



Aluminium
Association
of Canada



Press release

For immediate release

Global Aluminium Associations Welcome New OECD Analysis on State Enterprises

(Washington DC, Brussels Belgium, Montreal Canada, Tokyo Japan — July 18, 2024)

The aluminium associations of the United States, Europe, Canada, and Japan welcome a new report by the Organisation for Economic Cooperation and Development (OECD), *Quantifying the role of state enterprises in industrial subsidies*.

The report notes that while state ownership is not problematic in and of itself, there is clear evidence that industrial subsidies, including below-market finance, tend to increase with the extent of state ownership. State enterprises are also more likely to benefit from favorable application of competition rules, public procurement practices, and forced technology transfers.

As in previous work, the OECD highlights the role of state enterprises as major *recipients* of industrial subsidies, but this report also documents state enterprises as major *providers* of support. Provision of below-market energy inputs by state utilities is common in some energy-rich countries, while below-market finance by state banks is a widespread subsidy instrument in China. This is an important new insight for governments striving to level the playing field and ensure fair competition globally. *Viewing government support as an ecosystem in which support flows in multiple directions and fundamentally reshapes markets poses challenges [to current approaches to multilateral rulemaking] but may open the way for more comprehensive solutions to the multiple market distortions engendered by support to and through state enterprises.*

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 noted:

“This new report builds on previous OECD analysis of government support provided to aluminium firms which found that, globally, industrial subsidies hugely favored Chinese aluminium firms. Of USD 70 billion provided to seventeen of the largest aluminium companies between 2103 -17, 85% went to just five Chinese-owned firms. Subsequent OECD analysis examined below-market finance provided by governments to thirty-two major aluminium companies. That report estimated support to range between 4-7% of the annual revenue of Chinese firms, compared to support of just 0.2% of the annual revenue of other firms. Over the past twenty years, as China’s share of global aluminium production grew from 8% to 58%, its share of the industry’s total CO₂ emissions grew from 12% to 71%.”

“We fully support all efforts by our governments to update multilateral trade rules and effectively address the non-market practices of state enterprises in global aluminium markets. We welcome the commitment of G7 Leaders in Apulia ...*to advancing free and fair trade, a level playing field, and balanced economic relations, while updating and strengthening the multilateral rule-based trading system with the WTO at its core.*

But until such time as there is a global level playing field and fair competition in aluminium markets, we urge governments to apply trade defense measures to enable the survival of our otherwise competitive industrial base.”

“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 remain committed to working with governments and with international organizations to ensure widespread availability of responsibly and sustainably produced aluminium.”

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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.aluminium.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/>.

Contacts

The Aluminum Association

Matt Meenan, Senior Director of External Affairs, mmeenan@aluminum.org, T: 703-358-2977

European Aluminium

Kelly Roegies, Senior Manager Communications, roegies@european-aluminium.eu, M: +32 471 80 20 98

Aluminium Association of Canada

Jean Simard, President and CEO, jsimard@aluminium.ca, M: 514-825-6593

Japan Aluminium Association

Yasushi Noto, Executive Director, y-noto@alkyo.jp, T: 81-3-3538-0221