

European Aluminium closely following US case at WTO on Chinese subsidies

Brussels, 19 January 2017 – Last week the US filed a World Trade Organization (WTO) case on Chinese aluminium subsidies. As firm proponents of free and fair trade, European Aluminium will closely follow the case as it develops and expects the European Commission to do the same.

The US complaint filed at the WTO against Chinese subsidies alleges that cheap state-directed loans and subsidised energy enable Chinese companies to sell primary aluminium at artificially low prices. The case is a step towards addressing imbalanced market conditions explaining global aluminium overcapacity. Today Chinese overcapacity in primary aluminium is five times the size of EU production.

“We have been closely monitoring the developments in the WTO case,” stated Gerd Götz, Director General of European Aluminium. *“Overcapacities affect the entire aluminium value chain, in Europe as well as in the US, because they distort the market. We hope that the complex issue of subsidies and imbalanced market conditions will be addressed in a serious and factual way from within the World Trade Organization.”*

Mr Götz continued, *“We trust that the EU will work closely with the US to carefully assess this case and its implications for the entire aluminium value chain. We expect the European Commission will take action should their analysis confirm that the European aluminium industry is at risk. We remain ready and willing to work closely and constructively across borders to promote free and fair trade for the global aluminium industry.”*

Since 2007, primary aluminium production in the EU dropped by 30%. During the same period, the EU lost 8 out of 24 smelters. In parallel, China has ramped up its primary aluminium production and today accounts for more than half of global production at 53%, compared to 10% in 2000.

Background information:

Read more about European Aluminium’s work on [trade](#) and [data](#).

European Aluminium is a member of [AEGIS Europe](#), an alliance that commissioned an [independent study](#) by THINK!DESK China Research & Consulting assessing the Chinese economy and its impact on international competition. This study found that Chinese aluminium companies receive over 70% of the total Chinese electricity subsidies.

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. 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.

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