



Jamaica Bauxite Institute



Local Bauxite/Alumina Monthly Statistical Bulletin

Release Date: January 31, 2020

Volume 1 / Issue 12

BAUXITE/ALUMINA INDUSTRY				
Y-o-Y (kt)			Dec-19	Dec-18
Production				
Total Bauxite	↓ 8%		724	790
Crude Bauxite	↑ 44%		312	216
Alumina	↓ 34%		143	215
Exports				
Total Bau. Disposed	↓ 3%		813	837
Crude Bauxite	↑ 10%		292	266
Alumina	↓ 15%		181	214
Capacity Utilization (%)				
ACU (%)	↓ 22		46	68

DECEMBER 2019

Production

Total bauxite production grew in the reporting period for the second consecutive month after the shuttering of Alpart in September. Nevertheless, production fell from levels recorded last December, down 8% to 724kt.

Crude bauxite output in December was at its highest since February 2019, increasing 44% year-over-year to 312kt. Despite the significant growth, as it relates to 2019 as a whole, output fell by 8.5% to 3.1 million tonnes relative to the previous year. The inconsistency of third party sales was the contributing factor for the downturn in annual volumes.

Alumina production was down considerably in the review period primarily due to the suspension of Alpart's operations. As a result, the local sector turned out 143kt of alumina in December, which equated to a 34% decline in output vis-à-vis the same period last year. Full year statistics reveal production totaling near 2.2 million tonnes, which fell by 13% in contrast to 2018.

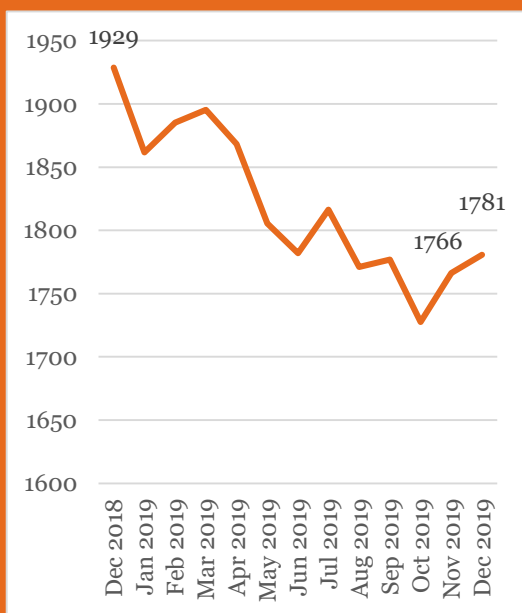
In December, the alumina refineries operated at an **average capacity utilization** of 46%, down from 68% recorded over the same period last year. The fall was due to the suspension of Alpart's operations.

Exports

Total bauxite disposed of, which constitutes crude bauxite exported and bauxite refined into alumina before being shipped, was down by 3% on a year-on-year basis to approximately 813kt in December from 837 kt in the corresponding period last year.

Crude bauxite exports rose by 10% year-over-year to 292kt with year-to-date exports now amounting to approximately 3 million tonnes, down 9% from 3.4 million tonnes relative to the identical period in 2018.

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





Contact Us

Jamaica Bauxite Institute

Hope Gardens

Kingston 6

(876)-927-2070-3

info@jbi.org.jm

www.jbi.org.jm

Alumina tonnage shipped in December slipped by 15% to roughly 181kt. On a year-to-date basis, alumina exports fell by 13% to 2.2 million tonnes, down from 2.5 million tonnes shipped during the same period last year.

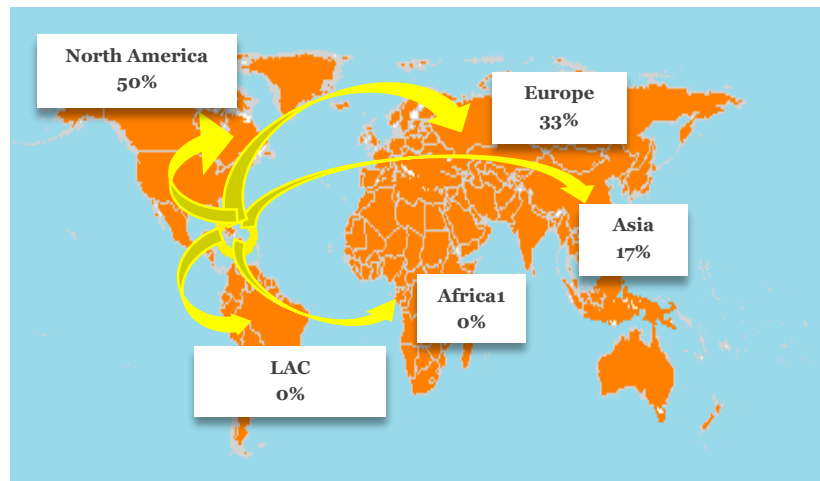


Figure 1: Jamaica's Export Volumes to Regional Markets in December 2019

Aluminium Prices

The LME aluminium 3-month price rebounded for a second consecutive month. In December, the aluminium 3-month contract price averaged US\$1781/t, reflecting an increase of US\$14/t relative to the preceding month, but a decline of US\$148/t year-on-year. The price rally was due to jittery investors, spooked by a number of smelter cutbacks and falling LME inventories, which usually signal a tightening market.

Crude Oil Prices

The upward momentum in oil prices continued in December, as earlier in the month, the OPEC and its allies agreed to deepen production cuts by an additional 500,000 barrels a day through to March 2020. The decision brings the total production cut to 1.7 million barrels per day. Prices also got support from renewed optimism on the progress of trade talks between the US and China.

The OPEC basket averaged US\$66.48/bbl in December, up by 5.6% and 16.8% relative to the previous period and year-over-year, respectively. Brent crude traded at US\$67.31/bbl, rising 6.5% from November's average and simultaneously reflecting a 17.4% increase for the corresponding period a year ago. Meanwhile, at US\$59.88/bbl, the West Texas Intermediate (WTI) benchmark was up 5% from the prior month and rose by 20.9% vis-a-vis December 2018.

The Energy Information Administration (EIA) estimates Brent prices to average US\$65/bbl in 2020 and US\$68/bbl in 2021, compared with an average of US\$64/bbl in 2019. Further, the expectation is for WTI prices to average \$5.50/bbl lower than Brent prices through 2020 and 2021.

BAUXITE/ALUMINA PRODUCTION & EXPORTS DECEMBER 2019

PERIOD	PRODUCTION			EXPORT		
	ALUMINA	CRUDE BAUXITE	TOTAL BAUXITE	ALUMINA	CRUDE BAUXITE ¹	TOTAL BAUXITE ²
MONTH						
2019	142,861	312,107	724,072	181,315	291,794	812,893
2018	215,488	216,239	789,819	213,935	266,392	836,618
% Chg 2019/18	-33.7%	44.3%	-8.3%	-15.2%	9.5%	-2.8%
2017	161,406	278,577	711,930	109,167	246,436	541,408
% Chg 2018/17	33.5%	-22.4%	10.9%	96.0%	8.1%	54.5%
<u>Y-T-D</u>						
2019	2,172,972	3,080,086	9,022,286	2,211,956	3,035,758	9,091,796
2018	2,483,572	3,366,543	10,058,228	2,571,038	3,339,221	10,272,268
% Chg 2019/18	-12.5%	-8.5%	-10.3%	-14.0%	-9.1%	-11.5%
2017	1,782,373	3,375,572	8,244,628	1,743,063	3,340,449	8,118,641
% Chg 2018/17	39.3%	-0.3%	22.0%	47.5%	0.0%	26.5%

NOTE:

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

Economics Division, JBI