5 March 2025

# ALENZ submission to The Trade and Economic Group of the Ministry of Foreign Affairs and Trade on **GreenTrade**.

About ALENZ and the Aluminium Industry in New Zealand

The Aluminium Extruders of New Zealand (ALENZ) is made up of the four independent businesses that account for almost 90% of aluminium extruded products manufactured in New Zealand.

New Zealand aluminium extrusions provide low carbon, added-value manufacturing in New Zealand supplying tailored solutions for building & construction, transport and marine sectors. Our members supply local manufacturing of residential windows, commercial building facades along with truck bodies for our transport sector and structural materials for our marine industry.

A highly durable metal, aluminium is 100% recyclable and can be recycled again and again without degrading its inherent value. It is estimated that nearly 75% of all aluminium ever produced is still in use today[1].

The majority of the aluminium extruded in New Zealand is sourced from the NZAS smelter at Tiwai Point. Tiwai has one of the lowest aluminium smelting carbon footprints in the world generating 85% less CO2-e than the industry average[2].

New Zealand is also fortunate to have an aluminium recycling/remelt facility at McKechnie in New Plymouth, where 89% less carbon is emitted per kg than other aluminium extruders globally - achieving a carbon footprint (Scope 1 & 2) of 1.31kg of $CO_2$ per kg of aluminium. The global average is 11.5kg of $CO_2$ per kg of aluminium[3].

New Zealand leads the world in low carbon, circular, aluminium extrusions and fabrication. However, New Zealand free trade agreements do not value these stunning "green" environmental credentials, nor do they acknowledge the significant value of local manufacturing which:

- delivers high value jobs in our regions,
- provides the capability/capacity for new innovations/industries and
- delivers resilience to essential sectors of the New Zealand economy when supply chains fail due to global pandemics or changing geopolitical events.

Thanks for the opportunity to contribute to this discussion. ALENZ members support the Joint Working group's framework which

[1] https://www.aluminum.org/sustainability
[2] https://nzas.co.nz/sustainability
[3] https://www.mckechnie.co.nz/sustainability

*"... will consider how to use innovative trade policy frameworks to accelerate the uptake and deployment of low-emissions and resource-efficient solutions, production and consumption both in New Zealand and internationally.*
*This work will support both trade and climate objectives. It will explore how a possible green trade agreement could:*

- *add value to the New Zealand economy;*
- *increase cooperation and encourage innovation; and*
- *incentivise greener trade practices."* [4].

The challenge for the Trade and Economic Group is to develop these "frameworks" to ensure that local low carbon, circular manufacturing in New Zealand and globally is incentivised to grow/export rather than be undermined by imports of high carbon content aluminium from our major trading partners.

ALENZ members welcome the opportunity to contribute as the Trade & Economic Group progresses.

Nick Collins
Chairman

Aluminium Extruders of New Zealand (ALENZ)
021464252
nick@alenz.nz
https://alenz.nz/

In response to your questions

> *How do you see New Zealand working with partners to enhance global trade in greener goods, services and investment? What principles or priorities should guide the development of this initiative*?

Priority One - incentivising low carbon solutions.

[4] https://www.mfat.govt.nz/en/trade/nz-trade-policy/public-engagement-on-trade/public-consultations-green-economy-joint-working-group-with-chile-and-singapore

A mechanism which is already being used effectively - for example, Carbon Border Adjustment Mechanism (CBAM) in the European Union, which effectively puts a fair price on the carbon emitted during the production of carbon intensive goods entering the EU.

Priority Two - adopting internationally recognised measures of circularity

The Working Group should engage with the Ellen MacArthur Institute as to how material circularity indicators[5] could incentivise trade in circular goods.

*What are the key opportunities and challenges your sector faces in transitioning to more sustainable trade practices, or to accessing new opportunities in this area? What are the key green market opportunities for your sector internationally?*

The key challenge is trade mechanisms do not universally recognise or value carbon or circularity.

Adopting CBAM, internationally, would drive uptake of lower carbon solutions and provide New Zealand and other low carbon manufacturers with a source of competitive advantage.

*What are the current and future barriers to accessing international markets for green goods and services from New Zealand, or to attracting investment for green transition activities? Are green policies abroad creating unnecessary emerging barriers to trade in sustainable products and services from New Zealand, and if so what are those policies and barriers?*

A lack of trade mechanisms, which recognise carbon, (i.e. CBAM's) means the potential competitive advantage of New Zealand manufacturing, (powered largely by renewable electricity) goes unrealised. Furthermore locally manufactured low carbon products are exposed to high carbon imports.

*What environmental and climate standards and certifications for products, services and investment should be recognised by this initiative? How could an initiative like this promote greater alignment and coherence on green standards internationally?*

Environmental Product Declarations are certified assessments of the environmental impacts of a product. They are recognised internationally- refer ISO14025:2006[6]

*How could this initiative encourage investment in green technologies and innovation? What are the key emerging technologies for the green transition?*

Introducing key internationally recognised, environmental indicators (e.g. carbon content and circularity measures) to trading mechanisms would drive change by rewarding early adopters and penalising laggards.

*How could the initiative promote greater collaboration between research and education institutions across borders to support green skills and innovation?*

The mechanisms are there for carbon, they just need to be adopted by New Zealand and our major trading partners.

[5] https://emf.thirdlight.com/link/yybss1obhtdv-ub419h/@/preview/1?o

[6] https://www.iso.org/standard/38131.html

Utilising material circularity indicators could provide opportunities to promote collaboration and change across research/education institutions.

*What best practices from other trade agreements or initiatives should be incorporated into this initiative?*

Carbon Border Adjustment Mechanism (CBAM) in the European Union.
Ellen Macarthur Foundation's work on material circularity indicators.