ALUMINUM[1]

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

Domestic Production and Use: In 2005, 6 companies operated 15 primary aluminum smelters; 4 smelters continued to be temporarily idled. Based upon published market prices, the value of primary metal production was $4.8 billion. Aluminum consumption was centered in the East Central United States. Transportation accounted for an estimated 39% of domestic consumption; the remainder was used in packaging, 28%; building, 14%; consumer durables, 6%; electrical, 6%; and other, 7%.

Salient Statistics—United States:	2001	2002	2003	2004	2005[e]
Production:					
Primary	2,637	2,707	2,703	2,516	2,500
Secondary (from old scrap)	1,210	1,170	1,070	1,160	1,100
Imports for consumption	3,740	4,060	4,130	4,720	5,600
Exports	1,590	1,590	1,540	1,820	2,300
Consumption, apparent[2]	6,230	6,320	6,130	6,590	6,800
Price, ingot, average U.S. market (spot), cents per pound	68.8	64.9	68.1	84.0	88.0
Stocks:					
Aluminum industry, yearend	1,300	1,320	1,400	1,470	1,550
LME, U.S. warehouses, yearend[3]	28	45	207	116	150
Employment, number[4]	71,200	61,700	58,000	56,900	56,000
Net import reliance[5] as a percentage of apparent consumption	38	39	38	44	47

Recycling: In 2005, aluminum recovered from purchased scrap was about 3 million tons, of which about 63% came from new (manufacturing) scrap and 37% from old scrap (discarded aluminum products). Aluminum recovered from old scrap was equivalent to about 16% of apparent consumption.

Import Sources (2001-04): Canada, 58%; Russia, 17%; Venezuela, 5%; Brazil, 3%; and other, 17%.

Tariff: Item	Number	Normal Trade Relations 12-31-05
Unwrought (in coils)	7601.10.3000	2.6% ad val.
Unwrought (other than aluminum alloys)	7601.10.6000	Free.
Waste and scrap	7602.00.0000	Free.

Depletion Allowance: Not applicable.[1]

Government Stockpile: None.

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ALUMINUM

Events, Trends, and Issues: Domestic primary aluminum production decreased slightly owing to cutbacks attributed to increased energy and alumina costs. Most of the production decreases continued to take place in the Pacific Northwest. Domestic smelters operated at about two-thirds of rated or engineered capacity.

Net imports for consumption increased 14%, filling the supply deficit created by increased demand and decreased domestic production. Canada and Russia accounted for approximately two-thirds of total imports. U.S. exports also increased in 2005. Canada, China, and Mexico, in descending order, received more than three-fourths of total U.S. exports.

The price of primary aluminum fluctuated through September 2005, but was generally higher than that of 2004. In January, the average monthly U.S. market price for primary ingot quoted by Platts Metals Week was 89.8 cents per pound; it reached a high of 96.9 cents per pound in March; and in September, the price was 86.5 cents per pound. Prices on the London Metal Exchange (LME) followed the trend of U.S. market prices. The monthly average LME cash price for September was 83.4 cents per pound.

World primary aluminum production continued to increase as capacity expansions outside the United States were brought onstream. Inventories of metal held by producers, as reported by the International Aluminium Institute, increased through the end of August to about 3.4 million tons from 3.2 million tons at yearend 2004. Inventories of primary aluminum metal held by the LME decreased slightly during the year to 512 thousand tons at the end of September from 693 thousand tons at yearend 2004.

World Smelter Production and Capacity:

	Production		Yearend capacity	
	2004	2005[e]	2004	2005[e]
United States	2,516	2,500	3,700	3,700
Australia	1,900	1,920	1,910	1,930
Brazil	1,460	1,470	1,450	1,470
Canada	2,590	2,800	2,790	3,010
China	6,670	7,200	8,260	9,250
Mozambique	547	550	542	554
Norway	1,320	1,350	1,320	1,380
Russia	3,590	3,650	3,640	3,760
South Africa	863	830	850	858
Venezuela	624	620	646	650
Other countries	7,710	8,300	8,510	8,900
World total (rounded)	29,800	31,200	33,600	35,500

World Resources: Domestic aluminum requirements cannot be met by domestic bauxite resources. 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, steel, and wood can substitute for aluminum in construction. Glass, paper, plastics, and steel can substitute for aluminum in packaging.

[e]Estimated.

[1]See also Bauxite and Alumina.

[2]Domestic primary metal production + recovery from old aluminum scrap + net import reliance.

[3]Includes aluminum alloy.

[4]Alumina and aluminum production workers (North American Industry Classification System—3313). Source: U.S. Department of Labor, Bureau of Labor Statistics.

[5]Defined as imports – exports + adjustments for Government and industry stock changes.