

Middle East Tensions Shake Global Aluminum Industry Chain, Europe Faces Sharp Pressure for "Aluminum Independence"



Yantai, Shandong May 19, 2026 ([IssueWire.com](https://www.issuewire.com)) - Recently, ongoing tensions in the Middle East, coupled with news of production cuts at some smelters, have significantly impacted the global aluminum industry chain. Metal prices and energy costs have risen simultaneously, bringing new uncertainties to Europe's aluminum sector. Under the dual pressure of supply-demand imbalance and rising costs, discussions on "aluminum industry independence" in Europe have heated up again.

1. Amplified Supply Disruptions Highlight Europe's External Dependence

Globally, the Gulf Cooperation Council (GCC) region plays a vital role in primary aluminum supply. With an annual output of about 6.8 million tons, it accounts for 23% of primary aluminum production outside China, making it one of the world's major aluminum export sources.

Europe has long been highly dependent on aluminum resources from this region. Data shows that by 2025, the EU imported approximately 1.4 million tons of aluminum from the Persian Gulf region, accounting for 14% of its total aluminum imports. Among them, aluminum ingots accounted for as high as 86%, with the rest being wire rods, sheets, and some scrap aluminum.

Against the backdrop of current geopolitical instability, the fragility of this dependent structure has been

further exposed. Any fluctuations in transportation, production, or trade chains will easily directly impact the European market.

2. Synchronized Price Rises Put Heavy Pressure on the Industry Chain

Affected by supply uncertainties and market risk sentiment, both aluminum prices and premiums have risen significantly:

London Metal Exchange (LME) aluminum prices have risen by about 11% since late February, once reaching \$3,516 per ton, a four-year high.

European spot aluminum premiums have risen even more sharply, with the duty-paid premium at Rotterdam warehouses surging by about 28% to \$490 per ton.

Meanwhile, rising energy prices have further pushed up production costs. European natural gas prices have jumped by more than 50% in a short period, driving a general 20%-30% increase in electricity prices.

As aluminum smelting is a typical energy-intensive industry, fluctuations in electricity prices will directly affect corporate profit margins, and some enterprises even face pressure to cut or halt production.

3. Downstream Industries May Feel the Impact First

As a basic industrial material, aluminum is widely used in many key fields, including:

- Automotive manufacturing
- Construction engineering
- Packaging materials
- Cables and electrical equipment
- Industrial manufacturing

These industries are highly sensitive to primary aluminum prices. Amid current price hikes and tightening supply, production costs for downstream enterprises may rise first and gradually pass through to end products.

In addition, Europe's scrap aluminum supply is already tight. Further disruptions to external supplies may exacerbate structural raw material shortages and pose challenges to the recycling system.

4. Overlapping Energy and Transportation Risks Sustain Uncertainties

In addition to the metal itself, energy and logistics have also been affected. Periodic fluctuations on some shipping routes have raised market concerns about supply continuity.

Industry insiders generally believe that it is difficult to fully assess the ultimate impact of the shocks at present. On the one hand, relevant trade and shipping data are lagging; on the other hand, the situation remains uncertain and may continue to affect market expectations in the short term.

5. "Aluminum Independence" Becomes a Key Focus for Europe

Amid multiple external shocks, Europe's aluminum industry is re-evaluating the stability of its supply

system. Boosting domestic production capacity, enhancing industrial resilience, and optimizing resource allocation have become important directions of current discussions.

In the short term, Europe's aluminum industry is actively seeking to increase aluminum imports to fill supply gaps.

In the long run, aluminum plays an important role in energy transition, transportation, high-end manufacturing and other fields. How to ensure supply security while improving industrial competitiveness may become an important topic for Europe's future industrial policies.



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