



Press release

For immediate release

US tariffs on Canadian aluminium: Undermining economic recovery and CUSMA benefits at the expense of US consumers

Montreal, August 6th, 2020 – The Aluminium Association of Canada (AAC) is very disappointed that the US has levied new tariffs on Canadian aluminium, just as the new trade agreement between Canada, the US and Mexico (CUSMA) has come into force.

“We were already seeing a rebalancing in product mix from basic commodity ingot (P1020) back to value added product (VAP) through the recovery of the automotive industry” said Jean Simard , President and CEO of the Aluminium Association of Canada. “There is no surge for 2020 over 2019, monthly anomalies do not make for a yearly surge, they are simply results of changing market dynamics in crisis times.”

According to the Aluminium Association of Canada ,overall exports of primary aluminum from Canada (7601) into the United States declined by about 2.6 percent from May to June. Primary aluminum import volumes from Canada for the first 6 months of 2020 were nearly 5 percent lower than same period in 2017.

Canadian aluminium has been a key competitive advantage for US manufacturers since the beginning of the 20th century and is recognized in United States law as a contribution to the nation’s defence and an important component of its industrial base. While the US produces, at best, one million metric tons a year of primary metal, it consumes six times that amount. Re-imposing tariffs only raises costs for US consumers and businesses in the middle of economic recovery efforts.

Since there is no surge in aluminium exports from Canada to the US, all options for retaliation should be considered by Canada. Moreover, this tariff goes against the spirit of both the Joint Statement of May 17, 2019, and the overarching CUSMA. “At a time when we should work together to jump-start our economies by strengthening our supply chains, here we are playing into the hands of Russia and China. This move will not only benefit foreign traders, but will increasingly substitute Canadian metal with metal from Russia without addressing the real problem: China,” mentioned Jean Simard.

“Year in and year out, Canada has been the most reliable source of primary aluminium for the US, providing low carbon, responsibly produced metal at world prices. This US focus on Canada only distracts from the real problem facing the aluminium industry: unfairly subsidized Chinese aluminium production leading to global overcapacity,” added Jean Simard.

The AAC will keep working with Canadian authorities, and its US counterpart the Aluminum Association, which represents the whole US aluminium value chain, to ensure a rules-based, market-driven level playing field.



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 nine smelters in Canada, eight of which are in Quebec, and employing over 8,700 workers. For more information, visit www.aluminium.ca or Twitter [@AAC_aluminium](https://twitter.com/AAC_aluminium).

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