

**ALUMINUM<sup>1</sup>**

(Data in thousand metric tons of metal, unless noted)

**Domestic Production and Use:** In 1995, 13 companies operated 22 primary aluminum reduction plants. Montana, Oregon, and Washington accounted for 35% of the production; Kentucky, North Carolina, South Carolina, and Tennessee, 20%; other States, 45%. Based on published market prices, output of primary metal in 1995 was valued at \$6.3 billion. Aluminum consumption, by an estimated 25,000 firms, was centered in the East Central United States. Transportation accounted for an estimated 28% of domestic consumption in 1995; packaging, 28%; building, 17%; electrical, 8%; consumer durables, 8%; and other uses, 11%.

<b>Salient Statistics—United States:</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995<sup>e</sup></b>
Production: Primary	4,121	4,042	3,695	3,299	3,350
Secondary (from old scrap)	1,320	1,610	1,630	1,500	1,600
Imports for consumption	1,490	1,730	2,540	3,380	3,300
Exports	1,760	1,450	1,210	1,370	1,700
Shipments from Government stockpile excesses <sup>2</sup>	—	(55)	—	—	—
Consumption, apparent <sup>3</sup>	5,040	5,730	6,600	6,880	6,500
Price, ingot, average U.S. market (spot), cents per pound	59.5	57.5	53.3	71.2	85.0
Stocks: Aluminum industry, yearend	1,780	1,880	1,980	2,070	2,100
LME, U.S. warehouses, yearend	168	214	168	16	10
Employment: Primary reduction <sup>e</sup>	19,900	20,000	18,700	17,800	17,900
Secondary smelter <sup>e</sup>	3,600	3,600	3,600	3,600	3,600
Net import reliance <sup>4</sup> as a percent of apparent consumption	E	1	19	30	25

**Recycling:** Aluminum recovered in 1995 from purchased scrap was about 3.3 million tons, of which about 50% came from new (manufacturing) scrap and 50% from old scrap (discarded aluminum products). Aluminum recovered from old scrap was equivalent to about 25% of apparent consumption.

**Import Sources (1991-94):** Canada, 68%; Russia, 12%; Venezuela, 5%; Brazil, 2%; and other, 13%.

<b>Tariff:</b>	<b>Item</b>	<b>Number</b>	<b>Most favored nation (MFN) 12/31/95</b>	<b>Non-MFN<sup>5</sup> 12/31/95</b>
	Unwrought (in coils)	7601.10.3000	2.6% ad val.	18.5% ad val.
	Unwrought (other than aluminum alloys)	7601.10.6000	Free	11.0% ad val.
	Waste and scrap	7602.00.0000	Free	Free.

**Depletion Allowance:** None.<sup>1</sup>

**Government Stockpile:****Stockpile Status—9-30-95**

<b>Material</b>	<b>Uncommitted inventory</b>	<b>Committed inventory</b>	<b>Authorized for disposal</b>	<b>Disposals Jan.-Sept. 95</b>
Aluminum	57	—	—	—

## ALUMINUM

**Events, Trends, and Issues:** Domestic primary aluminum production increased slightly in 1995 as companies continued their temporary shutdowns in production capacity. By the end of the year, domestic smelters were operating at about 80% of engineered or rated capacity.

U.S. imports for consumption remained at elevated levels. Imports from Russia continued on track to exceed 600,000 tons for the second consecutive year. This dramatic increase in imports during the last 3 years has made Russia second only to Canada as a major shipper of aluminum products into the United States. Exports of aluminum increased significantly as domestic demand for aluminum began to slow from the rapid growth rates evident during the last 2 years.

The price of primary aluminum ingot trended downward during the first 9 months of 1995. In January, the average monthly U.S. spot price for primary ingot quoted by Platt's Metals Week was 99.7 cents per pound; by September, the price had decreased to 81.8 cents per pound. Prices on the London Metal Exchange (LME) followed the trend of U.S. spot prices. The monthly average LME cash price for September was 79.9 cents per pound. Prices in the aluminum scrap markets paralleled the general trend of primary ingot prices. The buying price for aluminum used beverage can scrap, as quoted by American Metal Market, decreased from a 70- to 72-cent-per-pound range in January to a 62- to 64-cent-per-pound range at the end of September.

World inventories of metal held by the LME continued to decrease dramatically during the first half of the year. By the end of August, inventories held by the LME had decreased by more than 2 million tons from their record high of 2.66 million tons at the end of May 1994. In September 1995, however, this rate of decline had slowed considerably. Inventories of metal held by producers, as reported by the International Primary Aluminium Institute, fluctuated during the first half of the year.

### **World Smelter Production and Capacity:**

	Production		Yearend capacity	
	1994	1995 <sup>e</sup>	1994	1995 <sup>e</sup>
United States	3,300	3,350	4,160	4,180
Australia	1,320	1,300	1,420	1,420
Brazil	1,200	1,210	1,210	1,210
Canada	2,250	2,240	2,280	2,280
France	400	400	422	422
Norway	857	845	887	887
Russia	2,670	2,710	2,970	2,970
Venezuela	580	600	610	630
Other countries	<u>6,570</u>	<u>6,650</u>	<u>8,020</u>	<u>8,180</u>
World total (rounded)	19,100	19,300	22,000	22,200

**World Resources:** Domestic aluminum requirements cannot be met by domestic bauxite resources. Potential domestic nonbauxitic aluminum resources are abundant and could meet domestic aluminum demand. However, no processes for using these resources have been proven economically competitive with those now used for bauxite. The world reserve base for bauxite is sufficient to meet world demand for metal well into the 21st century.

**Substitutes:** Copper can replace aluminum in electrical applications; magnesium, titanium, and steel can substitute for aluminum in structural and ground transportation uses. Composites, wood, and steel can substitute for aluminum in construction. Glass, plastics, paper, and steel can substitute for aluminum in packaging.

<sup>e</sup>Estimated. E Net exporter.

<sup>1</sup>See also Bauxite.

<sup>2</sup>Data in parentheses denote stockpile acquisitions.

<sup>3</sup>Domestic primary metal production + recovery from old aluminum scrap + net import reliance.

<sup>4</sup>Defined as imports - exports + adjustments for Government and industry stock changes.

<sup>5</sup>See Appendix B.