



EUROPEAN COMMISSION

Directorate-General for Trade

The Director General

Brussels, 16 October 2008

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For the attention of the Editor  
The Sunday Times  
London

Dear Sir,

I am very surprised by the allegations in the British press about Peter Mandelson, Oleg Deripaska and aluminium. The claims that have been made in various newspapers hint to Peter Mandelson's personal intervention in his capacity of European Commissioner for Trade in favour of the Russian aluminium company RUSAL. I would like to clarify that no such intervention ever took place.

One allegation relates to a 9 year debate in the EU over tariffs on raw aluminium. The other relates to anti-dumping duties on Russian aluminium.

In both instances, decisions have been made after the usual consultation procedures had taken place, including with industry and all 27 European Member States, and were based on sound facts.

The facts are as follows:

1. Aluminium tariffs had created divisions between EU Member States for many years with the majority wanting elimination (pressed by their Small and Medium companies wishing to import cheaper raw materials) while others opposed this. The arrival of new Member States in 2004 increased the pressure for elimination. As Trade Commissioner, Peter Mandelson facilitated a compromise proposal which cut raw aluminium tariffs from 6 to 3%.

2. The EU Council of Ministers imposed anti-dumping duties in 2001 on imports of aluminium foil produced in Russia by several producers. Imports from RUSAL were subject to measures, however not to a duty as the company agreed to respect a minimum import price. In 2004, the Commission re-examined the situation of RUSAL at the company's request following the granting of Market Economy Status to Russia. After a thorough investigation and consultation of Member States, the Council of Ministers concluded in January 2006 that dumping no longer existed.

In 2008 the Commission launched an anti-dumping investigation into aluminium foil imports from Armenia where the main exporter is Armenal, a company related to RUSAL. The investigation is ongoing. If dumping is established within the terms of EU law, then duties will likely be levied.

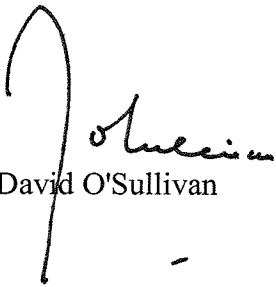
Commission européenne, B-1049 Bruxelles / Europese Commissie, B-1049 Brussel - Belgium. Telephone: (32-2) 299 11 11. Office: CHAR 07/64. Telephone: direct line (32-2) 2950948. Fax: (32-2) 2990587.

E-mail: David.O'Sullivan@ec.europa.eu

Far from receiving favourable treatment from the EU, RUSAL may end up having to pay duties on its exports to the EU.

I trust this clarifies that all decisions regarding these cases have been taken in full transparency and are firmly rooted in EU law and the interests of EU companies and consumers.

Yours faithfully,



David O'Sullivan