



# Jamaica Bauxite Institute

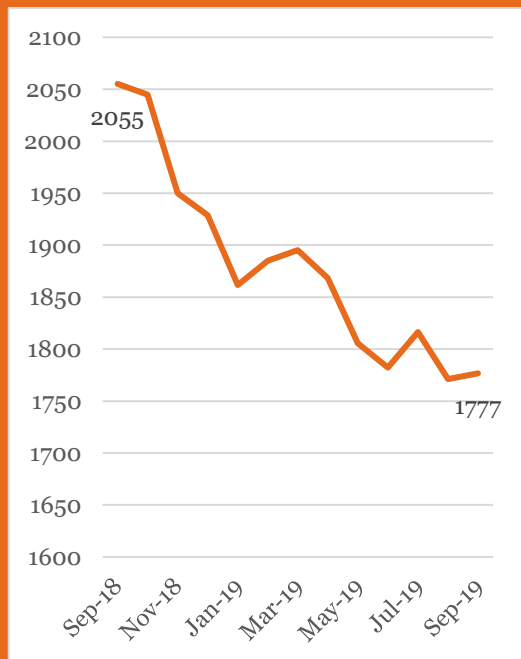
## Local Bauxite/Alumina Monthly Statistical Bulletin

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| BAUXITE/ALUMINA INDUSTRY        |       |        |        |  |
|---------------------------------|-------|--------|--------|--|
| Y-o-Y (kt)                      |       | Sep-19 | Sep-18 |  |
| <b>Production</b>               |       |        |        |  |
| Total Bauxite                   | ↓ 26% | 703    | 945    |  |
| Crude Bauxite                   | ↑ 1%  | 260    | 257    |  |
| Alumina                         | ↓ 39% | 161    | 266    |  |
| <b>Exports</b>                  |       |        |        |  |
| Total Bau. Disposed             | ↓ 5%  | 773    | 811    |  |
| Crude Bauxite                   | ↑ 3%  | 255    | 249    |  |
| Alumina                         | ↓ 14% | 184    | 214    |  |
| <b>Capacity Utilization (%)</b> |       |        |        |  |
| ACU (%)                         | ↓ 31  | 53     | 84     |  |

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



## SEPTEMBER 2019

### Production

**Total bauxite production** dipped in September as the suspension of Alpart’s operation took effect. The refinery has been grappling with high production costs due to its ageing infrastructure. Therefore, activities at the plant are being curtailed to facilitate upgrading works. Total bauxite output in the review period amounted to 703kt, down 26% year-over-year. This outturn brings year-to-date production to 7.2 million tonnes, which is 5.0% below the levels recorded over the same period in 2018.

**Crude bauxite output** was marginally higher in September, up 1% to 260kt when compared with the corresponding month last year. The increase did little to close the gap between the 2018 and 2019 year-to-date production levels. For the first nine months, crude bauxite production amounted to 2.3 million tonnes, down 11% relative to the comparable period of 2018. Lower uptake of crude bauxite by China continues to impact the sector.

**Alumina production** fell by 39% to 161kt year-on-year due primarily to the suspension of operations at the Alpart plant. The outturn for the month has reversed the progress seen over the last eight months, with year-to-date production now 1% lower than levels registered over the same period last year.

During the month, the alumina refineries operated at an **average capacity utilization** of 53%, down from 84% recorded over the same period last year.

### Exports

**Total bauxite disposed** of, which constitutes crude bauxite exported and bauxite refined into alumina before being shipped, decreased by 5% on a year-on-year basis to roughly 773kt tonnes in September. A downturn in alumina exports from Alpart was the contributing factor for the decline.

Third party sales to Asia continued for a third consecutive month resulting in **crude bauxite exports** rising by 3% year-on-year to



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255kt in September. However, the increase was insufficient to lift tonnage above levels reached over the same period last year. Year-to-date, total crude bauxite exports amounted 2.3 million tonnes, down 7% relative to September 2018.

Regarding **alumina exports**, tonnage shipped in September declined by 14% to approximately 184kt. 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 fell by 3% to 1.8 million tonnes, down from 1.9 million tonnes shipped during the same period last year.

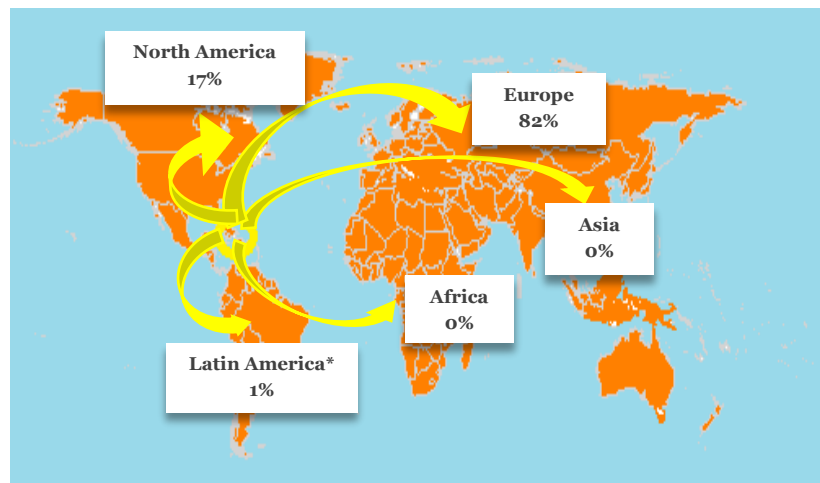


Figure 1: Jamaica's Export Volumes to Regional Markets in September 2019

## Aluminium Prices

After dipping in August, the LME aluminium 3-month price improved marginally in September averaging US\$1777/t; reflecting an increase of US\$6/t relative to the preceding month. A softening of positions in the trade dispute between the US and China provided a booster to market sentiments. In September, China opted to exempt some US goods from tariffs, while the US delayed a further hike in tariffs on Chinese goods.

## Crude Oil Prices

Oil prices increased in the review period after attacks on major Saudi Arabian oil infrastructure disrupted the country's crude oil production. In September, the OPEC basket averaged US\$62.4/bbl, up by 4.6%, but down 19.2% relative to the preceding period and year-over-year, respectively. Brent crude traded at US\$62.8/bbl, rising 6.4% from August's average but declining by 20.4% with respect to the corresponding period last year. Meanwhile, the WTI benchmark settled at US\$57.0/bbl, up 3.9% from the prior month but plummeting 18.9% vis-a-vis September 2018. The Energy Information Administration (EIA) has maintained its oil price forecast for the remainder of the year based on the weakened oil demand outlook. The Administration expects Brent prices to average US\$60/bbl in the fourth quarter of 2019 and US\$62/bbl in 2020. Meanwhile, the estimation is for WTI prices to average \$5.50/bbl less than Brent prices in 2020.

**BAUXITE/ALUMINA PRODUCTION & EXPORTS SEPTEMBER 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>          | 160,987    | 259,905       | 703,394       | 184,457   | 255,027                    | 772,777                    |
| <b>2018</b>          | 265,798    | 257,066       | 944,815       | 213,604   | 248,789                    | 810,999                    |
| <b>% Chg 2019/18</b> | -39.4%     | 1.1%          | -25.6%        | -13.6%    | 2.5%                       | -4.7%                      |
| <b>2017</b>          | 134,413    | 317,003       | 686,471       | 154,195   | 267,657                    | 688,184                    |
| <b>% Chg 2018/17</b> | 97.7%      | -18.9%        | 37.6%         | 38.5%     | -7.0%                      | 17.8%                      |
| <b>Y-T-D</b>         |            |               |               |           |                            |                            |
| <b>2019</b>          | 1,818,541  | 2,319,256     | 7,217,770     | 1,827,450 | 2,305,054                  | 7,232,920                  |
| <b>2018</b>          | 1,839,976  | 2,604,901     | 7,583,026     | 1,910,961 | 2,479,203                  | 7,656,210                  |
| <b>% Chg 2019/18</b> | -1.2%      | -11.0%        | -4.8%         | -4.4%     | -7.0%                      | -5.5%                      |
| <b>2017</b>          | 1,290,389  | 2,430,525     | 5,966,723     | 1,345,855 | 2,269,982                  | 5,957,980                  |
| <b>% Chg 2018/17</b> | 42.6%      | 7.2%          | 27.1%         | 42.0%     | 9.2%                       | 28.5%                      |

**NOTE:**

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

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