



Aluminium  
Association  
of Canada



## **Global Aluminum Associations Applaud the USITC Report on Industry Competitiveness**

(July 17, 2017) The Aluminum Association of the United States, the Aluminium Association of Canada and European Aluminium applaud the United States International Trade Commission for the Section 332 report that confirms oversupply is harming the global industry and that China's capacity growth has far exceeded all other countries.

The study details the government-sponsored rise of Chinese aluminum production in the global market and the effect of Chinese oversupply on global prices, which fell roughly 30 percent during 2011–15. Chinese government intervention in the form of programs and subsidized loans and electricity has played a significant role in China's aluminum expansion.

According to the USITC, Chinese domestic support policies have had the effect of increasing wrought aluminum production and exports by an estimated 13 percent and 80 percent, respectively. Chinese firms are reportedly striving to enter into the automotive and aerospace markets, in part to capture more global market share.

Overall, the USITC found that the U.S. primary aluminum industry has been negatively affected by global oversupply, principally because of China's increased capacity, production, and its policies supporting Chinese industry. The U.S. unwrought secondary and wrought aluminum industries are at increased risk of losing market share as China rapidly expands into those segments.

The Associations continue to work with their respective governments towards a negotiated agreement with the Chinese government that result in measurable and consequent reductions in Chinese aluminum capacity and/or growth. That would address the fundamental problem directly and set the global industry – both upstream and downstream – on a course of expansion, rather than contraction, creating more jobs and more opportunities.

###