



Jamaica Bauxite Institute

Local Bauxite/Alumina Monthly Statistical Bulletin

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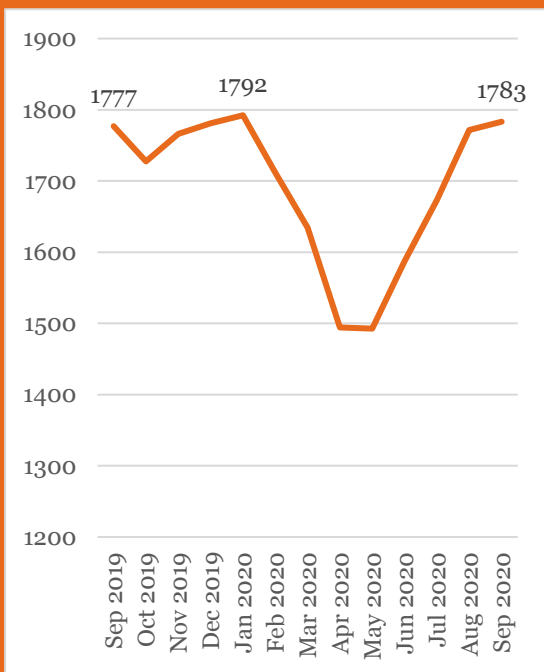
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SEPTEMBER 2020

BAUXITE/ALUMINA INDUSTRY

Y-o-Y (kt)		Sep-20	Sep-19
Production			
Total Bauxite	↓ 21%	555	703
Crude Bauxite	↓ 32%	177	260
Alumina	↓ 16%	135	161
Exports			
Total Bau. Disposed	↓ 33%	517	773
Crude Bauxite	↓ 22%	199	255
Alumina	↓ 39%	113	184
Capacity Utilization (%)			
ACU (%)	↓ -8	45	53

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



Production

Total bauxite production declined in the review period mainly as a result of a shortfall in crude bauxite production. In September, total bauxite production amounted to 555kt, down 21% from the 703kt recorded over the same period last year. On a year-to-date basis, production accumulated to 5.7 million tones, which is 21% below the levels recorded over the corresponding period in 2019.

In September, **crude bauxite production** fell to its lowest level since October 2016, falling 32% to 177kt from the 260kt generated in the same month last year. A lack of third-party contracts in the month under review contributed to the decreased output.

The year-over-year decline in refinery production narrowed in September, mainly as a result of the diminishing impact of Alpart's suspension on the industry. **Alumina production** in September amounted to 135kt, down by 16% relative to last year. The decrease is in contrast with the roughly 30% year-over-year contraction reported since October 2019, after Alpart's operations were suspended.

During the review month, the alumina refineries operated at an **average capacity utilization** of 45%, down from the 53% recorded over the same period last year.

Export

Total bauxite disposed of, which includes crude bauxite exported and bauxite refined into alumina before being shipped, decreased by 33% on a year-over-year basis to 517kt in September.

Crude bauxite exports fell in the month under review due to the decline in crude bauxite production, as well as shipping vessel delays caused by inclement weather. Total volumes shipped amounted to 199kt, down by 22% when compared with the 255kt shipped in the same period last year. There were no third-party sales in the month.

Alumina exports fell by 39% year-over-year to 133t. The absence of shipments from Alpart, as well as lower-than-normal exports from



Jamalco, were the reasons for the decline. Europe remains Jamaica's dominant market for alumina exports with 83% of exports going into that region in September.

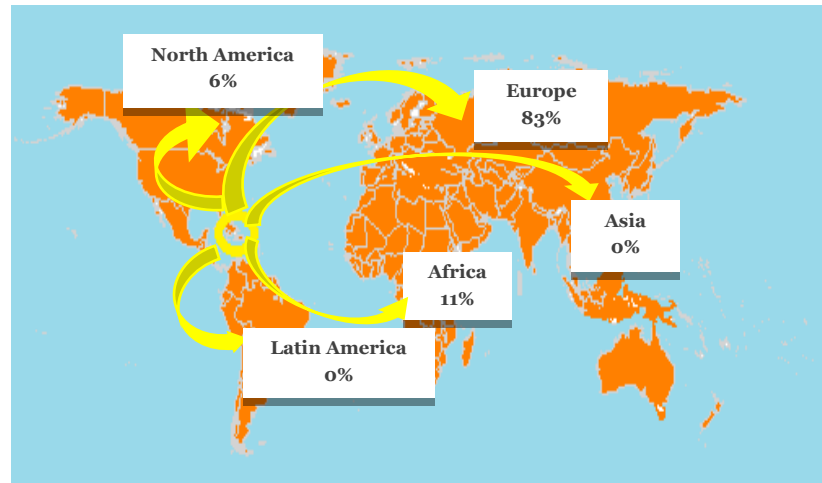


Figure 1: Jamaica's Export Volumes to Regional Markets in September 2020

Contact Us

Jamaica Bauxite Institute

Hope Gardens

Kingston 6

(876)-927-2070-3

info@jbi.org.jm

www.jbi.org.jm

Aluminium Prices

The **LME aluminium 3-month** price maintained an upward trend for the fourth consecutive month, reaching a new high since the February 2020 price of US\$1712/t. In the review period, the contract price averaged US\$1783/t, up by 1% (US\$12/t) relative to August 2020. On a year-on-year basis, the contract price was up by US\$7/t from US\$1,777/t in September 2019. Despite a strengthening US dollar, improving sentiment about global recovery and an uptick in Chinese demand contributed to the elevated price.

Crude Oil Prices

After four successive months of gain, oil prices averaged lower in September on the back of sentiment that demand recovery would be negatively impacted by the resurgence in global COVID-19 infection rates. Further, prices received downward pressure from the supply side, as output from the OPEC increased by roughly 160,000 bbl/d during the review period in comparison to August. This was due to the resumption of Libyan oil production and increased exports from Iran, which essentially resulted in the pumping of additional oil into a well-supplied market.

In September, the Brent crude traded at US\$40.91/bbl, falling 8.6% from August's average, and down 34.9% with respect to the corresponding period a year ago. Meanwhile at US\$39.63/bbl, the WTI benchmark reflected a decrease of 6.4% from the preceding month, as well as a 30.4% decline vis-a-vis September 2019. The Energy Information Administration (EIA) expects oil prices to be influenced by high inventory levels and surplus crude production capacity, which will limit price momentum. Brent spot prices are projected to average US\$42/bbl during the fourth quarter of 2020 and then rise to an average of US\$47/bbl in 2021.

BAUXITE/ALUMINA PRODUCTION & EXPORTS SEPTEMBER 2020

PERIOD	PRODUCTION			EXPORT		
	ALUMINA	CRUDE BAUXITE	TOTAL BAUXITE	ALUMINA	CRUDE BAUXITE ¹	TOTAL BAUXITE ²
MONTH						
2020	135,242	176,768	554,985	112,737	198,549	517,492
2019	160,987	259,905	703,394	184,457	255,027	772,777
% Chg 2020/19	-16.0%	-32.0%	-21.1%	-38.9%	-22.1%	-33.0%
2018	265,798	257,066	944,815	213,604	248,789	810,999
% Chg 2019/18	-39.4%	1.1%	-25.6%	-13.6%	2.5%	-4.7%
Y-T-D						
2020	1,242,175	2,209,102	5,736,084	1,220,379	2,270,702	5,734,188
2019	1,818,541	2,319,256	7,217,770	1,827,450	2,305,054	7,232,920
% Chg 2020/19	-31.7%	-4.7%	-20.5%	-33.2%	-1.5%	-20.7%
2018	1,839,976	2,604,901	7,583,026	1,910,961	2,479,203	7,656,210
% Chg 2019/18	-1.2%	-11.0%	-4.8%	-4.4%	-7.0%	-5.5%

NOTE:

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

Economics Division, JBI