



15 March 2017

To: U.S., E.U., and Canadian G-20 Sherpas  
Cc: G-20 Foreign Ministers and G-20 Sherpas

Your Excellencies:

At the upcoming G-20 Hamburg Summit in Germany, leaders will discuss challenges to global economic growth, stability and security, and digitization.

We are writing to urge G-20 leaders to provide a collective response to the aluminum sector by creating a Global Forum on aluminum excess capacity.

As organizations representing aluminum producers along the whole value chain in the United States, Europe, and Canada, we are writing to draw your attention to the global market imbalances in the aluminum industry, caused in particular by the enormous excess capacity in China. This situation not only significantly distorts international trade flows affecting all of our countries but also undermines global stability.

In 2000, China supplied 10% of the world's primary aluminum. Today, Chinese manufacturers have increased their output by five, supplying 53% of all aluminum produced globally and spurring increasing overcapacity in the downstream aluminum sector. Additionally, by 2020 Chinese aluminum capacity is expected to grow by a further 24%.

China's state-sponsored support is contributing to an unsustainable structural overcapacity that will impact growth and contribute to heightened instability until it is addressed. Both the massive increase in production and the excess capacity have had a downward effect on the prices, generating significant economic and employment losses for our respective producers and economies. This excess capacity threatens the competitiveness of both upstream and downstream aluminum producers.

Last year's G-20 summit recognized that "excess capacity in steel and other industries is a global issue which requires collective responses". Leaders also recognized that "subsidies and other types of support from government or government-sponsored institutions can cause market distortions and contribute to global excess capacity and therefore require attention". The United States has already taken action to address the effect of subsidies on its aluminum industry. In January 2017, the US filed a request for consultation at the WTO concerning subsidized financing and feedstocks provided to primary aluminum producers in China.



Aluminium  
Association  
of Canada



The upcoming G-20 summit represents a critical opportunity to work collectively to re-establish fair trade conditions in the global aluminum industry. Last year the G-20 resulted in the creation of a Global Forum on steel excess capacity in order to increase information sharing and cooperation. Now is the time to recognize the excess capacity which negatively impacts the competitiveness of the global aluminum industry. We therefore urge G-20 leaders to provide a collective response to the aluminum sector by creating a Global Forum on aluminum excess capacity.

Signed,

Heidi Brock  
President and CEO  
The Aluminum Association

Gerd Götz  
Director-General  
European Aluminium

Jean Simard  
President and CEO  
Aluminium Association  
of Canada