

The following is a statement release by the Flexible Packaging Association in regards to the new aluminum tariffs that are currently affecting flexible packaging manufacturers in the U.S.



Aluminum Foil Trade Actions Threaten Flexible Packaging Industry

The flexible packaging industry is once again unfairly targeted with unwarranted trade actions on aluminum foil that not only threatens food, pharmaceutical, and medical security in the U.S.; but will also negatively impact domestic jobs and increase prices during a time of unprecedented inflation. A “self-initiated” case by the Department of Commerce (DOC) against suppliers of aluminum foil from South Korea and Thailand threatens manufacturers of flexible packaging with unwarranted duties on necessary aluminum foil for food, pharmaceuticals, and medical device packaging.

The Importance of Aluminum in the Flexible Packaging Industry

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Why The Flexible Packaging Industry is Concerned

These duties are not appropriate as the thin gauge foil used in these applications cannot be supplied by U.S. manufacturers. In 2017, the U.S. government-imposed duties on aluminum products coming from China, including aluminum foil. In 2018, yet another administrative action was taken under Section 232 of the Trade Expansion Act and additional worldwide tariffs were imposed on aluminum products, including foil. Now, the DOC is initiating (not at the request of the domestic industry, but of its own volition) an investigation for potential additional fees on imports of aluminum foil from S. Korea and Thailand. What makes these actions even more destructive is that the foil targeted by these duties and tariffs is not manufactured in the U.S. in the quantities needed, and flexible packaging manufacturers have no choice but to import it





Products include food and beverage applications such as yogurt, ingredients, juices, pet food, and candy; health applications, such as over the counter drugs and nutraceuticals and COVID-19 testing kits; and medical device packaging, such as absorbable sutures and surgery kits.

How Will This Negatively Impact Consumers and the Economy?

- Threatens Food and Medical Product Security: When it comes to packaging for medical devices, food, and healthcare, sterility is critical – literally a matter of life and death. There is no ideal substitution for the barrier protection aluminum foil provides. Additional costs on these goods will increase supply chain disruptions and could result in a scarcity of these products.
- Negative Impact on U.S. Domestic Jobs: Many U.S. converting jobs have already gone offshore with the imposition of the Chinese and Section 232 duties and tariffs. If additional fees are imposed on foil from S. Korea and Thailand, more jobs and manufacturing will move out of the U.S. as foreign suppliers of finished goods do not have to pay the tariffs.
- Increased Prices During a Time of Unprecedented Inflation: The loss of jobs to the American economy will not be the only negative consequence; the costs of goods and the increase in prices for consumers for products used daily, during this time of unprecedented inflation will be damaging.

FPA's Position on Additional Tariffs

The Flexible Packaging Association (FPA) and its members support efforts to protect domestic manufacturing and ensure national security. As such, the Administration should not continue to unfairly target domestic flexible packaging manufacturers. Imposing new duties on imports of aluminum foil is simply not the answer. Everybody loses in unfair trade cases, especially the American consumer. Just as in the initial Chinese foil case, new duties and costs to domestic flexible packaging manufacturers are not going to result in any benefit to domestic aluminum foil producers. However, the consequences will be huge for food and medical product insecurity, loss of jobs, and ever-increasing prices on the goods consumers use every day. Speak up! Contact your federal representative to stop these unwarranted duties.