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Alumina prices skyrocket to all-time highs – what's next?

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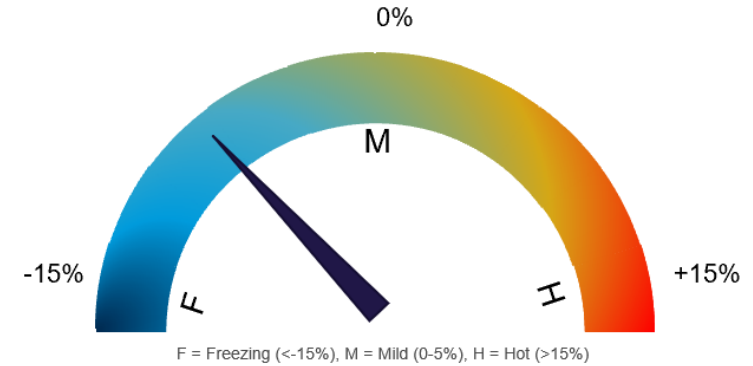
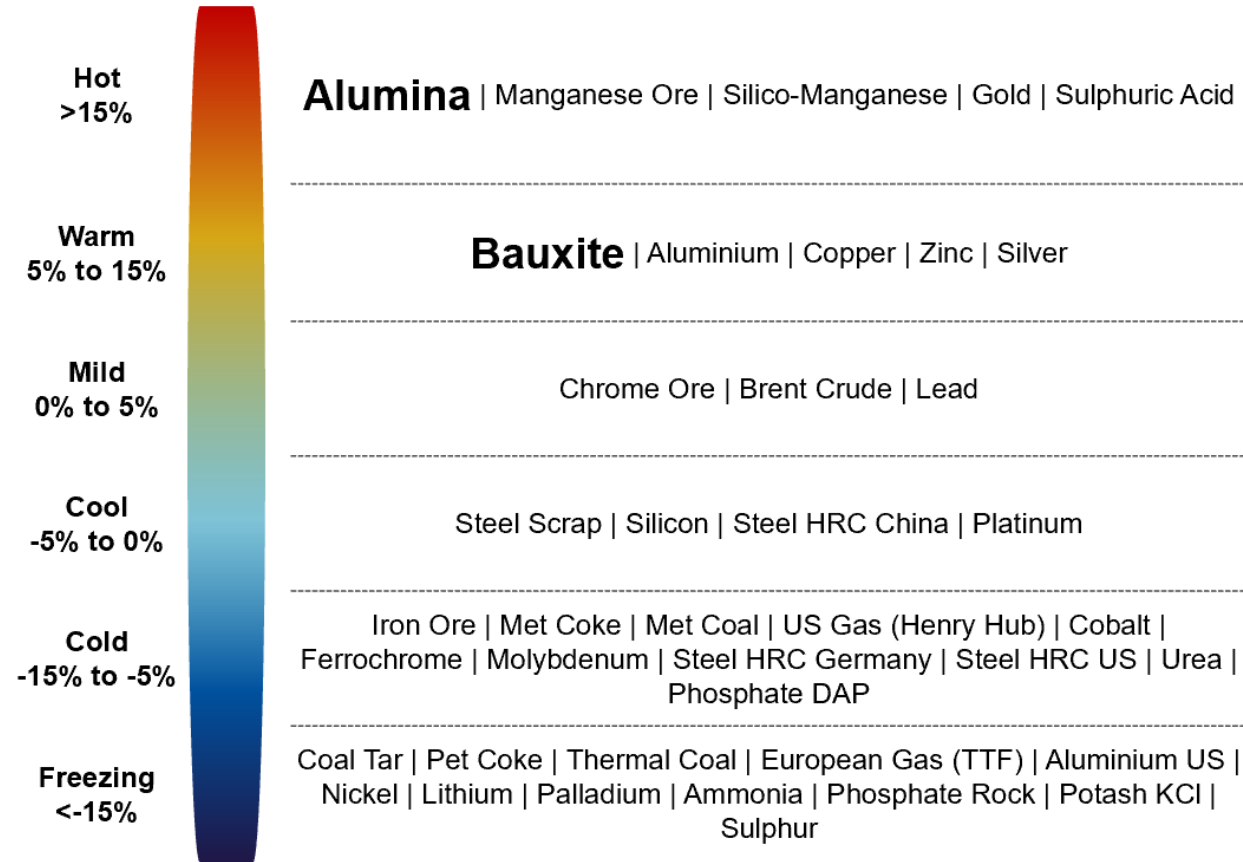
Presentation *Overview*

1. Recent developments – Alumina Price Index.
2. Alumina market balance and costs.
3. Bauxite and the risks in Guinea.
4. Conclusions.



Alumina: the hottest commodity in 2024

CRU basket of 38 mining, metals and fertiliser price forecasts | 2024 over 2023

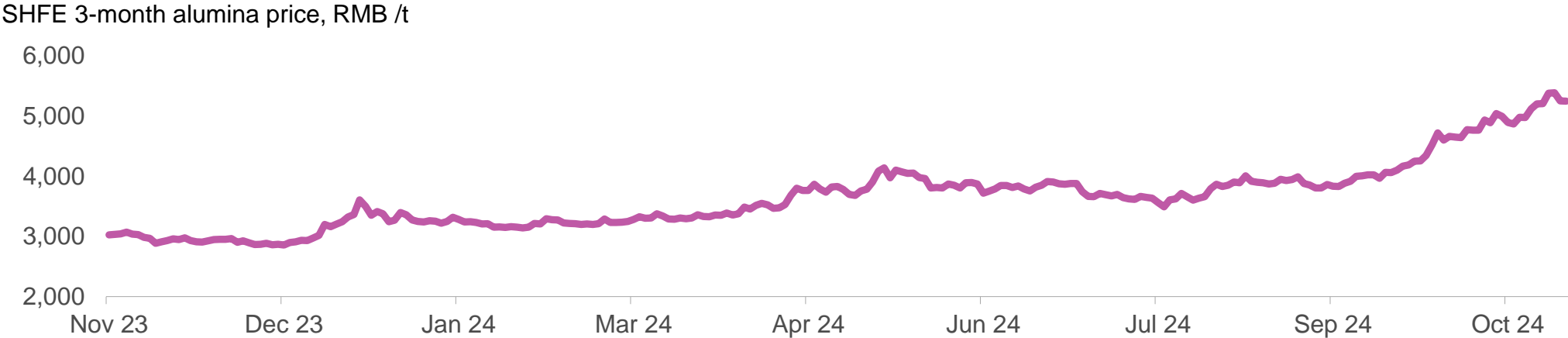
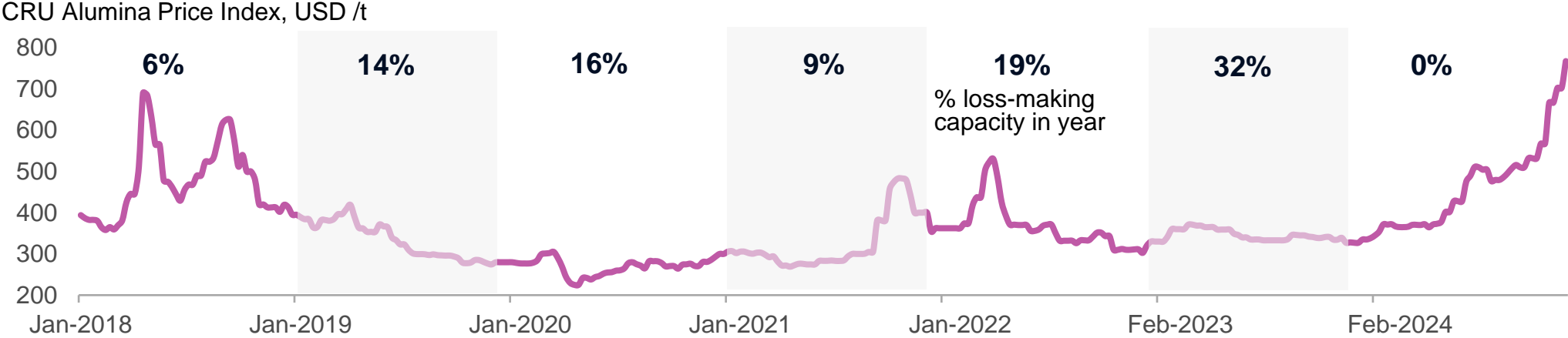


CRU Basket	↓ -7.9%
Raw Materials	↓ -7.4%
Metals	↓ -8.2%
Precious Metals	↑ 0.7%
Fertilisers	↓ -12.8%

DATA: CRU Market Outlooks



Prices at record highs following several year plight

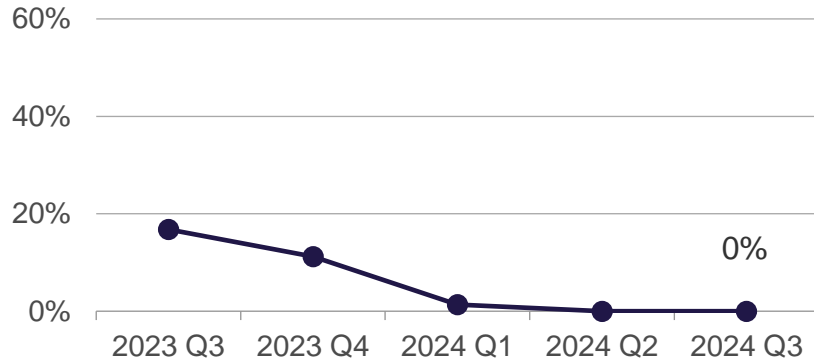


DATA: CRU Bauxite and Alumina Monitor

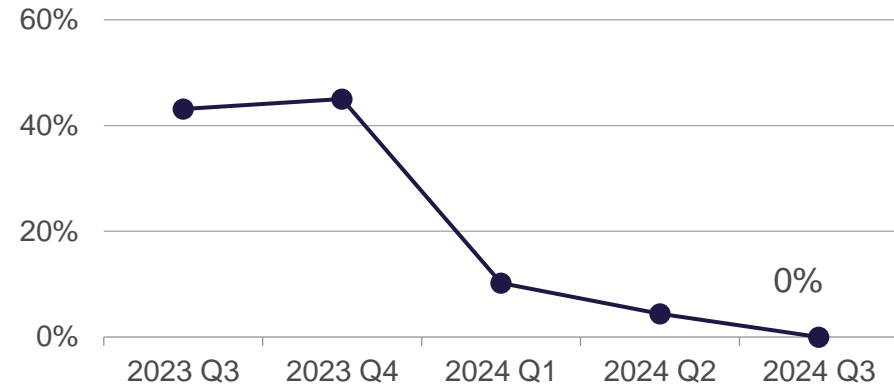


Alumina industry shifts to being highly profitable in 2024

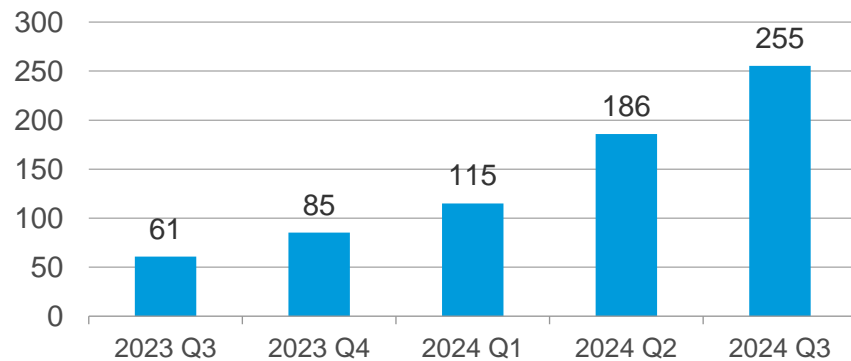
Share of loss-making production in world ex. China



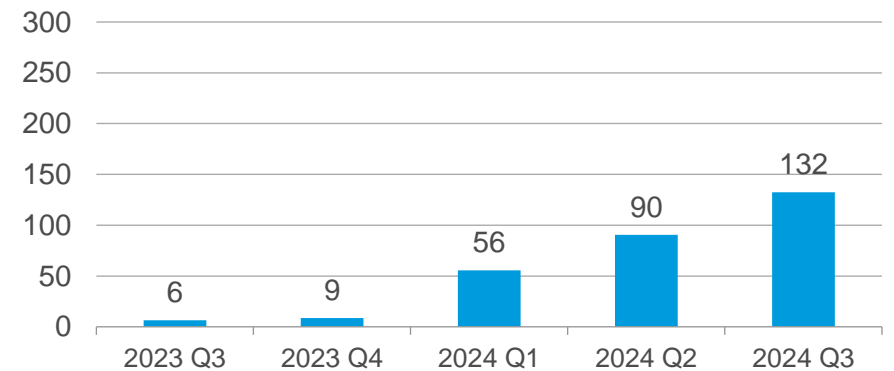
Share of loss-making production in China



Average profit in world ex. China (\$/t)



Average profit in China (\$/t)



DATA: CRU

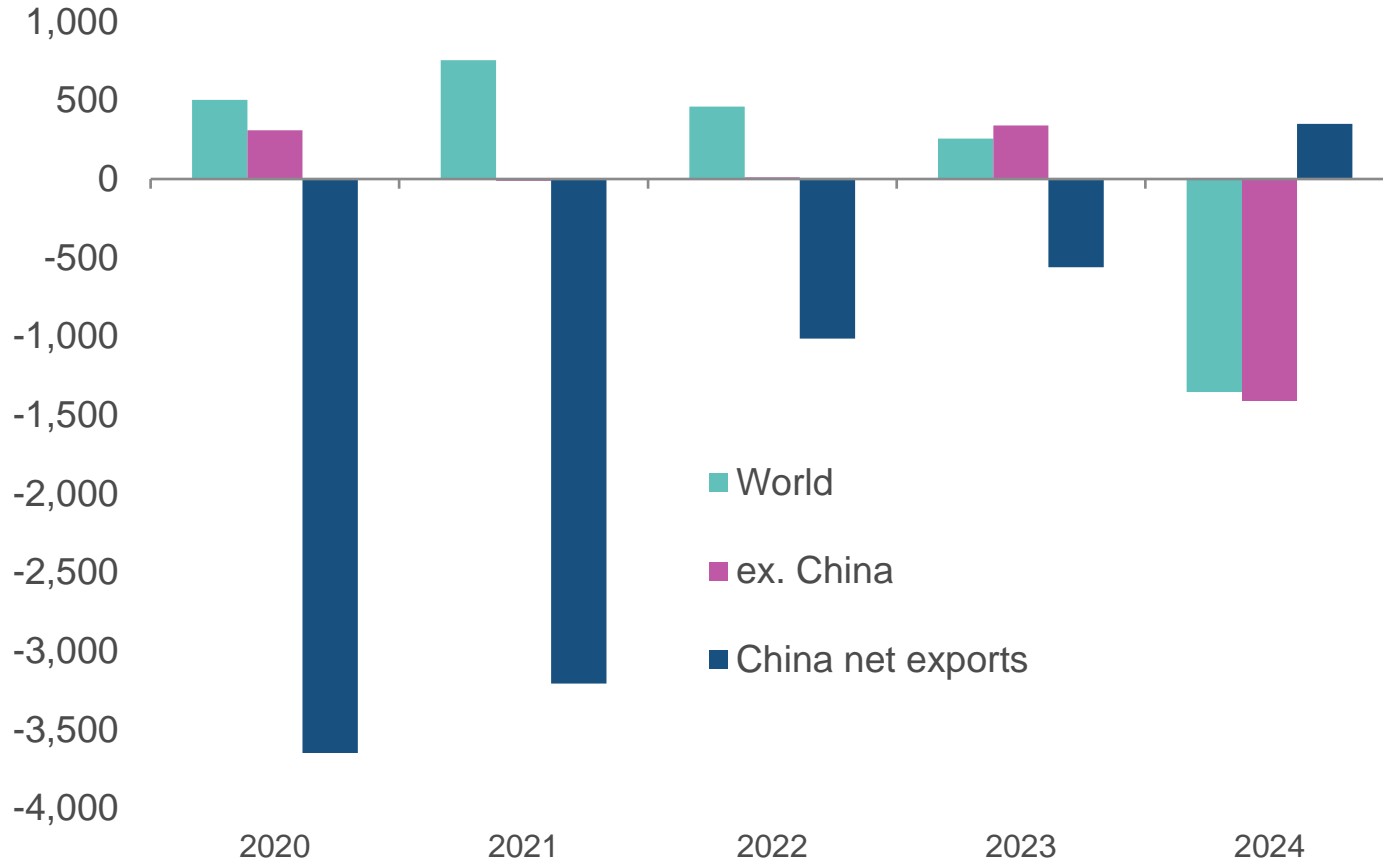
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Alumina prices skyrocket to all-time highs – what's next?



Unprecedented alumina market deficit in 2024

Alumina supply/demand balance, '000 t



DATA: CRU

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Alcoa

<https://www.alcoa.com/australia/news/releases/al...>

Alcoa announces curtailment of Kwinana Alumina Refinery ...

9 Jan 2024 — **Alcoa** Corporation (NYSE: AA) today announced it plans to **fully curtail production in 2024** at its **Kwinana** Alumina Refinery in Western Australia.



Reuters

<https://www.reuters.com>

Rio Tinto declares force majeure on Queensland alumina ...

21 May 2024 — **Rio Tinto** has declared **force majeure** on third-party contracts for **alumina** exports from its refineries in Queensland, Australia, ...



Jamaica Gleaner

<https://jamaica-gleaner.com/article/business/jamalco...>

Jamalco back to full production after Beryl, port out of ...

16 Aug 2024 — **Jamalco** has resumed full production despite its declaration of force majeure due to damage caused by Hurricane Beryl at its Rocky Point port ...



BNN Bloomberg

Aluminum Jumps as EGA Says Bauxite Exports Suspended in Guinea

Aluminum prices jumped more than 2% in London after a key supplier of the mined ore needed to make the metal said exports from its operations in Guinea had...

1 month ago



Mining.com

Alcoa suspends bauxite shipments from Brazil's Juruti mine due to port issue

US aluminum maker Alcoa said on Thursday it had halted bauxite shipments from Brazil's Juruti port due to a stranded vessel in the waterway.

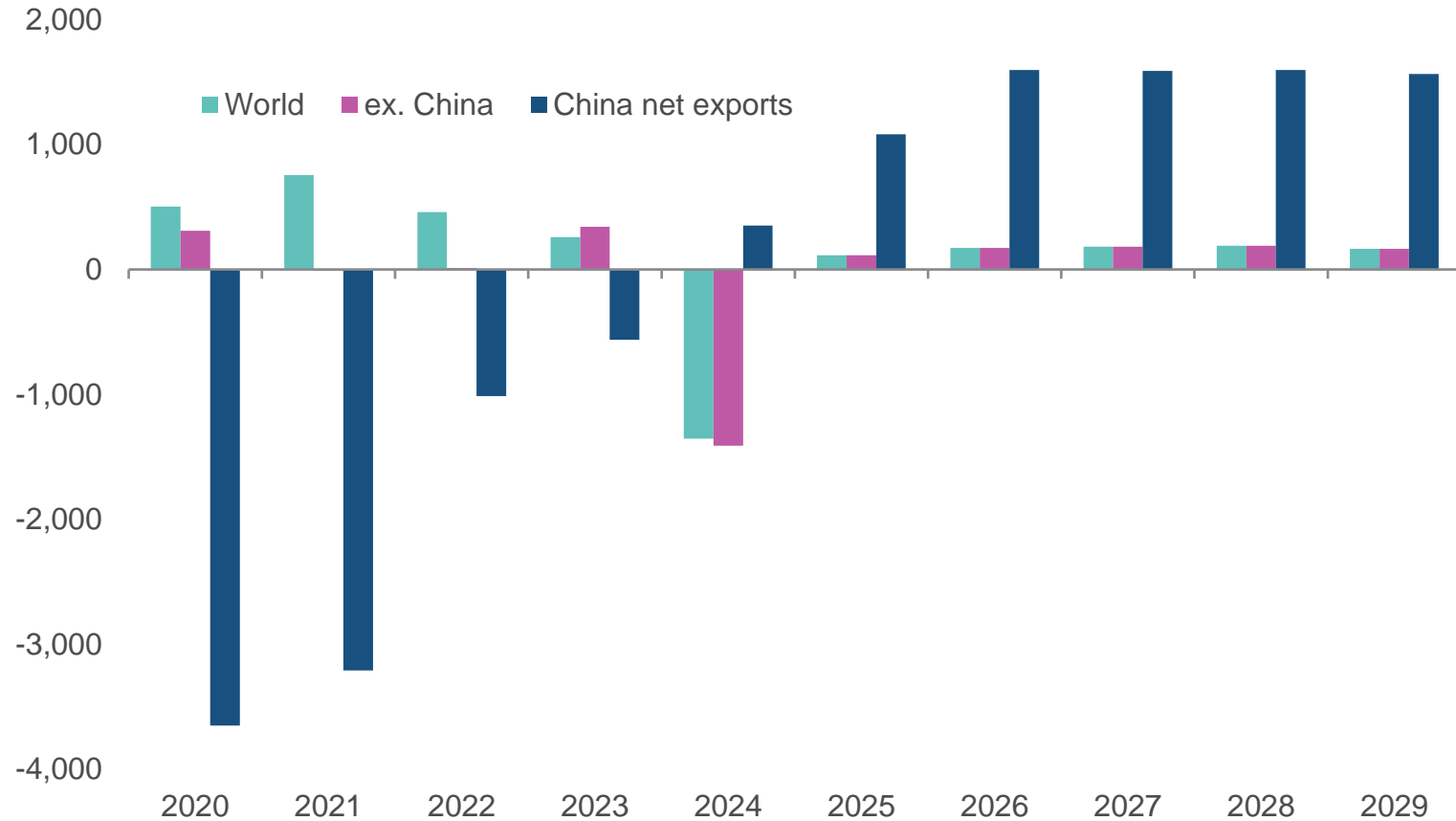
1 week ago

Alumina prices skyrocket to all-time highs – what's next?



Additional alumina capacity arriving over next five years

Alumina supply/demand balance, '000 t



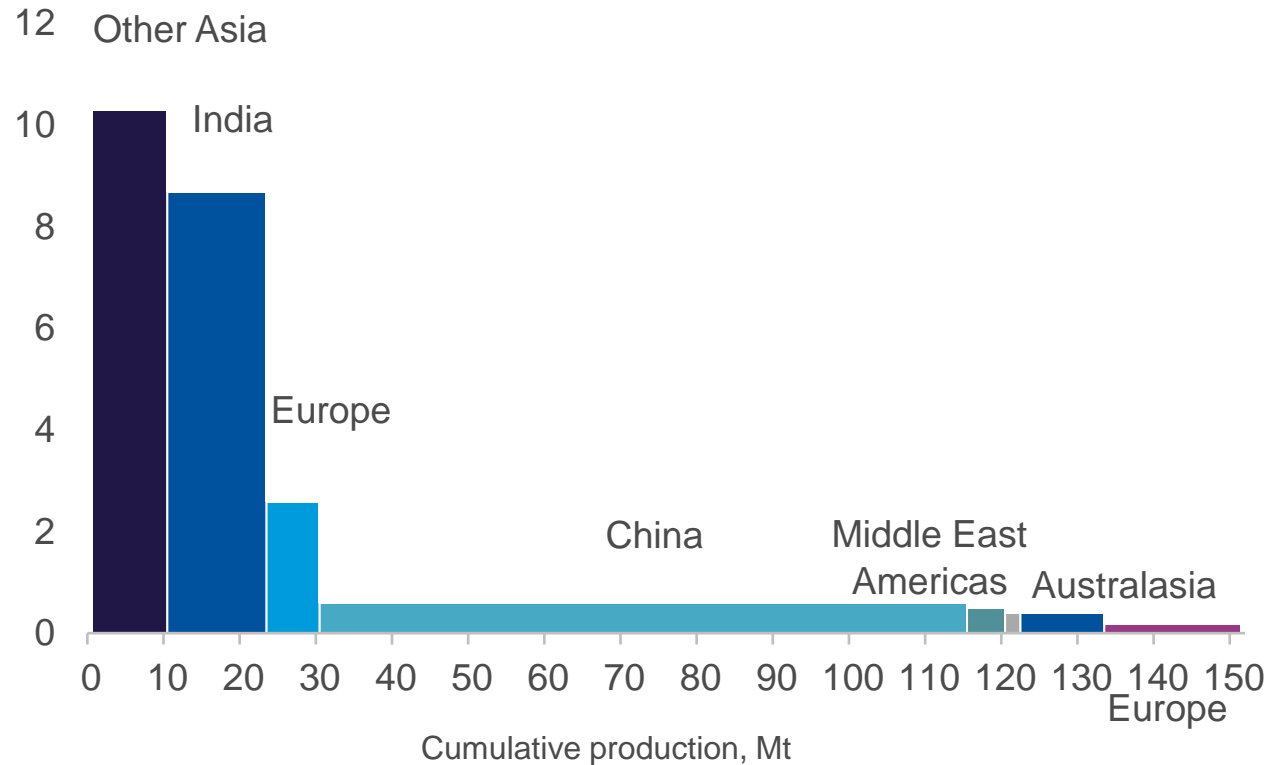
- 2025: Launch of two greenfield refinery projects in Indonesia (Mempawah and PT BAP).
- 2025 - 2027: Significant expansion in alumina capacity in China (Hebei and Guangxi). China shifts to alumina net-exporter.
- 2025 - 2027: Vedanta pressing ahead with expanding Lanjigarh. Reducing dependency on imports.
- 2029: Investment in Guinean refinery projects expected to be a slow burner.

DATA: CRU



Alumina production growth driven by Asia

2024 to 2029 alumina production growth %, by region



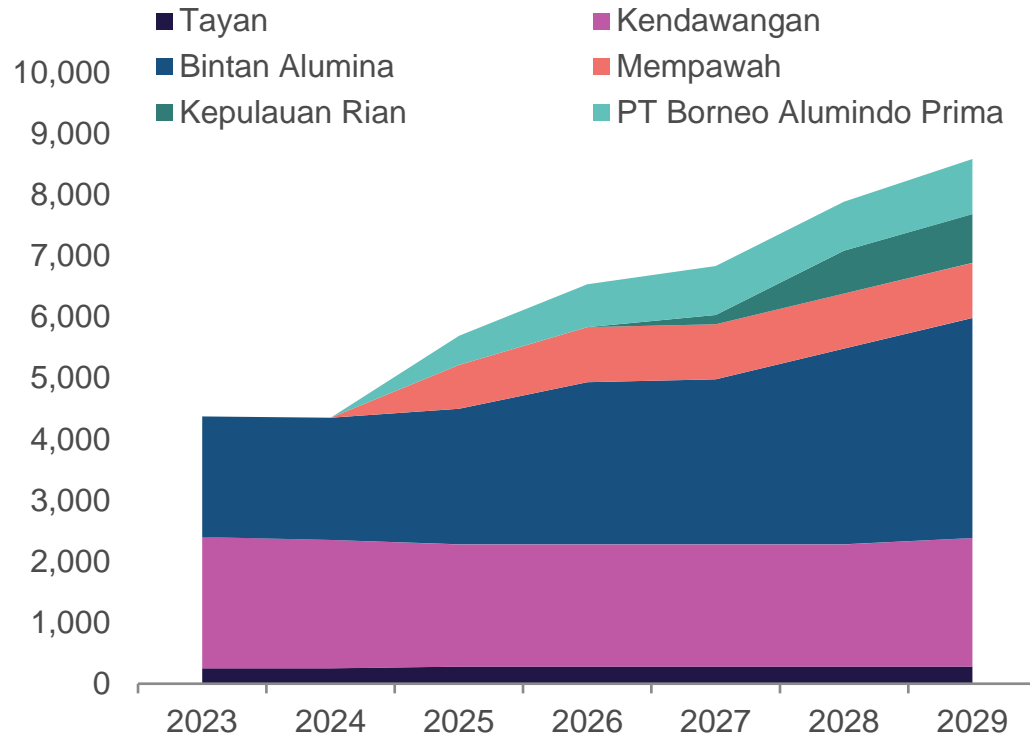
DATA: CRU

Refinery	Country	Owner	Start date	Capacity, '000t
Dapilon	Guinea	SMB	2030	1000
Lanjigarh	India	Vedanta	2024	3000
Kashipur	India	Adani	2029	4000
Damanjodi	India	Nalco	2026	1000
Aditya	India	Hindalco	2029	2000
Kepulauan Rian	Indonesia	Tianshan Aluminium	2027	1000
Mempawah	Indonesia	PT Antam	2025	1000
PT BAP	Indonesia	Jinjiang Group	2025	1000
Bintan Alumina	Indonesia	Nanshan Group	2025	2000
China (various)	China	Various	2025-2029	10000

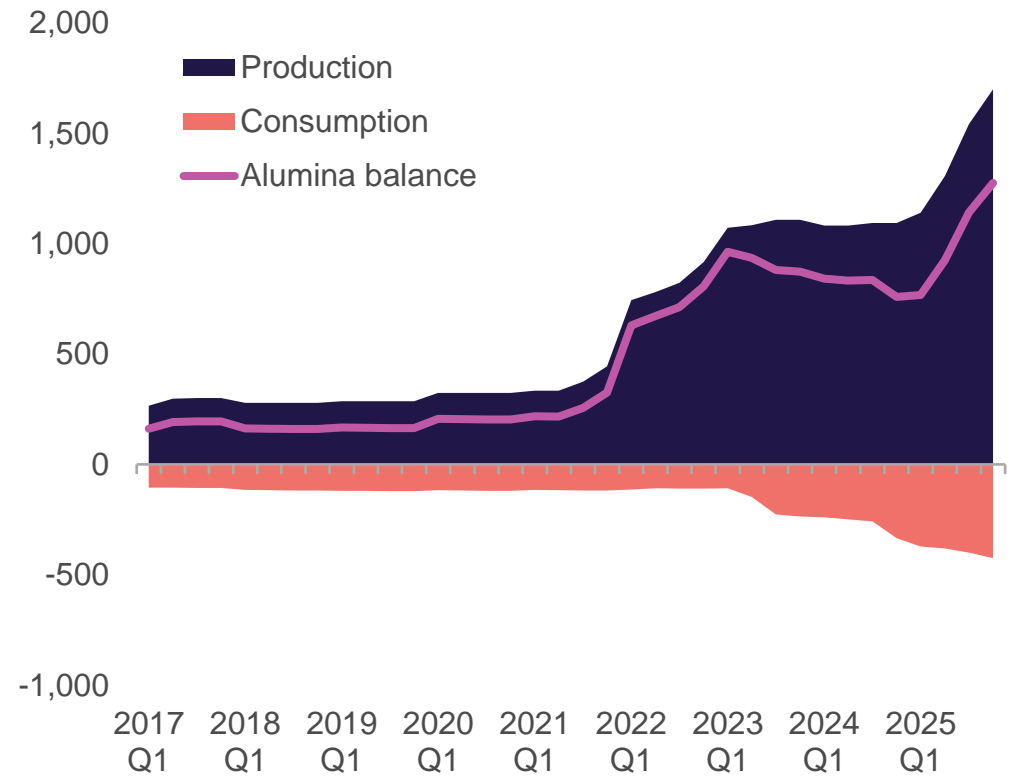


New Indonesian refinery is first greenfield plant opened outside China since 2021

Indonesia alumina production, '000 t



Indonesia alumina balance, '000 t

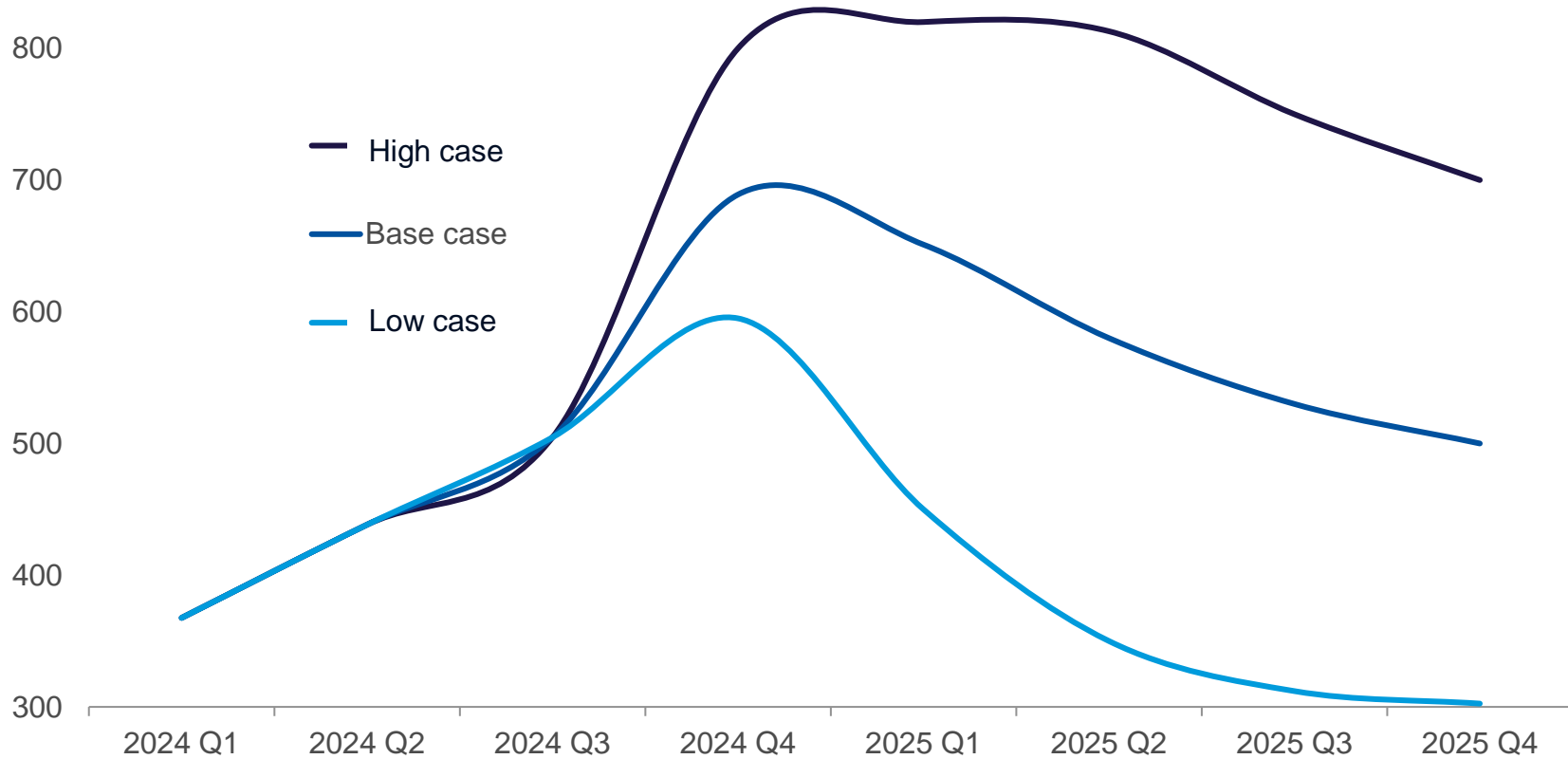


DATA: CRU



Alumina price forecast hinges on timing of expansions and bauxite availability

CRU Alumina Price Index, \$ /t



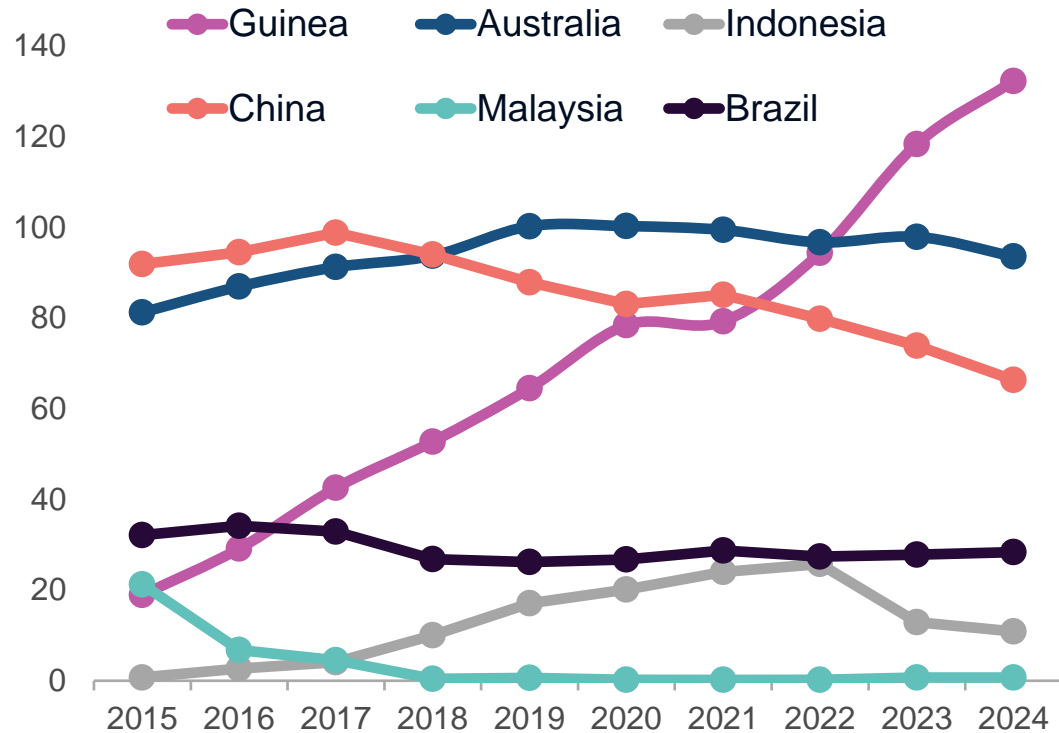
- **High case 2025 (>\$700 /t):** Additional disruptions to bauxite shipments. Delayed ramp-up of alumina projects. No refinery restarts.
- **Base case 2025 (\$565 /t):** Significant expansion in alumina capacity in China (Hebei and Guangxi). China shifts to alumina net-exporter.
- **Low case 2025 (<\$400 /t):** Swift resolution to disruptions and overcapacity following refinery expansions. Mining growth in Guinea and Indonesia exports.

DATA: CRU



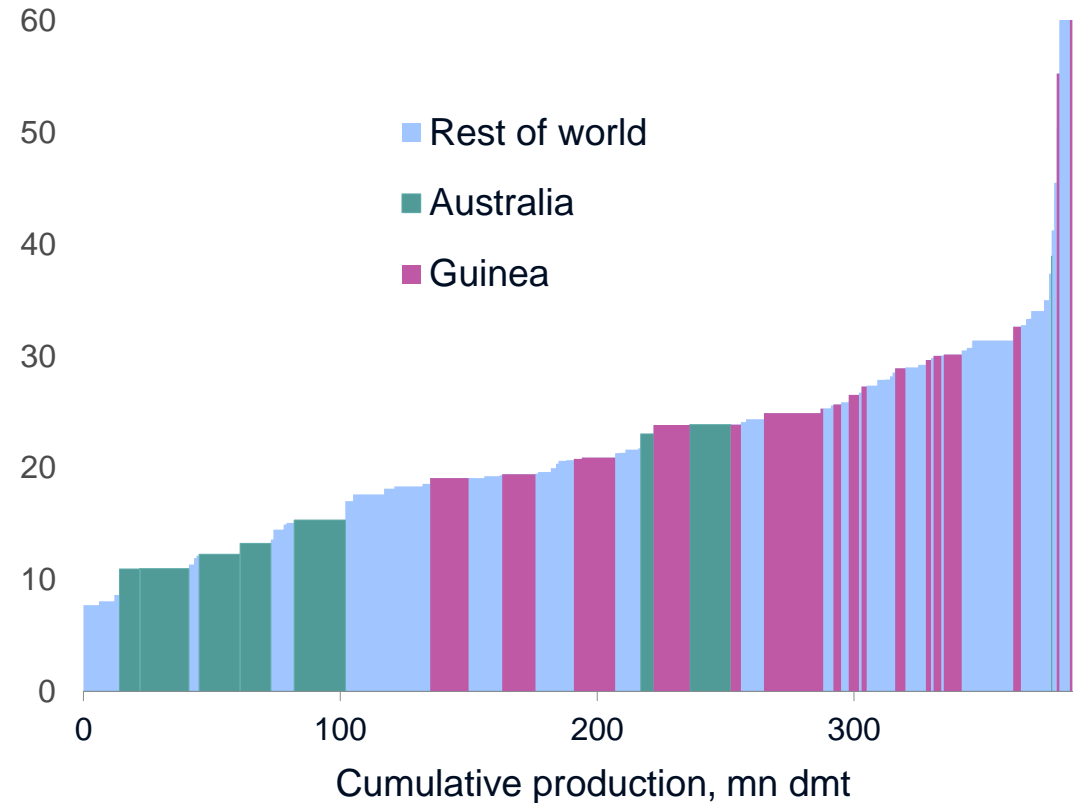
Guinea established as world's largest bauxite producer

Bauxite production estimates, Mt



DATA: CRU

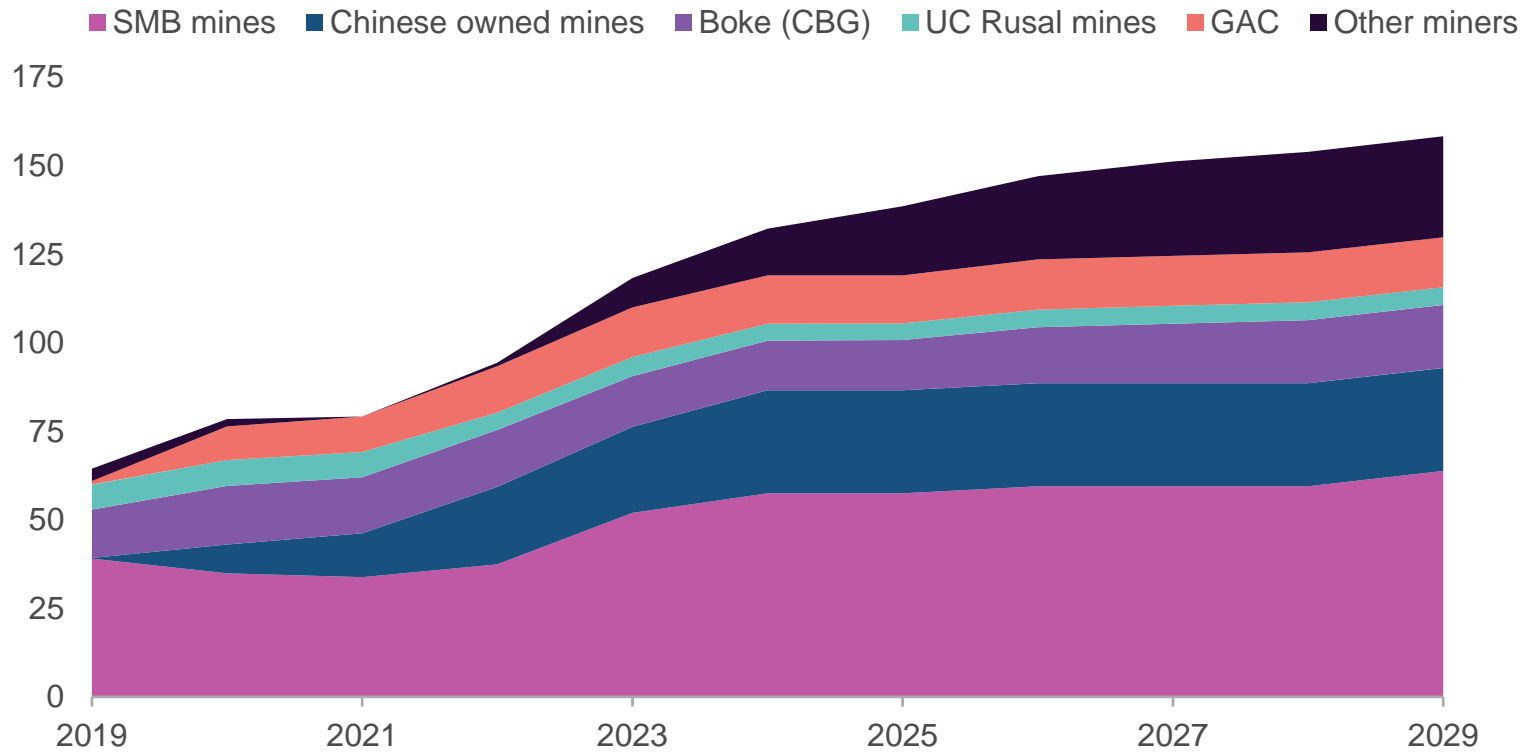
Bauxite mining site cost curve, 2024, \$ /dmt





Spotlight on Guinea after GAC disruption, but mining activity is still accelerating

Guinean bauxite production, Mt



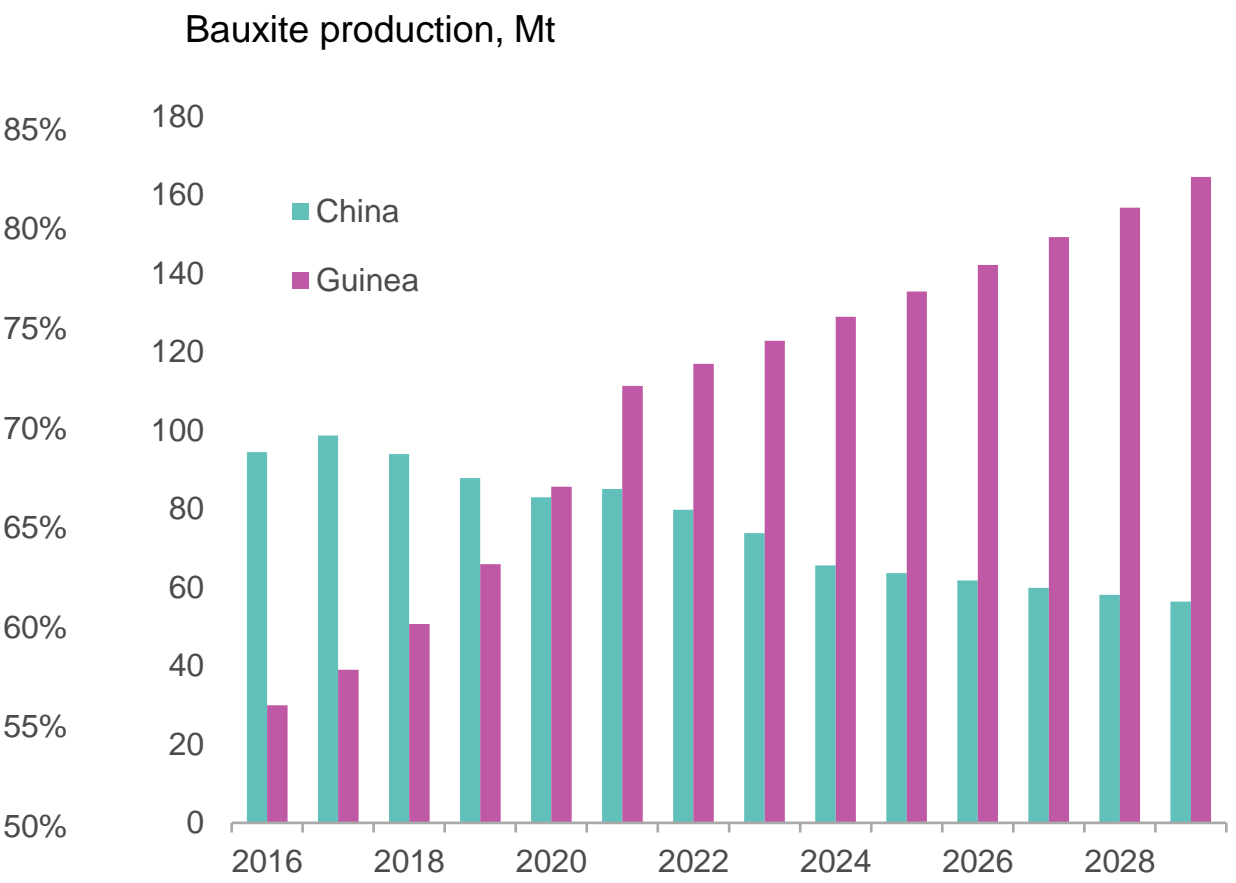
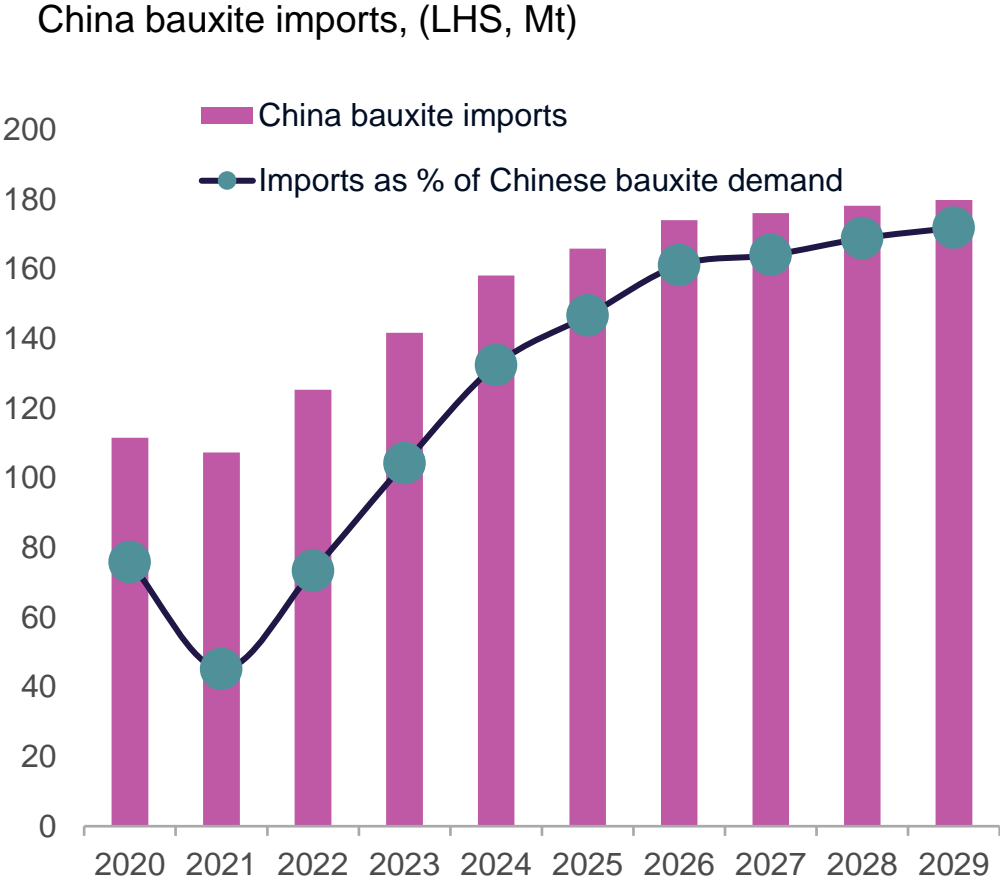
Opportunities and threats:

- High bauxite ore quality.
- Competitive cost position.
- Bauxite reserves and investment requirements.
- Risk around resource nationalism.
- ESG.
- Ocean freight volatility.
- Reputation and government relationships.

DATA: CRU



Caution grows in Guinea over the medium-term



DATA: CRU, China customs

Conclusions

1. Alumina prices skyrocket to all-time highs in 2024 following plethora of supply-side disruptions.
2. Alumina price expectations in 2025 hinge on timing of expansions and bauxite availability.
3. Guinea is principal risk over the medium-term amid unpredictable geopolitical risks.



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Thank you.

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Aluminium Market Outlook

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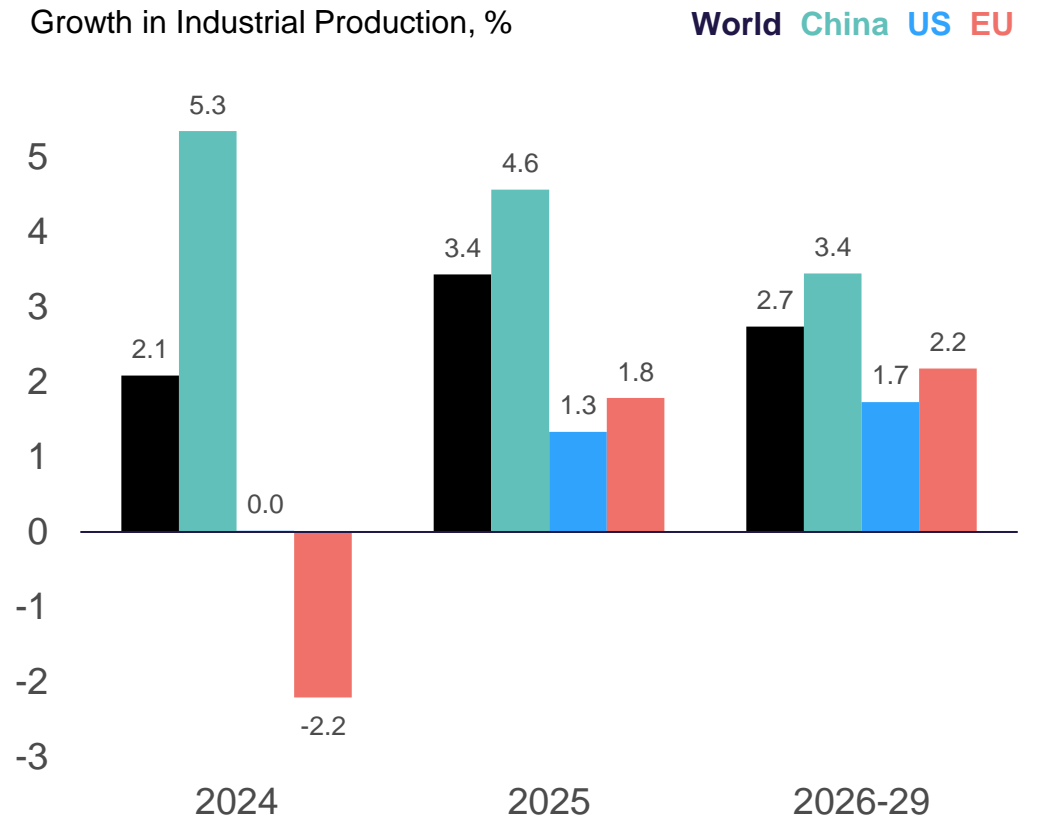
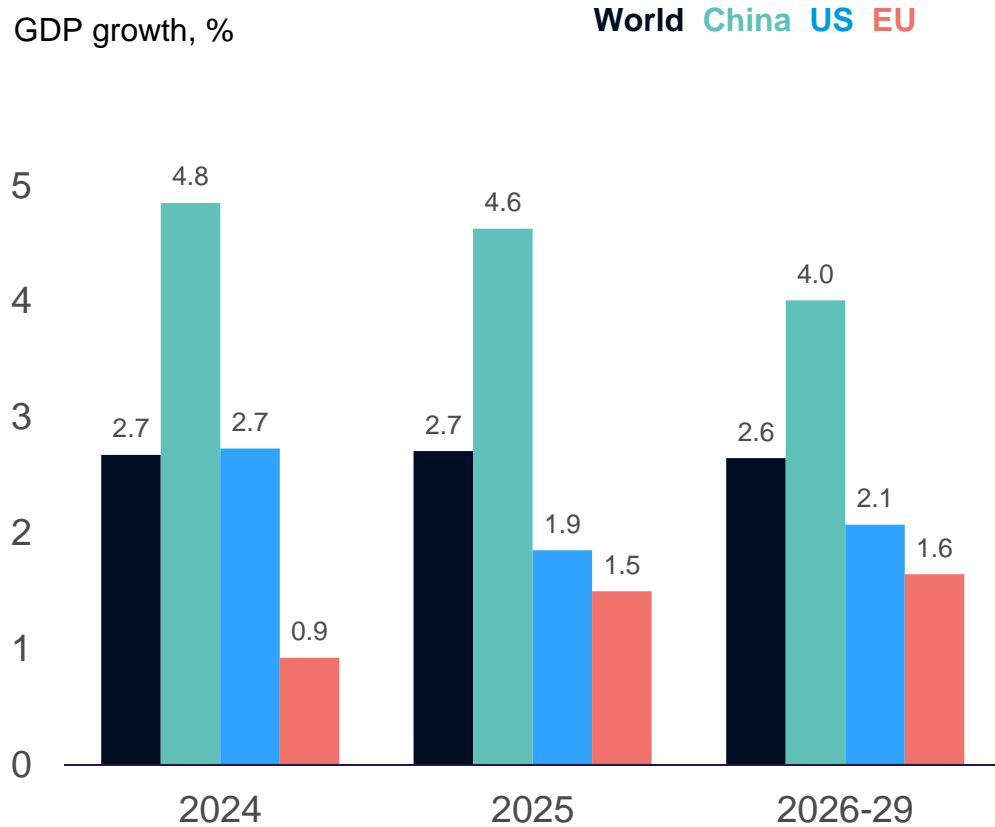
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Chinese stimulus and US data have supported the outlook for 2025

We expect growth to hold steady in 2025...

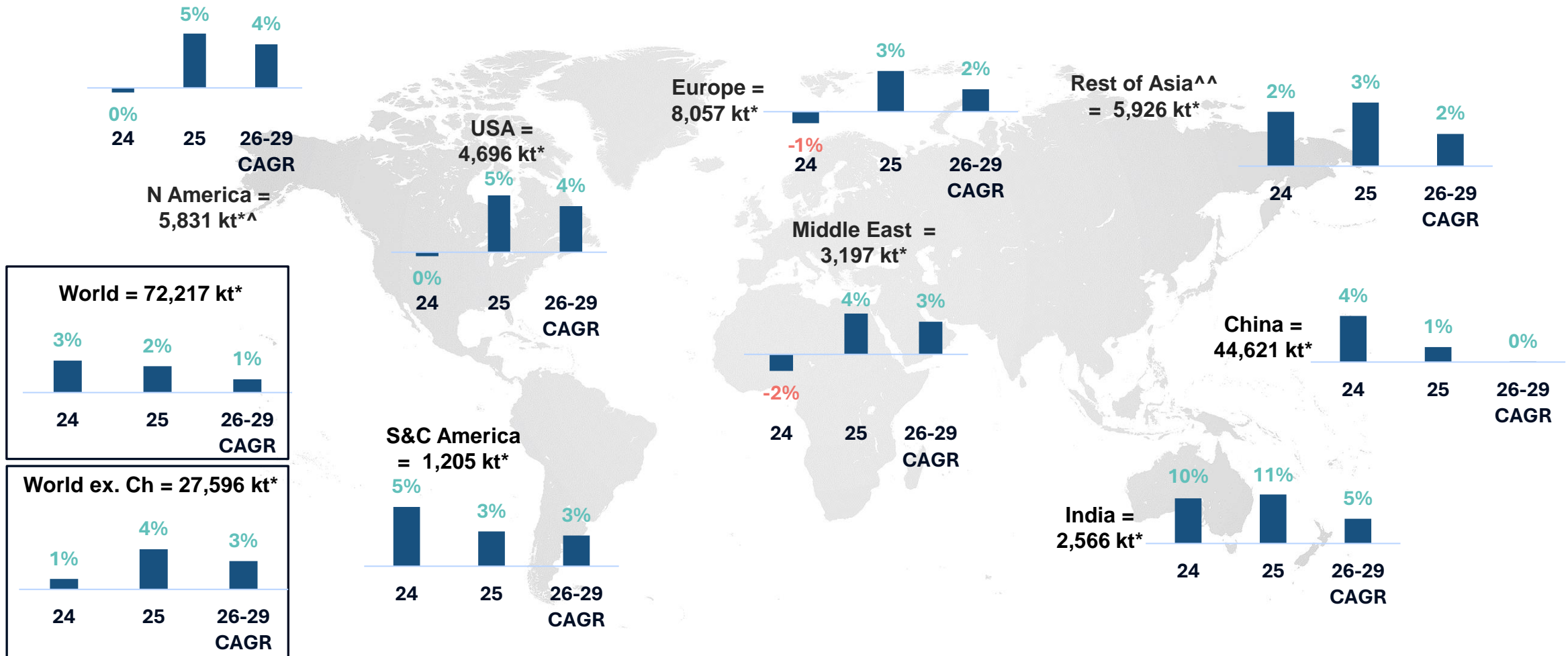
...with a greater contribution from IP



DATA: Oxford Economics, CRU; NOTE: World GDP and IP growth are weighted by market exchange rates



World ex. China primary aluminium demand to grow by over 4% in 2025

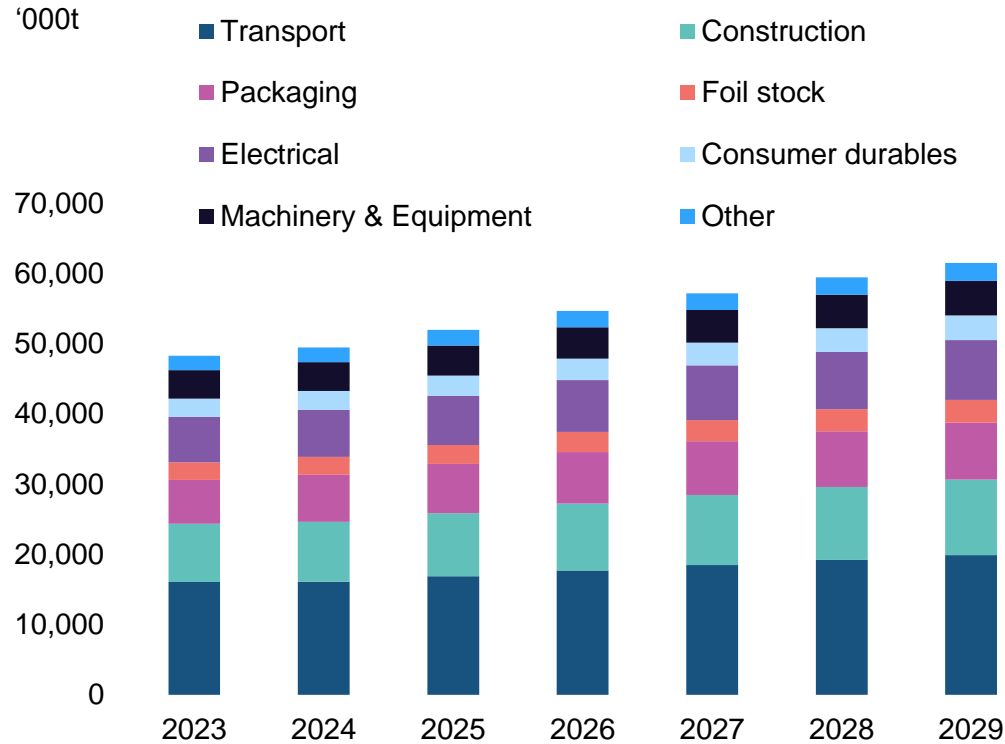


DATA: CRU. NOTE:*aluminium consumption in 2024e; ^North America = Canada, Mexico and USA; ^^Rest of Asia = Asia ex. India, China, the Middle East

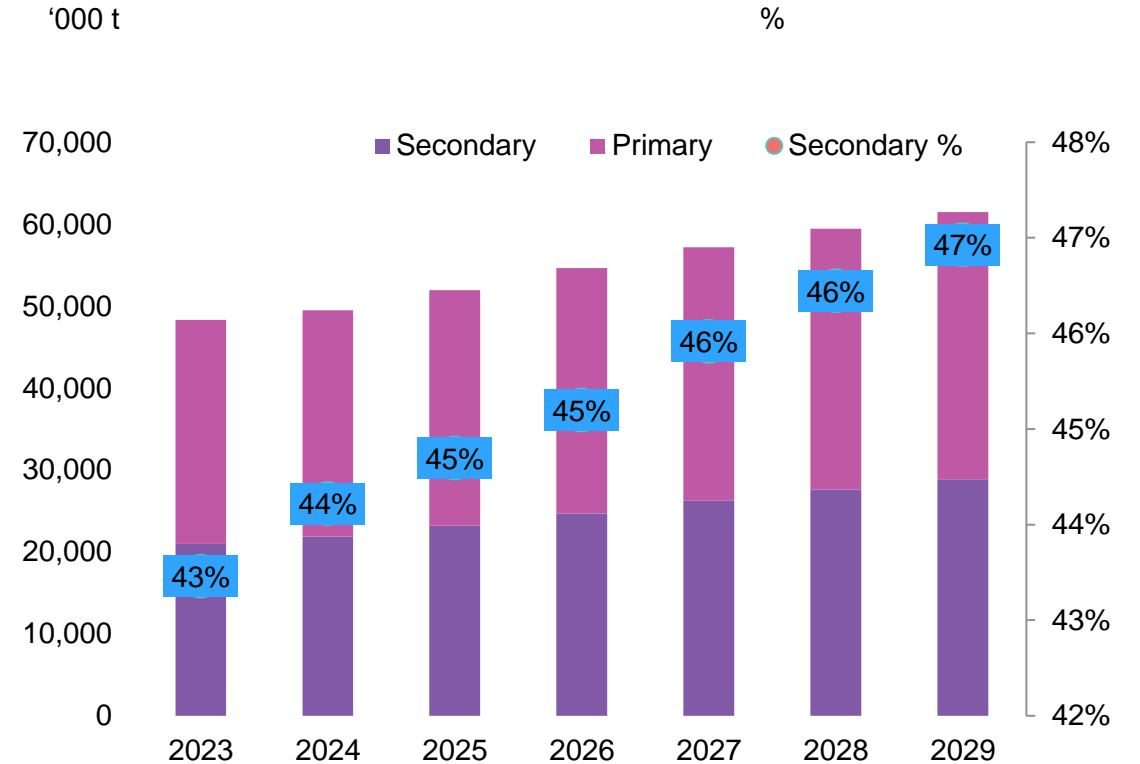


Semis demand growth will gain from interest rates cuts in ex. China

World ex. China semis: 4.4% CAGR from 2024-29



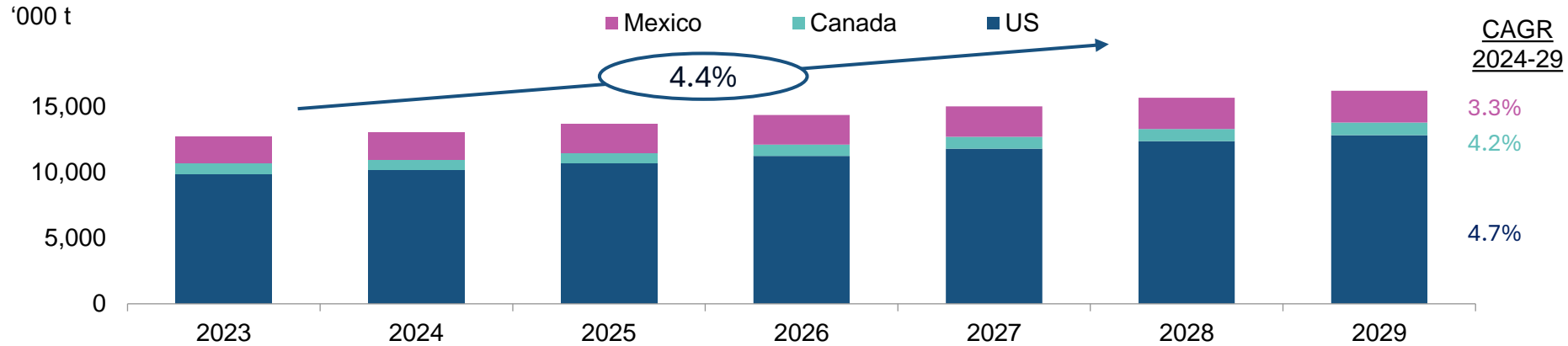
Primary consumption share to decrease gradually



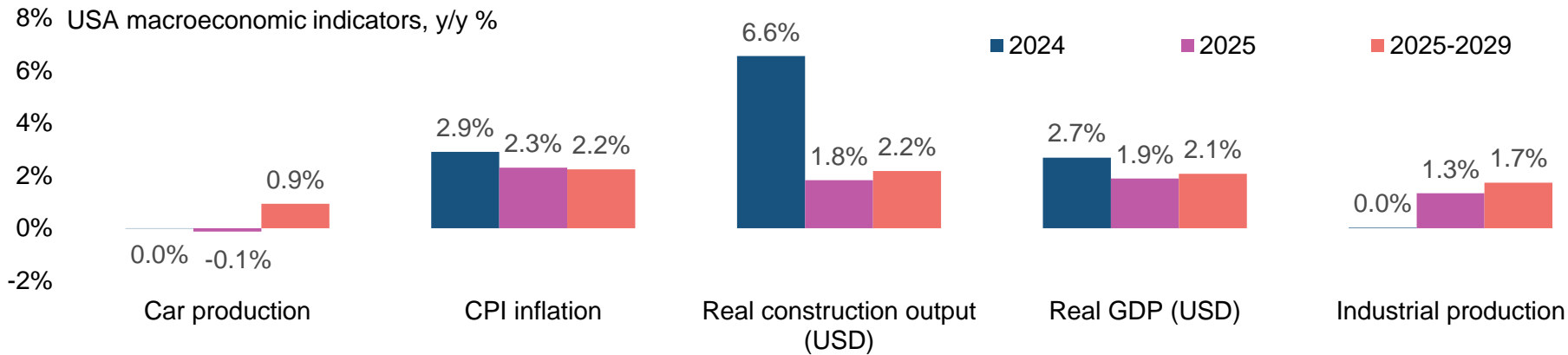


North American demand to accelerate with onshoring push

North America semis demand is expected to maintain healthy in medium term



US macro indicators suggesting acceleration in semis consumption after 2025

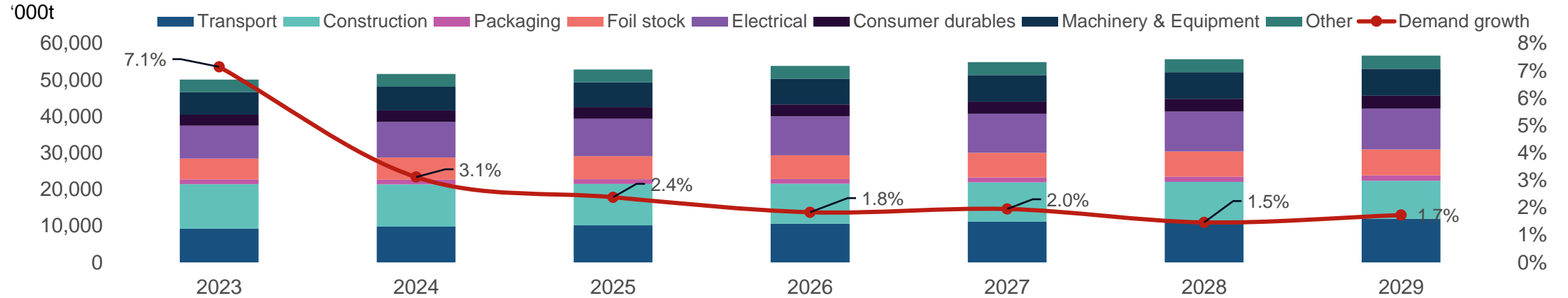


DATA: CRU

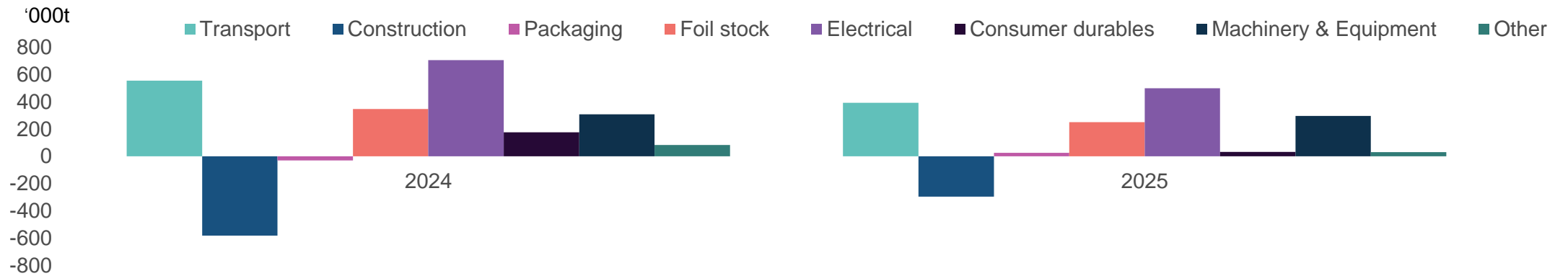


Stimulus package to help semis demand maintain growth in China

Chinese semis demand forecast



China's semis demand growth by sectors

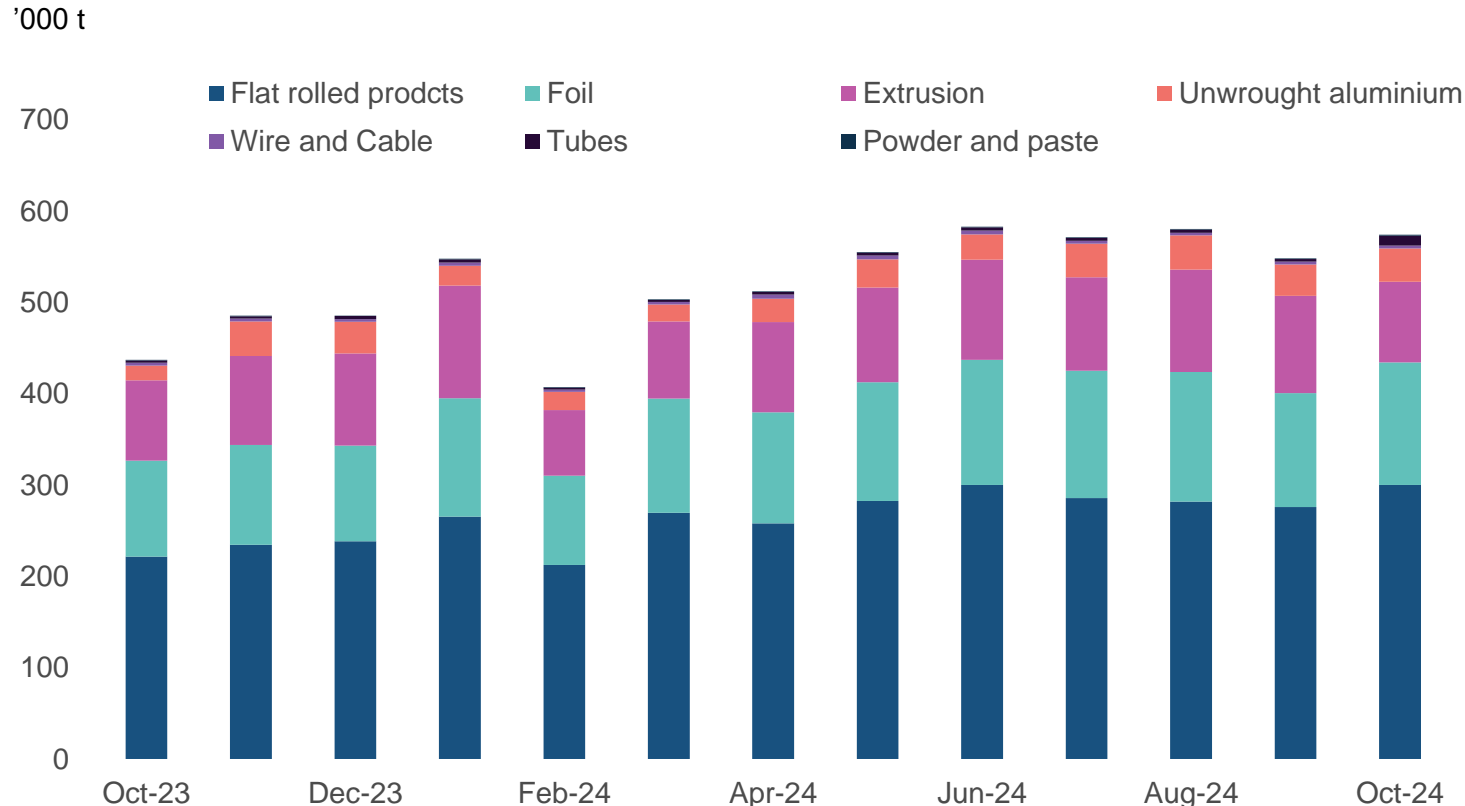


DATA: CRU



China's aluminium exports stay high, but VAT changes and tariffs impact negatively

China exports of unwrought aluminium and products



DATA: CRU, China Customs

Tariffs will impact exports

China's aluminium exports increased by 17% YTD to end October.

However, in the US a 25% tariff on aluminium took effect on 27 September. President-elect Trump threatens more tariffs.

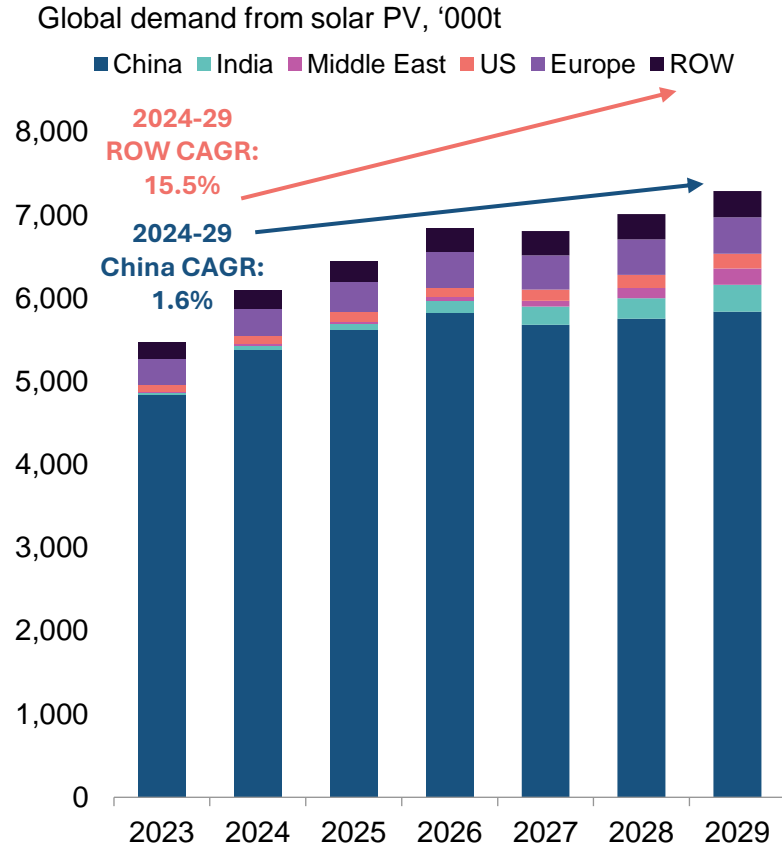
Canadian Department of Finance announced a 25% import surtax on Chinese products, which covers 19 tariff numbers for aluminum. This surtax went into effect on October 22, 2024.

China has recently announced the cancellation on VAT rebates on aluminium semis.

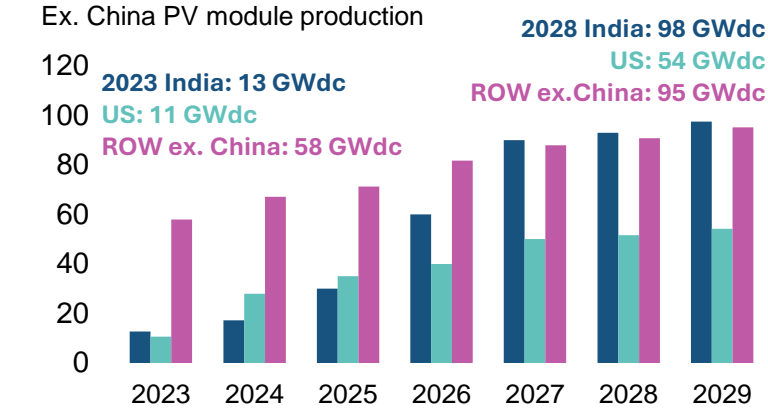


Sun setting on solar growth in China

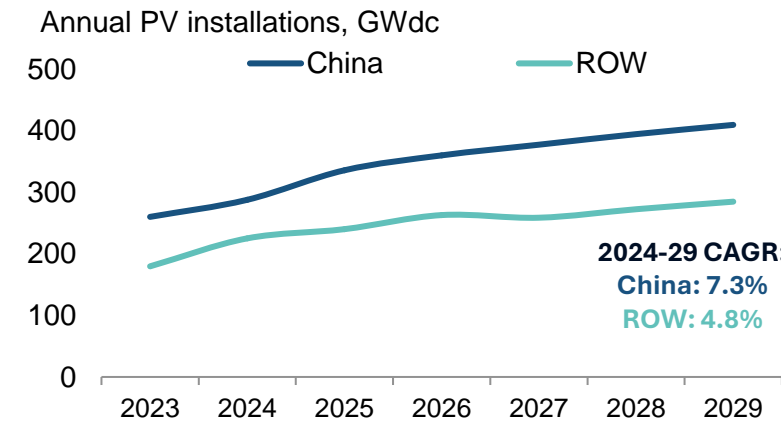
Solar demand growth shifts away from China



Rapid module capacity build-out ex. China...



...but China installations remain relatively strong



China remains dominant player

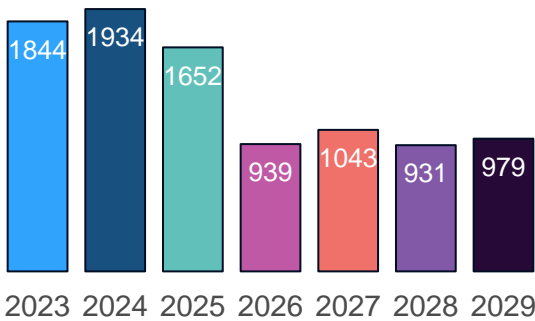
- China leads demand growth in solar
- The second half of this decade, however, is set to look very different as Chinese demand slows significantly. While demand ex. China will pick up markedly, China will still account for the lion share.
- Alongside thrifting and increasing module efficiency, downside effects to Chinese demand growth are being driven by plateauing module production.
- Outside of China, module capacity build out, together with onshoring away from China, is expected to drive demand growth.
- India is building significant module capacity, and we expect extrusions demand growth from the Middle East to satisfy this.

DATA: CRU

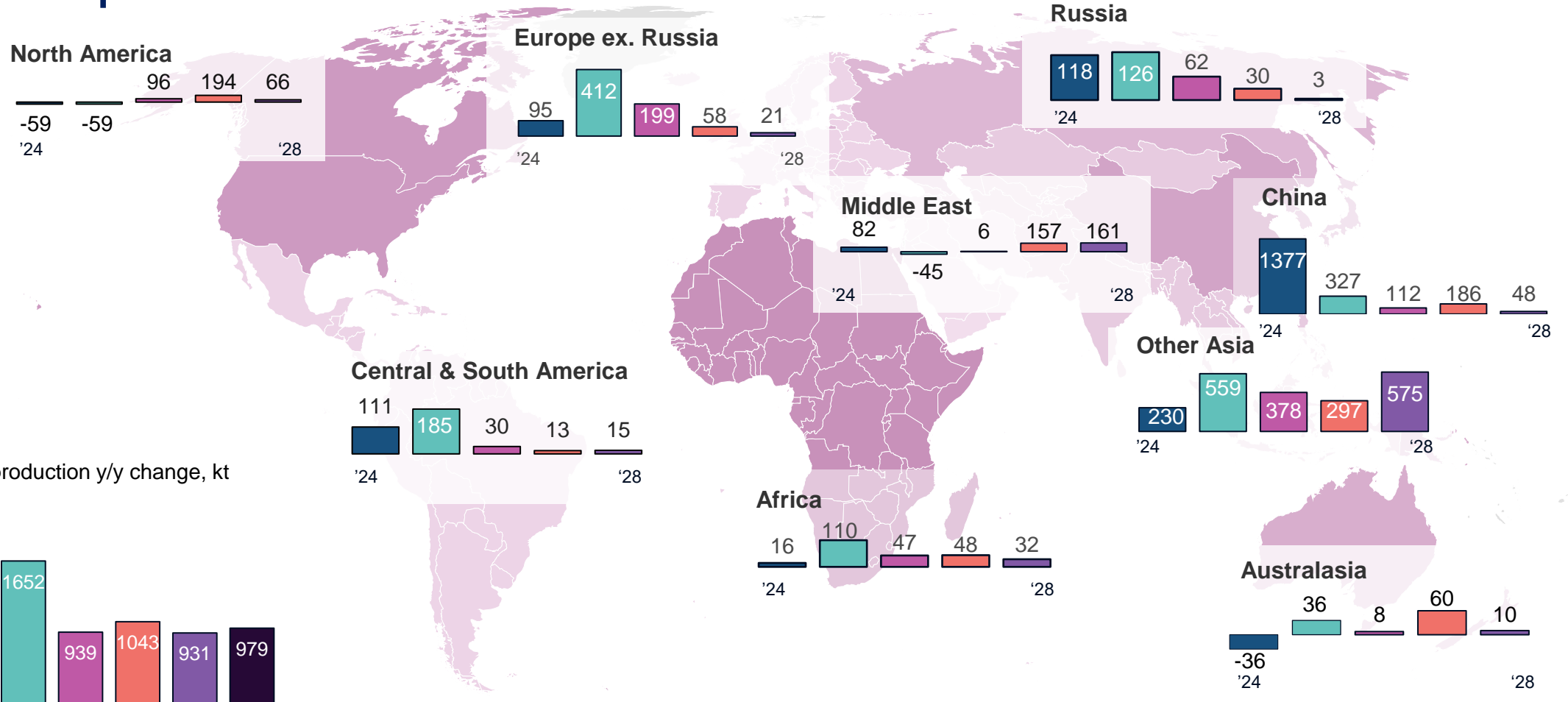


Production growth in world ex. China faces delays but will outpace China from 2025

World
Aluminium production y/y change, kt



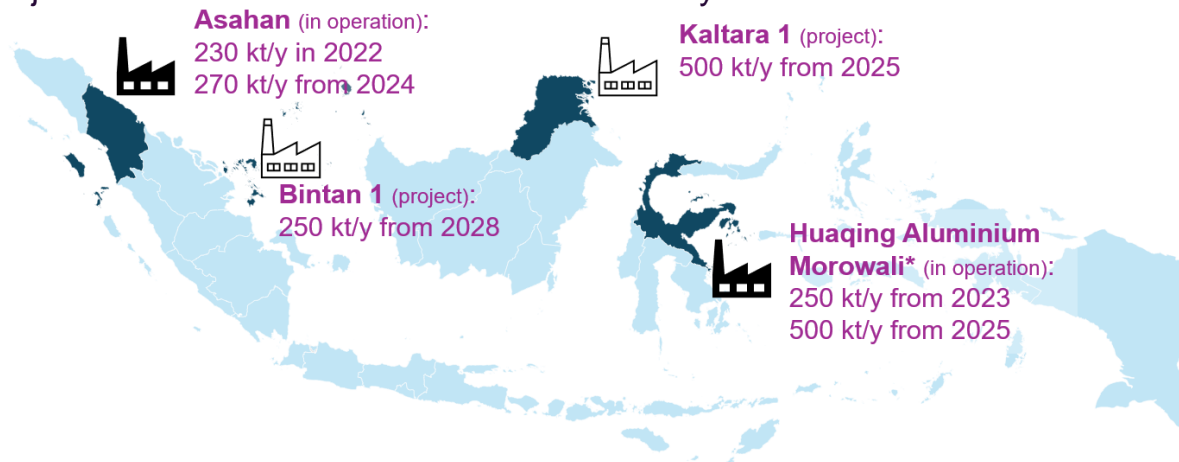
DATA: CRU





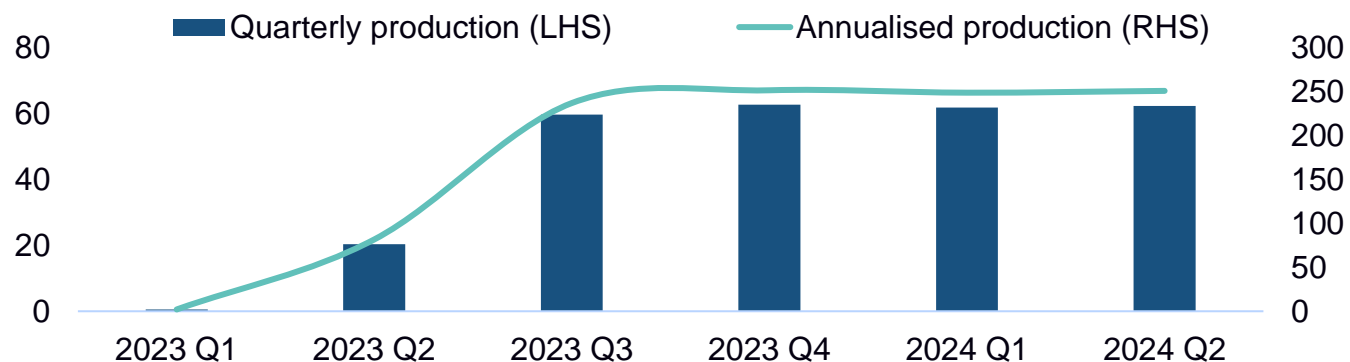
Indonesian expansions: ongoing but slower than originally expected

Projects included in our base case add 1.2Mt.by 2028



Huaqing Morowali Aluminium has ramped up

Huaqing Aluminium Morowali production, '000t



DATA:CRU

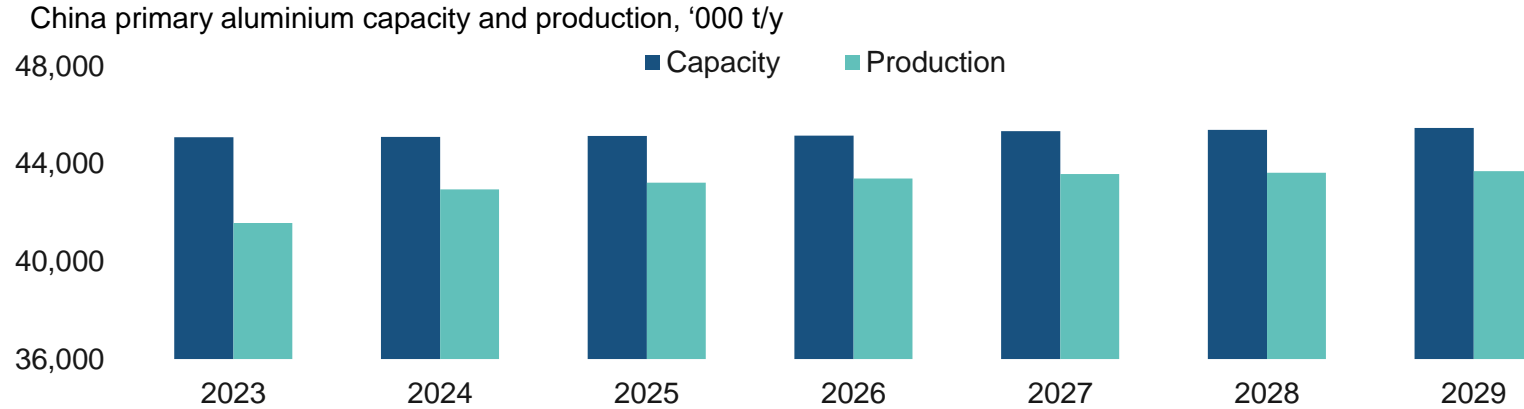
Indonesian projects are progressing but slower than expected

- Indonesia, remains the largest potential growth region over the next decade.
- Huaqing Aluminium Morowali smelter started operating in March 2023, and produced ~140 kt of aluminium last year
- Construction for additional capacity expansions at Huaqing Aluminium Morowali have not been started. Levelling work for the Kaltara smelter started in 2023. CRU forecasts the smelter to start ramping up an initial 500kt/y from 2025.
- Bintan has also not started construction at this time.



China primary aluminium production to grow slowly

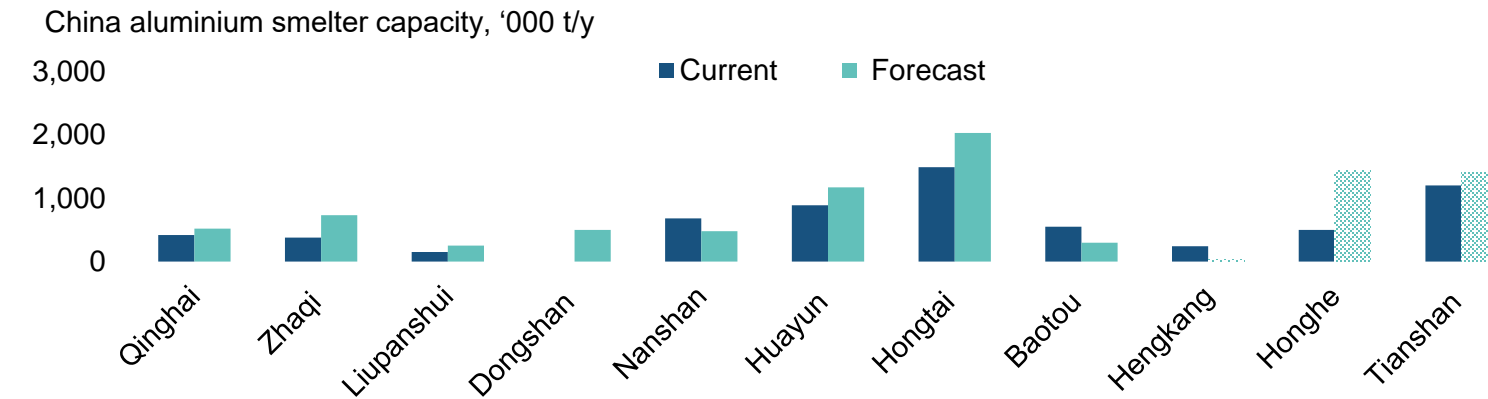
China smelting capacity to reach the ceiling



China production hit record high in September but will grow slowly

- China primary aluminium production hit a record high of 3.58 Mt in September 2024, implying the operating capacity in China at 43.64 Mt/y. China is expected to reach the aluminium smelting capacity ceiling of 45.4 M t/y set by the government in 2027.
- However, China primary aluminium production is expected to grow at a very limited rate of 0.3% CAGR 2024-2029.
- On the new projects, the production increase will be only from Chalco Qinghai, Zhaqi phase two project during the forecast period. Potentially, Xinjiang Tianshan may have a net increase capacity of 200,000 t/y over the long term, which has already reached capacity. All the capacity increase in other smelters on the bottom left chart won't bring any capacity increase since the relevant smelters have to close the equivalent capacity based the capacity swap policy for aluminium smelters elsewhere in China.

Very few new projects to be added in China



DATA: CRU. Note: Projects in dashed color means the projects have not started construction yet.

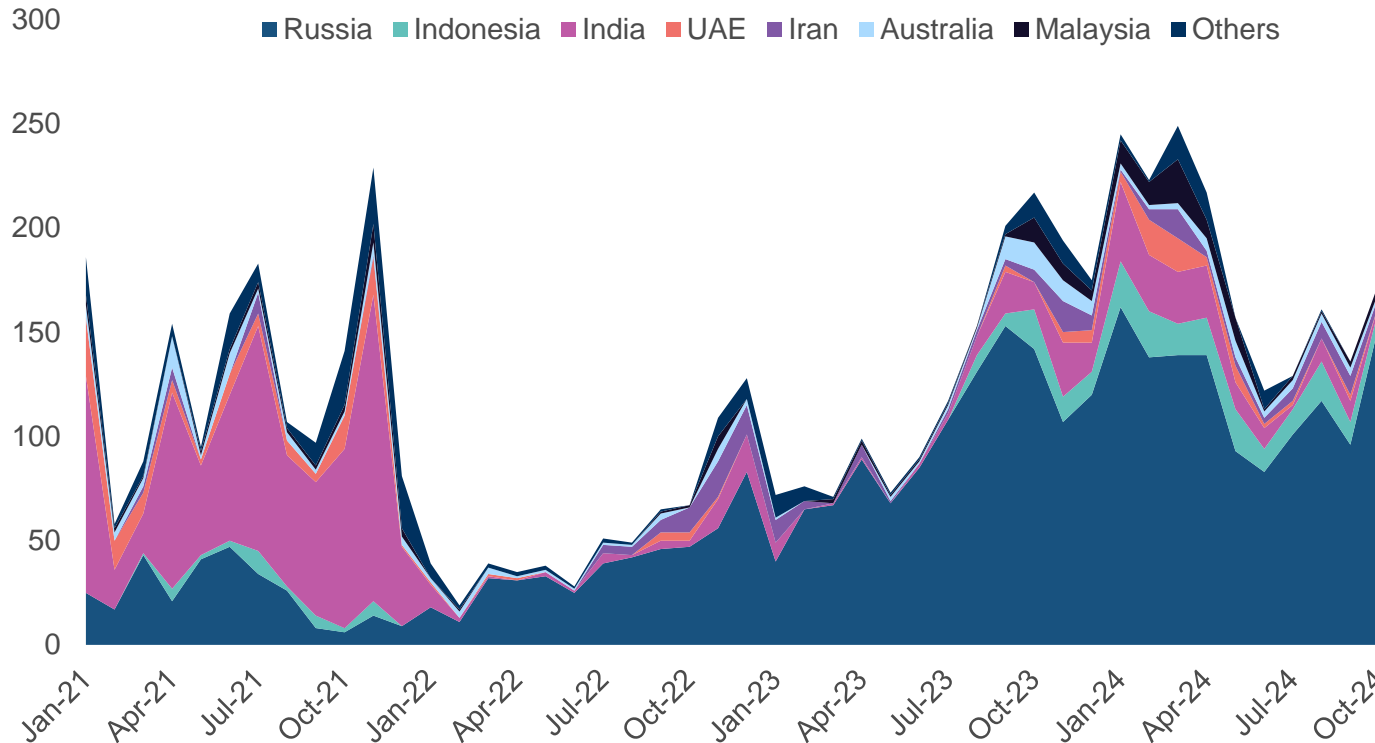


China primary aluminium imports trending lower

Primary aluminium imports from Russia stabilises in Q3 2024

Negative arbitrage impacts imports

China primary aluminium imports (HS code 760110, '000t)



China primary aluminium imports (HS code 760110) totaled 430 kt in Q3 2024, down by 13.7% q/q. Most of the decline come from the countries including Indonesia and Malaysia, primarily driven by the negative import arbitrage in the past quarters.

The imports from Russia remains stable at 314 kt in Q3 2024, relatively unchanged from 315 kt in Q2 2024.

However, despite negative arbitrage imports rose again in October.

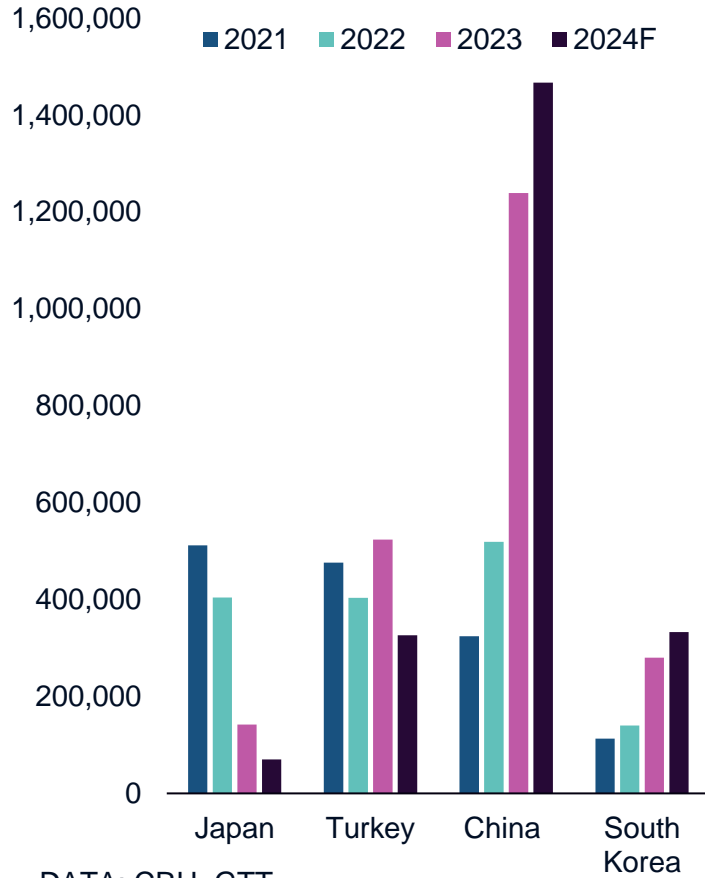
Rusal started to do alumina tolling trade with China Hebei Wenfeng alumina refinery, in which Rusal holds 30% of shares of Hebei Wenfeng. The tolling trade means that Rusal buys alumina from China and exports primary aluminium into China on tolling trade base. China has imported 263 kt of primary aluminium from Rusal in the first three quarters this year, accounting for 33% of the total imports from Russia this year.

DATA: GTT, CRU



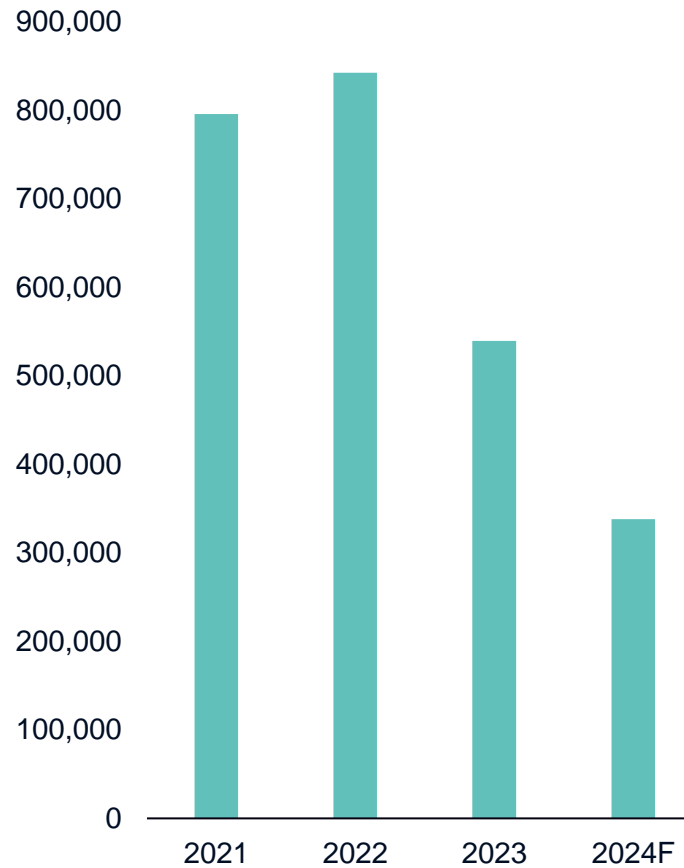
Russia's primary exports only rising to South Korea and China this year

Imports of Russian metal, tonnes

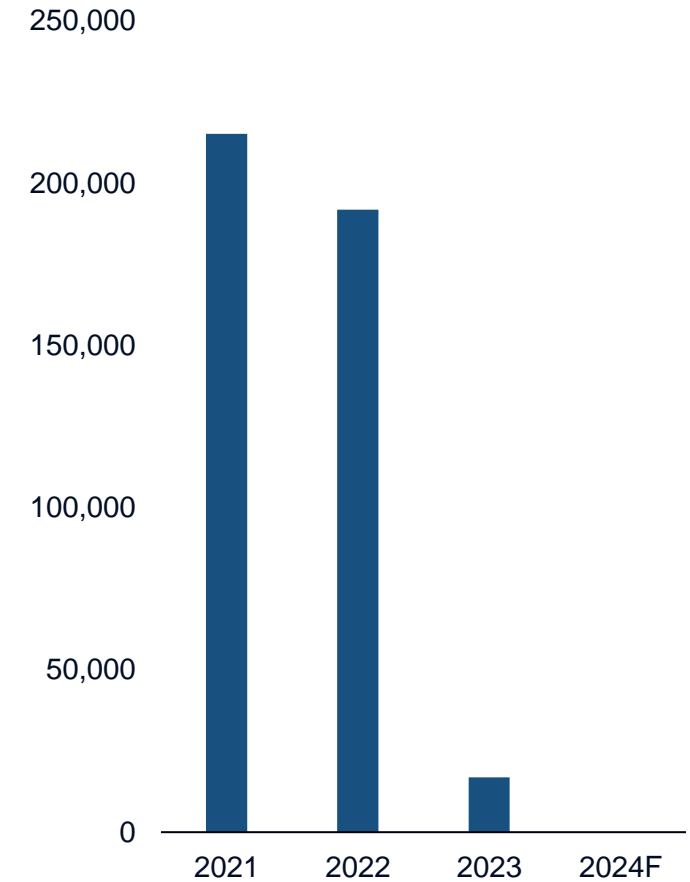


DATA: CRU, GTT

EU imports of Russian metal, tonnes



US imports of Russian metal, tonnes

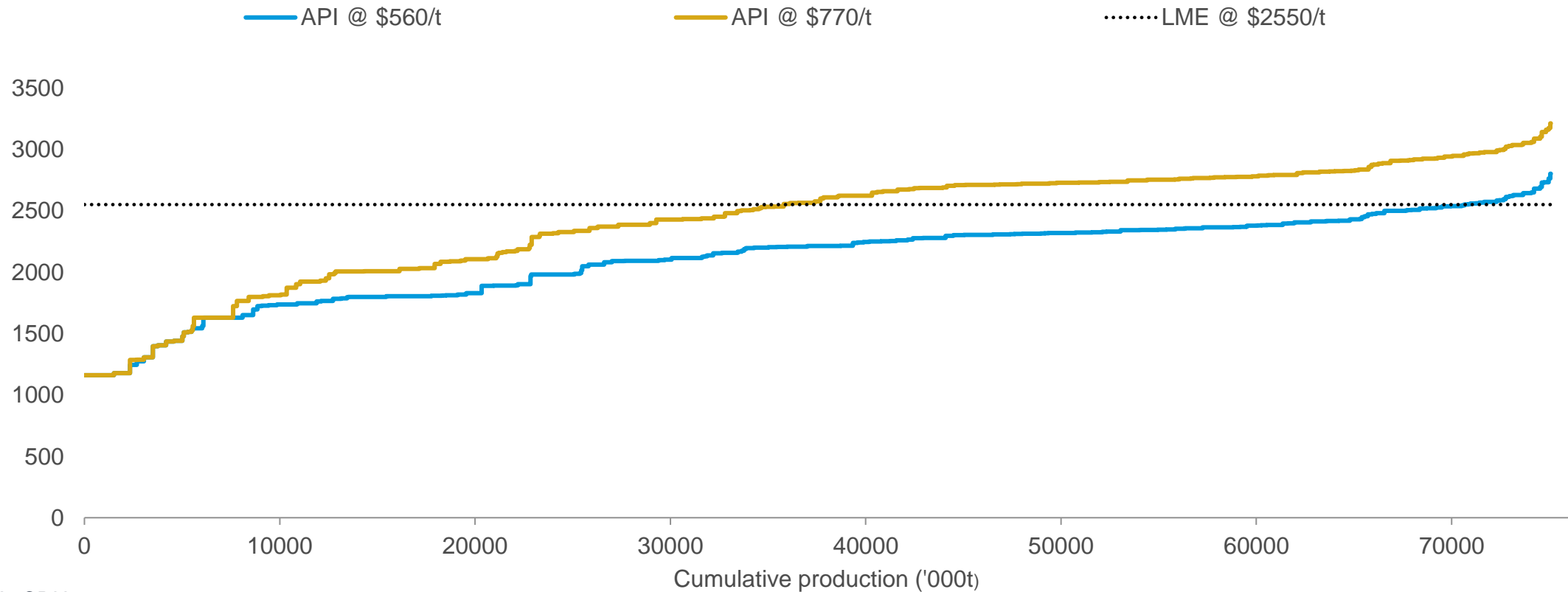




Alumina is placing pressure on smelter margins

2025 Business costs at current alumina prices would shift >50% of production into the red

\$/t



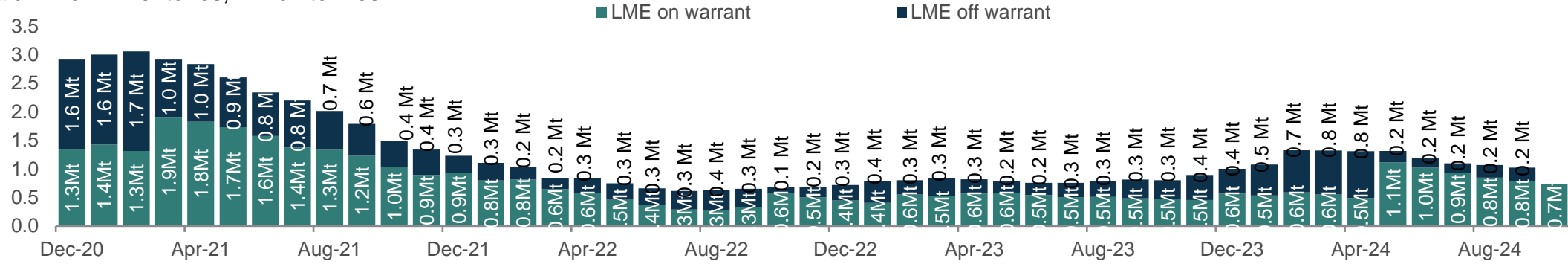
DATA: CRU



Exchange inventories trend lower

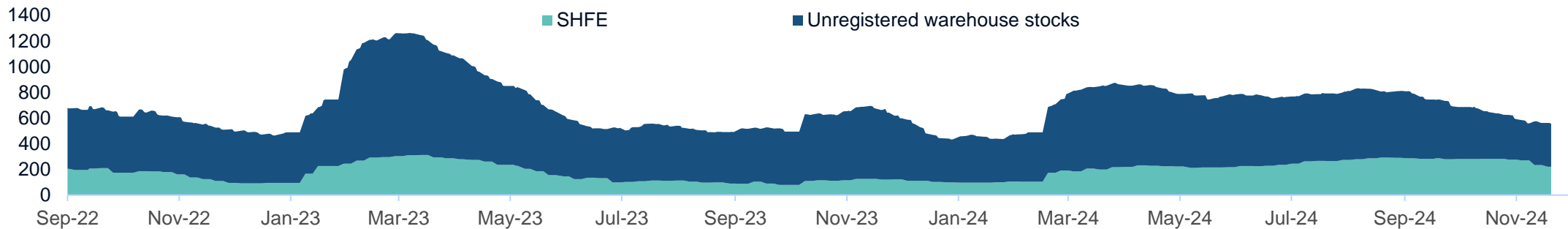
LME on warrant and off warrant inventories *Off warrant data for October not yet available

LME aluminium inventories, million tonnes



SHFE and unregistered China inventories

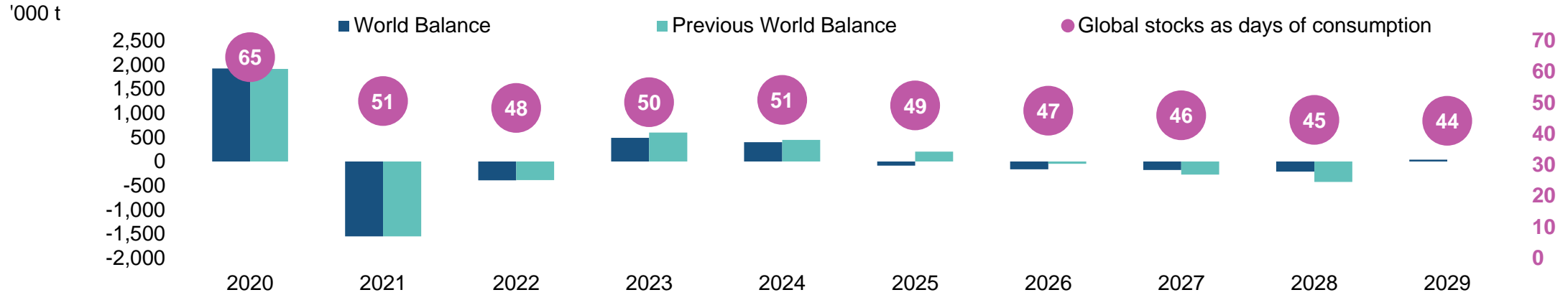
LME aluminium open and cancelled warrants '000 tonnes



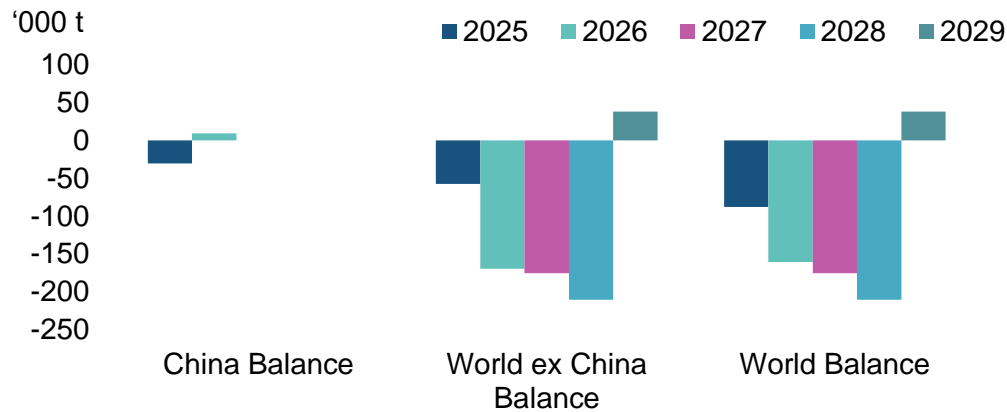


Primary market to tighten sooner than previously expected

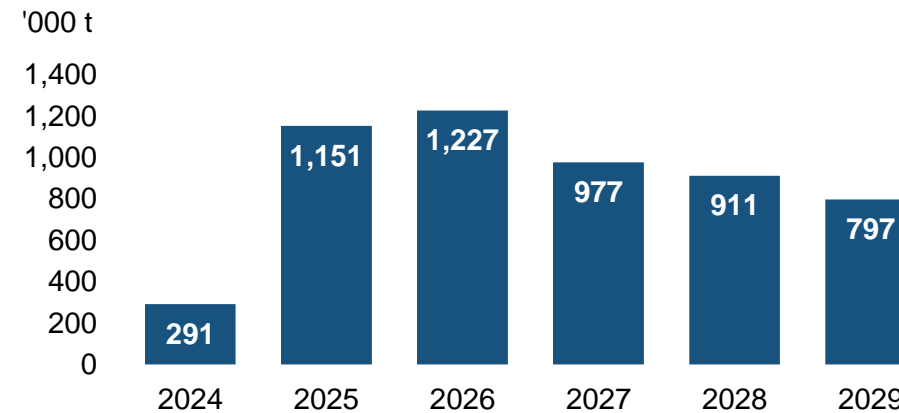
Global balance & Days stocks



Projected world balances 2025-2029



World ex China primary consumption y/y change

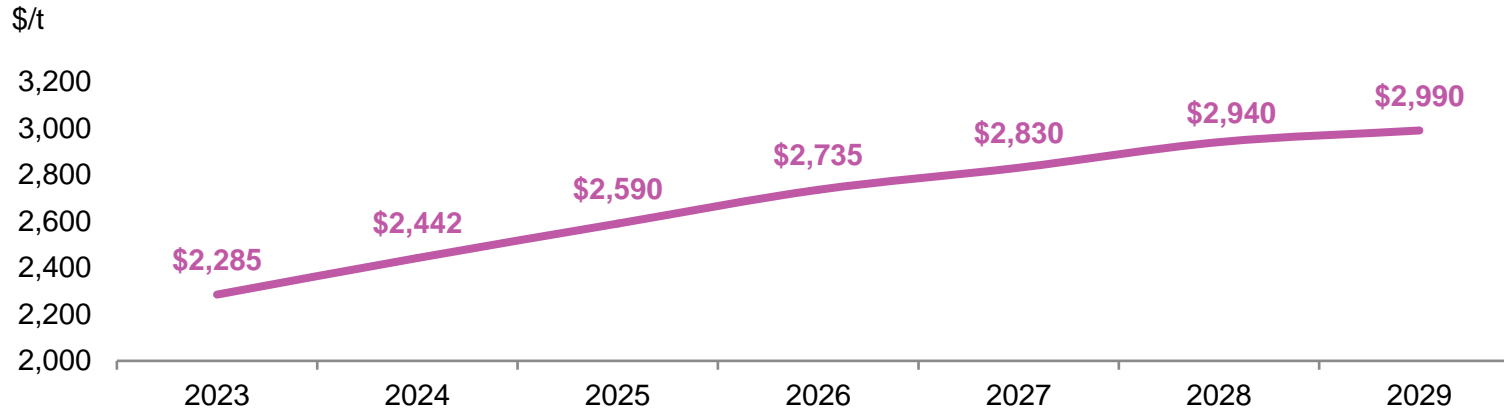


DATA: CRU

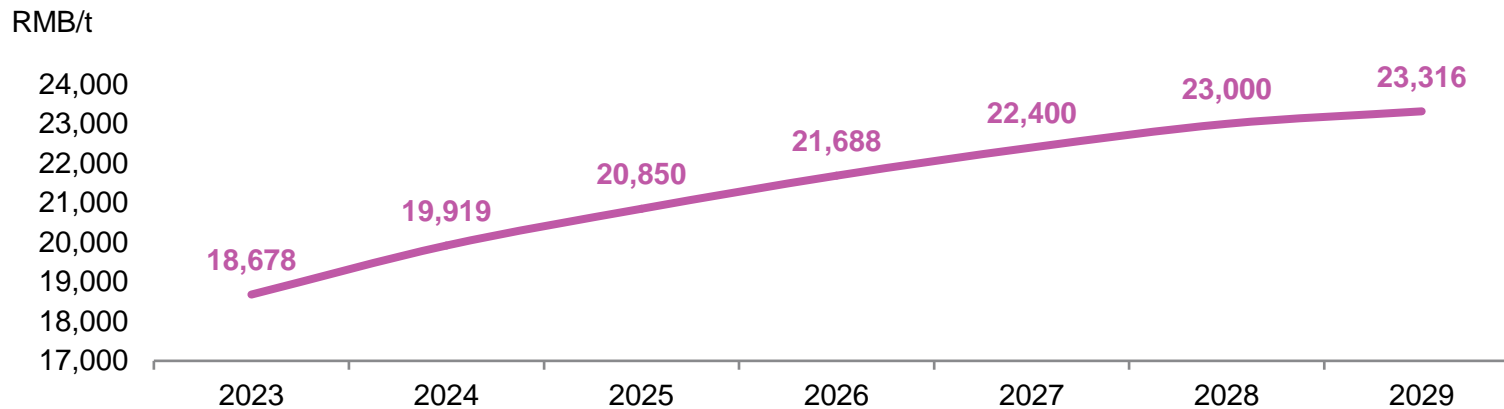


LME 3-month outlook positive on tighter balance

LME 3-month outlook steady entering the second half of the year



SHFE latest forecast through 2029



DATA: CRU, LME

Bullish outlook continues as demand recovery set to pick up pace

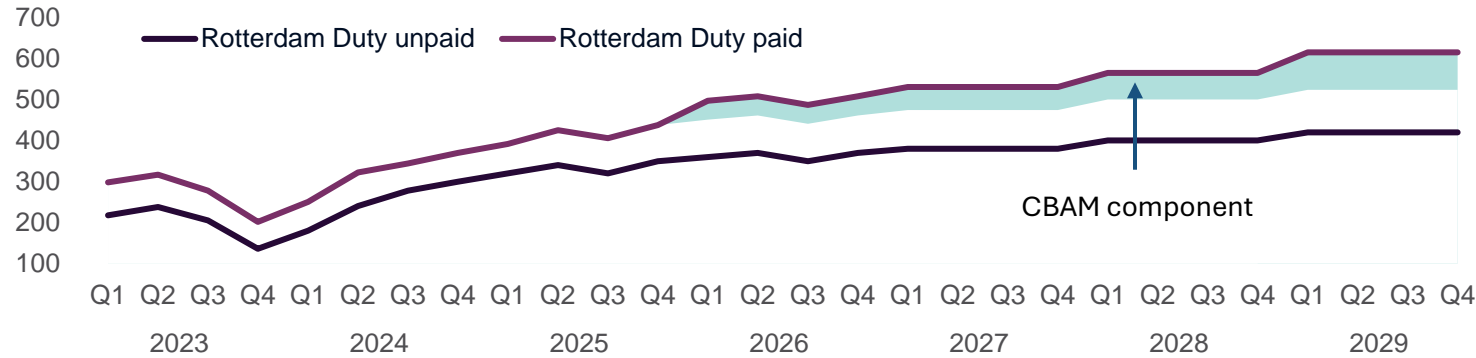
- While recent moves on the LME are still believed to be ahead of the fundamentals, there is no doubt that sentiment has started to shift. The outlook through much of the forecast has been lifted on adjusted market balances.
- 2025 will still get off to a slow start but the market is now expected to shift into deficit by year end. This will then continue through to 2029 and gives support for a higher LME 3-month price.
- Other factors will also come into play. Costs will continue to increase through much of the forecast period. World ex China consumption will continue to grow, and the US dollar outlook is bearish through the middle years of the forecast.



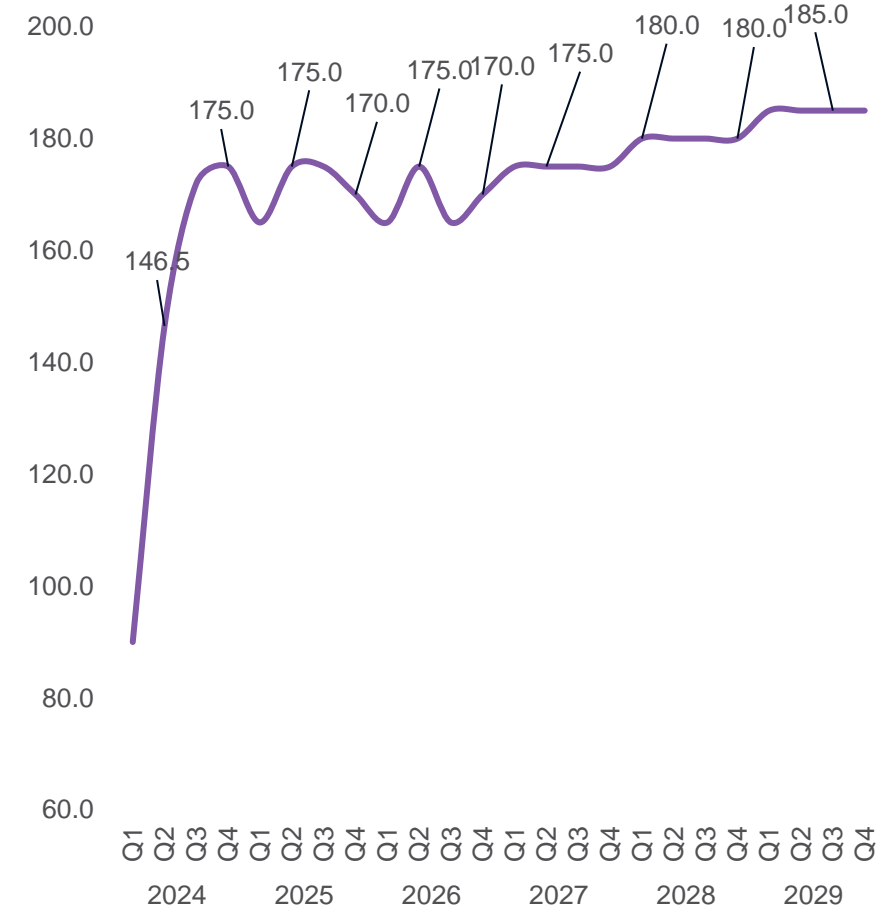
Upside risks have increased for premiums

European ingot premiums expected to increase ahead of demand improving

Rotterdam premiums forecast, \$/t

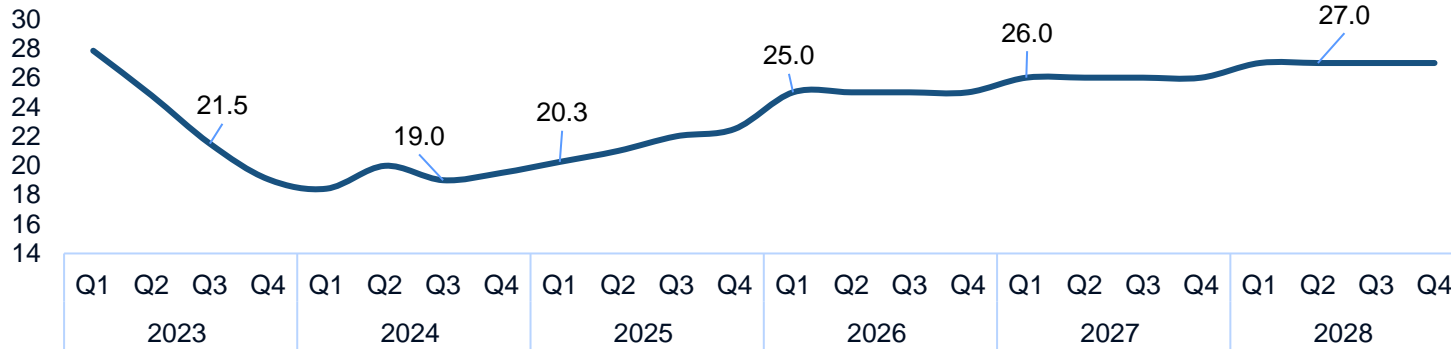


MJP quarterly premium forecast, \$/t



US Midwest premium forecast throughout the forecast period

US MW premium forecast, ¢/lb



DATA: CRU, Drewry Market Research

Takeaways



Demand has disappointed, particularly in Europe, recovery expected in 2025, but with downside risks. EV transition facing risks, especially in US



Restarts in primary production will be vital to meet demand in the long term. China still has a capacity cap. VAT rebate changes may shift more exports down the value chain



Prices have risen on Chinese stimulus and VAT cancellations. Alumina could place more upward pressure on prices in 2025.



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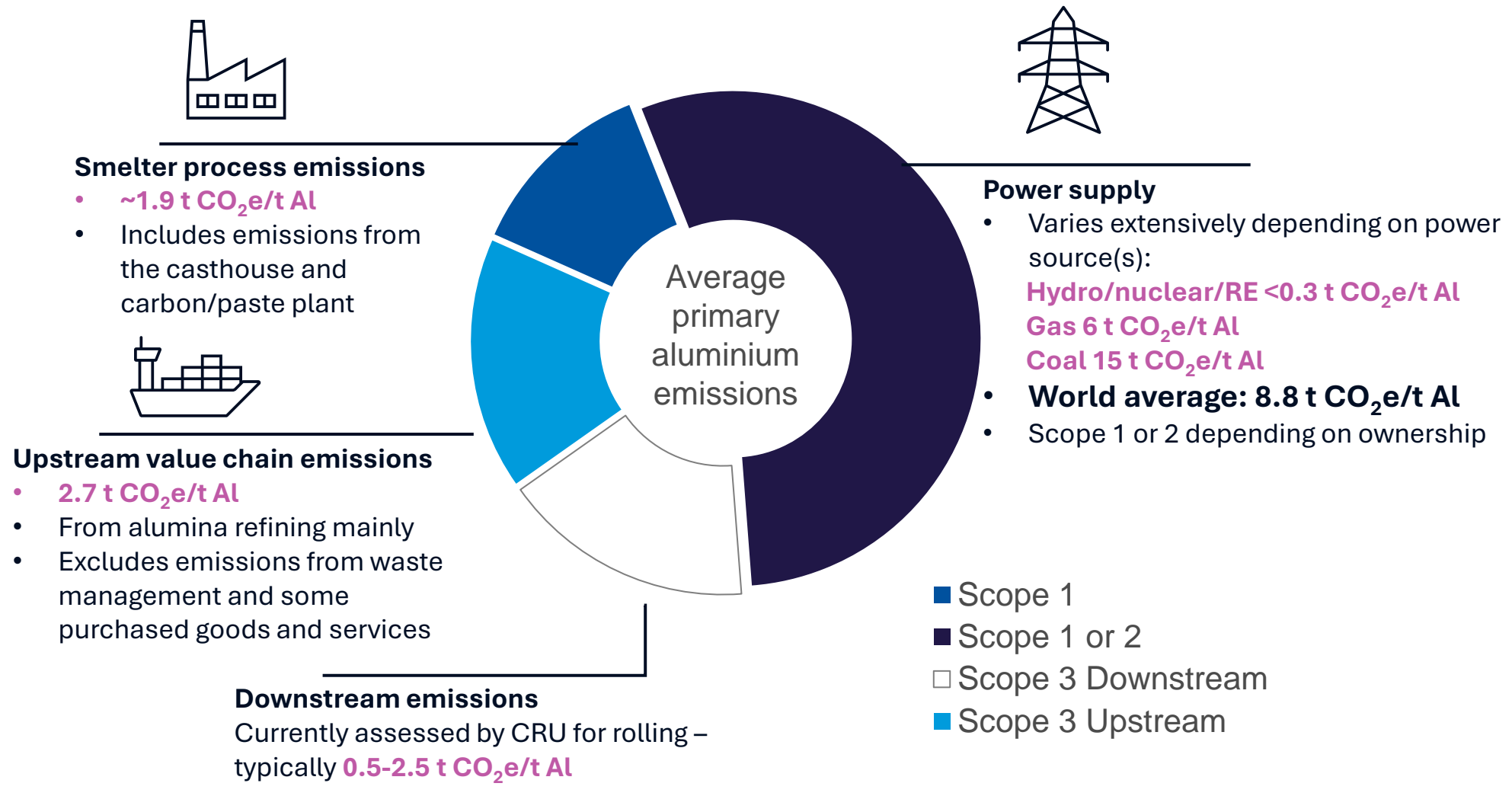


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Aluminium industry decarbonisation: Can the industry meet net zero targets?

Paul Williams & Wan Ling

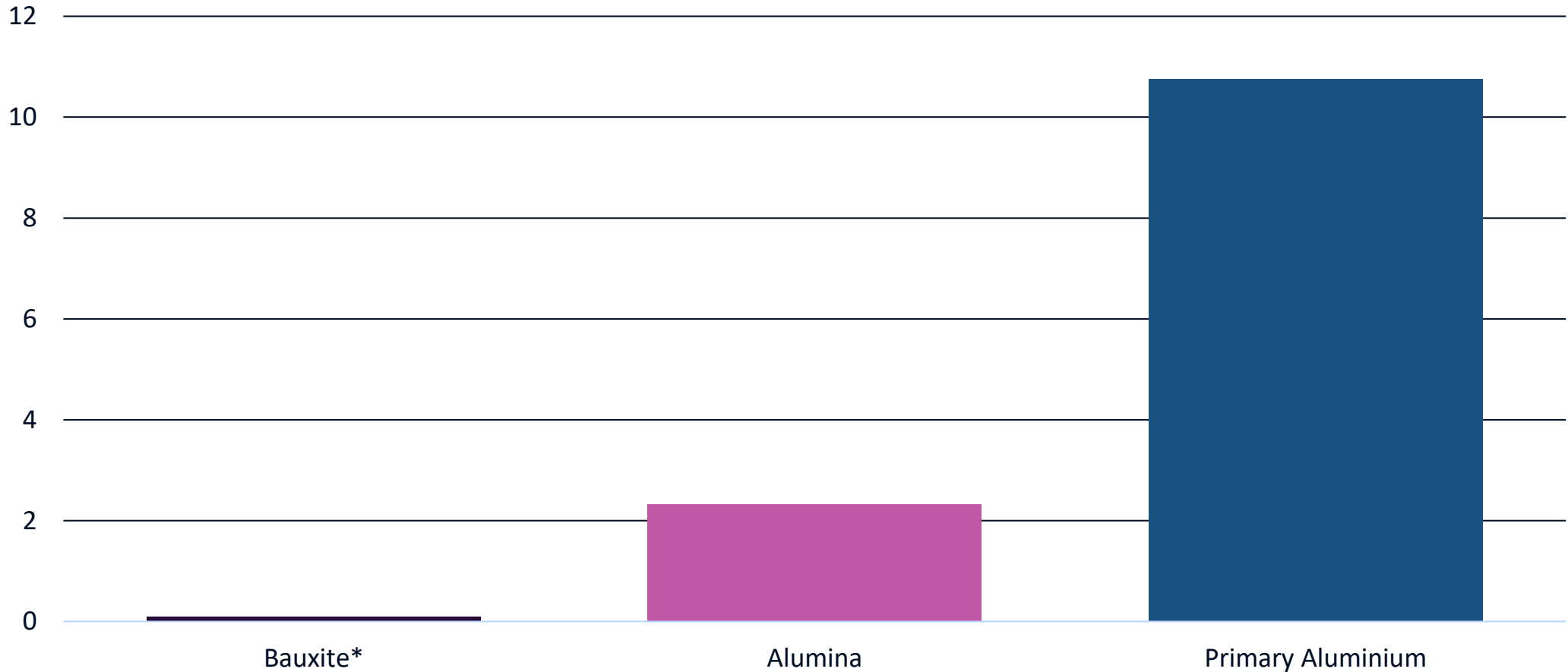
Emissions in aluminium smelting





The smelting industry is the key to decarbonisation

Weighted average scope 1 and 2 emissions per tonne of primary aluminum
t CO₂e/t, 2023: DATA CRU's Emissions Analysis Tool

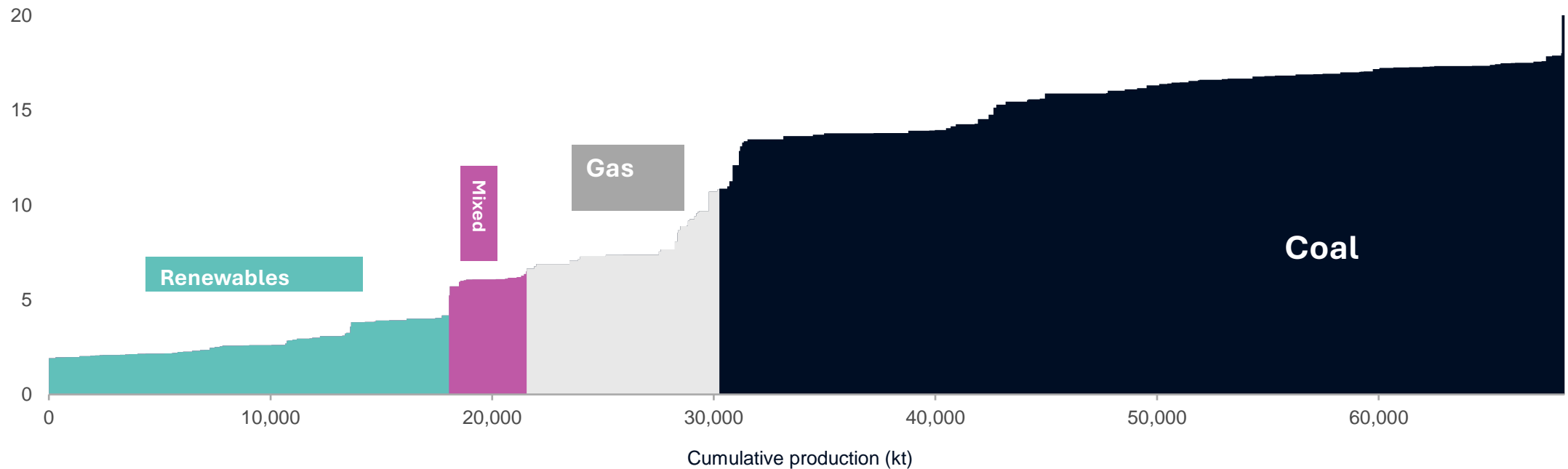




Primary aluminium emissions curve by power source – a long way from carbon free primary

World scope 1, 2 and third-party anode purchases emissions in 2023

Aluminium emissions curve (scope 1, 2 and third party anode purchases), 2022, t CO₂e/t Al

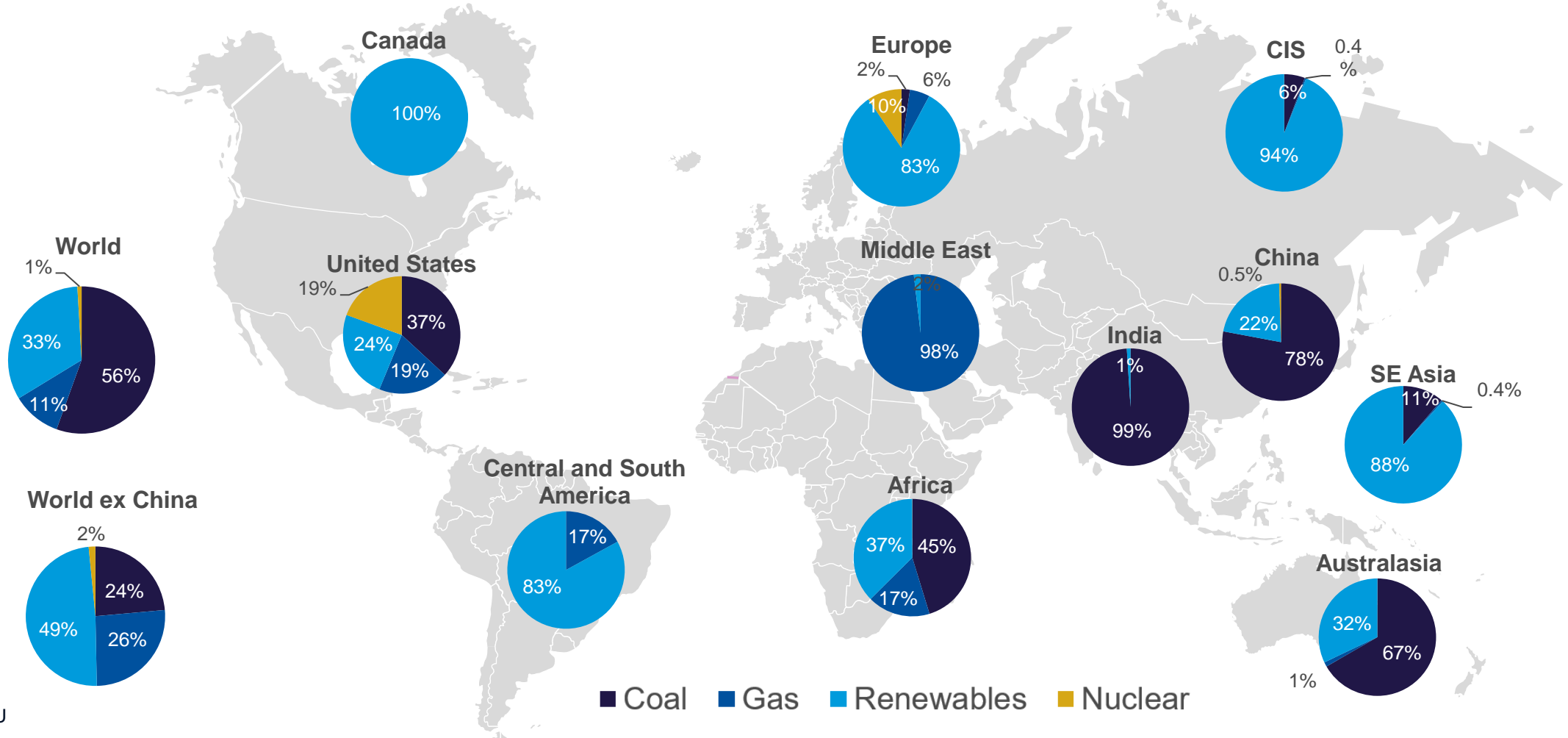


DATA: CRU Emissions Analysis Tool



Primary aluminium smelting by power source

Regional aluminium production by power sources, 2023

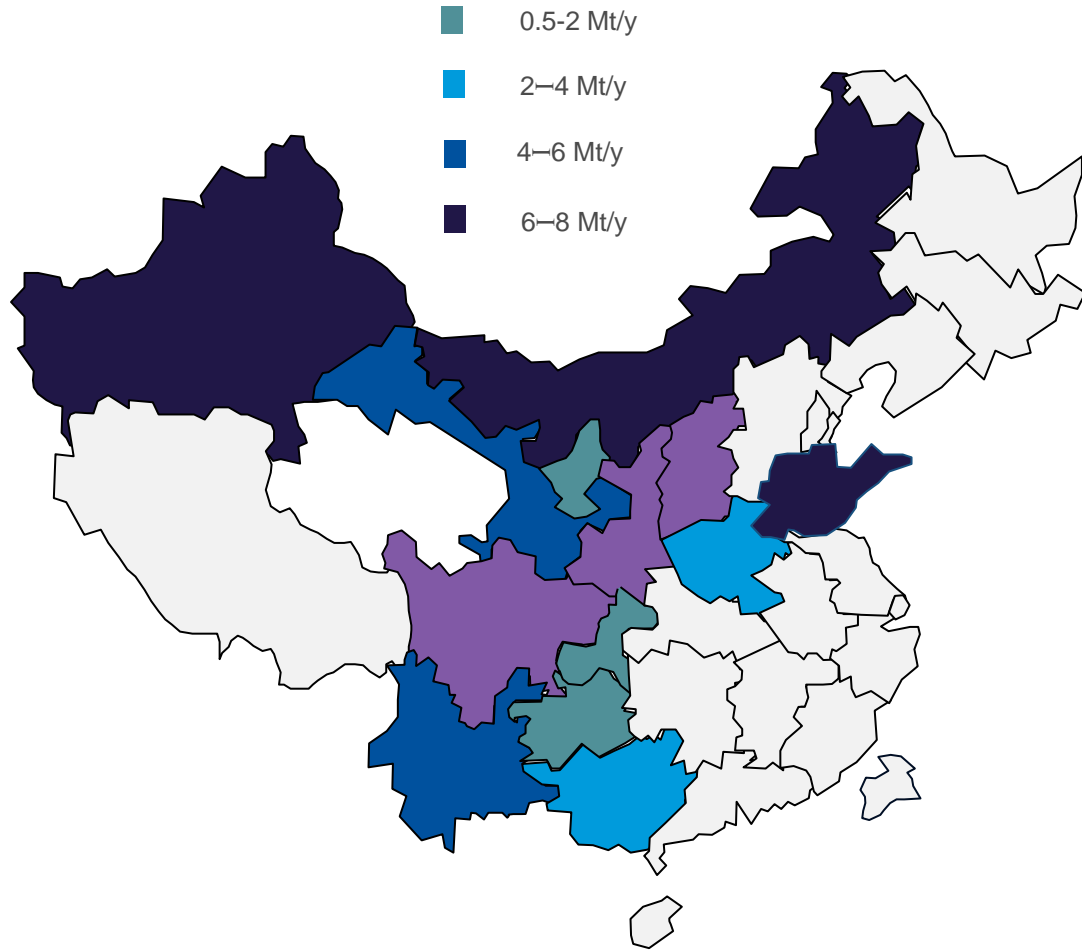


DATA: CRU



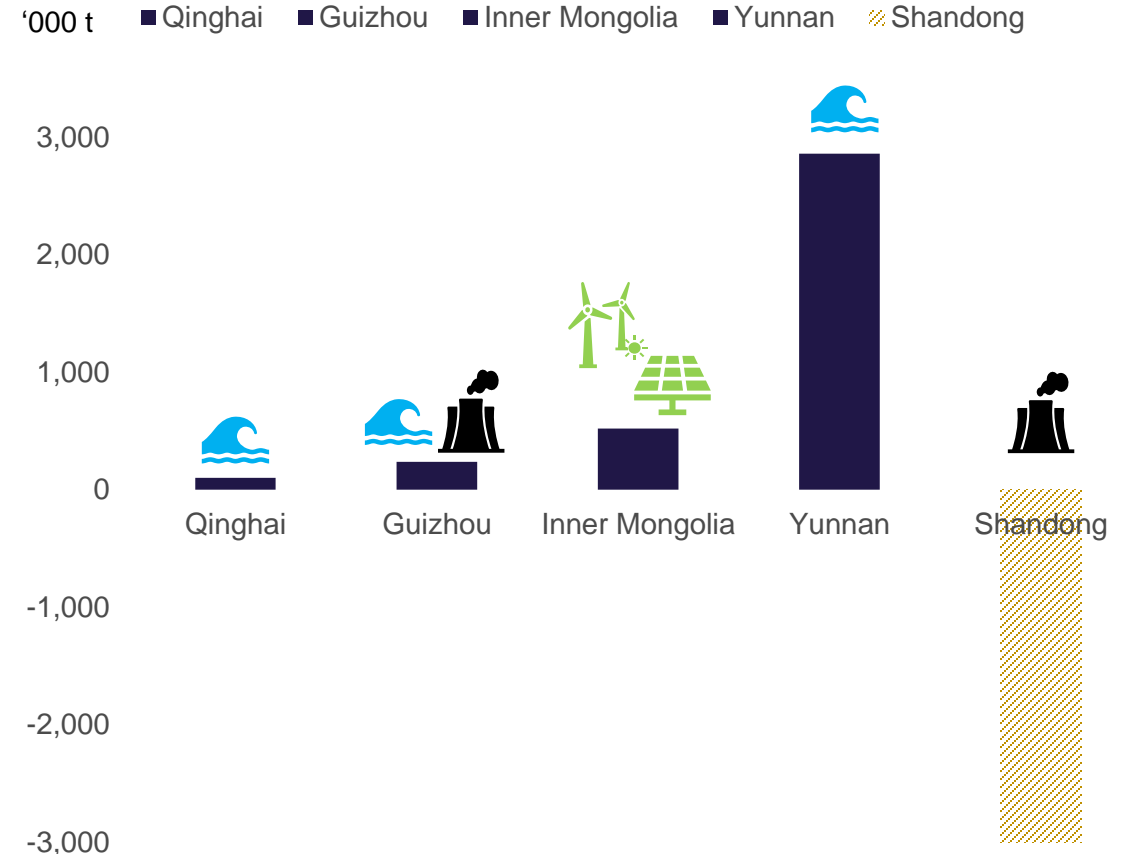
China smelters moving towards renewables and relocation to reduce emissions

Aluminium smelter capacity by province in China in 2023, Mt/y



DATA: CRU

China smelting capacity increase by region, 2023-2033

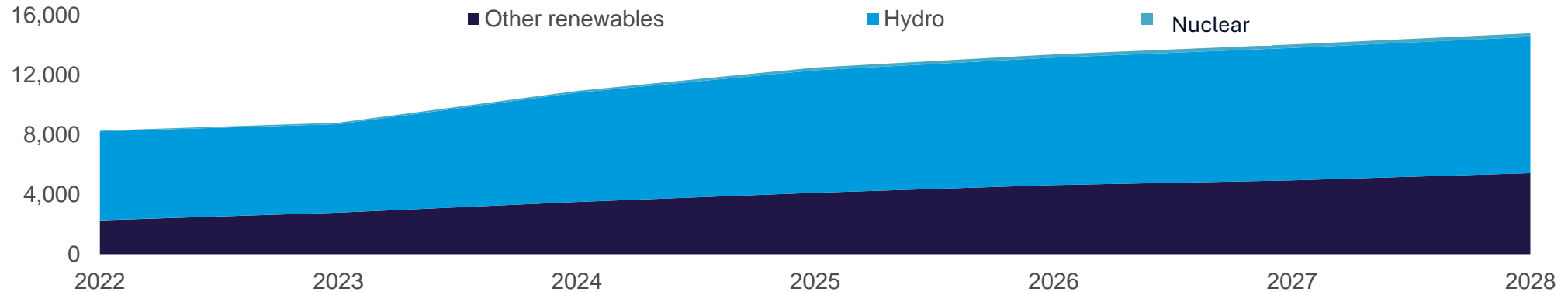




Primary production from clean energy to increase in China

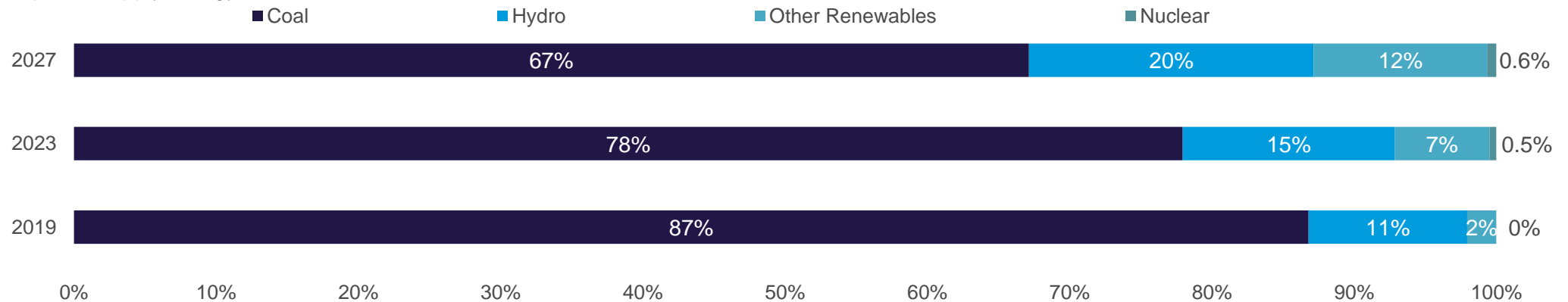
Production from both hydro and wind/solar power to increase significantly

000 t



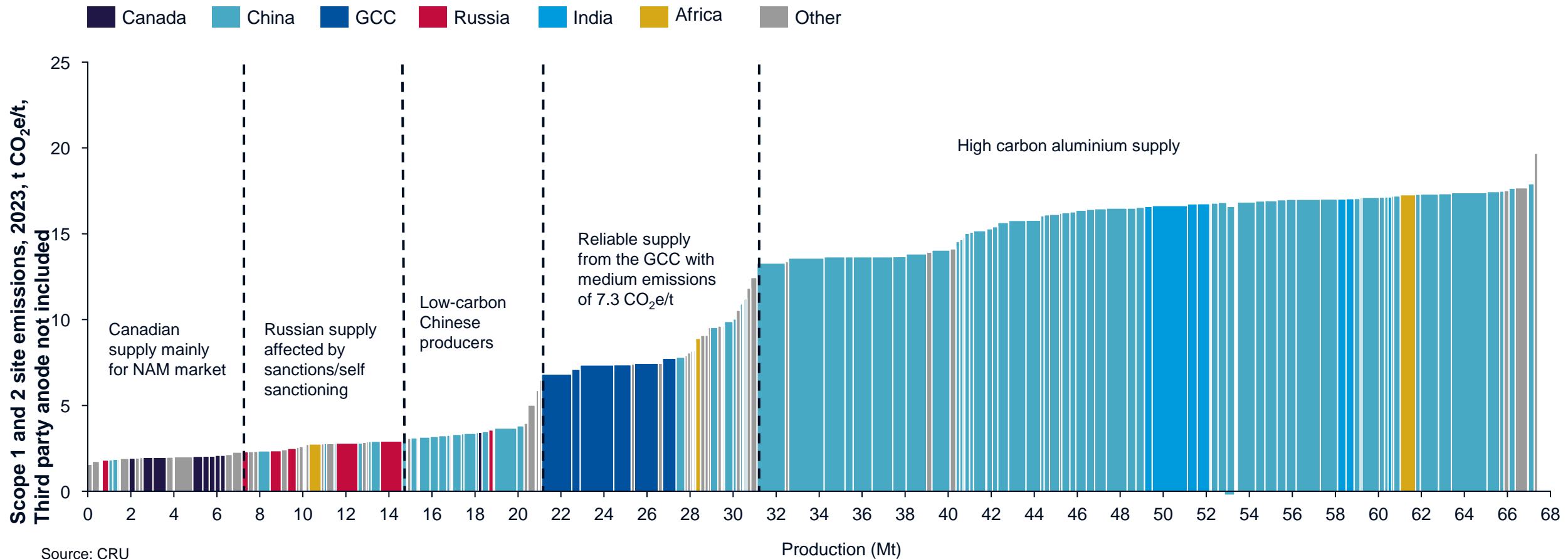
Production from clean energy to mount to 33% by 2027

China smelter power supply energy mix, %





CRU's Primary emissions curve by geography



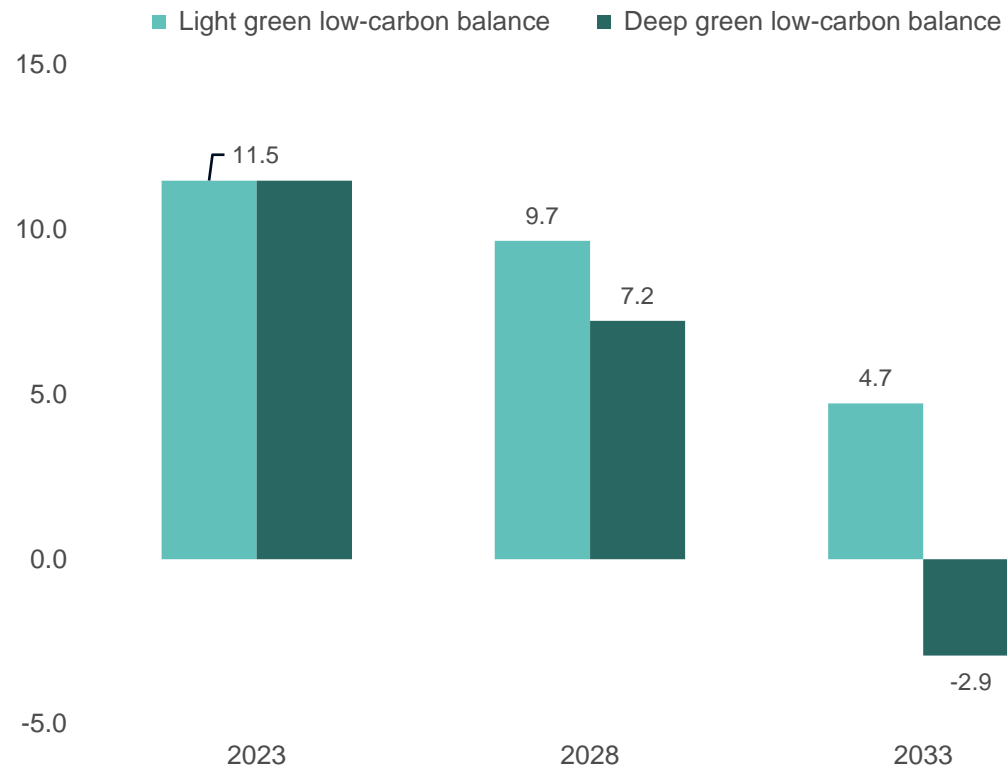
Source: CRU



Low carbon demand is rising but supply plentiful for now

Surplus to shrink but likely to be around the end of the decade before tightness arrives

World ex. China, low-carbon market balance, million tonnes



DATA: CRU. Note: this assumes low carbon to represent primary aluminium being produced with smelter emissions of less than 4 tonnes of CO₂ per tonne of aluminium

Unwillingness to buy Russian metal could accelerate tightness

Low carbon aluminium demand is rising, particularly in Europe, and in the automotive and packaging sectors. However, growth is arguably a little slower than expected at present due to the weakness of overall demand.

To be clear, we estimate low carbon primary consumption to be that which is paying a low carbon premium. Meanwhile, we estimate that the low carbon supply in the calculations for our balances, shown in the accompanying chart, is smelters with emissions below 4 t of CO₂ per tonne of aluminium.

There is a large portion of aluminium smelter output that has been around for a long time which is below this threshold e.g. hydro powered smelters in Canada and Russia. Given the market imbalance, a low carbon premium is struggling to rise, and we assess it at modest levels, and currently only established in Europe and in the world ex. China.

In the long-term, we expect demand to grow strongly, and this will erode the surplus. This process will effectively be accelerated if these consumers are unwilling (or unable) to buy Russian material.

How can industry decarbonise more?

Shift to renewables is not enough on its own

Renewable Energy

Smelters will have to increasingly use **renewable energy**.

CBAM could turn coal smelters into stranded assets

Seek “greener” alumina and bauxite

CCUS & Offsets

Residual emissions will be difficult to eliminate.

Carbon capture use or storage and offsets will play a role.

New Technology

Examples: Alcoa and RTA JV to develop **inert anode technology** (Elysis).

Arctus AI trialling with Trimet.

Rusal is also working on inert anodes, with trial production at Krasnoyarsk.

The technology eliminates direct process emissions, as well as the need for carbon baking.

Hydro – **HalZero process**

Recycling

Regulation: Legislation on drink cans, EoL vehicles

Technology: Better sorting & segregation of scrap.

Infrastructure: Improved waste collection and recovery, especially in Asia.

Design: Need for easier disassembly and sorting.

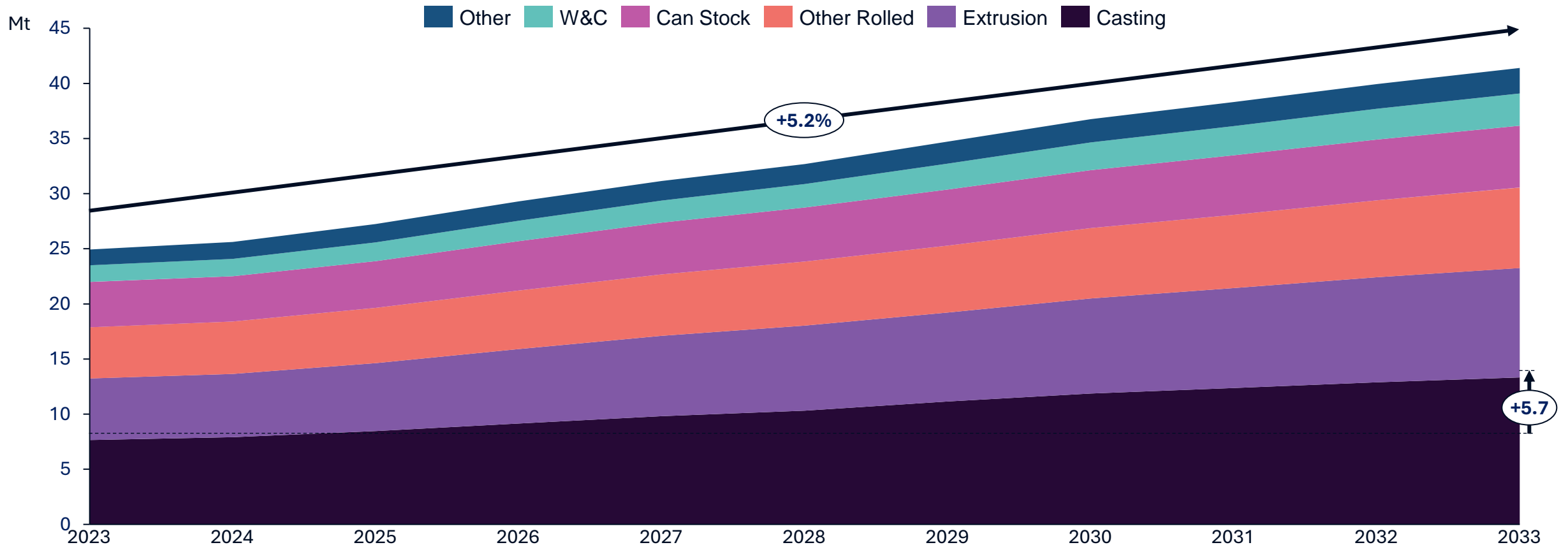
Trade: Treat waste close to source, large amounts of low-grade scrap exported to China and India.

Culture: Re-use, repair, recycle society.



Global collected old scrap set to increase by 16.5 Mt over the next 10 years

Estimated global old scrap collected by product group (2023 – 2033)

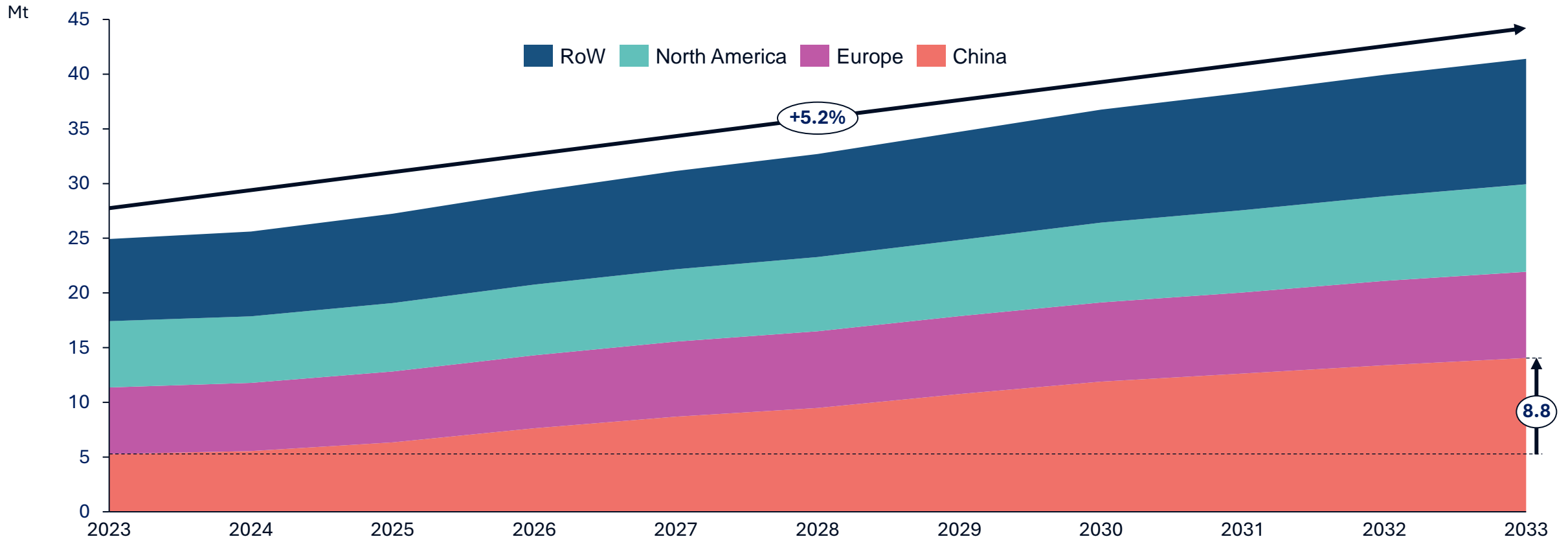


DATA: CRU Global Recycling Model; Note: other category include P&P, forgings and foil stock



Collected old scrap in China will increase by 8.8 Mt over the next 10 years

Estimated global old scrap collected by country or region (2023 – 2033)



DATA: CRU Global Recycling Model. Note: other end-use category include construction, electrical and other. The Rest of the World (RoW) include Africa, Australasia, C&S America, India, Japan, Middle East, Rest of Asia, Russia and South Korea.

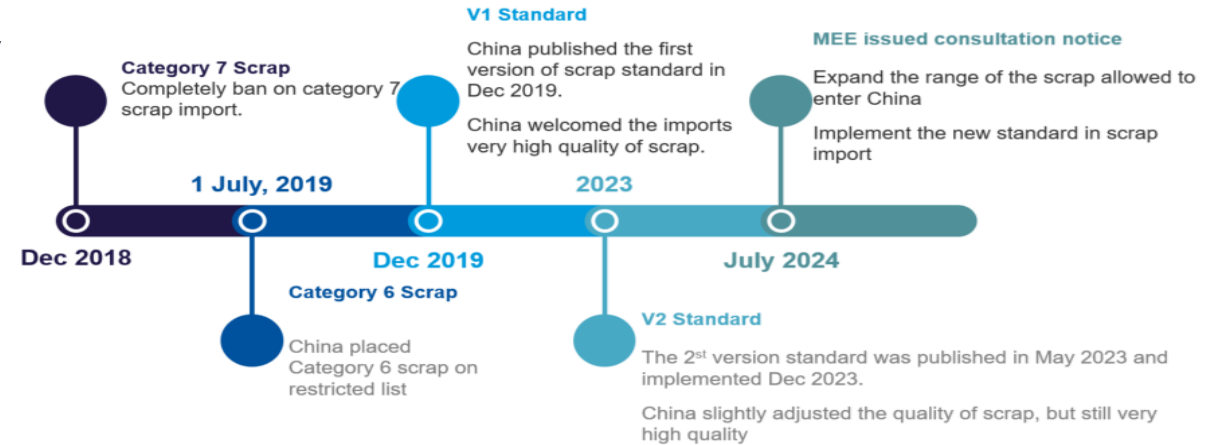


Fight for scrap ahead as China moves to encourage quality scrap imports

China relaxes scrap grades in V2 standard

China scrap policy changes over time

	2019 Standard (GB/T 38472-2019)	2023 standard (GB/T 38472-2023)
Casting	Aluminium and Aluminium alloy content >98%	Aluminium and Aluminium alloy content >91%
Secondary aluminium ingot	Aluminium and aluminium alloy content 100%	Aluminium and aluminium alloy content 100%
Twitch/Tweak/Zorba	Aluminium and aluminium alloy content >91%	Aluminium and aluminium alloy content >91%
Casting	Total metal content >99.3%	Total metal >97%
Secondary aluminium ingot	Total metal content 100%	Total metal content 100%
Twitch/tweak/zorba	Total metal content >99.1%	Total metal content >97%



DATA: China Customs, CRMA

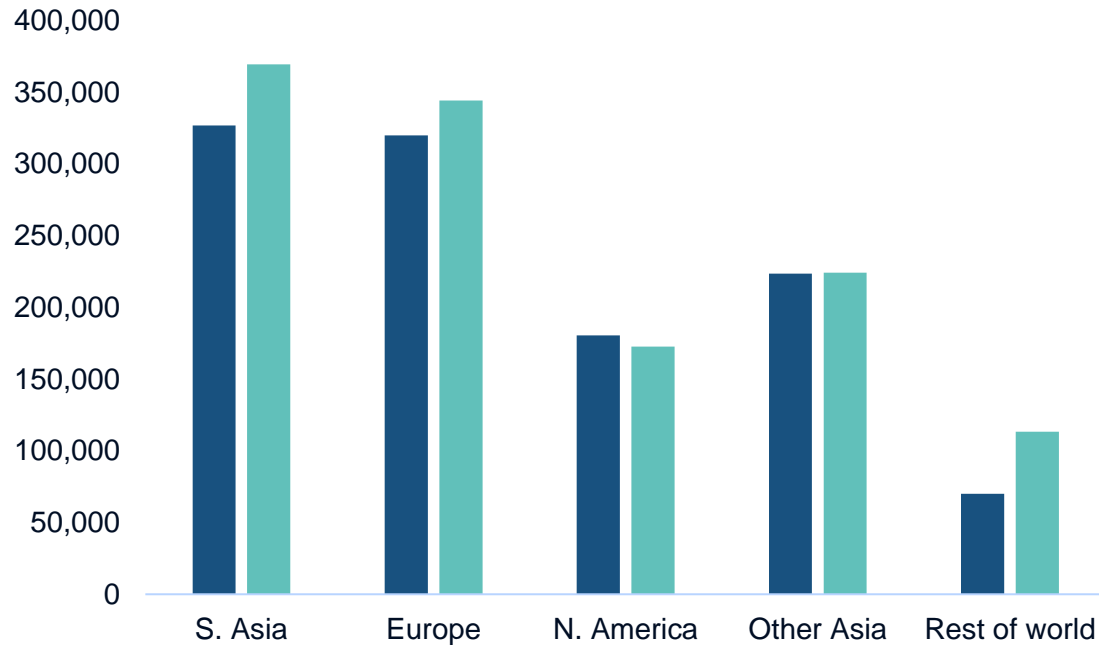


China increases imports of scrap and RSI

Chinese imports of scrap up 9% YTD and on course to import ~1.8Mt for full year

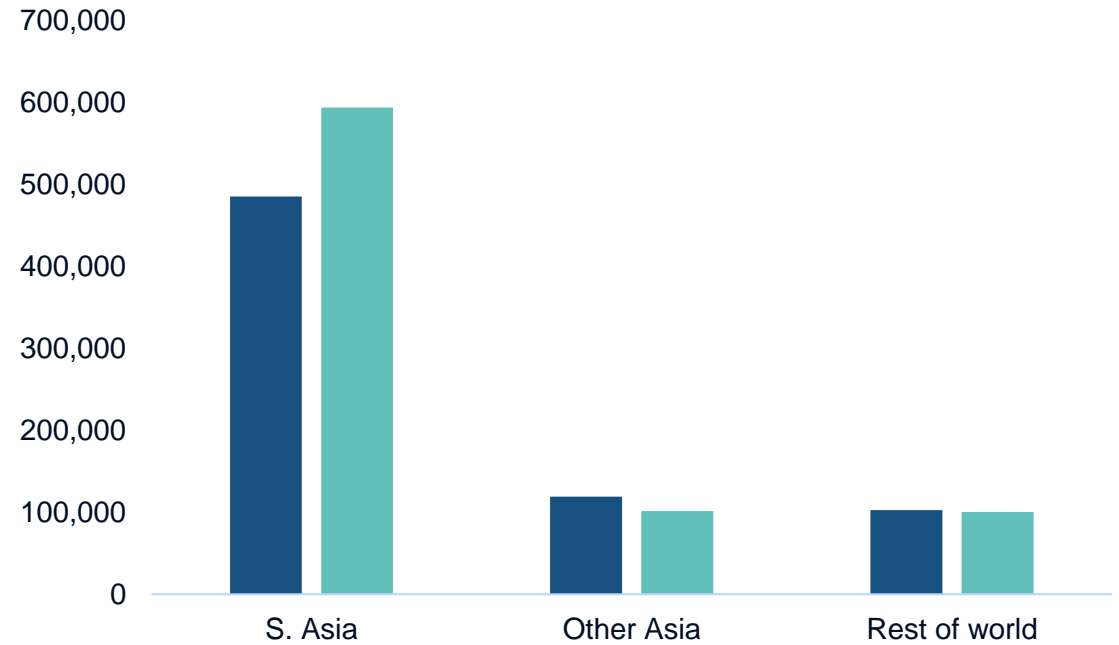
China imports of scrap (HS 7602) (tonnes)

■ Jan-Aug '23 ■ Jan-Aug '24



China imports of HS 760120 (tonnes)

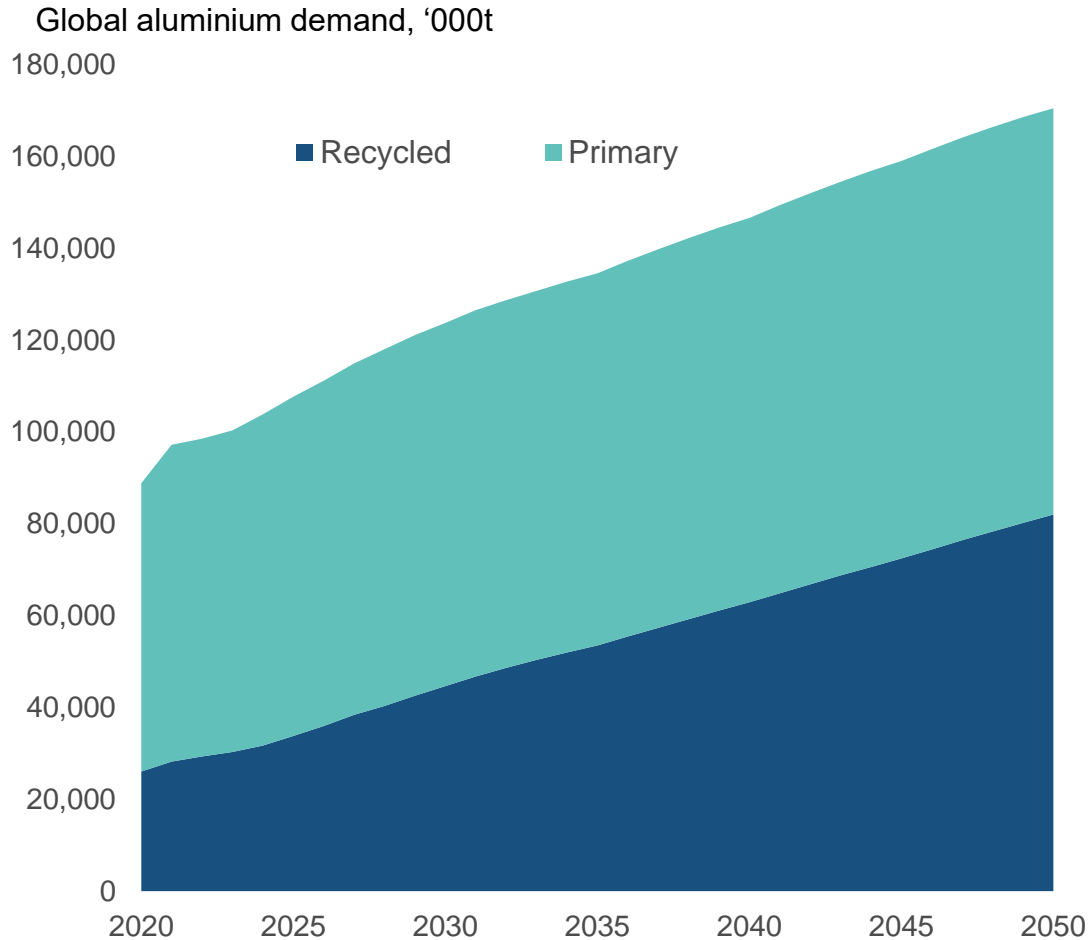
■ Jan-Aug '23 ■ Jan-Aug '24



DATA: GTT, CRU. Note that imports of 760120 include primary based value-added products, but CRU estimates that majority of imports are RSI



Our view is bullish on global recycled demand



DATA: CRU's Aluminium Long-Term Outlook

- We expect recycled aluminium to take a larger share of the global total metal requirement for aluminium
- That said, we still expect that global primary demand will rise throughout the forecast period, albeit at a slowing pace
- In some countries we expect primary demand to be falling from later this decade, most notably China
- Under this context, we can expect scrap to become the new gold, and the fight is already on to secure long-term supply, especially for primary grade

To decarbonise the aluminium industry, it is necessary to decarbonise the sources of power.

New technologies required to decarbonise scope 1.

Low carbon aluminium demand will rise – eventually leading to tighter market and increased low carbon premia

Growth of recycled metal major part of solution – more collection, segregation and better design required



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What will China's role in the global aluminium industry be?

Wan Ling

Principal analyst,

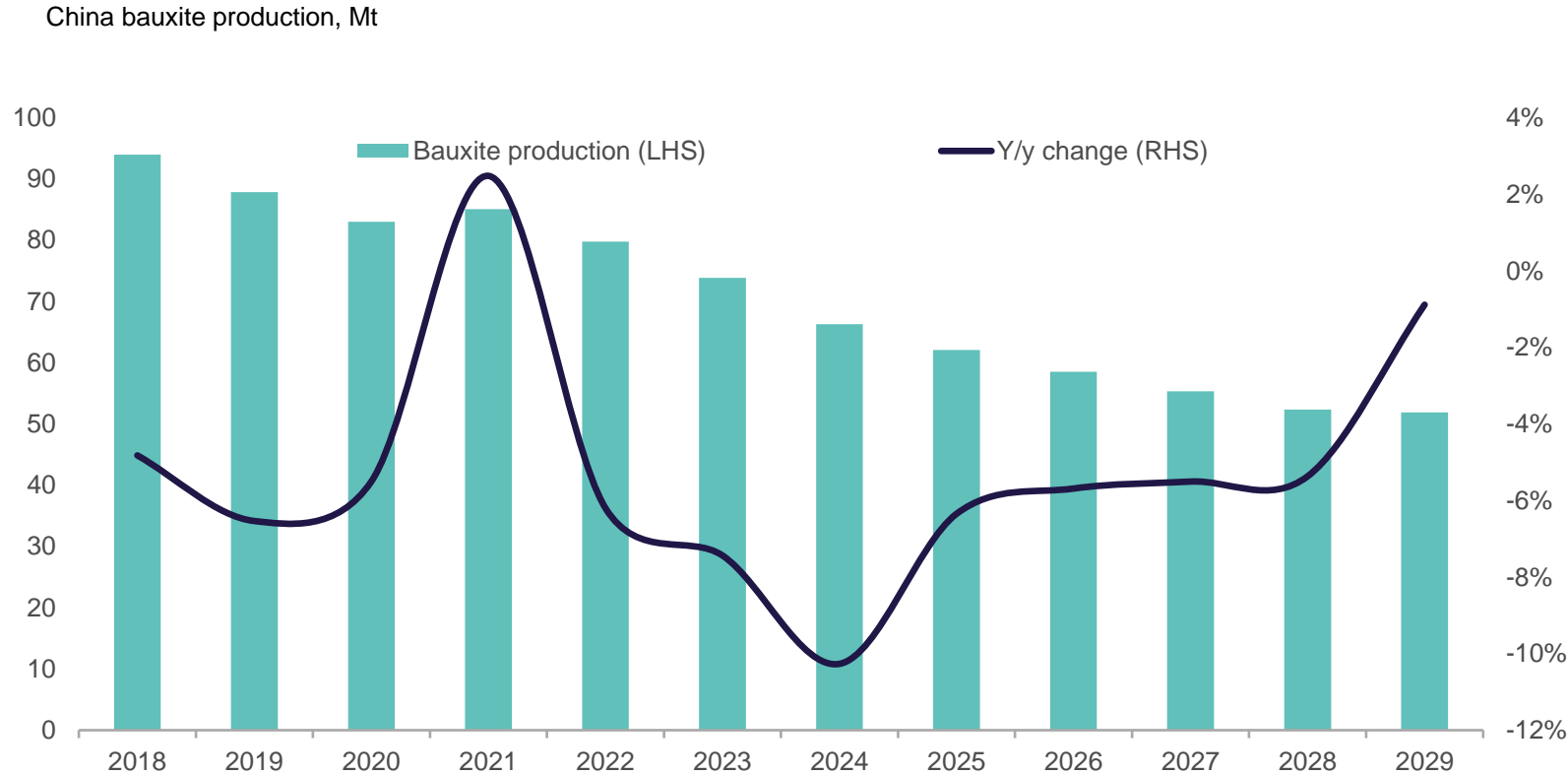
ling.wan@crugroup.com

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China bauxite supply facing more challenges

Dwindling domestic bauxite production in China



More efforts are being made on bauxite supply in China

Domestic bauxite quality and quantity are likely to decline over time

China is making more efforts to use bauxite underneath coal mines

China is trying to use coal ash as well.

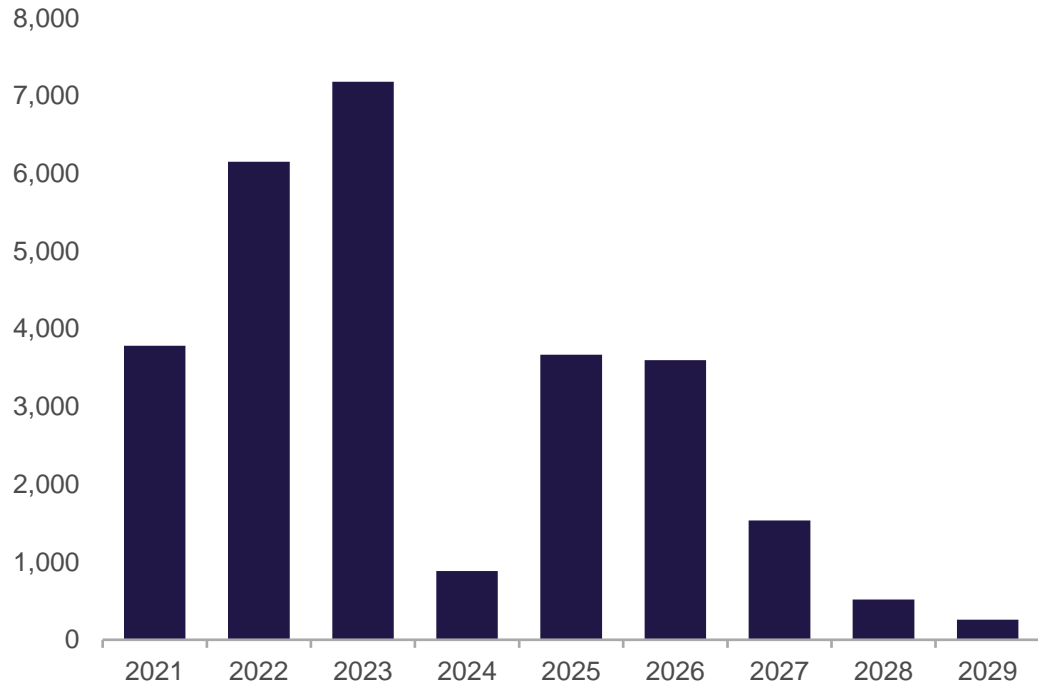
DATA: CRU



Chinese alumina capacity to increase substantially

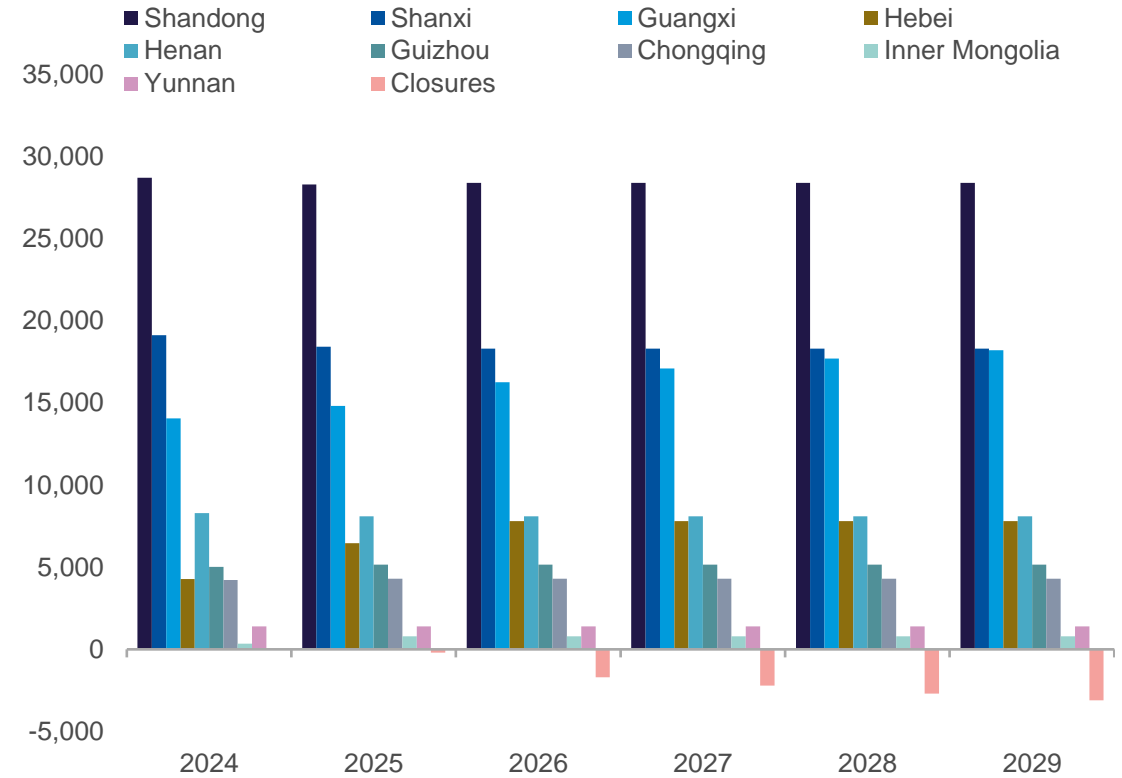
Another 10 Mt/y of capacity to be added in the Chinese alumina market

China's additions to alumina capacity, '000 t/y



Steep production gains in Hebei, but potential cuts depending on bauxite

China alumina production, '000 t



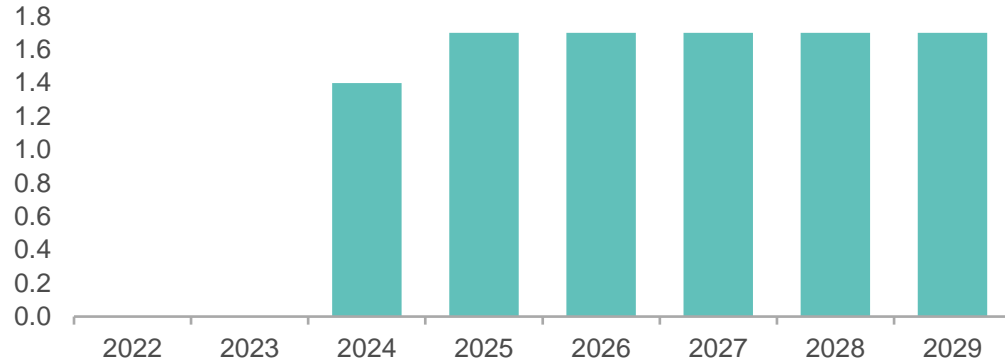
DATA: CRU



China trying to diversify bauxite import source

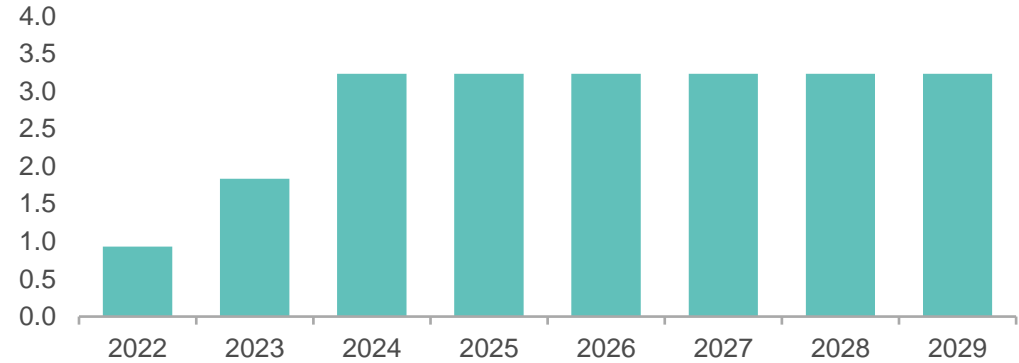
Bauxite mining underway in Laos

Laos bauxite production, Mt



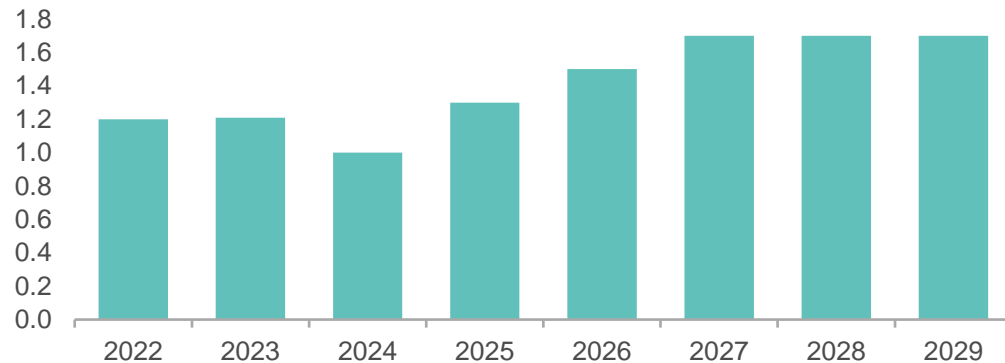
Turkey shifts to exporting additional volumes

Turkey bauxite production, Mt



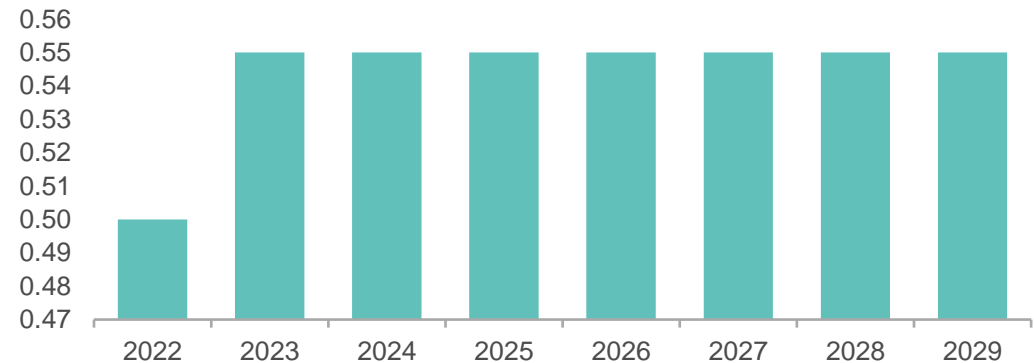
Sierra Leone providing upside to bauxite supply

Sierra Leone bauxite production, Mt



Montenegro providing limited volumes to China

Montenegro bauxite production, Mt

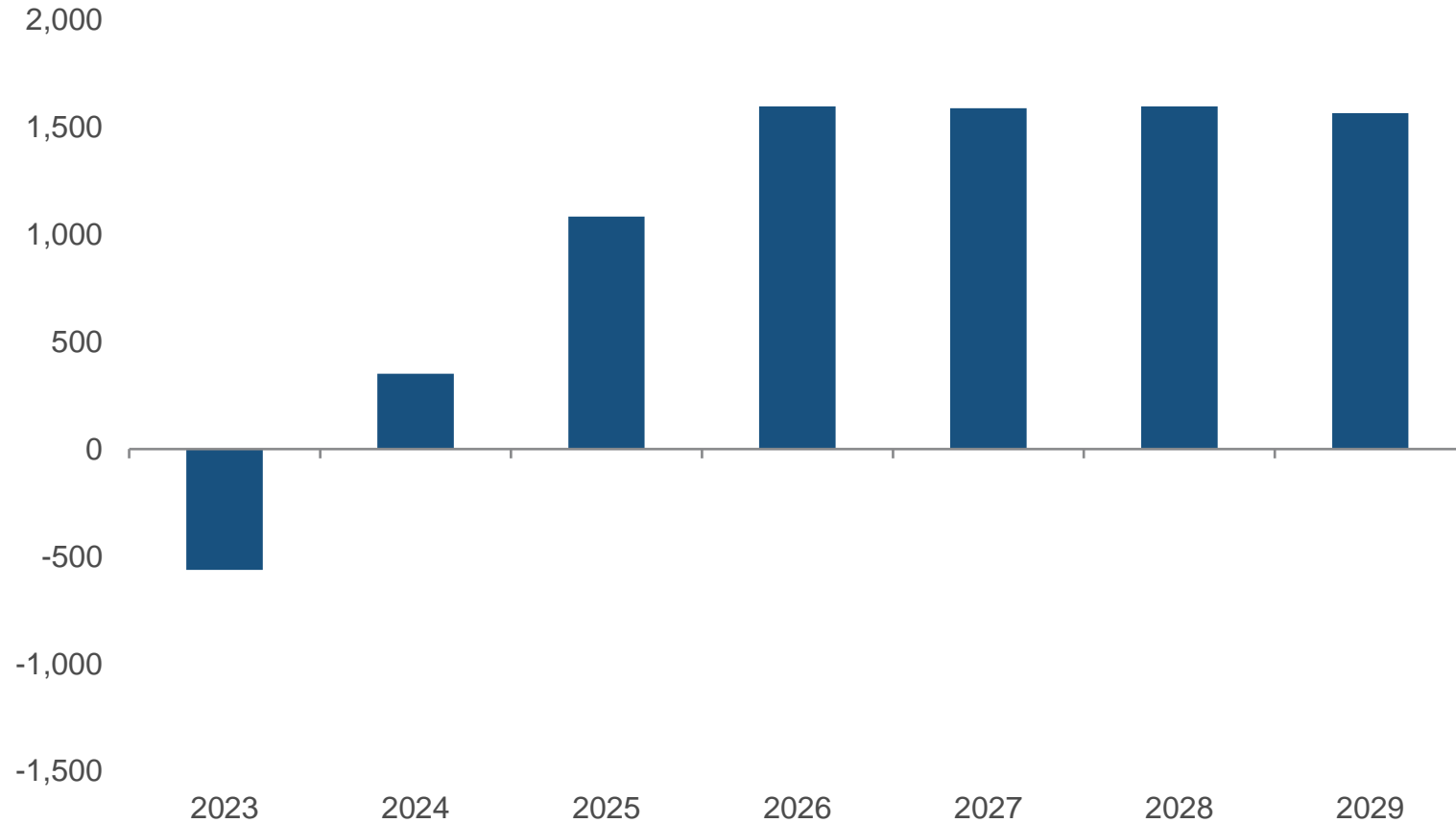


DATA: CRU



China to shift to a net exporter of alumina

China net exports of alumina, '000 t



DATA: CRU

China alumina capacity continuously grow

China called for prevent alumina industry from over investment in capacity, however, no capacity ceiling has been set for alumina industry.

The investment in alumina capacity continues in China, which will result in it becoming a net exporter of alumina over the medium term.

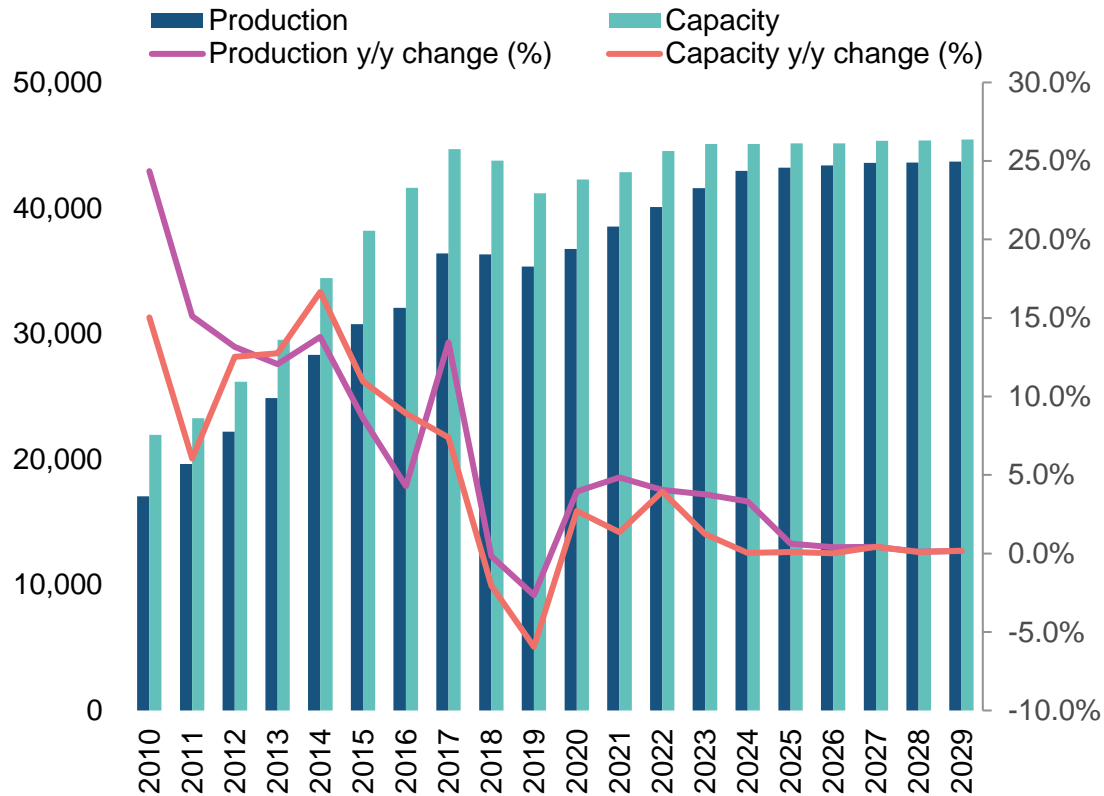
Alumina is a raw material. The risk is whether China will try to control the exports of alumina.



China primary aluminium production to grow very slowly

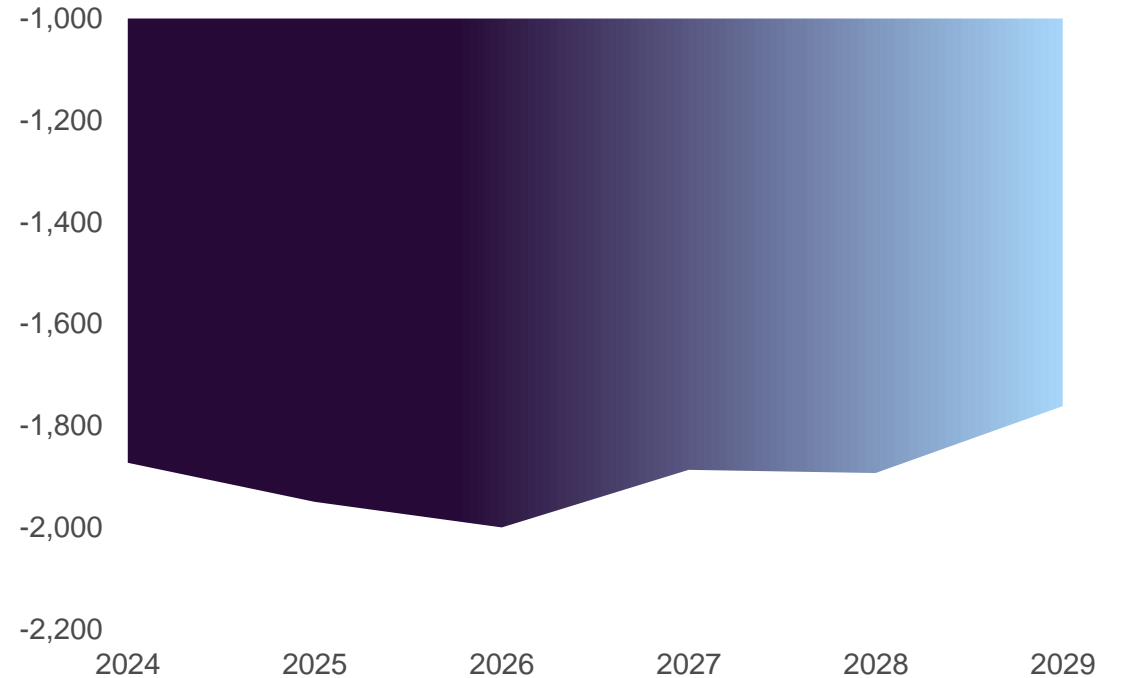
China smelting capacity to reach the ceiling

China primary aluminium production and capacity, '000 t



China will remain a net importer of primary aluminium

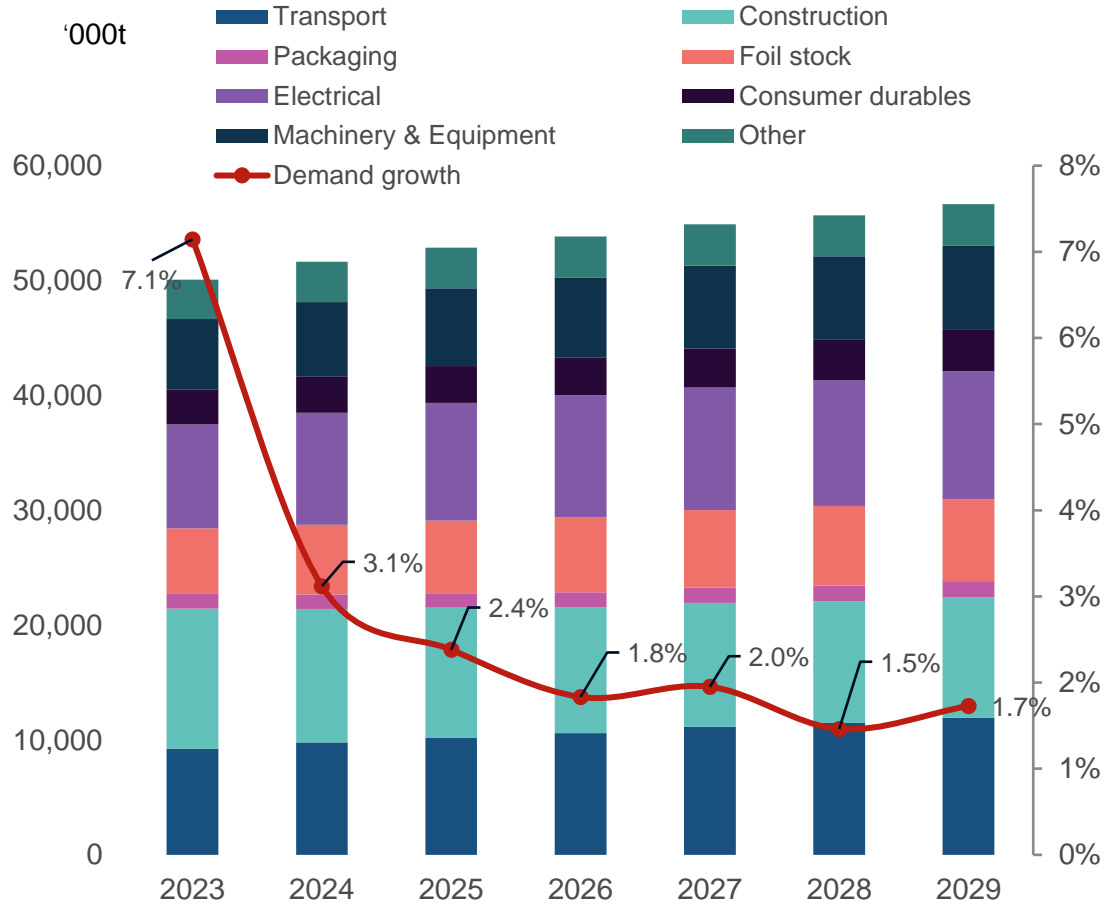
China net imports of primary aluminium, '000 t





Stimulus package to help semis demand maintain growth in China

Chinese semis demand forecast



China's semis demand growth by sectors

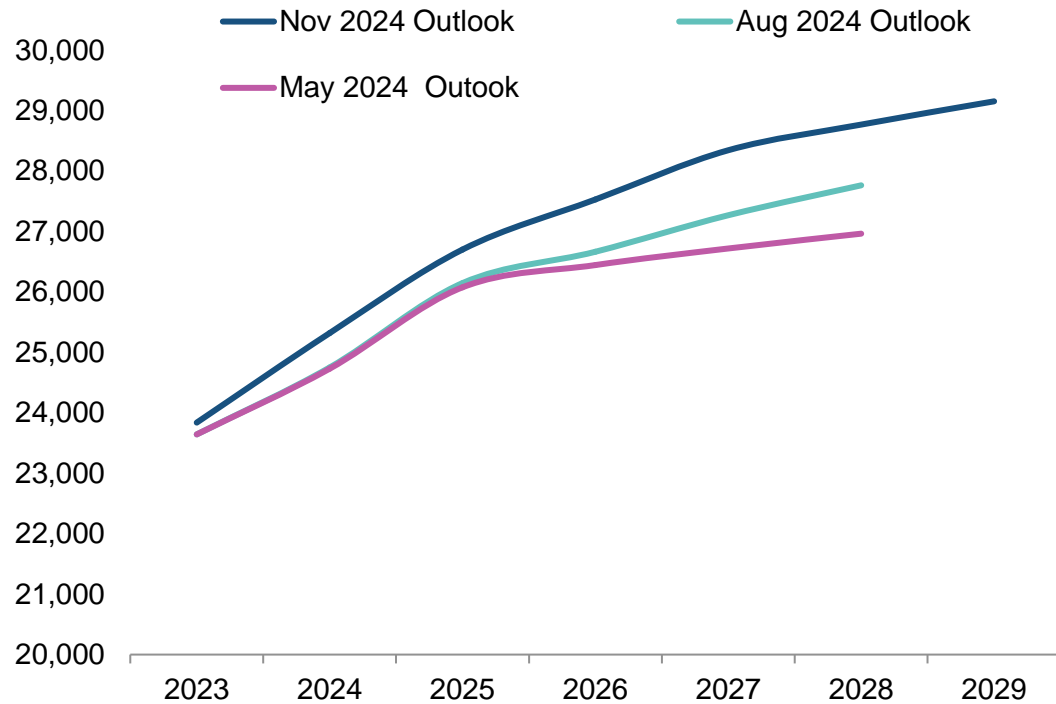




China's rolling capacity growth faster than expected

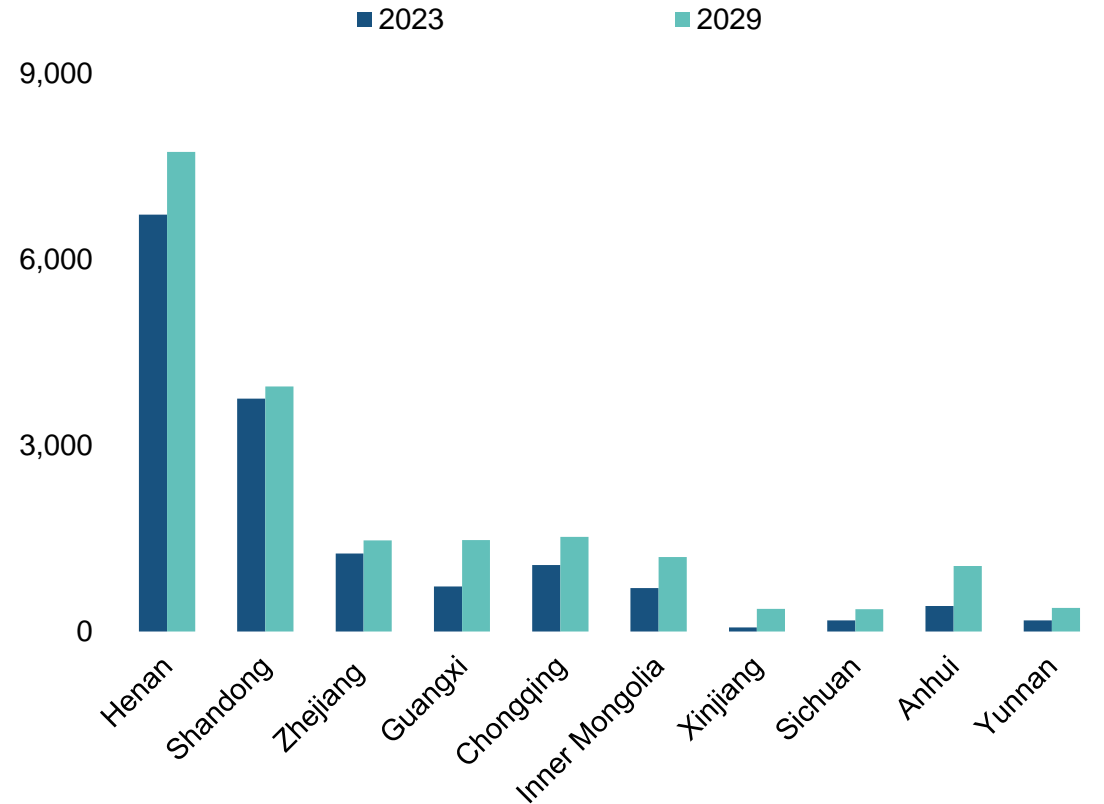
Chinese rolling capacity revised up by 800 kt/y in 2028

China rolling capacity, 2023-2029, 000 t/y



Major provinces have big investments in new rolling mills

Rolling capacity changes in the major provinces with new investments, 000 t/y

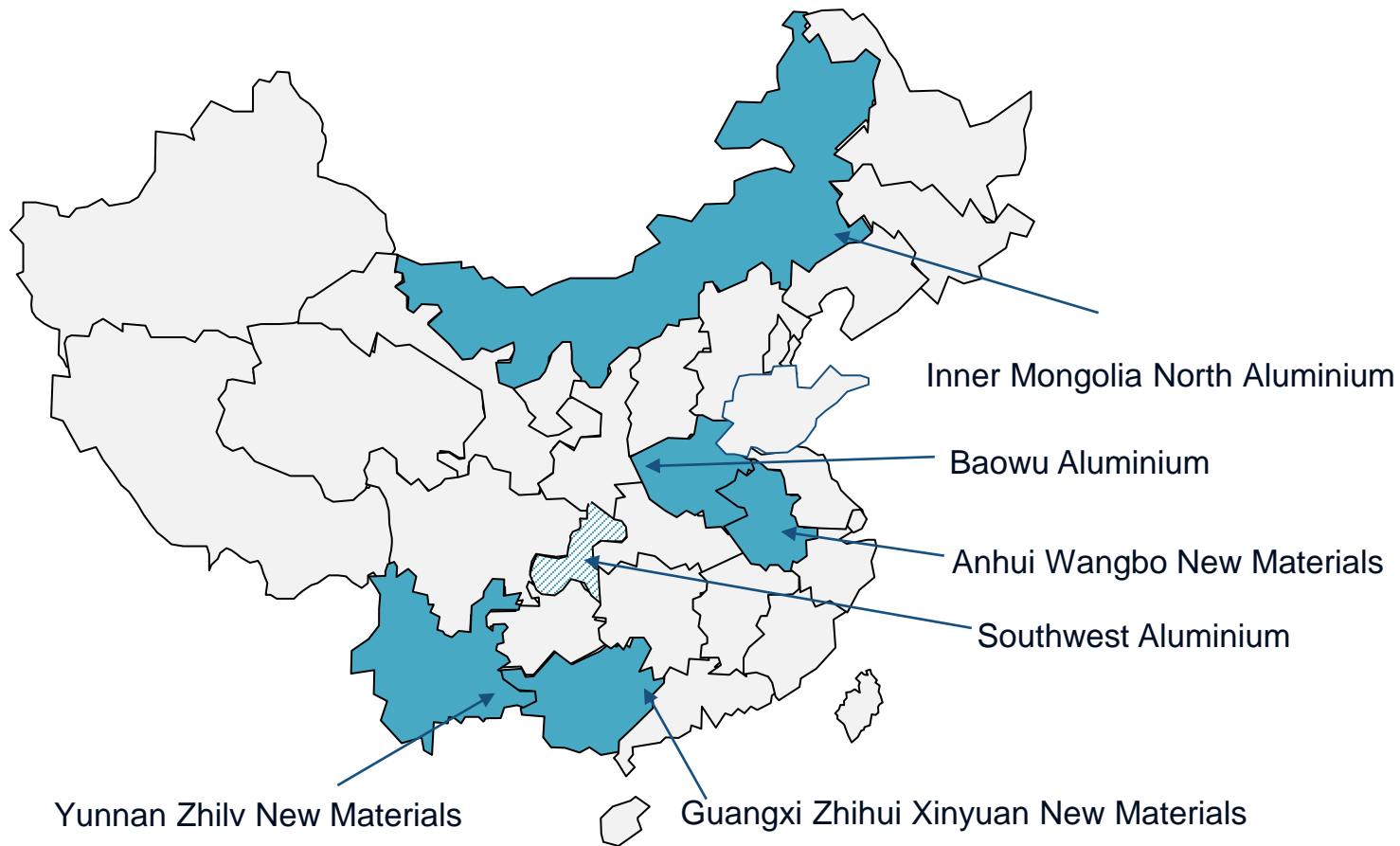


DATA: CRU



More modern projects are planned/constructed in China

New big rolling mills planned/constructed in China



Most new rolling projects target 1+4 hot tandem mills

China has 15 hot tandem lines with technology at 1+4 and above. These hot tandem capacity totals 6.46 Mt/y. Except for the hot tandem at Asia Aluminium, which is idled, all the other 14 lines are operating. 6 of them use SMS Demag technology. Most of the hot tandem lines target can stock, auto body sheet, aerospace plate.

China is adding another two 1+4 hot tandem lines and one 1+1+4 hot tandem.

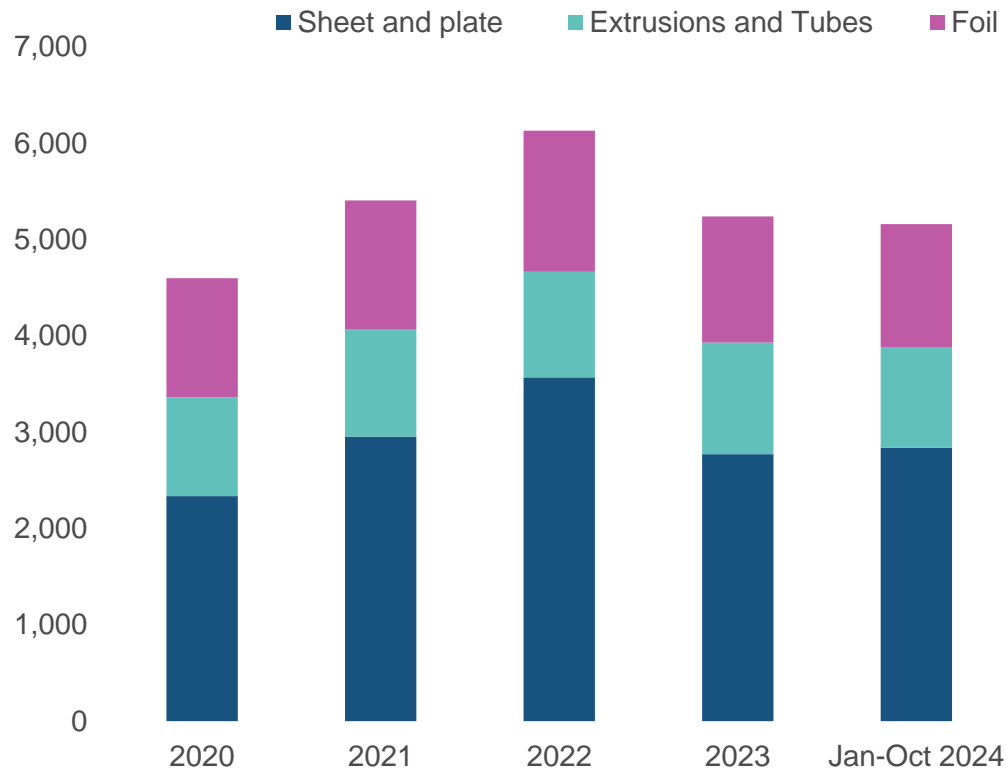
In addition, China has 6 1+3 hot tandem lines with capacity totaling 2.4 M t/y.

DATA: CRU

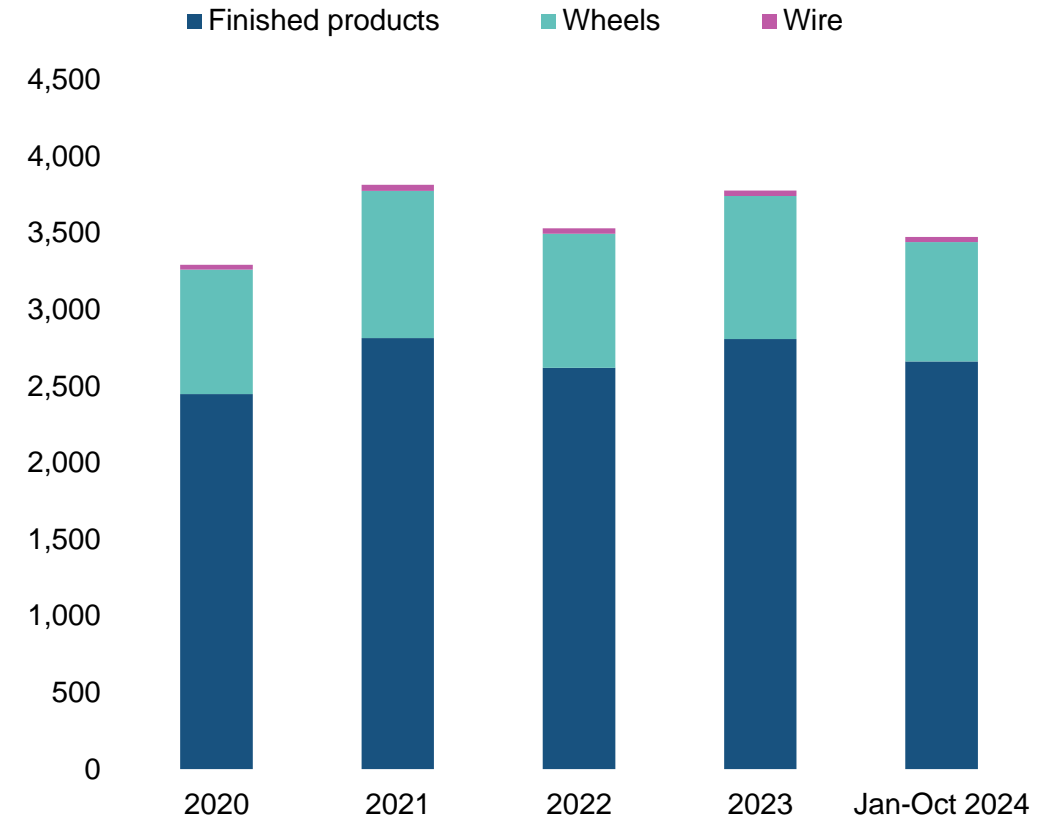


China vat rebate removal, negative for semis, but positive for finished products

China aluminium semis exports, 000t



China finished products, wheels and wire exports, 000t





Almost all types of scrap with grade over 91% can be exported into China

China simplified the scrap import policy

	HS codes	Inclusions	Others
2023 version standard	Recycling material for cast aluminium alloys 760200020	≥91%	
MEE's notice in July 24	Recycling material for pure aluminium, 76020030, Recycling material for wrought aluminium, 760200040	≥91%	The quantity of the raw material containing the coating should not be greater than 5% of the total quantity of the raw material
MEE's final notice in Oct 24	Recycling material for pure aluminium, 76020040, Recycling material for wrought aluminium, 760200050, recycling material for cast aluminium, 760200020 and 760200030.	≥91%	Not mentioning the weight of coating

UBC can be exported into China under the new policy

The scrap adjustment policy has been effective from 15 November 2024.

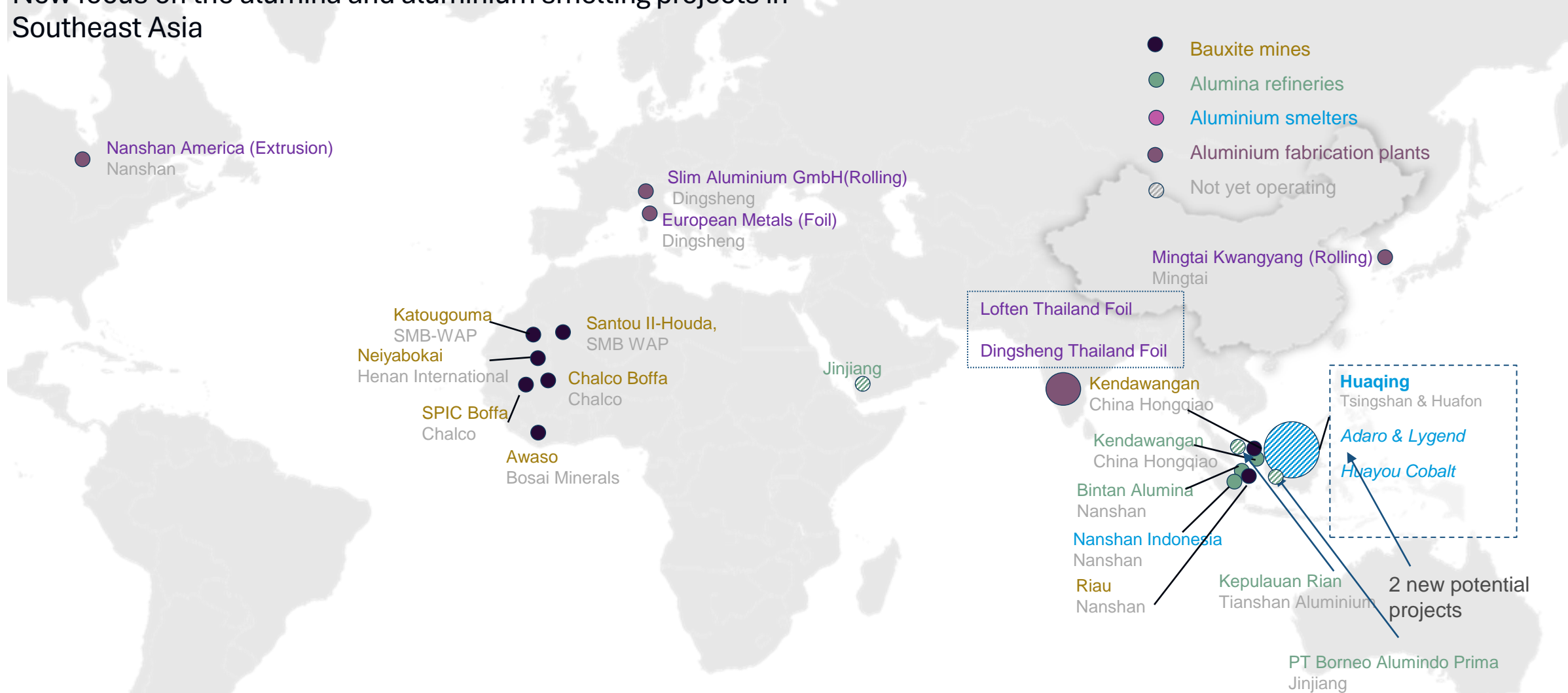
Under the new policy, China welcomes imports of almost all types of scrap with grade over 91% including UBC.

The import volume will depend on the scrap availability ex-China.

SOURCE: MEE, CRU

China investment abroad to accelerate

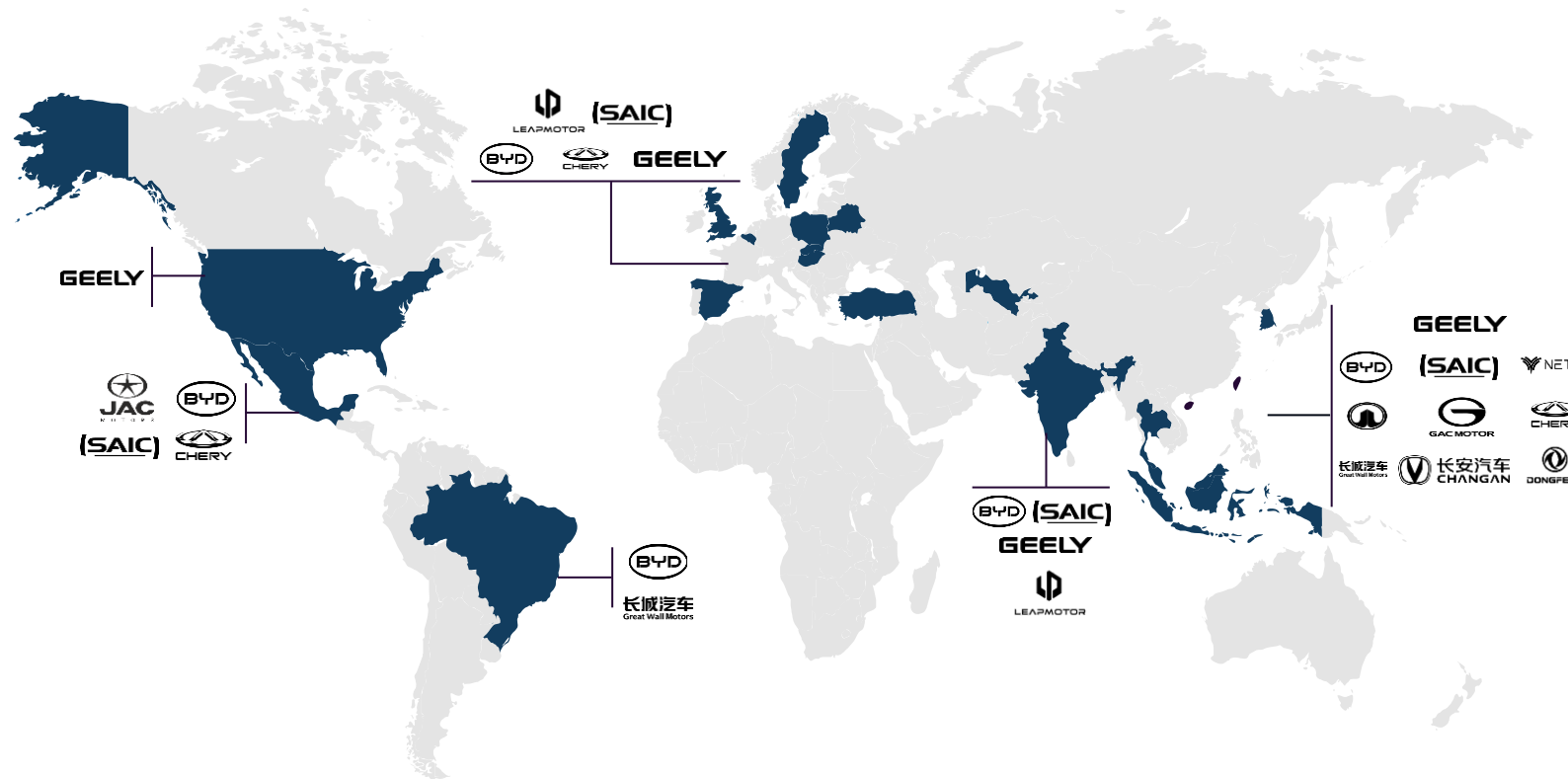
New focus on the alumina and aluminium smelting projects in Southeast Asia





Chinese companies are expediting global expansion, leveraging cost advantages

Major Chinese BEV overseas production plans



Intense domestic competition & rising protectionism prompts Chinese OEMs to build overseas

Expand overseas, where there is less competition, and an opportunity to maximize profits to offset shrinking margins in China

Localisation allows Chinese OEMs to bypass import tariffs

Localisation has emboldened them to focus on 'Rest of World' emerging markets

DATA: CRU, company announcements. Includes kit production



China's roles in global aluminium market

	Supply	Demand	Import	Export	Overseas investment
Bauxite	Down	Up	Up	No	Up
Alumina	Up	Flat	Down	Up	Up
Primary aluminium	Flat	Up	?	No	Up
Aluminium semis	Up	Up	Down	?	Up
Aluminium scrap	Up	Up	Up	No	Flat



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