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MEDIA MENTION

Robert DeFrancesco Discusses State-Owned Chinese Aluminum Producers' Effect on the Global Market

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Robert E. DeFrancesco III, a partner in Wiley Rein's International Trade Practice, was featured in a Q&A published May 28 by *Argus Media* about how China's subsidization of state-owned aluminum smelters is stifling global competition and possible remedies before the World Trade Organization (WTO).

Among the topics addressed were how China's policies restrict the export of primary product to support Chinese secondary aluminum producers, the economic effects of such policies, and possible remedies. In the interview, Mr. DeFrancesco said that even though there is an overcapacity in both aluminum and steel, aluminum is traded globally while steel has regional pricing.

"Because you have this large global futures market, for every tonne of primary aluminum produced in China, it has a direct impact on the [London Metal Exchange (LME)] price because it is globally traded," Mr. DeFrancesco said. "A lot of the primary aluminum produced in China is actually in LME warehouses. Whenever somebody is buying or selling a commodity product they are looking at global supply and demand, so that has a huge impact on the price."

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