



Press release

For immediate release

Imposition of a 10% tariff on imports of aluminium into the United States

The AAC argues that Canada must be excluded, the imposition of tariffs is not the solution

Montreal, March 1, 2018 – President Trump announced his intention to impose a 10% tariff on all aluminium imports. The official decision will be announced next week, and the tariffs would be in force for “quite a while” according to the President.

“If the United States hits its strategic allies such as Canada with measures, they are missing the appropriate target and they expose their economy to serious adverse effects that are greater than the expected gains. The problem of Chinese overcapacity is one we all face. Canada has always been part of the solution and should be treated as such”, said Jean Simard, President and CEO of the AAC.

The Canadian aluminium industry contributes to a healthy North American sector. Produced by close to 10,000 middle-class Canadians, Canada’s primary aluminium supplies the United States, where nearly 160,000 middle-class Americans transform it to meet their transportation, building and packaging needs. Canada is the largest supplier of primary aluminium in the United States, while it is also the leading destination for American-made aluminium. According to the February 16 report of the U.S. Department of Commerce, Canada exported 2,759,687 metric tons of aluminium for a total value of US\$ 5,608,651,000.

According to Jean Simard, “The imposition of an undifferentiated tariff on the historic allies of the U.S., Canada and Europe, is a real invitation to a significant commercial trade conflict that will serve no one. We can expect retaliatory measures elsewhere in the world that will destabilize market equilibrium. Unfortunately, the real problem, Chinese overcapacity, will remain unresolved.”

In recent years, Canada has helped maintain U.S. supplies without taking advantage of the U.S. decline in production, which have been filled by secondary sources, as well as imports from the Middle East, Russia, and growing markets such as China. It is the latter which is responsible for the global imbalance in the aluminium sector, producing 54% of the world's primary aluminium and 53% of the fabricated aluminium. Their costs, partly subsidized, led to a spiral of closures.

The Aluminium Association of Canada will continue to work with the governments of Quebec and Canada to support the importance of our contribution to the U.S. economy, and will continue its efforts to put in place a process for transparent dialogue within the OECD to solve the problem of global overcapacity.



About the Aluminium Association of Canada (www.aluminium.ca/en)

The Aluminium Association of Canada (AAC) is a non-profit organization representing three Canadian world-class aluminium producers: Alcoa, Alouette, and Rio Tinto operating ten smelters in Canada, nine of which are in Quebec, and employing over 8,000 workers.

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Source:

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