

P R E S S R E L E A S E

EU-US aluminium tariff-rate quotas will prolong trade distortions, detracting from new sustainability partnership

Brussels, 03 November 2021: “We’re disappointed that the EU and US have decided on tariff-rate quotas as the way forward to replace the unjustified US Section 232 tariffs on aluminium. This will retain a level of trade distortion between two important allies, when we should instead be focussing all efforts on addressing the root issue of subsidised and high-carbon Chinese overcapacity”, said Guy Thiran, Director General of Eurometaux (European metals association), after the US agreed to replace 10% tariffs on EU aluminium products with a new system of tariff-rate quotas.

On 31 October, the US and EU agreed to remove the Section 232 tariffs on steel and aluminium first introduced in 2018 by President Trump. The US will now allow for duty-free imports of steel and aluminium from the EU according to quotas reflecting historical trade volumes. Imports above the agreed quotas will remain subject to a 10% tariff.

Guy Thiran continued “We support the [common message](#) from European and US aluminium associations that quotas will be detrimental to both aluminium producers and their customers. Because aluminium is a globally traded commodity, the new quota system risks being manipulated to affect prices and create unpredictability. It must remain a priority to permanently remove all trade distortions between the EU and US”.

The European and US aluminium markets are both mainly disrupted by China’s subsidised and high-carbon excess aluminium capacity, which is five times the size of the EU’s entire aluminium production and depresses global aluminium prices. The US and EU have agreed to set-up a Global Arrangement on Sustainable Steel and Aluminium to address the common challenge.

“We welcome the announcement of the new EU-US Global Arrangement, which we hope will help to reduce global carbon emissions in the aluminium sector and address overcapacities”, concluded Guy Thiran. “Aluminium produced in China has a carbon footprint three times higher than the European average and nearly a 60% global market share. We need to address distortions and incentivise sustainable aluminium at a global scale”.

Contact: Chris Heron, Communication & Public Affairs Director | heron@eurometaux.be | +32 (0) 493 18 89 63

About Eurometaux: Eurometaux is a trade association representing the collective European non-ferrous metals industry, including miners, smelters, refiners, fabricators and recyclers. The industry employs 500,000 people across over 900 facilities, with an annual turnover of €120bn.

