Targeted Trade Enforcement in Action:
Common Alloy Aluminum Sheet AD/CVD One Year Later

In response to a surge in imports of common alloy aluminum sheet ("CAAS") from numerous countries following the imposition of antidumping ("AD") and countervailing duties ("CVD") on imports of CAAS from the People's Republic of China in February 2019, the Aluminum Association Trade Enforcement Working Group filed trade remedy petitions in March 2020 requesting relief from the unfairly traded imports from Bahrain, Brazil, Croatia, Egypt, Germany, Greece, India, Indonesia, Italy, Oman, Romania, Serbia, Slovenia, South Africa, South Korea, Spain, Taiwan, and Turkey. After successfully demonstrating that dumped and subsidized imports from 16 of the 18 countries[1] were injuring U.S. producers, the Commerce Department published final AD and CVD orders on imports of CAAS from 16 countries on April 27, 2021. The combined AD and CVD margins calculated by the Commerce Department range from 3.2 to 242.8 percent, reflecting the substantial magnitude of the unfair trade by producers and exporters of CAAS in the 16 countries covered by AD/CVD orders. In the months since the price-disciplining effects of these durable trade remedies came into force, there have been numerous encouraging developments for the U.S. industry producing CAAS:

- The volume of CAAS imports from the 16 countries now covered by AD/CVD orders fell by 66.8 percent between 2019 and 2021, declining from 1.32 billion pounds to 438.65 million pounds;
- While imports of unfairly-traded CAAS from the 16 countries now subject to AD/CVD orders accounted for 62.7 percent of total U.S. imports in 2019, imports from those countries accounted for just 25.2 percent of total U.S. imports in 2021;
- The average unit value of CAAS imports from the 16 covered countries increased by 9.0 percent between 2019 and 2021, rising from $1.34/lb. to $1.46/lb., reflecting that producers in the covered countries have responded to publication of the AD/CVD orders by increasing the prices at which they sell CAAS 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 CAAS increased by 24.4 percent, from 2.69 billion pounds in 2020 to 3.34 billion pounds in 2021.

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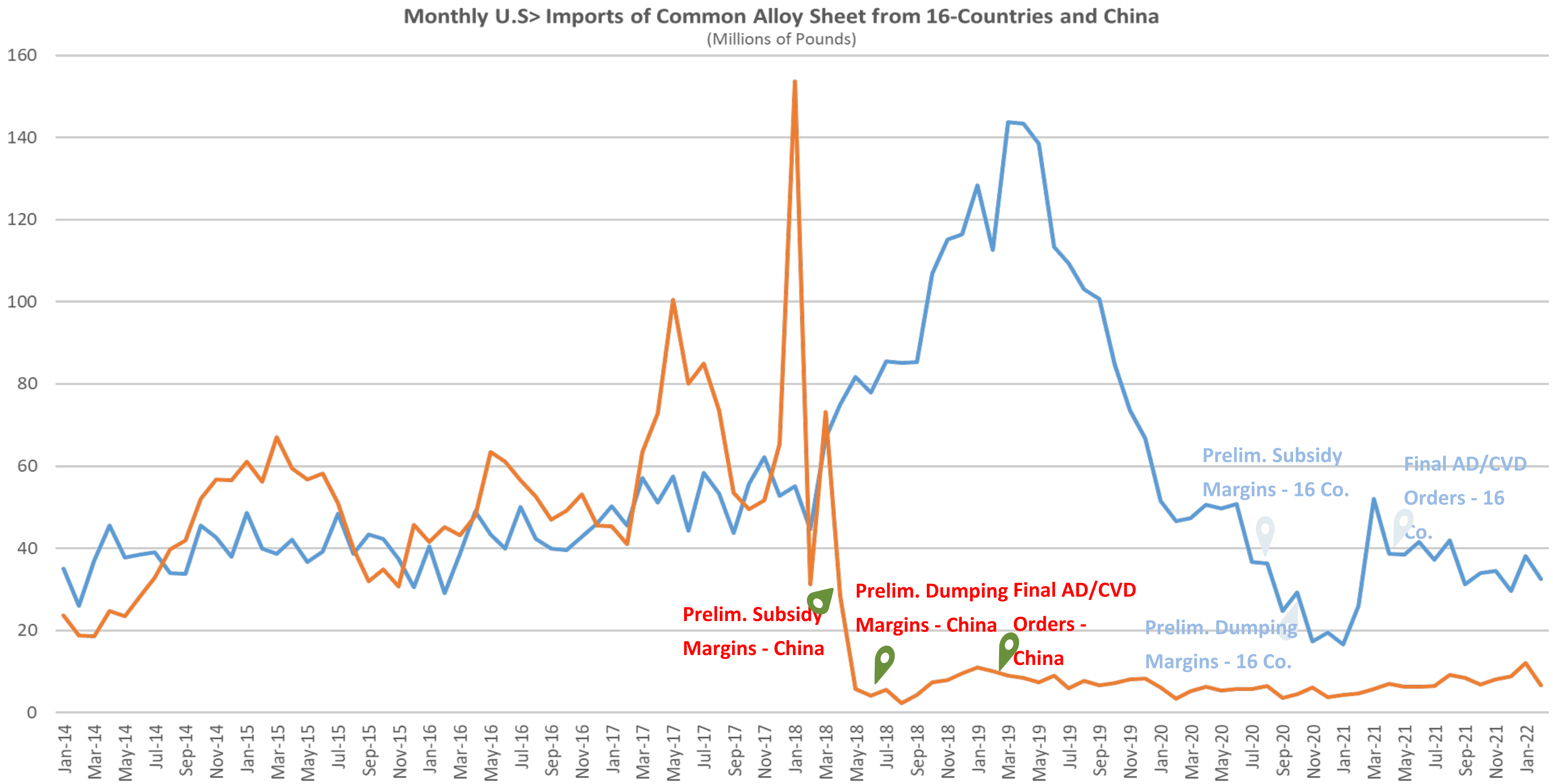
[1] The Commerce Department reached final negative determinations in its antidumping investigations on imports of CAAS from Greece and Korea.


Monthly U.S> Imports of Common Alloy Sheet from 16-Countries and China
(Millions of Pounds)
160
140
120
100
80
60
40
20
0
Jan-14
Mar-14
May-14
Jul-14
Sep-14
Nov-14
Jan-15
Mar-15
May-15
Jul-15
Sep-15
Nov-15
Jan-16
Mar-16
May-16
Jul-16
Sep-16
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Mar-20
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Jan-21
Mar-21
May-21
Jul-21
Sep-21
Nov-21
Jan-22
Prelim. Subsidy Margins - China
Prelim. Dumping Margins - China
Final AD/CVD Orders - China
Prelim. Subsidy Margins - 16 Co.
Prelim. Dumping Margins - 16 Co.
Final AD/CVD Orders - 16 Co.

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There have also been significant investments announced by U.S. producers of CAAS since trade remedy orders were put in place on imports of unfairly traded CAAS. U.S. CAAS producers announced more than $1 billion of investments around the time of the unfair trade cases against CAAS from China, and further substantial investments by U.S. producers are possible. Specifically, these investments include:

- Aleris' investment in its Lewisport, Kentucky mill (now operated by Commonwealth Rolled Products Inc.);
- Texarkana Aluminum's purchase and re-start of a mill in Texarkana, Texas from Arconic;
- JW Aluminum's investment of $207 million in its Mount Holly, South Carolina mill – the first stage of a two-stage expansion plan; and
- Arconic's investment of $100 million in its Tennessee operations.

These substantial capital investments will expand and further strengthen the competitiveness of facilities at which domestic producers manufacture CAAS. These investments will support well-paying manufacturing jobs and allow domestic producers to meet customer demands for increased volumes of high-quality CAAS 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 CAAS is working and is producing significant positive results for aluminum producers in the United States.

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