

MEDIA MENTION

Robert DeFrancesco Discusses China's State-Owned Aluminum Industry

Argus Media

May 27, 2014

Robert E. DeFrancesco III, a partner in Wiley Rein's International Trade Practice, was quoted extensively in an *Argus Media* article published May 19 about a speech Mr. DeFrancesco gave during the American Metal Market 13th Aluminum Summit.

According to the article, Mr. DeFrancesco talked about how Chinese government subsidies for Chinese producers of aluminum are distorting the global market. China has about 5 million tonnes a year of excess primary aluminum capacity overhanging the market.

"This level of capacity overhanging in the market is one of the [main] reasons why you see primary aluminum prices declining over time as significantly as you have," Mr. DeFrancesco said. As China's production expands, so too does its demand for raw materials. That demand has driven up the price of raw materials. "This is what we call in trade cases a classic cost-price squeeze," he said.

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