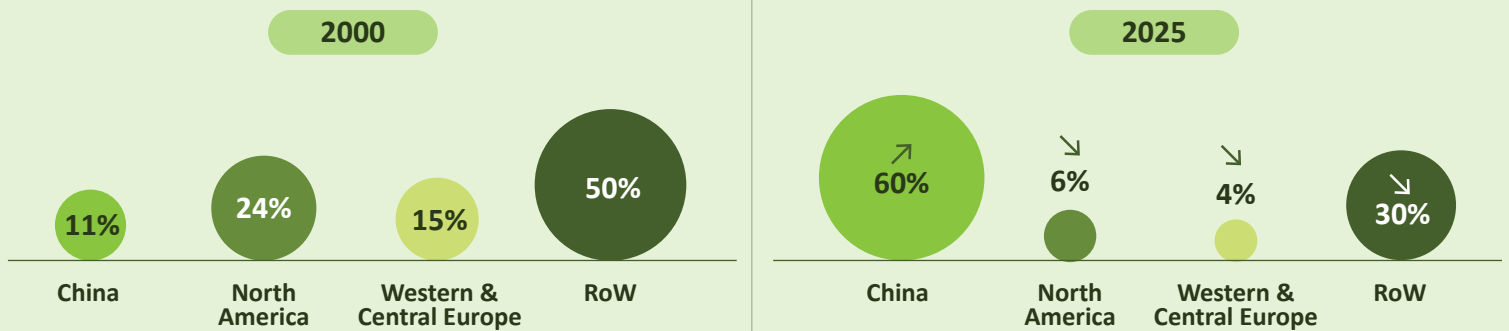


# Chinese Subsidies Have Devastated Global Aluminum Markets and Fair Competition

## Share of Global Primary Aluminum Production



## Why did this happen?

Massive, unfair government subsidies from the Chinese government to its aluminum sector.

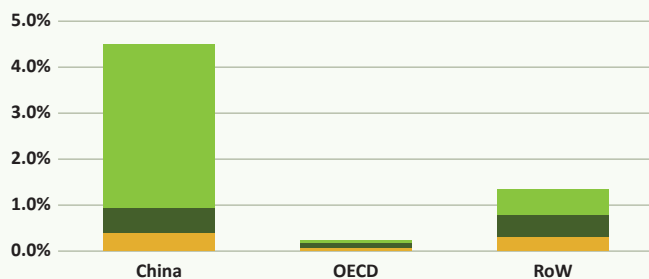
Subsidies peaked in 2009, when ~14% of the revenue of Chinese aluminum firms came from government support. Even today, ~4% of revenue comes from state subsidies.

By contrast, in the rest of the world, state support for the aluminum industry averages about 1% of annual revenue.

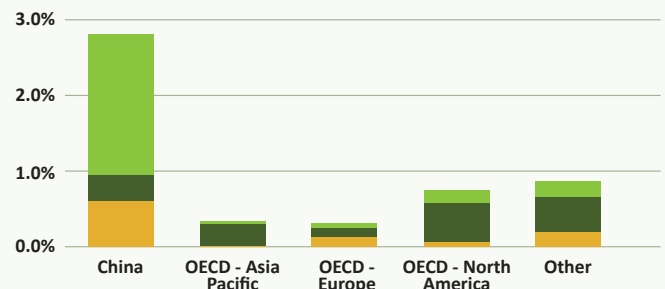
An OECD report found that 85% of the \$70 billion in global aluminum subsidies from 2013 – 2017 went to just five Chinese-owned firms.

## China's industrial sector, including aluminum, is dramatically over-subsidized compared to the rest of the world

Average Aluminum Industry Subsidies as % of Firm Revenue (2005 - 2023)

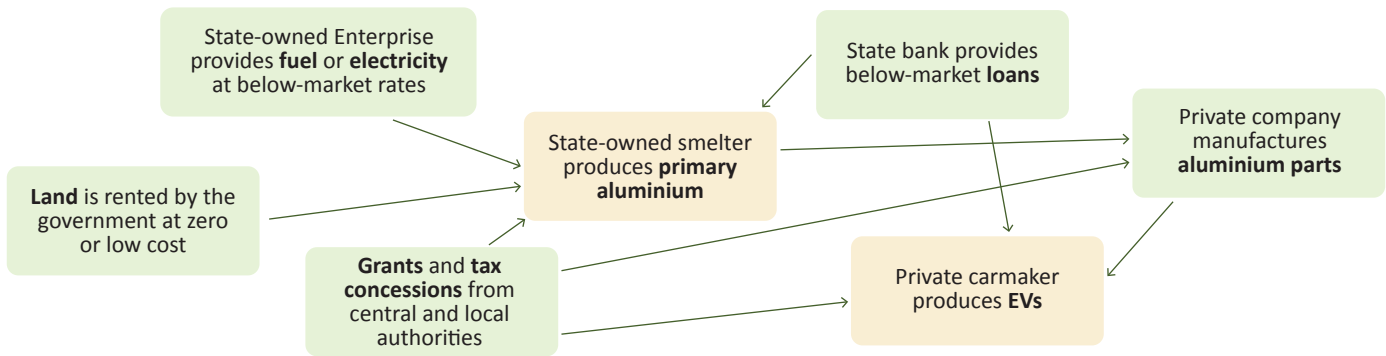


Average Industrial Subsidies for 15 Key sectors as % of Firm Revenue (2005 - 2023)



Grants Income Tax Concessions Below Market Borrowings

## State capture in China drives perverse, non-market incentives for industry overcapacity.



### The global aluminum industry can compete with China on a level playing field – but NOT with the Chinese government.

- China is following the **same playbook** that devastated Western primary aluminum firms in **semi-fabricated and recycled aluminum** markets
- Despite an official 45M metric ton production cap on primary aluminum, **China is continuing to invest massively in third countries** like Indonesia and Angola
- China's market dominance puts new aluminum markets—from renewables to defense applications—at **serious risk of disruption**

### China's global market dominance:

- ✓ Creates over-reliance on Chinese supply chains threatening national security
- ✓ Reduces returns and growth opportunities in the rest of the world
- ✓ Threatens jobs in strategically critical industrial sectors
- ✓ Increases global carbon emissions in the sector

## How unfair Chinese subsidies hurt aluminum firms around the world

**~70%**  
of primary aluminum jobs lost in North America since 2013

~24 U.S.-based primary aluminum smelters in 2000 **down to 4 today**

~23 EU-based primary aluminum smelters in 2000 **down to 9 today**

Both European and American officials have uncovered **significant fraud and tariff evasion** by Chinese producers

## What can G7 countries do?

1



Employ and harmonize monitoring and trade enforcements tools, both independently and collaboratively.

2



Remove barriers to long-term power purchase agreements and create incentives for cleaner production

3



Increase the supply of available scrap and drive toward 100% aluminum recycling rates

4



Support R&D to accelerate the development of new production and recycling technologies

To learn more, visit: [aluminum.org](https://aluminum.org) | [european-aluminium.eu](https://european-aluminium.eu) | [aluminium.ca/en/](https://aluminium.ca/en/) | [aluminum.or.jp/english/](https://aluminum.or.jp/english/)

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