

September 27, 2021

Joint Position
Section 232 exemption for European aluminum products

The Aluminum Association and European Aluminium welcome the intention to find a solution to the Section 232 tariffs on aluminum and steel by November 1st. **Both associations strongly support the phase out of Section 232 tariffs on aluminum products coming to the United States from the European Union.** We understand there are several potential avenues to reach that goal and we urge policymakers to pay special attention to the specifics of the aluminum and steel value chains when designing these phase-out avenues.

Our associations welcome the idea of a gradual reduction over a three-year period of the Section 232 tariffs as a favoured pathway to restore a normal, future-proof trading relationship between the two markets.

Our associations are very concerned by the prospect of any agreement that replaces one trade-distorting measure, a tariff, with another distortion such as a quota or a tariff rate quota. Any quota system would create an unpredictable and precarious space for metal traders to speculate and disrupt – beyond the root cause of market distortion: China - normal trade along the value chain. We believe any quota system will be detrimental to both U.S. and European aluminum products producers and to their customers downstream in the transportation, building and construction, packaging, and other markets.

Our associations consider the issue of subsidised industrial overcapacity in China as a fundamental threat to our industries, and we strongly urge efforts on a joint initiative between the European Union, the US and other market economies to combat these unfair trade practices. **To that effect, our associations strongly oppose current intentions of the European Union Commission to suspend long-planned anti-dumping duties on certain aluminium products originating from China.** Putting urgently needed trade enforcement measures on the siding, sends the wrong signals to our partners in the fight for fair, WTO-compliant and legal trade practices. A competitive global marketplace requires a free and fair-trade level playing field and prevents all subsidized aluminium from causing distortions in both the North American and European markets.

Trade between our economies is based on long term commercial partnerships between EU and US aluminium producers that are bound together in an integrated supply chain based on mutual benefits. Efficient aluminium production, trade and recycling systems in the United States and Europe can make an increasing contribution to sustaining good jobs, ensuring reliable supplies of strategically important materials, and realizing a low carbon economy – but only if international markets along the aluminium value chain are free, fair, and open.



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