

Jamaica Bauxite Institute

Local Bauxite/Alumina Monthly Statistical Bulletin



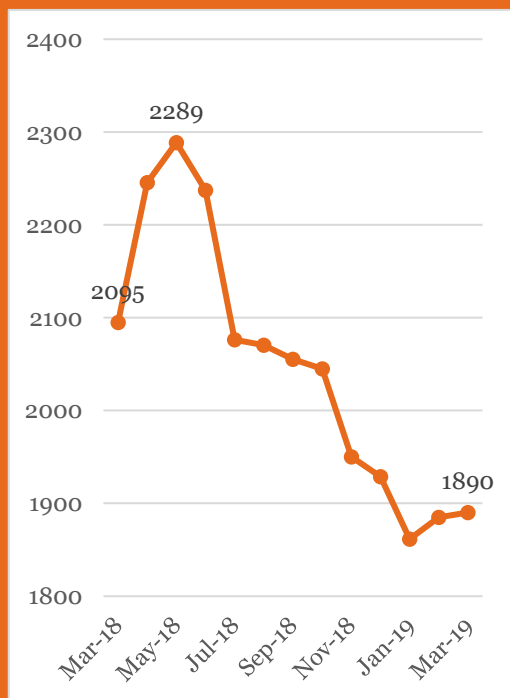
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BAUXITE/ALUMINA INDUSTRY

Y-o-Y (kt)		Mar-19	Mar-18
Production			
Total Bauxite	↓ 13%	747	857
Crude Bauxite	↓ 40%	179	298
Alumina	↑ 7%	219	205
Exports			
Total Bau Dispose	↓ 14%	857	992
Crude Bauxite	↓ 46%	187	344
Alumina	↑ 9%	258	237
Capacity Utilization (%)			
ACU (%)	↑ 4%	69%	65%

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



MARCH 2019

Production

In March, **total bauxite production** declined by 13% on a year-over-year basis to reach 747kt. This outturn was the result of a fallout in crude volumes generated for the Asian market, as well as, production disruptions at two of the island's refineries.

Crude bauxite output declined by 40% from 298kt a year earlier to 179kt in March 2019. The decline has caused the year-to-date production to lag 7% behind levels recorded in the same month last year. There is some concern as to whether this most recent development will continue over the next few months, which could render annual production below expectation.

Alumina production, on the other hand, increased by 7% to 219kt when compared with last year. The reopening of Alpart continues to have a positive impact on volume numbers, with year-to-date production running ahead of last year by 13%. This positive outturn comes despite disruptions at two of the island's refineries, brought on by boiler issues and a power outage.

During the month, the alumina refineries operated at an **average capacity utilization** of 69%, up by 4% when compared with the same period last year.

Export

Total bauxite disposed of, which includes crude bauxite exported and bauxite refined into alumina prior to being exported, decreased by 14% on a year-over-year basis to 857kt in March. Lower export volumes from Noranda and Windalco were the contributing factor.

An absence of third-party buyers contributed to a 46% decline in **Crude bauxite exports**. For the month, exports amounted to 87kt, all of which entered the North American market. In regard to the year-to-date performance, crude bauxite exports totaled 773kt, reflecting a 12% decline when compared with last year.



Contact Us

Jamaica Bauxite Institute

Hope Gardens
Kingston 6
(876)-927-2070-3
info@jbi.org.jm
www.jbi.org.jm

Alumina exports were up in the month under review, increasing by 9% to approximately 258kt in comparison to March 2018. Europe was Jamaica's dominant market for alumina exports, with 82% of exports going into that region. On a year-to-date basis, alumina exports grew by 7% to 649kt, up from the 607kt shipped during the same period last year.

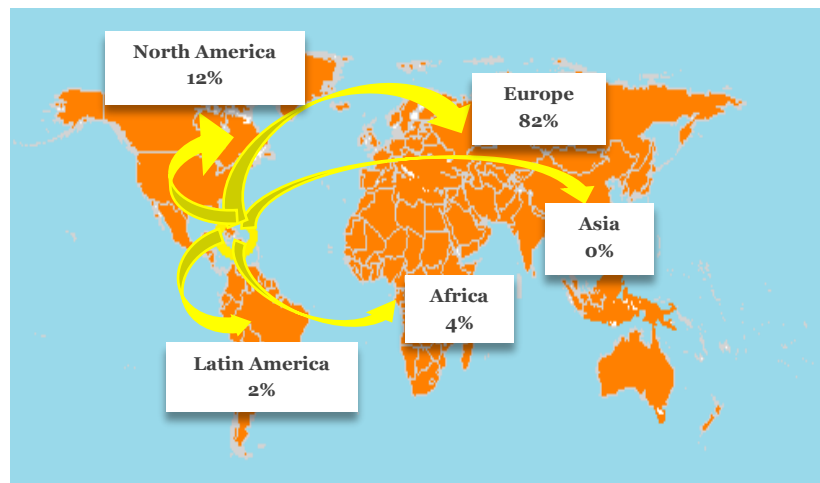


Figure 1: Jamaica's Export Volumes to Regional Markets in February 2019

Aluminium Prices

In March, the **LME aluminium 3-month price** rounded out at US\$1890/t, down US\$205/t relative to the corresponding month last year but up US\$5/t relative to February 2019. The news of a cyber-attack on Norsk Hydro extrusion operations triggered a surge in aluminium prices, with the LME 3-m closing on a new yearly high of US\$1,944/t on March 20. However, prices subsequently retreated amid profit taking, concerns about a US recession and a strengthening US dollar and crude oil prices.

Crude Oil Prices

Price developments in the crude oil market continue to be driven by the output cut implemented by the OPEC and other key oil-producing nations. Preliminary data for March shows OPEC's crude oil production at 30.2 mb/d, a decrease of 534 tb/d over the previous month. The cartel's production sank to a four-year low on the back of top exporter, Saudi Arabia, extending deeper than agreed production cuts in the reporting period, along with, production declines in Iran and Venezuela as US sanctions take a toll.

In March, the average price of the OPEC basket was US\$66/bbl, up 4.0% relative to February and last March. Brent crude averaged US\$66/bbl, up 0.2% month-over-month and 3.4% year-over-year. Meanwhile, the WTI benchmark settled at US\$58/bbl, marking a 5.8% jump since February, but a 7.3% decline relative to March 2018. The EIA forecasts Brent spot prices to average US\$65/bbl in 2019 and US\$62/bbl in 2020. Further, there is expectation that WTI crude oil prices will average US\$8/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 MARCH 2019

PERIOD	PRODUCTION			EXPORT		
	ALUMINA	CRUDE BAUXITE	TOTAL BAUXITE	ALUMINA	CRUDE BAUXITE ¹	TOTAL BAUXITE ²
<u>MONTH</u>						
2019	218,680	178,905	746,703	257,700	186,908	856,666
2018	204,607	297,551	856,927	236,861	344,232	992,300
% Chg 2019/18	6.9%	-39.9%	-12.9%	8.8%	-45.7%	-13.7%
2017	156,121	221,113	644,808	140,700	206,953	589,473
% Chg 2018/17	31.1%	34.6%	32.9%	68.3%	66.3%	68.3%
<u>Y-T-D</u>						
2019	640,883	786,476	2,485,482	649,474	773,093	2,498,172
2018	569,063	845,891	2,357,083	606,829	873,035	2,487,089
% Chg 2019/18	12.6%	-7.0%	5.4%	7.0%	-11.4%	0.4%
2017	447,560	662,295	1,831,173	443,342	678,656	1,836,366
% Chg 2018/17	27.1%	27.7%	28.7%	36.9%	28.6%	35.4%

NOTE:

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

Economics Division, JBI