



17: CURTAIN WALL COALITION

FAIR TRADE UPDATE

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Information provided by Jeff Henderson and the Curtain Wall Coalition



DEVIL'S DETAIL

JULY 2018 FAIR TRADE UPDATE

The worlds of trade policy and aluminum continue to make for some very interesting headlines. From Russian oligarchs to NAFTA, the aluminum industry continues to reel in the wake of ever-changing U.S. policies. So, let's take a moment to review where we are now and how this impacts the industry.

ROLLERCOASTER RIDE

Since President Trump announced the opening of the 232 Investigation into the national security implications of imported aluminum, aluminum groups have been on a rollercoaster ride of the ups and downs of metal supply and pricing. The administration decided in March to move forward with a global 10 percent tariff on all primary and semi-fabricated forms of aluminum. This led to a metal supply scramble by fabricators and finishers to try to source tariff-free metal. However, with the Midwest Premium being the vehicle that carried that cost, the entire domestic industry began to feel the impact. Initially, with Canada and others excluded from the tariff, those price impacts were marginalized. Now, with the administration's decision to no longer exclude Canada, Mexico, and the European Union, the full weight of the 10 percent tariff on primary aluminum imports is being felt.

RUSAL

To further complicate matters, the Russian sanctions that were issued in April seemingly inadvertently caused shipments of United Company Rusal primary aluminum to come to a screeching halt in a matter of days. Once the administration realized the impact, it ultimately allowed contracts entered into with Rusal before the sanctions were issued to be unwound until this October.

United Company Rusal (Rusal) is the world's second largest aluminum company ranked by primary production output. It is headquartered in Moscow, Russia.

This is a critical issue for the industry. As the world's second-largest aluminum producer and supplier of up to 20 percent of U.S. aluminum demand, not having access to those metal units could present a real challenge to the global aluminum market as well as our domestic industry. Most experts believe that Rusal will go through the necessary steps required by the Treasury Department in time to remain a supplier to the U.S. In the meantime, prices are volatile and some extruders are facing challenges when trying to locate a new supplier with the capacity to supply their needs. As a result, fabricators are looking for available press time at extruders in order to find better lead times and the security of supply.

One concern is that this series of events has created a sense of panic in the market as manufacturers are hoarding metal to beat future increases and build their safety stock. However, the extruders interviewed by Jeff Henderson say that the orders they are getting are real and based on true demand from their customers. That is very good to hear!



AEC TRADE CASE

The Aluminum Extruders Council (AEC) trade case against China continues to move forward. There have already been two different trans-shippers identified and reported to U.S. Customs. The AEC is committed to continuing the effort to catch and report those companies that seek ways to circumvent its orders. Otherwise, the AEC expects to see duty rates remain at 86 percent for the anti-dumping case (AD) and 20 percent for the countervailing duty (CVD) subsidy case. This combined tariff of 106 percent will be in addition to the 10 percent tariff from the 232 Investigation.

On the scope front, the Curtain Wall Coalition still expects an appeal hearing to take place later this year or early next year. This will be the latest in a series of court battles and appeals against the Chinese industry that has been going on for years. In the meantime, curtain wall extrusions and units are covered by the AEC's orders.

All-in-all, the AEC's trade case is going in the right direction. If you or your company suspects a trade violation is taking place, please contact Jeff Henderson at jhenderson@tso.net.

FUTURE DETAILS TO COME

Over the coming months, additional Devil's Details Updates will discuss the AEC's role in defending the orders and protecting the industry from a range of illegal tactics, including transshipments, circumvention, and mislabeling. Look for future articles to provide more insights and updates regarding these very important issues.



NORTHERN CALIFORNIA
GLASS MANAGEMENT
ASSOCIATION

ABOUT NCGMA

The Northern California Glass Management Association (NCGMA) represents union glazing contractors and manufacturers. Its primary purpose is to represent and promote the best interests of members in all areas of labor relations. NCGMA also keeps members informed about current business trends, provides a place for members to go for legislation and regulatory issues, and provides educational training programs for owners and their office personnel. Learn more at <http://www.ncgma.org>.

Locally, the Architectural Glass Institute (AGI), the Architectural Glass and Metal Association (AGMA), and DC21 have all supported the Curtain Wall Coalition.



ABOUT AGMA

The Architectural Glass and Metal Association (AGMA) is a trade association serving regional glazing contractors. AGMA represents our member companies by building mutually beneficial relationships and forming strategic alliances with key influencers to shape the greater Philadelphia construction environment. AGMA members understand working together has greater impact than working alone. Learn more at <https://www.agma.glass>.

About the Devil's Details

The AGI educational series illustrates and describes common glazing challenges as a means to communicate best practices for the design and construction industry, not as a sole source for design guidance. AGI recommends design professionals consult with an AGI contractor regarding specific project challenges. AGI contractor profiles may be accessed at www.theagi.org. To share a devilish detail of your own, contact info@theagi.org.