



Press release

For immediate release

Near 40% decline in basic commodity exports to the U.S.: Canadian aluminium production and exports starting to rebalance

Montreal, July 28, 2020 – Exports of standard P1020 aluminium from Canada into the United States have decreased on a monthly basis, according to the most recent data from the Aluminium Association of Canada.

The Aluminium Association of Canada is reporting an expected approximate 30 percent drop in the month of July in the industry's exports to the U.S. of standard commodity ingot or "P1020" (112 kt), over June numbers (155 kt). These numbers confirm a downward trend beginning with an initial reduction of 16% in June numbers over May (184,789). This nearly 40% downward trend for the last two months indicates improving recovery in demand for Value Added Products (VAP).

Production at smelters in North America shifted towards P1020 during first half 2020 in place of Value Added Products (VAP), as demand from the auto sector for these products dropped due to COVID-19.

Demand for Value Added Products is now restarting, allowing Canadian smelters to rebalance their production.

"We are seeing a clear shift as production rebalances after producers shifted from value-added products as a result of the economic reactions from COVID-19, said Jean Simard, President and CEO. Producers are beginning to now shift toward more value-added products (VAP) and away from the commodity-grade ingot that was being exported as a response to reduced demand from the automotive sector as a result of COVID-19.

"There is clearly no surge in Canadian aluminium production or exports and now is the time for Canada and the United States to work closely together to maximize the benefits of the new CUSMA trade agreement, to help drive the economic recovery.

"Any move to introduce measures such as tariffs by the U.S. government will only increase the prices being paid by North American manufacturers and the consumers who buy their products, while making room for metal from other countries like Russia and China."

About the Aluminium Association of Canada (www.aluminium.ca/en)

The Aluminium Association of Canada (AAC) is a non-profit organization representing three Canadian world-class aluminium producers: Alcoa, Alouette, and Rio Tinto operating nine smelters in Canada, eight of which are in Quebec, and employing over 8,700 workers. For more information, visit www.aluminium.ca or Twitter [@AAC_aluminium](https://twitter.com/AAC_aluminium).