

10 April 2018

REVISED VERSION

To: US, EU, Canadian, Japanese and Brazilian G20 Sherpas

Cc: G20 Foreign Ministers and G20 Sherpas

Your Excellencies:

In light of the conclusions reached last July at the G20 Summit in Hamburg, Germany, and the publication of the Global Forum on Steel Excess Capacity Report, we are writing to urge G20 leaders to apply this framework to a similar global forum on aluminium excess capacity. We believe the Global Forum on Steel Excess Capacity is a useful model for tackling these persistent issues with a coordinated effort also for aluminium.

As organisations representing aluminium producers from the entire value chain in their respective regions, we are concerned about the unsustainable and steady increase of overcapacity particularly in China in both primary and semi-fabricated aluminium sectors. This trend is exacerbating the difficulties in creating a global level playing field for aluminium trade.

While efforts to curtail subsidised or illegal production in China are welcomed, recent data shows that such measures are insufficient to tackle the abundant overcapacities and the real increase of production in China amounting to 13,3% compared to 2% in the rest of the world in 2017. While its primary capacity continues to grow, China is also emphasizing its focus on producing downstream aluminium products for the global market.

In this context, we are calling on G20 leaders to take action during the next Summit in Buenos Aires, Argentina, by launching a Global Aluminium Forum in order to endorse market economy principles and transparent methods to create an adequate level playing field in the global aluminium market.

While unilateral trade measures can help target narrow problems of unfair trade, collective action is needed to induce systemic change. The G20 represents the appropriate forum to facilitate dialogue and trust among parties, aiming to remove non-market policies affecting our industry.

Transparency should also become the backbone of such a forum. A solid information-sharing mechanism will certainly play a role in identifying harmful policies that incentivise the increase of primary and semi-fabricated aluminium overcapacity.

As regional leaders, we strongly believe the G20 can play a role in shaping a level playing field in our sector. A Global Forum on Aluminium Excess Capacity could represent the first brick of a new architecture for the governance of a sustainable market-based, fair and innovative industry. We stand ready to support G20 leaders with our knowledge, data and commitment to define an operational and workable mechanism in which all the producers will find trust, transparency and solutions.

Signed,



Heidi Brock
President and CEO
The Aluminum Association



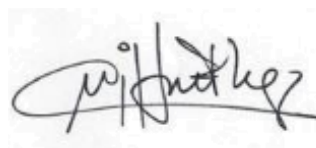
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Annex

