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# news release

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Date **March 2, 1994**

No. 35

For release

## **MACLAREN WELCOMES MULTILATERAL AGREEMENT ON ALUMINUM**

Minister for International Trade Roy MacLaren today expressed satisfaction that a multilateral understanding concerning the problems of the international aluminum market was reached in Ottawa on March 1, 1994.

A memorandum of understanding (MOU), which was accepted in principle following a meeting in Brussels last January, was finalized in Ottawa yesterday after negotiations by officials representing Canada, Russia, Australia, the European Union, Norway and the United States.

"This MOU is intended to facilitate a return to normal market conditions and it is in the interest of the Canadian aluminum industry," Mr. MacLaren said.

The agreement is in response to depressed prices in the international aluminum market due to surplus production. Russia has been selling large quantities of aluminum in world markets since the demise of the Soviet Union and the collapse of its domestic markets.

The MOU notes Russia's commitment to cut production of aluminum over the next several months by 500 000 tonnes.

"This agreement complies with Canada's and other countries' competition laws," the Minister said. "Any additional production cutbacks by Western producers will be independent, market-based decisions by individual companies. The Canadian government is not making any recommendation or suggestion to its industry or to any firm about production levels."

As part of the agreement, Canada and other countries have offered to co-operate with Russia in the restructuring and modernization of its industry.

"The resource economies of Russia and Canada share many of the same interests and concerns," the Minister said. "I congratulate

Russia for its commitment under this agreement and offer assurances that Canada will honour its offer for co-operation in the conversion and modernization of the Russian aluminum industry."

The participants at yesterday's meeting also agreed to establish a working group to improve transparency and consider measures to exchange data on a timely basis.

The six governments will meet again in Brussels on April 21 in order to review developments in the global market situation on the basis of the most recent information available.

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