

BERND G. JANZEN

+1 202.887.4309/fax: +1 202.887.4288
bjanzen@akingump.com

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VIA E-MAIL (aluminum232@bis.doc.gov)

VIA HAND DELIVERY

Mr. Brad Botwin
Director, Industrial Studies
Office of Technology Evaluation
Bureau of Industry and Security
U.S. Department of Commerce
1401 Constitution Avenue, NW, Room 1093
Washington, DC 20230

Re: Comments by Emirates Global Aluminium PJSC (“EGA”) on the U.S.
Department of Commerce Section 232 Investigation of Aluminum Imports

Dear Mr. Botwin:

On behalf of Emirates Global Aluminium PJSC (“EGA”), a commercial company headquartered in Abu Dhabi, UAE, that develops and operates businesses in the fields of bauxite mining, alumina refining, and primary aluminum smelting, and DUBAL America Inc. (“DAI”), this submission responds to the Bureau of Industry and Security’s (“BIS”) notice inviting comments on the effects of aluminum imports on national security, in connection with the investigation initiated under section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. § 1862) (“Section 232”).¹ EGA’s comments, in particular, address the following elements of the Notice’s request for written comments: “the impact of foreign competition on the economic welfare of the aluminum industry” in the United States and “other relevant factors.”

EGA respectfully submits that it plays a constructive, responsible, and complementary role to U.S. aluminum producers in the U.S. market. EGA further submits that the Department should understand its longstanding role in supplying the U.S. aluminum market in the context of the broader U.S.-UAE bilateral relationship. EGA appreciates the opportunity to provide its views and relevant information to BIS.

¹ See 82 Fed. Reg. 21509 (May 9, 2017) (“Notice”); 82 Fed. Reg. 25597 (moving deadline for comments to June 23, 2017).

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I. EGA Plays a Constructive, Responsible, and Complementary Role in the U.S. Aluminum Market

EGA has long been one of the world's leading suppliers of high-quality primary aluminum, playing an integral, reliable, and responsible role in the many markets that it serves. EGA delivers aluminum to more than 340 customers in roughly 60 countries, including the United States.

EGA supplies a range of aluminum products to U.S. manufacturers of semi-finished goods to produce high value-added plates, sheets, extrusions, and fabricated and engineered products that are sold to the aerospace, automotive, electronics, and construction industries to manufacture commercial planes, light vehicles, mobile phones, windows, or beverage cans.

In 2016, EGA sold 400,000 metric tons of primary aluminum to some 50 companies manufacturing semi-finished metal products in more than 130 facilities across the United States. Some of EGA's leading customers in the United States include the following: Astro Shapes (OH), Arconic (more than 50 manufacturing locations across the country), Western Extrusions (TX), Sapa (more than 20 manufacturing locations in the country), Frontier Aluminum (CA), Kaiser Aluminum (11 manufacturing locations in the country), Constellium (AL, WV), Prime Wheel (CA), Borbet Alabama (AL), Keymark (FL, NY), Universal Molding Extrusion (CA), Metco (MO), International Extrusion (TX), Sierra Aluminum (CA), BRT Extrusions (OH), AACOA Extrusions (MI, IN), Pries Enterprises (IA), Star Extruded Shapes (OH), Elixir Extrusions (GA), Vitex Extrusion (NH), Gateway Extrusions (MO), Cardinal Aluminum (KY), AAP St Marys (OH), Steelscape (WA), and M-D Building Products (OK).

Customers, including in the United States, buy from EGA because of its track record over many years of reliably supplying them with the metal that they need. EGA's investments in production technology and casting enable EGA to make products to customers' specifications. EGA has some 370 different products in its current range. The proportion of EGA's production that is value-added products is amongst the highest of any primary aluminum producer. Some customers also seek security of supply by having a diversity of primary aluminum suppliers and hence prefer to keep long-term, reliable suppliers such as EGA as part of their supply mix.

A number of EGA's customers have expressed their concerns (to EGA, and in writing to the Department) that any taxes or duties placed on imports of primary aluminum (from EGA or other suppliers) will negatively impact their business, while creating an unfair advantage for foreign suppliers of semi-finished goods and doing little to stimulate new industrial development of primary capacity in the United States.

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EGA is also a leading supplier of high purity aluminum to U.S. manufacturing industries, with 33,000 metric tons supplied in 2016 to customers including Arconic, Constellium and Kaiser Aluminum.

Collectively, EGA estimates that its supply of primary aluminum to the companies listed above supports approximately 5,600 direct jobs and more than 25,000 total jobs (*calculated based on EGA's 400,000 metric tons of supply to an 8.5 million metric ton U.S. downstream fabrication industry which collectively supports approximately 119,000 direct jobs and a further 410,000 indirect and induced jobs, according to the Aluminum Association and the U.S. Census Bureau*).

EGA's market share in the United States is explained by its reliability as a supplier and the quality of its aluminum. Moreover, EGA operates on a purely commercial basis. EGA has never attempted to gain market share through unfair trade practices, does not benefit from any subsidies or other forms of unfair state support, and has sought mutually beneficial arrangements with its U.S. partners and customers.

Due to its investments in new production technologies, EGA's smelters are among the most efficient – and therefore the most environmentally responsible – globally. In addition, EGA adheres to the highest international health, environmental, and quality standards, and has received international recognition for its safety record.

EGA does not, through its participation in the U.S. market, adversely impact the ability of the U.S. aluminum industry to meet U.S. defense and other national security needs. Customers buy EGA's high purity aluminum products because of their quality and the fact that U.S. domestic producers elect not to supply all domestic high purity demand due to the costs entailed in them doing so (in turn, driven by the investments required in technology to do so).

II. EGA Contributes Significantly to a Strong and Vital Bilateral Trading and Investment Relationship Between the United States and the UAE

EGA has an important role in the robust trade and investment relationship between the United States and the UAE. Owing to its fair trade policies, economic growth, and history of economic partnership with the United States, the UAE is the largest export market for U.S.-origin goods in the Middle East. Over the past decade, U.S. exports to the UAE grew by 118

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percent,² with the United States enjoying a \$19 billion trade surplus with the UAE in 2016. This surplus has been fueled by U.S. exports of aircraft, spacecraft, and related parts; electric machinery and sound/TV equipment; vehicles; nuclear reactors; and other high-value manufactured items.³

In fact, U.S. exports to the UAE are nine times higher than UAE exports to the United States. According to UN Comtrade data, aluminum accounts for 27 percent of UAE exports to the United States, but only three percent of the value of all U.S. exports to the UAE.

Furthermore, the two countries also enjoy strong bilateral investment ties. The UAE has trade relations or investment ties with every single U.S. state. At the same time, over 1,500 U.S. firms have invested in the UAE, many of which employ the UAE as a hub for regional operations.⁴ These commercial ties between the UAE and United States support some of the most innovative and value-added U.S. manufacturing industries, including semiconductors (GlobalFoundries – a 100% UAE-owned company producing leading-edge chips in New York state) and commercial aviation (where the UAE is one of the world's largest procurers of commercial aircraft from companies such as Boeing).

EGA plays a key role in developing stronger U.S.-UAE commercial ties and contributes to high-quality U.S. jobs by purchasing capital equipment for its production facilities from U.S. suppliers. For example, as EGA has invested in its smelters and other production infrastructure on a competitive basis, it has often procured major capital equipment, including gas turbines, from U.S. suppliers. EGA also sourced more than \$500 million of equipment for the recently constructed EMAL aluminum smelter in Abu Dhabi from U.S. vendors such as GE. Such purchases from U.S. suppliers directly support well-paying jobs at those U.S. supplier companies.

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EGA reiterates its appreciation for the opportunity to share its views and factual information relevant to this investigation. EGA respectfully submits that BIS should find that the manner in which EGA participates in the U.S. market does not harm the ability of the U.S.

² Embassy of the United Arab Emirates, *The UAE and US: United in Prosperity* (Accessed June 6, 2017), available at http://www.uae-embassy.org/sites/default/files/uae-us_trade_fact_sheet_2017_0.pdf.

³ Embassy of the United Arab Emirates, *UAE-US Economic Relationship* (Accessed June 6, 2017), available at <http://www.uae-embassy.org/uae-us-relations/key-areas-bilateral-cooperation/uae-us-economic-relationship>.

⁴ *Id.*

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aluminum industry to supply U.S. national security needs, but rather augments U.S. national security through EGA's longstanding role as a responsible partner to many U.S. manufacturing industries. This conclusion is all the more warranted in light of the robust trade relationship between the UAE and the United States.

Respectfully submitted,

/s/ Bernd G. Janzen
Bernd G. Janzen
Dallas A. Woodrum
Counsel to Emirates Global Aluminium