
North American Graphite Alliance

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North American Graphite Alliance Urges Canada to Enact Tariffs on Graphite from China

Washington, D.C. – Today, the North American Graphite Alliance (NAGA) announced that it formally submitted a [request](#) to Canada’s Department of Finance urging it to place tariffs on six graphite products from China. The products, which are subjected to 25% tariffs in the United States, are forms of natural and artificial graphite used to make lithium-ion battery anode material.

“Canada must enact tariffs on Chinese graphite to help mitigate the effects of China’s unethical trade practices and make the North American graphite industry more cost competitive,” said **NAGA spokesperson Erik Olson**. “By aligning its tariff policies with the US, Canada would reinforce its commitment to building a robust domestic battery supply chain and signal to China that North America is standing together to counter their malicious trade practices. Through consistent and uniform action across Canada and United States, China’s global dominance in the EV battery supply chain can and will be weakened.”

Along with its official request, NAGA submitted an Oxford Economics [report](#) that was commissioned earlier this year. It presents startling evidence illustrating China’s dominance of the graphite supply chain and demonstrates how tariffs can protect North America’s graphite producers at a critical moment for the industry.

NAGA believes intervention from the federal government is necessary to protect North America’s nascent graphite industry. In 2023, China produced 67% of the world’s natural graphite and 75% of its artificial graphite. China manipulates the global graphite market by flooding it with cheap, highly subsidized products, allowing it to drive down prices in a concerted effort to smother foreign competitors. In addition, due to its control of global supply, China can restrict graphite exports to wield geopolitical influence, as it did in October 2023 when it enacted a protective trade measure that sparked fears of a shortage in the global market.

Because of these tactics, some domestic graphite producers face significant challenges securing financing as the ensuing market volatility causes a lack of long-term offtake commitments from original equipment manufacturers (OEMs). Without the ability to demonstrate future revenue, graphite companies are at a disadvantage when attempting to secure investments. This lack of investment deprives the projects of the adequate financing needed to bolster domestic production capacity to the scale needed to become cost competitive with China and create an independent battery supply chain here in North America.

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NAGA represents American and Canadian producers of battery-grade natural and synthetic graphite, both of which are used to create anode material for lithium-ion batteries. NAGA encourages the U.S. Federal government to craft and implement policies, programs, and funding opportunities that support growing the domestic graphite industry.