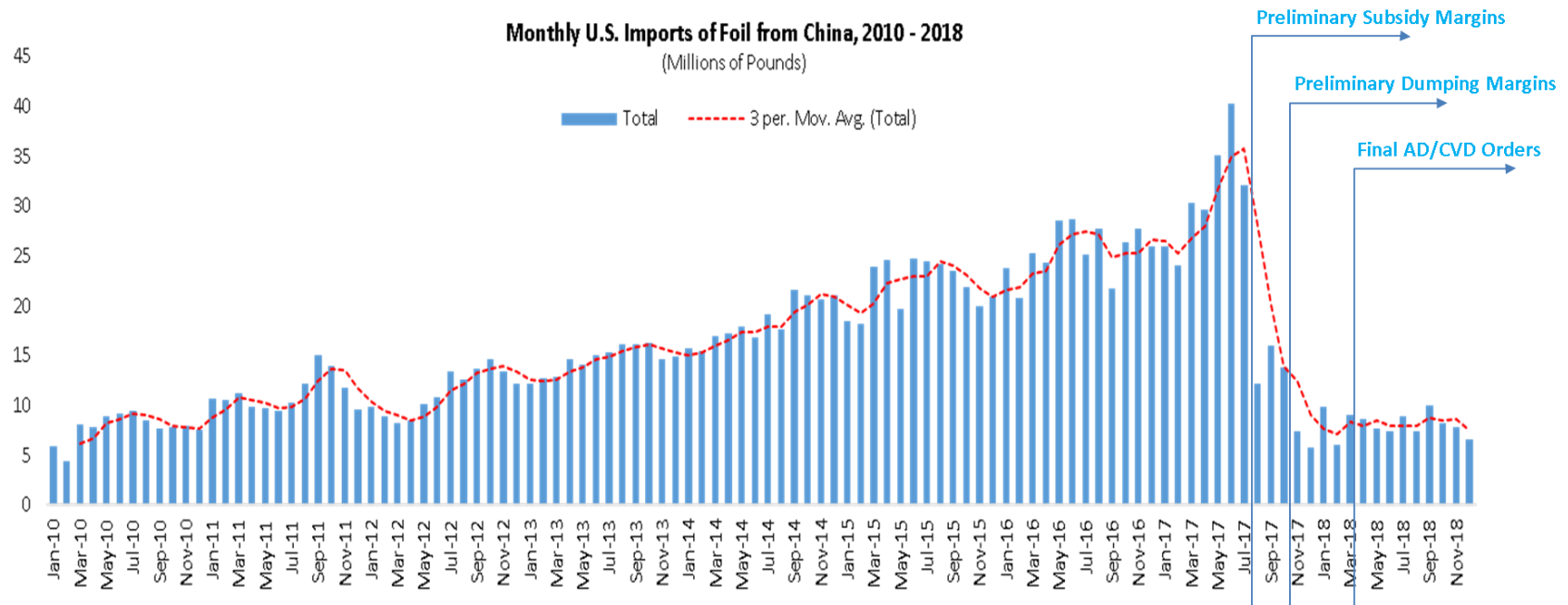




Targeted Trade Enforcement in Action: Aluminum Foil AD/CVD One Year Later

In response to a surge in imports of jumbo rolls of aluminum foil from the People’s Republic of China, the Aluminum Association Trade Enforcement Working Group filed trade remedy petitions in March 2017 requesting relief from the unfairly traded imports. After successfully demonstrating injury to U.S. producers and subsidies for the products in China, the Commerce Department published final antidumping and countervailing duty orders on imports of certain aluminum foil from China on April 19, 2018. The combined antidumping (AD) and countervailing duty (CVD) margins calculated by the Commerce Department range from 55 to 176 percent, reflecting the substantial magnitude of the unfair trade by Chinese producers and exporters of aluminum foil.

In the year since the price-disciplining effects of these durable trade remedies came into force, there have been numerous encouraging developments for the U.S. aluminum industry.



- The volume of aluminum foil imports from China fell by 64 percent between 2017 and 2018, declining from 272.4 million pounds to 97.7 million pounds;
- While imports of unfairly-traded aluminum foil from China accounted for 60 percent of total U.S. imports in 2017, imports from China accounted for just 20 percent of total U.S. imports in 2018;
- Indeed, while aluminum exports from China surged to the rest of the world in 2018 (+21.0%), they declined to the United States (-57.4%) thanks largely to the antidumping and countervailing orders;
- The average unit value of aluminum foil imports from China increased by 16 percent between 2017 and 2018, rising from \$1.37/lb. to \$1.59/lb., reflecting that Chinese producers have responded to publication of the AD/CVD orders by increasing the prices at which they sell aluminum foil in the United States – consistent with the underlying purpose of the United States’ unfair trade laws;
- Based on Aluminum Association data, U.S. producer shipments of aluminum foil increased from 954.2 million pounds in 2017 to 969.6 million pounds in 2018, or by 1.6 percent;
- The gain in domestic producer shipments had a positive impact on the domestic industry’s financial performance and accounted for at least an additional 15.4 million pounds of commercial sales.

There have also been significant U.S. investments announced in the foil segment since trade remedy orders were put in place on imports of unfairly traded aluminum foil. Companies like JW Aluminum and Granges worked for the past several years to reinvest in the U.S. foil industry. These firms have announced substantial capital investments – with a combined value of approximately \$169 million – to expand and strengthen facilities at which they manufacture aluminum foil. These investments will support well-paying manufacturing jobs and allow domestic producers to meet customer demands for increased volumes of high-quality aluminum foil products.

These positive developments demonstrate that the Aluminum Association Trade Enforcement Working Group’s strategy of pursuing targeted trade enforcement actions to obtain relief from surging volumes of unfairly low-priced imports of aluminum foil is working and is producing significant positive results for aluminum producers in the United States.