



Aluminium
Association
of Canada



Press release

For immediate release

Global Aluminium Associations Welcome New OECD Analysis of the Climate Impact of Subsidies Across Aluminium Supply Chains

(Washington DC, Brussels Belgium, Montreal Canada, Tokyo Japan — October 17, 2023)

The aluminium associations of the United States, Europe, Canada, and Japan welcome a new report by the Organisation for Economic Cooperation and Development (OECD), *The climate implications of government support in aluminium smelting and steelmaking*.

The report examines current government support provided to aluminium smelting and steelmaking firms. It finds that support has both increased output and greenhouse gas (GHG) emissions in the two sectors and shifted production to less efficient and higher GHG emitting plants, most notably in China and India. The report also highlights the expected benefits of alternative support measures that target the development and adoption of new climate technologies that are essential for the transition to net zero emissions (NZE) globally.

The OECD report simulates removing existing government support and estimates that doing so would decrease global GHG emissions by 1%, while reducing global output by just 0.3%. These results are driven by China and India, which account for 96% and 89% of the emissions and output reductions, respectively. This is largely because China and India have a ratio of support to output between 1.8 and 7 times the world average, and GHG emission intensities that are one and a half to three times larger than in OECD economies.

In welcoming the report, Charles Johnson, President & CEO of The Aluminum Association, Paul Voss, Director General of European Aluminium, Jean Simard, President & CEO of the Aluminium Association of Canada, and Yasushi Noto, Executive Director of the Japan Aluminium Association emphasised:

“The report highlights that addressing excessive subsidies and thereby ensuring a level playing field globally can be a cost-effective strategy to reduce emissions in hard-to-abate sectors like aluminium. Across aluminium supply chains today, high levels of support in China displace output from lower GHG emitting production systems, resulting in a much higher carbon footprint globally. Removing such harmful support is an essential element of the aluminium industry making the transition to net zero emissions globally.”

“Finding the right balance between government support and private sector spending on research, development and technology adoption at industrial scale is key to enabling a viable aluminium industry pathway to a sustainable future. The transition to NZE globally will require massive new investments, but the costs cannot be borne by governments alone. Additional private sector investments in electricity decarbonization, near zero GHG emission smelting systems, and near 100% aluminium recycling rates are also needed. These investments are contingent on aluminium markets being fair, open to competition, and free of aggressive state capitalism.”

“On behalf of our member companies and the 1.75 million workers they directly and indirectly support across the United States, Europe, Canada, and Japan, we are fully committed to working with international organizations and with governments to ensure that responsibly and sustainably produced aluminium contributes to a clean energy economy globally.”

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About The Aluminum Association

The Aluminum Association represents aluminum production and jobs in the United States, ranging from primary production to value added products to recycling, as well as suppliers to the industry. The association is the industry's leading voice, representing companies that make 70% of the aluminum and aluminum products shipped in North America. The association develops global standards, business intelligence, sustainability research and industry expertise for member companies, policymakers and the general public. The aluminum industry helps manufacturers produce sustainable and innovative products, including more fuel-efficient vehicles, recyclable packaging, greener buildings and modern electronics. In the U.S., the aluminum industry supports \$176 billion in economic activity and more than 634,000 jobs. For more information visit <https://www.aluminum.org> or find us on Twitter, LinkedIn, Facebook or Instagram.

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 100+ members include primary aluminium producers; downstream manufacturers of extruded, rolled and cast aluminium; producers of recycled aluminium and national aluminium associations, 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. For media requests: Kelly Roegies, Senior Manager Communications, M: +32 471 80 20 98, roegies@european-aluminium.eu

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

Founded in 1990, the Aluminium Association of Canada (AAC) represents the three Canadian world-class aluminium producers: Alcoa, Alouette, and Rio Tinto. Operating nine smelters in Canada, eight of which in Quebec, they employ over 8,500 workers, producing more than 80% of North America's primary metal, with \$10.2 billion in exports, mainly to the United States. The AAC and its members are active in the development of best practices in health and safety and responsible low CO₂ production. For more information, visit <http://www.aluminium.ca> or Twitter @AAC_aluminium.

About Japan Aluminium Association

Japan Aluminium Association (JAA) was established in 1947 (the former names were the Light Metal Rolling Association and Light Metal Smelting Association of Japan). Now, around 140 companies join in JAA, their business fields are various from aluminium fabrication, aluminium remelting and trading, etc. JAA represents Japanese aluminium industry and plays very important role for such as in public relations (including conveying industry voices to the government), research & development, energy & environment, safety & health and so on. Through these activities, JAA tries to enhance values and sustainability of aluminium. For more information visit <http://www.aluminum.or.jp/english/>.

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