

European Aluminium confirms positive market outlook despite trade challenges

Düsseldorf, 11 October 2018 – At ALUMINIUM 2018, Europe’s leading aluminium trade fair, European Aluminium confirmed that the outlook for the European aluminium market is positive. Overall, the industry shows positive numbers for semifabricated products driven by the strong demand in the transport sector, and a good performance in the building and construction, packaging and machinery sectors. European primary production, however, is experiencing temporary clouds due to trade challenges including the U.S. tariffs on aluminium, sanctions on Rusal and Chinese overcapacity.

“Trade frictions are a reality. The multilateral global trade system is not equipped to rebuild a level playing field for our industry and other strategic industries. Despite this context, our extrusion and rolling markets are showing a positive outlook and an optimistic short-term future due to the vitality of the automotive sector and a high demand for aluminium for aerospace applications and in the building and construction and packaging sectors. Thanks to its superior properties aluminium remains in high demand by leading industries,” said European Aluminium’s Director General Gerd Götz.

European Aluminium estimates 2% growth in the extrusion market for 2018 and 2019 with the total market in Europe amounting to 3.2 million tonnes. However, trade data from the European Union also indicate a strong increase of 14% in non-European imports during the six first months of 2018, with Chinese imports representing the lion’s share.

For flat-rolled products, strong growth of 3% is forecasted for the year 2018 with continued growth expected in 2019. The total European market estimated to be 5.3 million tonnes. As a result of the growing demand, rolling companies have produced 3% more in the first half of this year than during the same period last year, but while exports outside Europe grew by 10%, trade data also indicate a double-digit increase in imports during the same period.

While the rolling and extrusion markets are showing strong numbers, European primary production has declined by 1% during the first half of the year. The reason is the U.S. sanctions against the Russian aluminium producer Rusal, which is a major supplier of the EU’s primary metal and alumina. Last year, Rusal exported 1.6 million tonnes of primary aluminium to the EU which represents around 20% of the EU’s imports of primary metal. In addition, around 45% of the EU’s supplies of alumina, the raw material needed to produce primary aluminium, is supplied by Rusal.

“Securing alumina supplies to our smelters in Europe should be seen as one of the cornerstones of aluminium industrial policy. We cannot secure a functioning aluminium value chain from production to recycling without a reliable supply of alumina. Uncertainty about short-term supplies means less production, less innovation, and more metal dependency. Europe needs to voice its concerns to preserve investments and jobs and restore production levels soon,” concluded Götz.

About European Aluminium:

European Aluminium, founded in 1981 and based in Brussels, is the voice of the aluminium industry in Europe. We actively engage with decision makers and the wider stakeholder community to promote the outstanding properties of aluminium, secure growth and optimise the contribution our metal can make to meeting Europe’s sustainability challenges. Through environmental and technical expertise, economic and statistical analysis, scientific research, education and sharing of best practices, public affairs and communication activities, European Aluminium promotes the use of aluminium as a material with permanent properties that is part of the solution to achieving sustainable goals, while maintaining and improving the image of the industry, of the material and of its applications among their stakeholders. Our 80+ members include primary aluminium producers; downstream manufacturers of extruded, rolled and cast aluminium; producers of recycled aluminium and national aluminium associations are representing more than 600 plants in 30 European countries. Aluminium products are used in a wide range of markets, including automotive, transport, high-tech engineering, building, construction and packaging.