

## ALUMINUM<sup>1</sup>

(Data in thousand metric tons unless otherwise noted)

**Domestic Production and Use:** In 2019, three companies operated seven primary aluminum smelters in six States. Two smelters operated at full capacity and five smelters operated at reduced capacity throughout the year. One other smelter remained on standby throughout the year. Domestic smelters were operating at about 60% of capacity of 1.79 million tons per year in 2019. Production increased for the second year in a row after declining each year since 2012 and was 22% more than that in 2018. Based on published prices, the value of primary aluminum production was about \$2.4 billion, 7% more than the value in 2018. The average annual U.S. market price declined by about 13% from that in 2018, partially offsetting the value of the increased production. Transportation applications accounted for 39% of domestic consumption; in descending order of consumption, the remainder was used in packaging, 19%; building, 14%; electrical, 9%; consumer durables, 8%; machinery, 8%; and other, 3%.

<b>Salient Statistics—United States:</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019<sup>e</sup></b>
Production:					
Primary	1,587	818	741	891	1,100
Secondary (from old scrap)	1,470	1,570	1,590	1,570	1,500
Secondary (from new scrap)	1,910	2,010	2,050	2,140	1,900
Imports for consumption:					
Crude and semimanufactures	4,560	5,410	6,220	5,540	3,700
Scrap	521	609	700	695	600
Exports:					
Crude and semimanufactures	1,460	1,470	1,330	1,340	1,100
Scrap	1,550	1,350	1,570	1,760	1,900
Consumption, apparent <sup>2</sup>	5,220	5,090	5,680	4,860	3,400
Supply, apparent <sup>3</sup>	7,120	7,100	7,730	7,000	5,300
Price, ingot, average U.S. market (spot), cents per pound	88.2	80.4	98.3	114.7	100
Stocks, yearend:					
Aluminum industry	1,350	1,400	1,470	1,570	1,600
London Metal Exchange (LME), U.S. warehouses <sup>4</sup>	507	362	254	186	65
Employment, number <sup>5</sup>	31,000	31,900	31,700	31,600	31,600
Net import reliance <sup>6</sup> as a percentage of apparent consumption	41	53	59	49	22

**Recycling:** In 2019, aluminum recovered from purchased scrap in the United States was about 3.4 million tons, of which about 56% came from new (manufacturing) scrap and 44% from old scrap (discarded aluminum products). Aluminum recovered from old scrap was equivalent to about 45% of apparent consumption.

**Import Sources (2015–18):** Canada, 48%; Russia 9%; United Arab Emirates, 9%; China, 6%; and other, 28%.

<b>Tariff:</b>	<b>Item</b>	<b>Number</b>	<b>Normal Trade Relations 12–31–19</b>
Aluminum, not alloyed:			
Unwrought (in coils)		7601.10.3000	2.6% ad val.
Unwrought (other than aluminum alloys)		7601.10.6000	Free.
Aluminum alloys:			
Unwrought (billet)		7601.20.9045	Free.
Aluminum waste and scrap:			
Used beverage container scrap		7602.00.0030	Free.
Other		7602.00.0090	Free.

**Depletion Allowance:** Not applicable.<sup>1</sup>

**Government Stockpile:** None.

**Events, Trends, and Issues:** A 252,000-ton-per-year smelter in Hawesville, KY, shut down one potline with 50,000 tons per year of capacity in June for scheduled maintenance work. Another 50,000-ton-per-year potline at the Hawesville smelter was shut down for maintenance work in October ahead of a scheduled shutdown. Both potlines were scheduled to be restarted in 2020.

## ALUMINUM

In January, a 2-year power supply agreement took effect between a primary aluminum smelter in Mt. Holly, SC, and its power provider. In March, a 7-year power supply agreement between the owner of the 130,000-metric-ton-per-year Massena, NY, smelter and its power provider was signed. In September, workers represented by the United Steelworkers union ratified a 4-year contract covering about 1,700 employees, most of whom were located at a 269,000-metric-ton-per-year smelter in Evansville, IN, the smelter in Massena, NY, and a rolling mill in Gum Springs, AR. The new contract was retroactive to May 15 when the prior contract expired, and production was not disrupted during the negotiations.

In January, the U.S. Department of the Treasury lifted sanctions that were imposed against a Russian producer of aluminum, alumina, and bauxite in April 2018 in response to activities of the Government of Russia. Prior to the sanctions being lifted, a winddown period was granted to companies with contracts with the sanctioned company. The winddown period was extended several times until the sanctions were lifted and deliveries to consumers in the United States were not disrupted.

After the United States, Canada, and Mexico reached an agreement on trade terms, Presidential Proclamation 9893, issued in May 2019, removed the 10% ad valorem tariff on imports of aluminum from Canada and Mexico. The tariff on aluminum imports for Canada and Mexico was imposed under the authority of Section 232 of the Trade Expansion Act of 1962 in 2018. Canada and Mexico agreed to remove retaliatory measures that were imposed on United States products. Under the agreement, a quota on aluminum imports was not imposed, but if imports increased dramatically compared with historical volumes, the United States reserved the right to reimpose the tariff and Canada and Mexico reserved the right to reimpose retaliatory measures. Aluminum imports from all countries except Argentina, Australia, Canada, and Mexico remained subject to the 10% ad valorem tariff as of early December.

On October 22, the U.S. Department of Commerce announced its final determination in an antidumping investigation of imports of aluminum wire from China, which affirmed the preliminary finding announced May 30. The finding determined that aluminum cable and wire from China was sold below fair market value and antidumping rates of duty ranging from 58.51% to 63.47% were assigned.

**World Smelter Production and Capacity:** Capacity data for China in 2018 was revised based on Government data.

	Production		Yearend capacity	
	2018	2019 <sup>e</sup>	2018	2019 <sup>e</sup>
United States	891	1,100	1,790	1,790
Australia	1,580	1,600	1,720	1,720
Bahrain	1,010	1,400	1,050	1,540
Canada	2,920	2,900	3,270	3,270
China	35,800	36,000	44,000	44,400
Iceland	885	850	890	890
India	3,680	3,700	4,060	4,060
Norway	<sup>e</sup> 1,300	1,300	1,430	1,430
Russia	3,630	3,600	3,900	3,900
United Arab Emirates	2,640	2,700	2,700	2,700
Other countries	9,260	9,200	12,200	12,200
World total (rounded)	63,600	64,000	77,000	77,900

**World Resources:** Global resources of bauxite are estimated to be between 55 billion to 75 billion tons and are sufficient to meet world demand for metal well into the future.<sup>1</sup>

**Substitutes:** Composites can substitute for aluminum in aircraft fuselages and wings. Glass, paper, plastics, and steel can substitute for aluminum in packaging. Composites, magnesium, steel, and titanium can substitute for aluminum in ground transportation uses. Composites, steel, vinyl, and wood can substitute for aluminum in construction. Copper can replace aluminum in electrical and heat-exchange applications.

<sup>e</sup>Estimated.

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

<sup>2</sup>Defined as domestic primary metal production + recovery from old aluminum scrap + net import reliance; excludes imported scrap.

<sup>3</sup>Defined as domestic primary metal production + recovery from all aluminum scrap + net import reliance; excludes imported scrap.

<sup>4</sup>Includes aluminum alloy.

<sup>5</sup>Alumina and aluminum production workers (North American Industry Classification System—3313). Source: U.S. Department of Labor, Bureau of Labor Statistics.

<sup>6</sup>Defined as imports – exports + adjustments for industry stock changes.