Aluminium activity is mapped across SIC 15, SIC 24.4-5, selected SIC 25 activities and SIC 29. The central aluminium shares are approximately 0.28%, 40.80%, 13.43% and 0.091% respectively.

Direct contribution
Direct GVA applies the aluminium shares to corresponding 2023 industry GVA in the ONS industry-by-industry Input-Output Analytical Tables. Direct employment uses the ONS 2023 employment-effects framework on a full-time-equivalent basis.

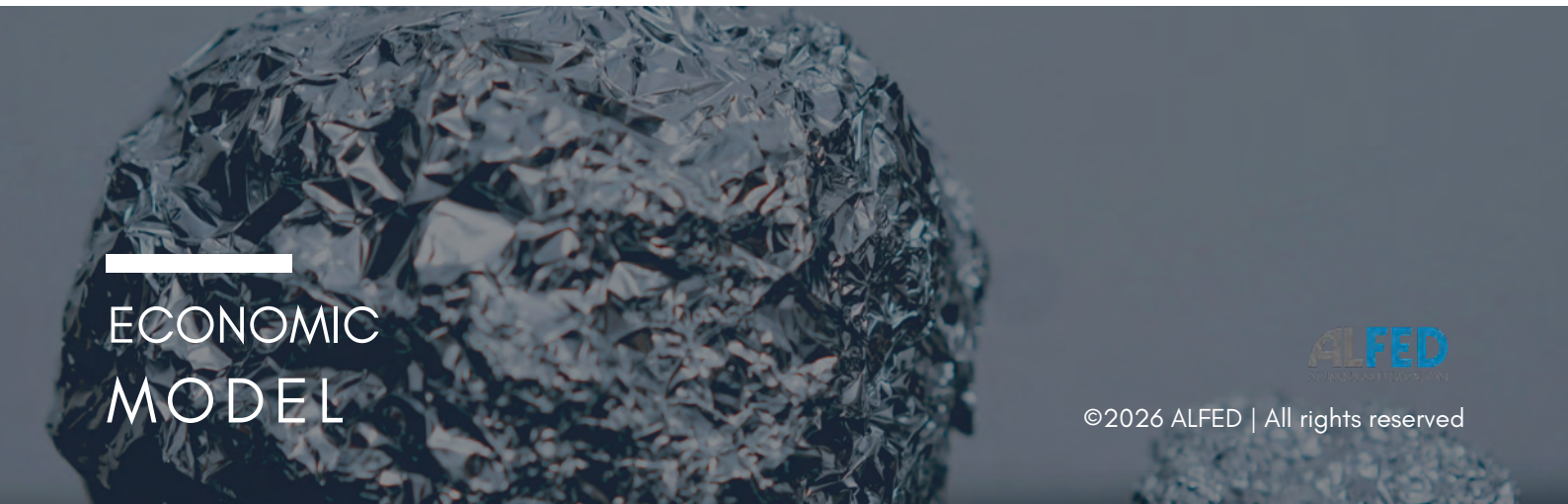
Indirect / supply-chain effects
Official ONS Type I multipliers are applied to estimate additional activity generated through purchases from the UK supply chain. This produces £2.19 billion of indirect GVA and approximately 27,700 indirect FTE jobs.

Induced effects
ONS does not currently publish Type II multipliers. ALFED therefore rebuilt the induced layer through an endogenous-household extension to the 2023 ONS industry-by-industry framework. The model uses compensation-of-employees coefficients and the 2023 household final-consumption pattern, with a central domestic re-spend factor of 55.98% that explicitly allows for saving, imports and relevant tax/price leakages.

Important interpretation

- The 2026 estimate is hybrid in reference period: it combines 2025 aluminium activity shares with the latest available 2023 ONS economic structure and multipliers.
- It is an ALFED estimate using the latest available official evidence, not an ONS statistic for calendar year 2026.
- ONS cautions that annual Input-Output Analytical Table editions are not a conventional time series.
- The FAI 2024 and ALFED 2026 totals should therefore not be used as a simple measure of growth or decline.
- Employment figures are FTE estimates, not a count of individual people.

A separate ALFED UK Aluminium Economic Contribution Model 2026 report publishes the full methodology, sensitivity testing and annual update process.



©2026 ALFED | All rights reserved

14. THE CHOICE FOR THE UK

Britain already has an important aluminium ecosystem, but its long-term strength is not assured. It retains skills, markets, primary and secondary production, processing and manufacturing expertise, distribution networks and internationally connected suppliers. The task is to connect these assets more effectively, strengthen commercially viable capability and avoid policy decisions that unintentionally weaken one part of the value chain while supporting another.

Government's own evidence now points to substantial future aluminium demand from the industries it has identified as central to UK growth. Its 2035 midpoint estimate for cumulative aluminium demand from Industrial Strategy growth sectors is 8.003 million tonnes. That creates a clear choice: allow a greater share of the associated material, processing and manufacturing value to be captured elsewhere, or create the conditions for more of it to remain in Britain.

With competitive energy, better resource intelligence, investable manufacturing capability, joined-up trade and carbon policy, procurement visibility and earlier Government-industry collaboration, Britain can capture more value, attract more private investment and support skilled employment.

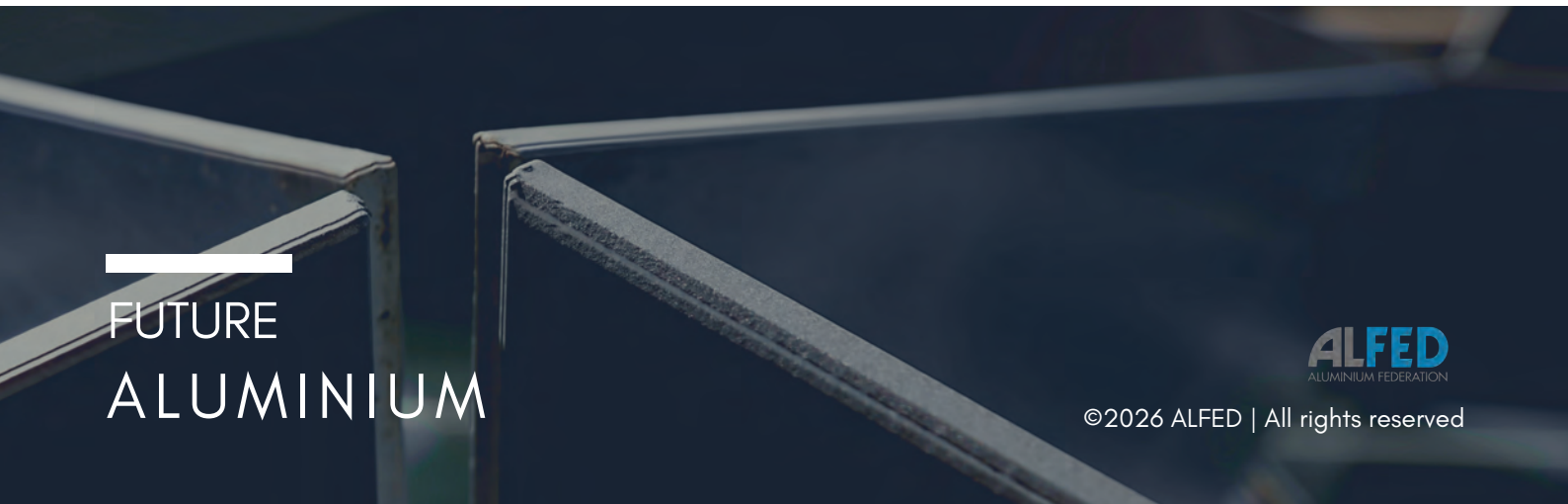
THE QUESTION IS HOW MUCH OF THAT FUTURE VALUE BRITAIN CHOOSES TO CAPTURE.

ALFED's proposition is simple: Make More of UK Aluminium - retain more value, build more capability and invest in Britain's future.

Reindustrialisation is not about recreating every historical production activity or withdrawing from international trade. It is about strengthening the capabilities Britain retains, addressing commercially viable gaps, and aligning Government policy with investment. Success must be measured through productive capacity, competitiveness, resilience and skilled employment.

THE CHOICE FOR THE UK

Reindustrialising UK aluminium is not about recreating the past. It is about understanding what we still have, what we've lost and what we can realistically rebuild - and turning future aluminium demand into more UK investment, capability, resilience and high-value jobs.



©2026 ALFED | All rights reserved

SOURCES AND TECHNICAL REFERENCES

EVIDENCE NOTE - CRANFIELD / ALFED MFA

The material-flow analysis is a reconciled approximation, not a precise census of every UK flow. Of its modelled parameters, 42% are based on official data, 35% on primary survey evidence and 23% on proxies/assumptions; the industry survey received eight responses. ALFED therefore uses the study to identify structural patterns, capability questions and data gaps, while avoiding false precision.

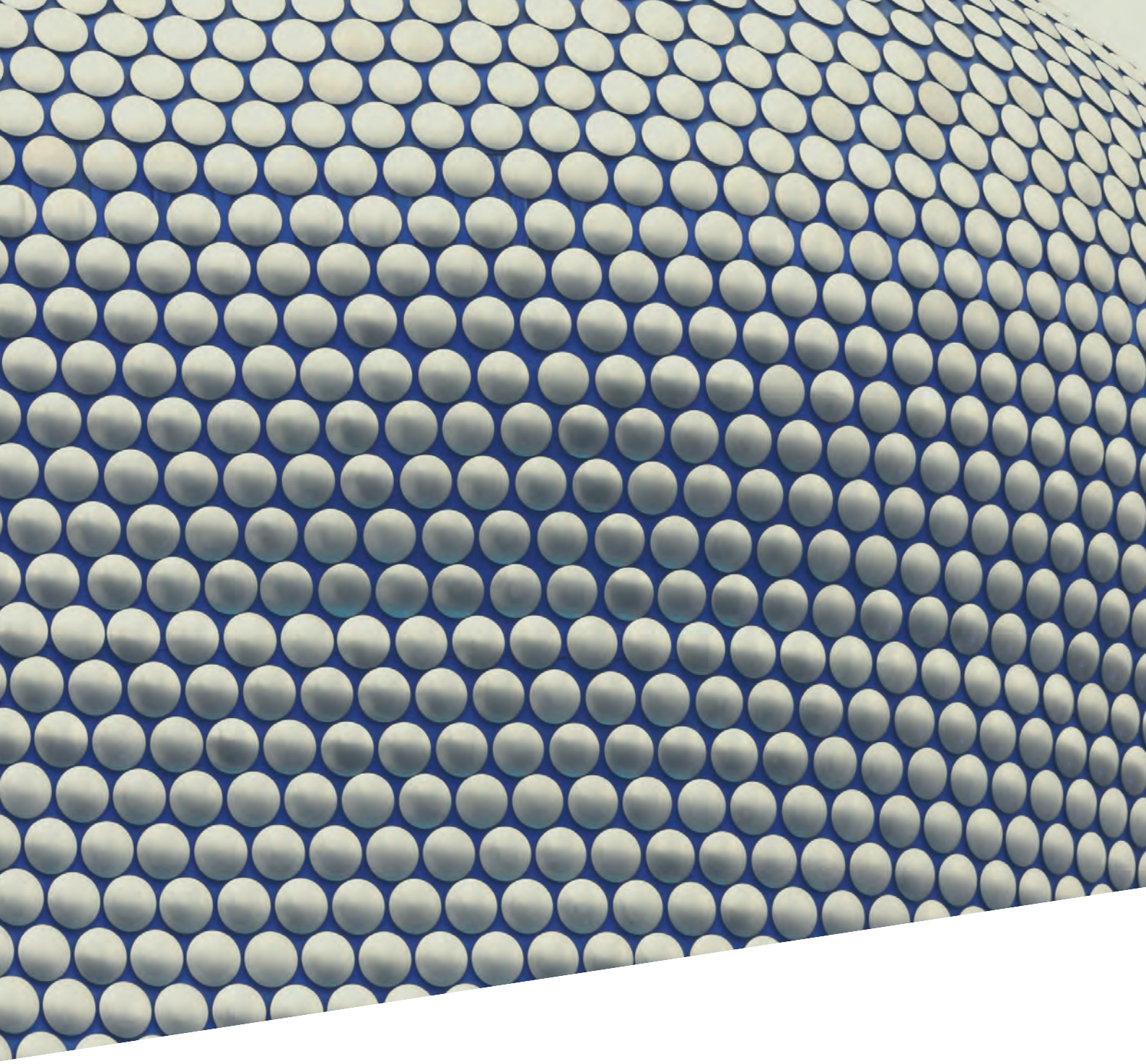
- Aluminium Federation (ALFED), UK Aluminium Economic Contribution Model 2026: Methodology, Results and Interpretation, August 2026.
- Aluminium Federation (ALFED), H1 2026 Trade Committee market analysis and Government briefing materials.
- Fraser of Allander Institute, The Aluminium Industry in the UK, September 2024.
- Office for National Statistics, UK Input-Output Analytical Tables: industry by industry, 2023.
- Office for National Statistics, Employment multipliers and effects in the UK, 2023.
- Office for National Statistics, UK manufacturers' sales by product (PRODCOM), 2025.
- HM Government, The UK's Modern Industrial Strategy, 2025; The UK's Modern Industrial Strategy: year one, July 2026.
- HM Government, Vision 2035: Critical Minerals Strategy, November 2025; Critical Minerals technical annex, updated January 2026.
- HM Government, Advanced Manufacturing Sector Plan and associated 2026 research and delivery updates.

Technical research and evidence sources

- Aug 2026 MFA working paper: Material Flow Analysis of UK Aluminium Scrap, Cranfield University / Aluminium Federation (ALFED). Technical research source used in this White Paper for UK aluminium material flows, scrap and secondary-aluminium evidence, data-quality limitations and capability analysis. Corresponding author for the MFA working paper: Dr Lampros Litos (litos.lampros@cranfield.ac.uk).
- Cambridge Econometrics for the Committee on Climate Change, Competitiveness impacts of carbon policies on UK energy-intensive industrial sectors to 2030, 2017 - structural changes in UK aluminium, including Anglesey and Lynemouth smelter closures.
- Rio Tinto, Rio Tinto to close its Lynemouth smelter, 6 March 2012.
- Hydro, Hydro confirms closure of UK extrusion plants in Bedwas and Cheltenham, 14 January 2026; Hydro Investor Day 2025 restructuring material.
- Companies House, Whitehead Alloys Limited (01518503) - liquidation filings, including declaration of solvency; December 2025.
- Interpath Advisory, Administrators appointed to CF Booth Limited, January 2026; sale of business and assets to the Ron Hull Group, March 2026.
- Ingospec Aluminium Limited - creditors' voluntary liquidation notices, August/September 2026; company material on specialist high-grade aluminium casting alloys.
- ALVANCE British Aluminium, Lochaber operational/sustainability information and 2025-26 US market updates; Scottish Parliament evidence, February 2026, noting approximately half of output being sold to the US at that time.
- European Commission, Waste Shipment Regulation implementation information; Reuters, 4 September 2026, on proposed broader EU restrictions on waste exports including aluminium scrap to non-OECD countries.
- UK Steel, UK Steel at a Glance, sector economic and employment statistics; Why the UK Needs a Strong Steel Sector, October 2023; and Key Statistics Guide 2024.
- House of Commons Library, UK steel industry: statistics and policy, Research Briefing CBP-7317, updated 11 April 2025.

ALFED
ALUMINIUM FEDERATION

©2026 ALFED | All rights reserved



The Aluminium Federation represents the UK aluminium ecosystem and works to ensure the sector's role in the economy is understood, supported and strengthened.

ALFED engages with members, Government and wider stakeholders on competitiveness, circularity, trade, technical capability, skills and strategic resilience.

Aluminium Federation

Bragborough Hall Business Centre, Welton Road,

Braunston, Daventry, Northamptonshire NN11 7JG

Tel: 0333 240 9735

E: alfed@alfed.org.uk

ALFED
ALUMINIUM FEDERATION

©2026 ALFED | All rights reserved