

# Steel safeguard measures send a strong signal: Commission acts against distortive trade practices

**Brussels, 18 July 2018 – After today’s announcement that the European Commission will impose safeguard measures on certain steel products, European Aluminium calls on the Commission to monitor import surges vigilantly and defend its industry against an influx of aluminium imports if proven necessary.**

“The steel safeguard measures send a strong signal: The Commission is willing to take decisive action to preserve European industries against distortive and unfair trade practices. We trust the Commission to have the courage to implement commensurate safeguard measures to offset any negative impact if the surveillance data that is being collected since mid-May shows a threat of injury to the aluminium industry,” commented Gerd Götz, European Aluminium’s Director General.

The European aluminium industry faces the risk of being harmed by a redirection of aluminium from third countries that are targeted by the U.S. measures under Section 232. This redirection could see an additional 35% of semi-fabricated aluminium products entering Europe, which could create unfair competition for European producers who are already under immense pressure due to growing Chinese overcapacity in both primary and semi-fabricated aluminium.

The industry association has been very vocal about the need to address Chinese overcapacity, which is the root cause of global market imbalances. The total Chinese overcapacity is currently around 10 million tonnes, which is almost 5 times the total EU production of primary aluminium. During the first quarter of this year, Chinese imports to the EU of flat-rolled products increased by 37% compared to the same period last year. Similarly, there was an increase of 22% for extruded products imports during the first quarter. Depending on the product, Chinese import shares in extruded products vary from 31% to 75% of all imports into EU. While the global problem of Chinese overcapacity should be addressed at G20 level through the creation of a Global Multilateral and Governmental Forum on Aluminium Overcapacity, safeguard measures might be necessary to rebalance the EU market in the short-term.

“We are expecting an increasing demand for our metal in several strategic application areas including low carbon mobility, resource-efficient packaging and energy efficient buildings but European producers are not able to fully benefit from this positive trend due to Chinese overcapacities. If we do not defend ourselves against unfair competition, Europe risks losing a strategic industry vital to its transition to a low carbon economy. Our strongly interlinked value chains could start to disintegrate, and research and innovation may take place elsewhere. Business is promising for our industry and its customers so Europe must be prepared to act with adequate trade defence measures as soon as necessary,” concluded Götz.

## About European Aluminium:

European Aluminium, founded in 1981 and based in Brussels, is the voice of the aluminium industry in Europe. We actively engage with decision makers and the wider stakeholder community to promote the outstanding properties of aluminium, secure growth and optimise the contribution our metal can make to meeting Europe’s sustainability challenges. Through environmental and technical expertise, economic and statistical analysis, scientific research, education and sharing of best practices, public affairs and communication activities, European Aluminium promotes the use of aluminium as a material with permanent properties that is part of the solution to achieving sustainable goals, while maintaining and improving the image of the industry, of the material and of its applications among their stakeholders. Our 80+ members include primary aluminium producers; downstream manufacturers of extruded, rolled and cast aluminium; producers of recycled aluminium and national aluminium associations are representing more than 600 plants in 30 European countries. Aluminium products are used in a wide range of markets, including automotive, transport, high-tech engineering, building, construction and packaging.