



Jamaica Bauxite Institute



Local Bauxite/Alumina Monthly Statistical Bulletin

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MAY 2019

BAUXITE/ALUMINA INDUSTRY

Y-o-Y (kt)		May-19	May-18
Production			
Total Bauxite	↓ 9%	833	920
Crude Bauxite	↓ 29%	263	368
Alumina	↑ 6%	210	198
Exports			
Total Bau. Disposed	↑ 11%	1028	928
Crude Bauxite	↓ 28%	258	358
Alumina	↑ 38%	282	204
Capacity Utilization (%)			
ACU (%)	↑ 4	67	63

Production

Total bauxite production continues to be impacted by the fallout in third-party sales of crude bauxite to the Asian market. In May, total bauxite production fell by 9% to 833kt, marking a second consecutive month of decline for the year.

Crude bauxite output for the month was 263kt, a decline of 29% when compared with the corresponding month of 2018. For the first five months of the year, output totaled approximately 1.26 million tonnes, which was equivalent to a 14.4% reduction relative to the same period last year.

Meanwhile, **alumina production** recorded a year-on-year increase of 6% to reach 210kt. While the reopened Alpart was the main contributor for the improved performance recorded, there were signs of recovery at Jamalco and Windalco after suffering from production disruptions in April due to a power outage and industrial action, respectively. Alumina production from January to May amounted to just over 1.06 million tonnes, which translated to an increase of 11.1% relative to May 2018.

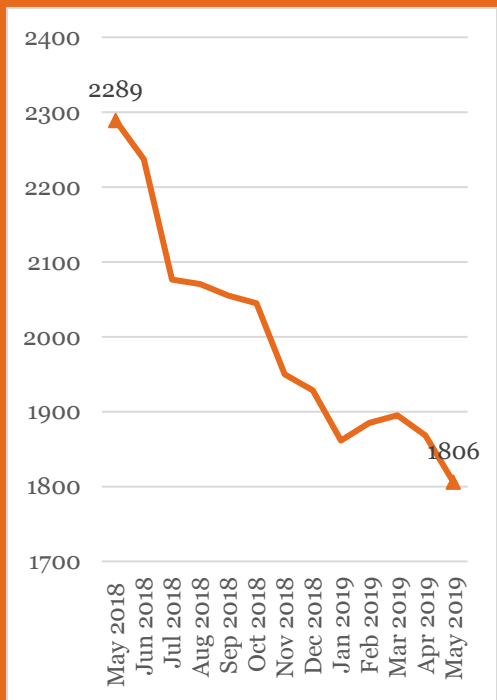
During the month, the alumina refineries operated at an **average capacity utilization** of 67%, up by 4% when compared with the same period last year.

Export

Total bauxite disposed of, which includes crude bauxite exported and bauxite refined into alumina before being shipped, increased by 11% on a year-over-year basis to 1.03 million tonnes in May. An upswing in export volumes from Windalco was the contributing factor.

The Grammercy Refinery in the US remained the sole consignee of crude bauxite in the coverage period. As a result, **crude bauxite exports** were down by 28% to 258kt in comparison to a year ago. On a year-to-date basis, the volume of crude bauxite shipped totaled roughly 1.28 million tonnes, reflecting a 15.1% decline from the over 1.5 million tonnes exported in May 2018.

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





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The resumption of shipments at Windalco, which came to a standstill in the previous month due to strike action, led to the alumina sector recording a 38.1% year-on-year increase in exports. A total of 282kt of alumina was exported in May. Over the first five months of the year, the volume shipped aggregated to 1.09 million tonnes, up 5.7% from the corresponding period of 2018. Europe remains Jamaica's dominant market for exports, with 72% of exports going into that region.

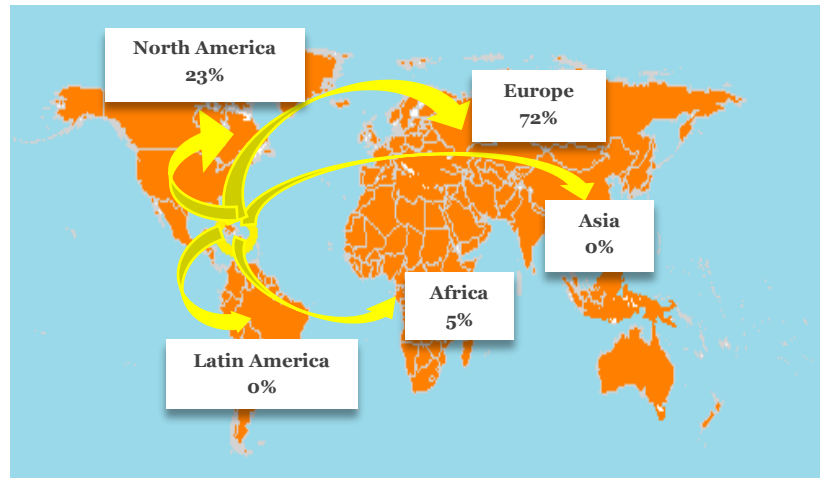


Figure 1: Jamaica's Export Volumes to Regional Markets in May 2019

Aluminium Prices

The **LME aluminium 3-month price** declined for a third consecutive month, averaging US\$1806/t in May, down US\$483/t relative to the corresponding month last year and US\$63/t relative to April 2019. Continued concerns over the health of the broader global economy was a factor in the dip in prices over the period.

Crude Oil Prices

OPEC's production cuts, US sanctions against Venezuela and Iran and heightened geopolitical conflict in the Middle East have resulted in a tightened market and spikes in price observed since the start of the year. However, after rising steadily, prices fell in May. The decline comes in the wake of growing concerns over oil demand growth triggered by renewed and deepening US-China trade tensions.

In May, the average price of the OPEC basket was US\$70/bbl, down 1.1% and 5.6% relative to the preceding period and year-over-year, respectively. Brent crude traded at an average of US\$71/bbl, relatively unchanged from April, but down 7.4% from the corresponding period last year. Meanwhile, the WTI benchmark settled at US\$61/bbl, falling 4.7% since April and plunging 13.1% vis-a-vis May 2018. The EIA forecasts Brent spot prices to average US\$67/b in 2019, \$3/bbl lower than previously estimated, and remain at US\$67/bbl in 2020. These predictions reflect rising uncertainty about global oil demand growth.

BAUXITE/ALUMINA PRODUCTION & EXPORTS MAY 2019

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

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