



# Jamaica Bauxite Institute

## Local Bauxite/Alumina Monthly Statistical Bulletin

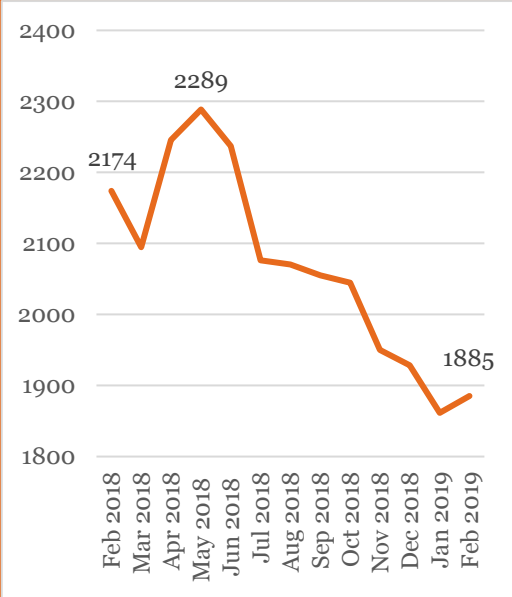
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### BAUXITE/ALUMINA INDUSTRY

Y-o-Y (kt)		Feb-19	Feb-18
<b>Production</b>			
Total Bauxite	↑ 1%	816	807
Crude Bauxite	↑ 16%	313	271
Alumina	↓ 15%	51	60
<b>Exports</b>			
Total Bau. Disposed	↑ 4%	789	760
Crude Bauxite	↑ 5%	286	272
Alumina	↑ 8%	185	172
<b>Capacity Utilization (%)</b>			
ACU (%)	↓ -3%	65%	68%

### LME ALUMINIUM 3-M PRICE (US\$ / t)



## FEBRUARY 2019

### Production

In February, **total bauxite production** increased by 1% on a year-over-year basis to reach 861 kt. This moderate outturn was attributed to production disruptions relating to boiler issues at two of the island’s refineries.

**Crude bauxite** output amounted to 313 kt in February, equating to a 16% increase from the corresponding period last year. On a year-to-date basis, output was up by 11% to 608 kt. While expectations remain heightened for output to surge above 4 Mt in 2019, the y-t-d performance was below expectation.

**Alumina production** was roughly 186kt in February, representing a 5% reduction when compared with last year. Lower output from Windalco and below-expectation output from Alpart were the contributing factors for the decline. Year-to-date, alumina production was up by 16% to 422 kt, with Alpart being the main contributor for the improvement.

During the month, the alumina refineries operated at an **average capacity utilization** of 65%, lower than the 68% recorded in the same period last year.

### Export

**Total bauxite disposed** of, which includes crude bauxite exported and bauxite refined into alumina prior to being exported, increased by 4% on a year-over-year basis to 789 kt in February. Excluding Jamalco, all other operator recorded improvements in tonnage exported. The lower outturn at Jamalco was as a result of fewer vessel call to port in February relative to last year.

**Crude bauxite exports** rose by 5% to 286 kt, of this amount 54% was for the North American market and 46% for the Asian market. Over the first two months, crude bauxite exports totaled approximately 586 kt, reflecting an 11% increase when compared with last year.



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Meanwhile, **alumina exports** were up in the month under review, increasing by 8% to approximately 185kt in comparison to February 2018. Europe was Jamaica's dominant market for alumina exports, with 86% of exports going into that region. On year-to-date basis, alumina exports grew by 6% to 392kt, up from the 370kt shipped during the same period last year.

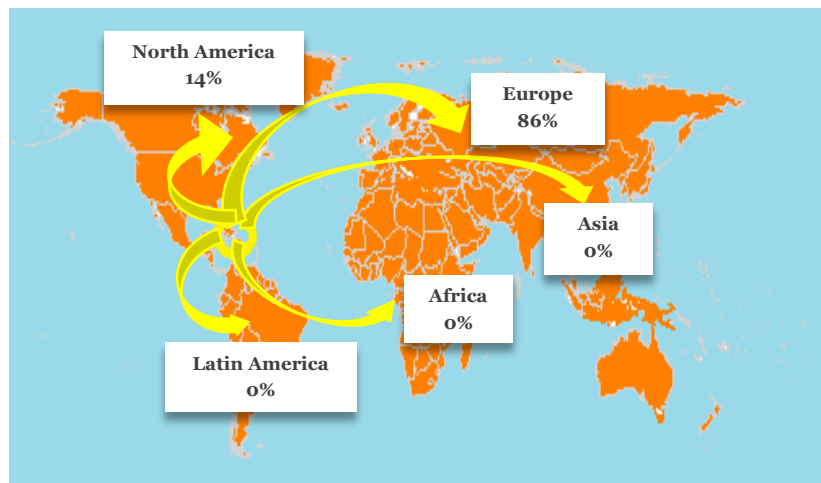


Figure 1: Jamaica's Export Volumes to Regional Markets in February 2019

## Aluminium Prices

In February, the **LME aluminium 3-month price** rounded out at US\$1885/t, down US\$289/t relative to the corresponding month last year but up US\$24/t relative to January 2019. Positive developments surrounding the trade dispute between the US and China and news of the Chinese government increasing its expenditure on the national grid as well as the US reducing the bond holdings in the Fed's balance sheet boosted sentiments about the outlook of the global aluminium market and lifted prices in the month.

## Crude Oil Prices

**Crude oil prices** rose in February relative to January but remained below the averages recorded over the corresponding period of last year. The upturn in the month came in spite of a less than optimistic economic outlook and was primarily due to tightening global oil supply. Oil production data in the first two months of the year showed OPEC adhering to its December commitment to reduce oil supply by 1.2 million barrels per day in 2019.

In February, the average price of the OPEC basket was US\$64/bbl, up 8.7% from January and up 0.6% from the same period last year. Meanwhile, the WTI and Brent spot prices settled at US\$55/bbl and US\$64/bbl, increasing month-over-month by 6.9% and 7.7%, respectively. However, the averages recorded declines of 11.7% and 2.1%, in the same order, relative to February 2018. The EIA forecasts Brent spot prices to average US\$63/bbl in 2019 and US\$62/bbl in 2020, compared with an average of US\$71/bbl in 2018. Further, there is an expectation that WTI crude oil prices will be US\$9/bbl lower than Brent prices in the first half of 2019 before the discount gradually falls to \$4/bbl in the fourth quarter of 2019 and throughout 2020.

**BAUXITE/ALUMINA PRODUCTION & EXPORTS FEBRUARY 2019**

PERIOD	PRODUCTION			EXPORT		
	ALUMINA	CRUDE BAUXITE	TOTAL BAUXITE	ALUMINA	CRUDE BAUXITE <sup>1</sup>	TOTAL BAUXITE <sup>2</sup>
<b>MONTH</b>						
<b>2019</b>	186,018	313,323	816,250	184,997	285,827	788,584
<b>2018</b>	195,810	270,514	806,852	171,620	272,450	759,829
<b>% Chg 2019/18</b>	-5.0%	15.8%	1.2%	7.8%	4.9%	3.8%
<b>2017</b>	133,181	253,216	607,325	126,570	262,068	598,604
<b>% Chg 2018/17</b>	47.0%	6.8%	32.9%	35.6%	4.0%	26.9%
<b>Y-T-D</b>						
<b>2019</b>	422,203	607,571	1,739,109	391,774	586,185	1,637,818
<b>2018</b>	364,456	548,340	1,478,785	369,968	528,803	1,473,768
<b>% Chg 2019/18</b>	15.8%	10.8%	17.6%	5.9%	10.9%	11.1%
<b>2017</b>	291,439	441,182	1,212,204	302,642	471,703	1,272,319
<b>% Chg 2018/17</b>	25.1%	24.3%	22.0%	22.2%	12.1%	15.8%

**NOTE:**

- (1) Crude Bauxite = Bauxite mined for export
- (2) Total Bauxite = Crude bauxite + bauxite converted to alumina

**Economics Division, JBI**