

## Joint Statement: Aluminium associations applaud the EU, U.S. and Japan agreement to strengthen WTO rules on industrial subsidies

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Our aluminium associations applaud the agreement between the European Union, Japan and the United States to work towards the strengthening of the existing World Trade Organization's (WTO) rules on industrial subsidies.

Earlier this week, Trade Ministers from the three regions issued a [joint statement](#) to affirm their shared belief that the current WTO Agreement on Subsidies and Countervailing Measures needs to be updated to better address the "market and trade distorting subsidization existing in certain jurisdictions." The Ministers also reconfirmed the need for a deep reform of the WTO, including a reversal of the burden of proof for particularly harmful types of subsidies.

As association leaders who have long expressed grave concerns about unfairly subsidized aluminium overcapacity, we welcome this important step toward addressing some of the significant trade distortions that have resulted in the long-standing difficulties faced by aluminium producers. We also expect Trade Ministers to continue this important work in the [separate group](#) of 13 countries that gathered in Ottawa in October 2018 on additional WTO reforms.

In January 2019, the Organisation for Economic Cooperation and Development (OECD) released the landmark report "[Measuring distortions in international markets: The aluminium value chain](#)" which highlights how non-market forces are responsible for some of the recent increases in aluminium smelting capacities, with detrimental impacts throughout the value chain.

The report indicates that global aluminium companies have received up to USD 70 billion in different forms of support over the 2013-2017 period. Notably, 85 percent of the documented subsidies went to just five Chinese firms.

The OECD evidence underscores the need for urgent action to level the global playing field for the aluminium sector. We support the report's suggested improvements to the design of the WTO trade rules on subsidies and the need to better account for the influence of state actors given the dual role of some State-Owned Enterprises (SOEs) as both recipients and providers of support.



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